

Aegon IstanBull Equity Fund

TRY series

GENERAL INFORMATION

Fund Manager:	AEGON Hungary Fund Manager Ltd.
Custodian:	Citibank Europe plc Magyarországi Fióktelepe
Main distributor:	AEGON Hungary Fund Manager Ltd.
Benchmark composition:	95% TR201 Index + 5% ZMAX Index
ISIN code:	HU00000710173
Start:	02/20/2012
Currency:	TRY
Total Net Asset Value of the whole Fund:	3,691,179,866 HUF
Net Asset Value of TRY series:	1,973,686 TRY
Net Asset Value per unit:	1.744672 TRY

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 Turkey Emeklilik ve Hayat A.Ş.

NET YIELD PERFORMANCE OF THE SERIES:

Interval	Yield of note	Benchmark yield
From start	9.02 %	7.31 %
2017	43.90 %	43.77 %
2016	9.05 %	11.88 %
2015	-12.41 %	-15.63 %
2014	26.42 %	25.81 %
2013	-15.13 %	-12.46 %

NET PERFORMANCE OF THE SERIES

NET ASSET VALUE PER SHARE, 08/01/2017 - 07/31/2018



----- Aegon IstanBull Equity Fund TRY 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: 23.66 %

Annualized standard deviation of the benchmark's weekly yields: 22.73 %

MARKET SUMMARY:

During July, a slight increase was observable in the price of the main equity indices; both developed and emerging markets managed to increase their value, moreover the US NASDAQ index hit a new historical peak. The second quarterly flash report season started last month, thus market movements were influenced not only by the "trade war" but also by the results of companies. Facebook's shares fell more than 20% after publishing its results because the number of users of the social media site grew less than analysts' expectations.

At the beginning of the month, the "trade war" between Washington and Beijing came to a new level after the tariffs that affect more than 800 Chinese products worth \$34 billion came into effect, in addition, Donald Trump continued to say that the final amount could reach \$550 billion. Nevertheless, by the end of the month the tension decreased, after the Trump-Juncker meeting in Washington ended with the approach of positions that reduced trade-war fears.

In July, Donald Trump and Vladimir Putin met in Helsinki, which was closed without any substantial progress but Trump's contradictory statements made a big turmoil in the American politics.

In Turkey, new negative news have emerged, which put pressure on the performance of the Turkish equity market. In the middle of the month, Fitch downgraded Turkish debt rating to "BB", outlook negative, moreover, the Turkish central bank left the interest rates unchanged, bucking market expectations and causing further lira weakening.

The British people started to lose faith in the success of the May-led Brexit negotiation, which is further enhanced by the resignation of Boris Johnson and David Davis, the Minister of Foreign Affairs and the Brexit Secretary. Although the British Parliament voted for Theresa May's Brexit plan but the EU has rejected May Brexit's proposal.

In July, investors realized profit in the oil market, after the US government is willing to negotiate with Iran's oil buyers about the zero oil import from November. Furthermore, OPEC'S (Organization of the Petroleum Exporting Countries) oil production in July hit a new yearly high and grew to 32.64 million barrels a day, which put also pressure on the price of oil.

The Turkish market underperformed compared to the emerging markets in July but the fund managed to beat its benchmark index. One of the reasons for the weak performance of the market is the depreciation of the lira, rise in inflation, while the central bank does not raise interest rates thus investors question the independence of the central bank. The investors try to get rid of their Turkish assets; in our opinion, the prospects are mixed. Although Turkish shares appear to be attractive on a P/E level, they are running under their historical average but there is a slow down in the economy, which is enhanced with political problems. Turkish equities are currently underpositioned thus we think that a little improve in the US-Turkish relation can led to a market rally. During the month we cut back our overweight in the banking sector, and we created a slightly overweight in this sector by the end of the month.

ASSET ALLOCATION OF THE FUND ON 07/31/2018

Asset type	Weight
International equities	95.31 %
Current account	9.33 %
Liabilities	-4.72 %
Receivables	0.09 %
total	100.00 %
Derivative products	0.00 %
Net corrected leverage	100.00 %

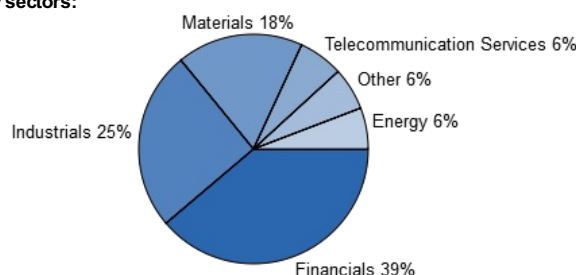
TOP 5 POSITIONS

TURKIYE GARANTI BANKASI
AKBANK T.S.A
Hektas Ticaret T.A.S.
KOC HOLDINGAS
Turk Hava Yollari

Assets with over 10% weight

TURKIYE GARANTI BANKASI
AKBANK T.S.A

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