

Aegon Russia Equity Fund institutional series

GENERAL INFORMATION

Fund Manager:	AEGON Hungary Fund Manager Ltd.
Custodian:	Unicredit Bank Hungary Zrt.
Main distributor:	AEGON Hungary Fund Manager Ltd.
Benchmark composition:	95% RXUSD Index + 5% US Libor Total Return 1M Index
ISIN code:	HU0000709514
Start:	12/10/2010
Currency:	HUF
Total Net Asset Value of the whole Fund:	6,671,694,708 HUF
Net Asset Value of institutional series:	3,249,428,554 HUF
Net Asset Value per unit:	2.074194 HUF

INVESTMENT POLICY OF THE FUND:

The fund aims to share in the yields of the Russian equity market, and to profit from Russia's economic growth through share price gains and dividend income. Given the risk profiles of the equity investments, the fund is classified as a high-risk investment. The fund's portfolio primarily consists of the publicly issued shares of foreign companies. The main investment targets are the stock exchange-traded shares of companies that maintain an active presence in Russia or the former CIS states, or which generate the bulk of their revenues in these countries. When building the fund's portfolio, beyond the minimum statutory requirements, the principles of safety and maximum diversification (the spreading of risk) are observed. The fund management company, exercising all due care, determines the means of utilising the fund's resources on the basis of its own judgement and decisions, while observing the relevant legal provisions and the limitations stipulated in the Fund Documentation and by taking into account the macroeconomic environment of the investment markets, relying primarily on fundamental analysis. When compiling the portfolio, it is shares that determine the nature of the fund, and thus the proportion of shares that may be held in the fund at any given moment may reach the prevailing statutory maximum. The weights, within the portfolio, of shares traded in the Russian market are determined with a view to ensuring that the fund - in line with our expectations with regard to future risks and yields - achieves its objective, which is to outperform the benchmark advertised by the fund, over the longer term. The fund records its assets in forint; the fund management company may, at its own discretion, choose to hedge all or a part of its currency risks with forward currency positions, in compliance with the applicable statutory requirements. Under the current legislation the proportion of shares in the portfolio may be up to 100%.

DISTRIBUTORS

Aegon Magyarország Befektetési Alapkezelő Zrt., Raiffeisen Bank Zrt.

NET PERFORMANCE OF THE SERIES

NET ASSET VALUE PER SHARE, 07/01/2016 - 06/30/2017



— Aegon Russia Equity Fund institutional series — Benchmark

Past performance is no guarantee of future results. This report should not be considered as an offer or investment advisory. The Fund Prospectus contains the detailed conditions of the investment. The distribution costs of the fund purchase can be found at the distributors.

RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields: 19.50 %

Annualized standard deviation of the benchmark's weekly yields: 19.61 %

INVESTMENT HORIZON:

Suggested minimum investment period:



Risk and Reward Profile:



MARKET SUMMARY:

After the slight increase in May, the main equity indices were stagnating in June. Although the technical analyst of JP Morgan expects the culmination in the stock markets during the summer with a correction in Autumn, Deutsche Bank does not project any recession in the next 12 months.

The ECB has reduced its inflation forecast mainly due to the decrease of the oil price. In the British parliamentary elections, the Conservative Party was unable to retain an absolute majority - as a result the Pound decreased sharply. In the second half of the month, the first negotiation and negotiation schedule for Brexit negotiations was launched. In line with expectations, in the second round of the French elections, Emmanuel Macron's party had an absolute majority. At the end of the month, European decision-makers have extended the sanctions against Russia for another 6 months until January 2018.

At the beginning of June, due to the news of rising Libyan production to three-year highs, oil short positions were opened, and by the middle of the month, oil prices decreased led by fears of over-supply, although the launch of the blockade against Qatar had a slight rebounding effect. After the disappointment at the OPEC meeting, oil only returned to level 45 only at the end of the month when it became apparent that the inventory increased by 118k instead of the expected decrease of 2.2 million barrels.

At the beginning of the month, the US long yield dropped to its 2017 low as a result of disappointment with Trump, weak inflation and strengthening yen; furthermore, in the second week of June, Nasdaq turned down. As it was expected, the FED increased the base rate by 25 bps.

In Asia, Japanese market was supported by excellent macro data, while the Chinese H-stocks decreased because of the arrest of Anbang's CEO. In accordance to the MSCI decision in June, the Chinese A-shares were included in MSCI Emerging Market Index, but Argentina was left out.

Looking at the emerging European markets, the Russian market was an underperformer in June. There was a sharp decline in the oil prices (due to the disappointment in OPEC meeting and increased production coming from Nigeria and Libya) but there was also a correction around the end of the month. So far the ruble was strong, however has weakened during the month. In addition, the American sanctions were extended. We had an overweight position in Lukoil which performed well while Sberbank did not.

ASSET ALLOCATION OF THE FUND ON 06/30/2017

Asset type	Weight
International equities	97.62 %
Current account	1.67 %
Receivables	1.09 %
Liabilities	-0.37 %
total	100.00 %
Derivative products	0.00 %
Net corrected leverage	100.00 %

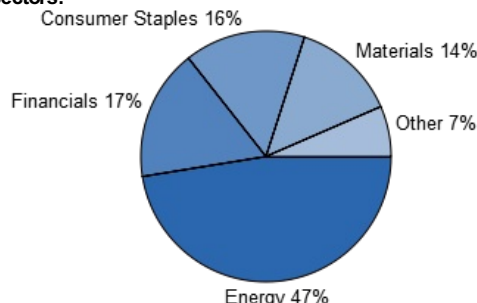
TOP 5 POSITIONS

SBERBANK-Sponsored GDR
 ROSNEFT OIL COMPANY GDR
 LUKOIL GDR NEW
 NOVATEK OAO GDR
 MAGNIT OJSC.SPON

Assets with over 10% weight

SBERBANK-Sponsored GDR

Stocks by sectors:



NET YIELD PERFORMANCE OF THE SERIES:

Interval	Yield of note	Benchmark yield
From start	-1.22 %	-2.25 %
2016	52.01 %	49.47 %
2015	12.51 %	9.86 %
2014	-31.20 %	-31.22 %
2013	-0.40 %	-1.19 %
2012	6.45 %	7.91 %
2011	-10.94 %	-12.34 %