

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:	5,047,043,003 HUF
Net Asset Value of institutional series:	1,664,219,502 HUF
Net Asset Value per unit:	2.251202 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 YIELD PERFORMANCE OF THE FUND:

Interval	Yield of note	Benchmark yield
From start	0.02 %	-1.18 %
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 %

NET PERFORMANCE OF THE FUND

NET ASSET VALUE PER SHARE, 12/01/2016 - 11/30/2017



— 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.

INVESTMENT HORIZON:

Suggested minimum investment period:



Risk and Reward Profile:



MARKET SUMMARY:

Overseas, the tax reform was in the limelight of the markets. At the beginning of the month, it was said that the start of the corporation tax cuts will be put off by 1 year and the Republican majority was also questionable, thus the American market has slumped somewhat. However, after the Senate accepted the draft of the tax reform, the market sentiment became better and the investors pulled the market to a new high level. In line with the expectations, Donald Trump has nominated Jerome Powell as the new chairman of the FED, it is expected that he will continue the current monetary policy. At the beginning of the month, the bank shares have plunged after the US yield curve continued to flatten, on the short side the interest rate rise, while on the long side the low inflation was priced in by the investors. At the end of the month, Powell highlighted that there is no need for further regulation of the financial sector and the existing rules should also be revised, it resulted a rise in the bank shares. There was a drop in the junk bond market in November, caused by the problems of the telecommunication companies, the accelerated outflow and the negative rumour of the issuance companies. In the month, North Korea has broken a two-month period of relative quiet by firing an intercontinental ballistic rocket.

November was a busy month in Europe, the German coalition talks has failed after the CDU/CSU could not agree with the Greens about several questions, but later Angela Merkel invited the German Social Democratic Party (SPD) to negotiate in the hope of forming a government. The first important Brexit agreement was born in November, according to the news, they agreed on the amount of the exit accounts, which could be somewhere between 45 and 55 billion Euros, the next critical issue is the question of the Irish / Northern Irish border.

The Euro strengthened against the Dollar in November, while the Euro was supported by the strong European PMI and the positive turn in the German coalition negotiations, the dollar's exchange rate was driven by expectations of interest rate hikes.

There was a little drop in the market of the energy sector, because the Norwegian national Fund could rid of their oil and gas related exposures to reduce their dependence of the sector. Despite this news, the crude oil has closed a positive month, after the oil reserves have fallen and Russia and the OPEC have extended the daily 1.8 million barrel oil production cuts by the end of 2018.

Despite the rise in the oil prices, the Russian market finished around its last month closing price with high volatility in Dollar terms. In the Russian market, Sberbank was the best performer in November thanks to the better-than-expected third quarterly report and the news that the company plans to raise dividends. In the fund, the retail sector is overweighted, which was underperforming this month, thus it had a negative effect on the fund's performance.

ASSET ALLOCATION OF THE FUND ON 11/30/2017

Asset type	Weight
International equities	97.81 %
Current account	2.43 %
Liabilities	-0.24 %
Receivables	0.01 %
total	100.00 %
Derivative products	0.00 %
Net corrected leverage	100.00 %

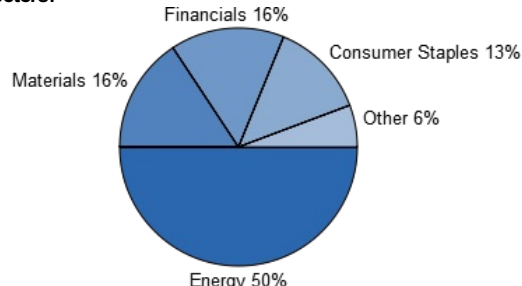
TOP 5 POSITIONS

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

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: 16.66 %
 Annualized standard deviation of the benchmark's weekly yields: 16.74 %