

Aegon Istanbul Equity Fund PI series

GENERAL INFORMATION

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| Fund Manager: | AEGON Hungary Fund Manager Ltd. |
| Custodian: | Citibank Europe plc Magyarországi Fióktelepe |
| Main distributor: | AEGON Hungary Fund Manager Ltd. |
| Benchmark composition: | 95% TR20I Index + 5% ZMAX Index |
| ISIN code: | HU0000713151 |
| Start: | 12/30/2013 |
| Currency: | PLN |
| Total Net Asset Value of the whole Fund: | 3,878,110,499 HUF |
| Net Asset Value of PI series: | 9,337 PLN |
| Net Asset Value per unit: | 1.144632 PLN |

INVESTMENT POLICY OF THE FUND:

The fund aims to share in the yields of the Turkish equity market, and to profit from Turkey'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 primary investment targets are the stock exchange-traded shares of companies that maintain an active presence in Turkey, or that generate a substantial proportion of their revenues in the Turkish market. 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. When determining the weights, within the equity investments, of shares traded in the Turkish market, we aim 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 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 Ubezpieczeń na Życie Spółka

NET YIELD PERFORMANCE OF THE SERIES:

| Interval | Yield of note | Benchmark yield |
|------------|---------------|-----------------|
| From start | 3.23 % | 0.17 % |
| 2017 | 13.18 % | 12.08 % |
| 2016 | -2.04 % | -0.48 % |
| 2015 | -21.97 % | -25.44 % |
| 2014 | 36.87 % | 34.30 % |

NET PERFORMANCE OF THE SERIES

NET ASSET VALUE PER SHARE, 04/01/2017 - 03/31/2018



— Aegon Istanbul 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:

The markets in March were characterised by high volatility, although the main equity indices managed to rebound in the first part of the month, but they lost momentum and closed slightly below their last month's closing prices. The negative sentiment induced by the Facebook's data-spying scandal spread to the whole technology sector, thus the investors sold the papers with high pricing that was catalysed further by the fact that Trump targeted Amazon, it resulted an all-time drop among the FANG (Facebook, Amazon, Netflix, Google) papers.

In March, the markets were focused mostly on the case of the "trade-war", after Donald Trump had signed the tariff order on steel and aluminium imports. Furthermore, 60 billion Dollar tariff was imposed on Chinese goods, while China answered with retaliatory tariffs worth 3 billion dollars against US.

In the middle of the month, favourable American labour market data were published, it reflected to a strong economic growth, and there was not a big pressure on the wages, which had a positive effect on the equity market, thus the Nasdaq index managed to close at a new all-time high level.

In line with the expectations, the FED raised the base rate by 25 basis points, while the FOMC members still predict 3 interest rate hikes this year. The Euro managed to strengthen slightly against the Dollar in March, thus the EURUSD rate closed at 1.23 level.

Main changes were taken place among the American President's members, in the first part of the month, Gary Cohn, the Top Economic Advisor, announced his resignation (maybe due to the import tariffs), while Rex Tillerson, the Minister of Foreign Affairs, was fired by Trump.

In Europe, Parliamentary Elections were held in Italy but none of the Parties managed to gain absolute majority, while Five Star Movement won the most votes. Russia also went through presidential elections, just as expected Putin won with 76% of the votes, thus he remains the President for the oncoming 6 years. Tension escalated in Europe, when Theresa May accused Russia of being behind the poison attack, which caused diplomats expels in the Western-World, thus affected negatively the Russian assets.

Good news came from North-Korea in March, when Kim Jong-Un decided on giving up nuclear weapons, and held a historical non-official meeting in Beijing, furthermore he is believed to meet Trump.

Crude oil price managed to climb in March thanks to the declining of the outputs in Venezuela, meanwhile the API (American Petroleum Institute) predicted also a decrease in supply, and the investors also priced the abandon of the Iranian nuclear deal.

Although the fund closed the month in the red but managed to significantly outperform its benchmark index. In the fund, we continue to hold our position in the off-benchmark papers and the heavy underweighted positions in the banking sector, this allocation contributed positively to performance after the banking sector was significantly underperforming during the month. Overall, the weakening Turkish currency continues to put pressure on the Turkish market outlook.

ASSET ALLOCATION OF THE FUND ON 03/31/2018

| Asset type | Weight |
|------------------------|----------|
| International equities | 83.67 % |
| Current account | 16.63 % |
| Liabilities | -0.44 % |
| Receivables | 0.15 % |
| total | 100.00 % |
| Derivative products | 0.00 % |
| Net corrected leverage | 100.00 % |

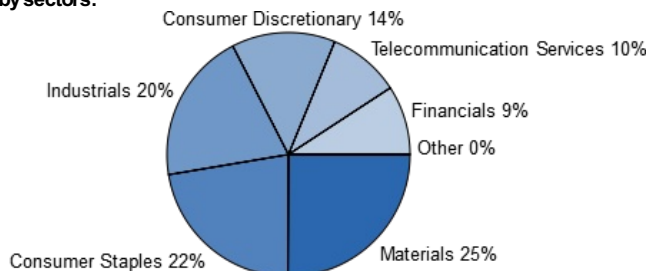
TOP 5 POSITIONS

BIRLESIK MAGAZALAR
 Hektas Ticaret T.A.S.
 TURKCELL ILETISIM HIZMET AS
 PETKIM PETROKIMYA HOLDING SA
 ARCELIK

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: 20.06 %

Annualized standard deviation of the benchmark's weekly yields: 19.97 %