

Aegon Russia Equity Fund PI 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:	HU0000713144
Start:	12/30/2013
Currency:	PLN
Total Net Asset Value of the whole Fund:	5,648,880,800 HUF
Net Asset Value of PI series:	106,448 PLN
Net Asset Value per unit:	1.064476 PLN

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 Towarzystwo Ubezpieczen na Zycie Spolka

NET YIELD PERFORMANCE OF THE SERIES:

Interval	Yield of note	Benchmark yield
From start	1.68 %	-0.27 %
2016	58.87 %	55.88 %
2015	13.15 %	10.49 %
2014	-33.33 %	-33.34 %

NET PERFORMANCE OF THE SERIES

NET ASSET VALUE PER SHARE, 10/01/2016 - 09/30/2017



— Aegon Russia Equity Fund PI 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.

INVESTMENT HORIZON:

Suggested minimum investment period:



Risk and Reward Profile:



MARKET SUMMARY:

Positive market sentiment continued in the markets in September thus the American main equity indices reached an absolute peak and the German DAX and the French CAC 40 indices broke out from their decreasing trend channel.

In September, rhetorical conflict between the United States and North-Korea continued after the Phenjan regime exploded an underground hydrogen bomb at the beginning of the month. The experimental explosion has increased risk aversion somewhat but investors are getting used to this kind of news. The United Nations Security Council endorsed the tightening of the sanctions against North-Korea; first, the country's textile import has been banned, second, the oil import has been limited and Chinese banks began restricting the financial operations of North-Korean companies. The FOMC (Federal Open Market Committee) is about to start reducing its balance sheet by \$ 10 billion in October. Despite the lower inflation rates, the market expects an interest rate rise in December. Donald Trump agreed with Congressional Democrats to raise the debt limit to 3 months, generating an internal conflict within the Republican Party.

Among the European Union member states, for the first time Austria issued a 100-year government bond this month. In the German parliamentary election, the CDU/CSU won by 32.8 percent which is lower than expected, while the anti-immigration and anti-euro AfD proved to be stronger and got 13 percent of the votes. First a "Jamaican" coalition is expected by the market, meaning CDU/CSU, FDP and Greens agreement. All of these have a neutral effect on the Euro, however the British could have more difficulties in dealing with Brexit.

In the middle of the month, S&P surprised the market expectations and upgraded the Portuguese government debt to the lowest grade of the investment category (BBB-), while China's long-term government debt was degraded to "A+". Because of the uncertainty of Brexit and deteriorating growth prospects, the British government debt was also degraded to "Aa2" by Moody's. As a result the British currency has plunged.

In September, oil price reached a 5-month peak due to the rumor of falling oil exports in the Kurdistan region, the rise in global oil demand and the decline in inventories.

In September, the market's good performance continued thus the Russian market outperformed in the region. The markets were supported by the rebound of the oil sector and the stable Ruble. In the month, we closed our off-benchmark Globaltrans exposure before dividend payment. Furthermore, we continue to hold our retail and banking sectors overweight and we have also started to build smaller positions in the fund.

ASSET ALLOCATION OF THE FUND ON 09/30/2017

Asset type	Weight
International equities	95.49 %
Current account	4.69 %
Liabilities	-0.41 %
Receivables	0.24 %
total	100.00 %
Derivative products	0.00 %
Net corrected leverage	100.00 %

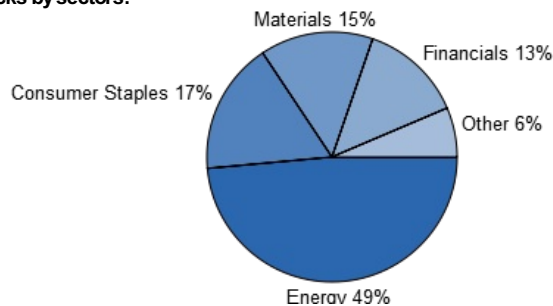
TOP 5 POSITIONS

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

Assets with over 10% weight

There is no such instrument in the portfolio

Stocks by sectors:



RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields: 18.53 %
Annualized standard deviation of the benchmark's weekly yields: 18.72 %