

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:	5,895,255,678 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 Ubezpieczeń na Życie Spółka

NET YIELD PERFORMANCE OF THE SERIES:

Interval	Yield of note	Benchmark yield
From start	1.25 %	0.03 %
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, 08/01/2017 - 07/31/2018



— 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:

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-Junker 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'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 fund was able to increase its value again and outperform its benchmark index, while the Russian market continues to outperform the emerging markets. Although the Russian PM (purchasing manager index) data are slightly negative but the oil prices are at a high level and the Ruble is also stable against the US dollar, thus we think that there are no major problems with the Russian economy at macro level but new news about sanctions can lead to a drop in the Russian risky assets. In July, we increased the weight of the oil and the banking sector after the slight correction, because we identified some good entry positions in these sectors.

ASSET ALLOCATION OF THE FUND ON 07/31/2018

Asset type	Weight
International equities	96.49 %
Current account	2.19 %
Receivables	1.69 %
Liabilities	-0.36 %
total	100.00 %
Derivative products	0.00 %
Net corrected leverage	100.03 %

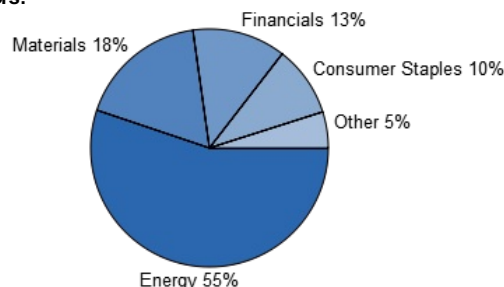
TOP 5 POSITIONS

NOVATEK OAO GDR
TATNEFT GDR új
ROSNEFT OIL COMPANY GDR
LUKOIL GDR NEW
SBERBANK-Sponsored GDR

Assets with over 10%weight

NOVATEK OAO GDR
TATNEFT GDR új
ROSNEFT OIL COMPANY GDR

Stocks by sectors:



RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields: 10.86 %
Annualized standard deviation of the benchmark's weekly yields: 10.74 %