

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:	5,794,985,563 HUF
Net Asset Value of PI series:	PLN
Net Asset Value per unit:	1.058565 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	1.30 %	-0.13 %
2017	-15.94 %	-18.62 %
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, 06/01/2017 - 05/31/2018



— 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:

However, the US equity market managed to rise in May, the European and Regional equity indices suffered a fall. The Dollar was able to strengthen significantly against the Euro, thus the EURUSD cross reached the 1.151 rate. At the beginning of the month, the US currency was boosted by the record high US export data, while the European geopolitical tension and the widening US-German yield gap have put pressure on the Euro, after the 10-year US government yield hit a 7-year-high and reached the 3.1 level.

Last month, the fears of some vulnerable emerging markets' currency crisis come to the light. In May, the Argentine peso weakened by more than 20 percent in one week compared to the Dollar. At the beginning of the month, the foreign exchange intervention did not bring the expected result, thus the local central bank had to raise the base rate to 40% to reduce the pressure on the Argentine currency. Moreover, the Argentine President Macri had to request for an IMF help to save the Peso. Similar situation took place in Turkey in May, the Turkish Lira fell to a new absolute low against the Dollar, which only the local central bank was able to curb somewhat by an extra 300 basis point interest rates raise. The fears of the emerging market currencies also reached Hungary, thus the Forint has weakened over the 320 limit against the Euro, which has not been seen since June 2016.

In Europe, the Italian political tensions were in the limelight. At the end of the month, State-President Mattarella did not endorse Giuseppe Conte's Financial Minister nominee, the euro-skeptic Paolo Savona, in response to this, the League and the Five Star Movement have given back the mandate of the government formation. Investors were afraid that Italy will leave the Eurozone, thus the Italian 10-year government yield has jumped to levels not seen since 2014.

Overseas, Trump's politics was a real roller coaster. In May, the US president declared that the US will officially quit the nuclear agreement with Iran, which the European countries are trying to maintain. Variable news came on the US-China trade war front as well, in the middle of the month we could hear some news about a cease-fire but by the end of the month, another tariff increase was announced. Similar situation took place in connection with the US-North-Korean summit (planned on June 12), the US president firstly resigned the meeting but by the end of the month, some good news emerged about this issue.

Oil price hit a new 3.5-year high in May, after the market participants worried about a significant downturn in Iran's oil supply, but the end of the month, the investors realized profit before the OPEC/Russian production negotiation.

The good performance of the fund was also caused by the weakening Forint, while in Dollar and in Rubel terms the Russian market closed at a flat in May. The Rubel was an outperformer among the emerging market equities last month, supported partly by the rise in oil prices. The best performing stock in the month was Novatek that was overweighted in the fund, while the weakest was VTB bank that we held at underweight, thus the fund was able to profit from both allocations.

ASSET ALLOCATION OF THE FUND ON 05/31/2018

Asset type	Weight
International equities	97.75 %
Liabilities	-21.34 %
Receivables	21.15 %
Current account	2.45 %
total	100,00 %
Derivative products	0.00 %
Net corrected leverage	100.00 %

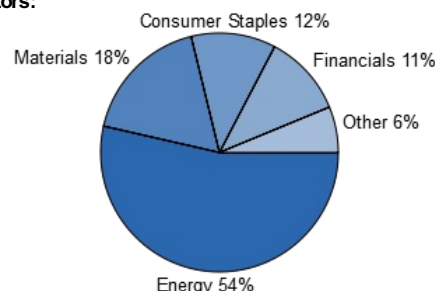
TOP 5 POSITIONS

TATNEFT GDR új
NOVATEK OAO GDR
LUKOIL GDR NEW
ROSNEFT OIL COMPANY GDR
NORILSK NICKEL PJSC MMC

Assets with over 10% weight

TATNEFT GDR új
NOVATEK OAO GDR
LUKOIL GDR NEW

Stocks by sectors:



RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields: 12.14 %

Annualized standard deviation of the benchmark's weekly yields: 12.23 %