

Aegon Russia Equity Fund HUF 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:	HU0000707401
Start:	12/04/2008
Currency:	HUF
Total Net Asset Value of the whole Fund:	5,412,246,197 HUF
Net Asset Value of HUF series:	2,806,155,648 HUF
Net Asset Value per unit:	2.157037 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., CIB Bank Zrt., Codex Tőzsdetűgynökség és Értéktár Zrt., Commerzbank Zrt., CONCORDE Értékpapír Zrt., Equilor Befektetési Zrt., Erste Befektetési Zrt., KBC Securities Magyarországi Fióktelepe, OTP Bank Nyrt., Raiffeisen Bank Zrt., SPB Befektetési Zrt., Takarékbank Zrt, Unicredit Bank Hungary Zrt.

NET YIELD PERFORMANCE OF THE SERIES:

Interval	Yield of note	Benchmark yield
From start	9.01 %	10.66 %
2016	50.80 %	49.47 %
2015	11.61 %	9.86 %
2014	-32.35 %	-31.22 %
2013	-1.93 %	-1.19 %
2012	4.76 %	7.91 %
2011	-11.05 %	-12.34 %
2010	35.75 %	35.82 %
2009	78.23 %	103.33 %

NET PERFORMANCE OF THE SERIES

NET ASSET VALUE PER SHARE, 11/01/2016 - 10/31/2017



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.

MARKET SUMMARY:

Positive market sentiment continued on the stock exchanges; the main equity indices (S&P 500, DAX, Nikkei, BUX) reached an absolute peak in October with extreme low volatility. In addition, the third quarterly earnings season has begun thus company results also move the markets.

Overseas, the market is waiting for the details of the tax reform and the announcement of the Fed Chairman. It is expected that President Donald Trump will nominate Jerome Powell to the top job at the US central bank, expecting to pursue the current monetary policy. Thanks to the strong consumption and higher inventories the US economy grew by 3 per cent in the third quarter that is more than the expected 2.5%. As a result of the strong US macro data and the weaker Euro, the Euro has dropped to a three months low against the Dollar. Furthermore, the 10-year US bond was traded at 2.45 percent which is the highest number since March but yields started to decline by the end of the month.

At the beginning of the month, the Catalan independence referendum was in the limelight of the European market and the results led to a drop in the Spanish equities. The Spanish tension continued to intensify after the Catalan parliament voted to leave Spain which was replied by the Spanish Government by dissolution of the Catalan government and ordaining early elections in December. In the month, in line with the market consensus the European Central Bank did not change interest rates and announced a reduction in its bond purchase program from January 2018 to EUR 30 billion per month but did not set the date of completion of the program. After the news the Euro has significantly weakened. The European raw material sector reached its four-year peak as the core commodity prices rose and Citigroup has also upgraded the sector.

Oil prices also increased in October and hit 54.5 dollar per barrel as OPEC oil extraction quotas are expected to be prolonged and inventories decreased more than expected.

Despite of the 9-month peak of oil prices, the Russian market closed the month in the red, while the fund outperformed its benchmark index. The biggest fall was suffered by the Magnit and X5 papers because of their weaker-than-expected third quarterly reports. In the fund, we kept the local equity of Magnit instead of GDR paper, from which the fund benefited.

ASSET ALLOCATION OF THE FUND ON 10/31/2017

Asset type	Weight
International equities	98.19 %
Current account	2.56 %
Liabilities	-1.84 %
Receivables	1.10 %
total	100,00 %
Derivative products	0.00 %
Net corrected leverage	100.06 %

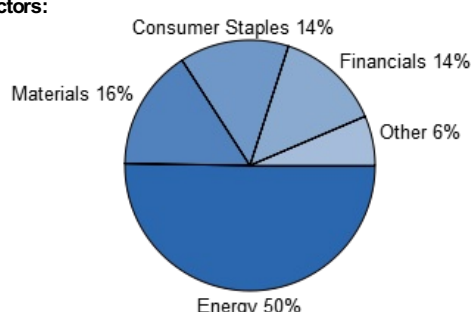
TOP 5 POSITIONS

SBERBANK-Sponsored GDR
LUKOIL GDR NEW
ROSNEFT OIL COMPANY GDR
TATNEFT GDR új
NORILSK NICKEL PJSC MMC

Assets with over 10% weight

SBERBANK-Sponsored GDR
LUKOIL GDR NEW

Stocks by sectors:



RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields: 18.73 %
Annualized standard deviation of the benchmark's weekly yields: 18.90 %

INVESTMENT HORIZON:

Suggested minimum investment period:



Risk and Reward Profile:

