

Aegon Polish 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:	60% WIG-20 Index + 35% WIG-40 Index + 5% WIBOR 3M Index
ISIN code:	HU0000710850
Start:	11/18/2011
Currency:	PLN
Total Net Asset Value of the whole Fund:	122,185,322 PLN
Net Asset Value of institutional series:	109,961,017 PLN
Net Asset Value per unit:	1.465097 PLN

INVESTMENT POLICY OF THE FUND:

The fund aims to share in the yields of the Polish equity market, and to profit from Poland'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 manager's intentions are that the fund's portfolio should consist predominantly of the publicly traded shares of foreign-domiciled companies. The fund's primary investment targets are the exchange-traded securities of companies that are active in Poland or that generate the bulk of their revenues there, or whose shares are listed on the Warsaw Stock Exchange. The fund may also invest in the shares of other Central and Eastern European corporations. These are listed as Austria, the Czech Republic, Hungary, Russia, Romania and Turkey, although the portfolio will always chiefly consist of the shares of companies listed on the Warsaw Stock Exchange. When building the fund's portfolio, beyond the minimum statutory requirements, the principles of safety and maximum diversification (the spreading of risk) are observed. Accordingly, only publicly issued securities listed or in the process of being listed on the stock exchange will be purchased as equity investments. 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 of the shares within the portfolio are determined so as to ensure 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 holds more than 30% of its assets in a currency other than the domestic currency (HUF). In accordance with the current legislation, the proportion of shares in the portfolio may be up to 100%.

DISTRIBUTORS

Aegon Towarzystwo Ubezpieczeń na Życie Spółka

NET YIELD PERFORMANCE OF THE SERIES:

Interval	Yield of note	Benchmark yield
From start	6.44 %	4.57 %
2017	21.83 %	21.15 %
2016	11.88 %	9.38 %
2015	-10.34 %	-11.98 %
2014	-0.78 %	-2.02 %
2013	0.69 %	-1.47 %
2012	24.40 %	16.71 %

NET PERFORMANCE OF THE SERIES

NET ASSET VALUE PER SHARE, 01/01/2017 - 12/31/2017



— Aegon Polish 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: 11.18 %
 Annualized standard deviation of the benchmark's weekly yields: 10.91 %

MARKET SUMMARY:

Overseas, the good sentiment continued on the stock exchanges in the last month of the year, thus the American main equity indices closed 2017 around their absolute peak prices. On the European market the picture was mixed, the markets of the Region could rise in the last month but the Western-European indices plunged somewhat in December. Overall, the equity markets closed a positive year, the emerging market index could rise by more than 34%, while the developed market index could also increase their value by more than 20%.

The Dollar has weakened against the Euro in the last month of the year, even the successful voting of the tax reform could not help to the US currency, and thus the exchange rate broke through the crucial 1.2 level.

The US Dollar weakened by more than 14% against the Euro in 2017, the change in the Euro-Dollar trend was one of the most important trends in the foreign exchange market over the past year.

December was a busy month in the United States, in the first half of the month Donald Trump announced that he would like to acknowledge Jerusalem as the capital of Israel. In addition, in line with the expectations the FED increased the interest rate by 25 basis points, and the US tax reform has been voted successfully, it is the first significant political success of Donald Trump. In Europe, the Catalan situation continued to strain after the independence supporters gained an absolute majority in the parliamentary elections with 70 mandates. According to the news, the Italian parliamentary elections will be on March 4, this has led to a drop in the Italian assets. Based on a recent survey, 51% of the British people would vote for staying and only 41% would leave the EU. However, there was some good news in the European continent, the national debt of Portugal and Ireland has been upgraded, thus instead of BB+ Portugal has a rate BBB, which is already an investment category.

Oil prices also increased in the last month of the year and hit above 60 dollars per barrel due to the steadily declining oil supply. The price of the natural gas also rebounded this month, because a colder weather is waited in January in the United States.

The Polish market performed well in December, furthermore the small and mid caps performed in line with the large cap papers. Regarding the sectors, the developer and the banking sector performed well, while the oil and gas sector proved to be the weakest this month. In the Fund, the rise of the Netia share was remarkable thanks to the news that the Cyfrobay will gain share in the telecommunication company. We hold the weight of the shares above their long-term target weight and the consumer and retail sector is overweighted, while we are less optimistic on the telecom sector.

ASSET ALLOCATION OF THE FUND ON 12/31/2017

Asset type	Weight
International equities	97.53 %
Current account	3.03 %
Liabilities	-0.55 %
Receivables	0.01 %
total	100.00 %
Derivative products	0.00 %
Net corrected leverage	100.00 %

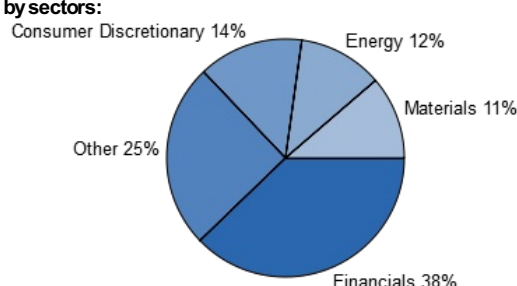
TOP 5 POSITIONS

PKO Bank
POWSZECHNY ZAKŁAD UBEZPIECZEŃ
Polski Koncern Naftowy
Bank Pekao SA
KGHM Polska SA

Assets with over 10% weight

There is no such instrument in the portfolio

Stocks by sectors:



INVESTMENT HORIZON:

Suggested minimum investment period:

3 months
 6 months
 1 year
 2 years
 3 years
 4 years
 5 years

Risk and Reward Profile:

very low
 low
 moderate
 intermediate
 significant
 high
 very high