

Aegon Istanbul Equity Fund PI 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% TR20I Index + 5% ZMAX Index
ISIN code:	HU0000713151
Start:	12/30/2013
Currency:	PLN
Total Net Asset Value of the whole Fund:	2,592,044,781 HUF
Net Asset Value of PI series:	4,947 PLN
Net Asset Value per unit:	0.606524 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

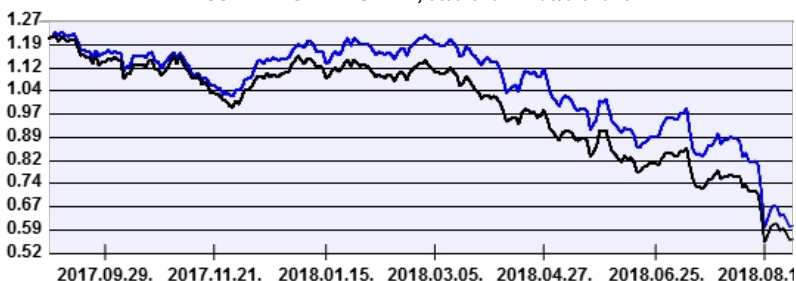
Aegon Towarzystwo Ubezpieczen na Zycie Spolka

NET YIELD PERFORMANCE OF THE SERIES:

Interval	Yield of note	Benchmark yield
From start	-10.16 %	-12.02 %
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, 09/01/2017 - 08/31/2018



— 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.

RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields:	43.24 %
Annualized standard deviation of the benchmark's weekly yields:	39.24 %

MARKET SUMMARY:

The US stock markets hit a new absolute peak in August, while the European and Emerging markets were characterized by fall; Apple also shows the US market strength as it has reached the 1000 billion dollar market capitalization as the first Western company.

Though in the middle of the month the markets have calmed down somewhat on the news of a possible US-China trade agreement, however, the trade negotiations ended with no material results and America activated the new 25% additional tariffs on \$16 billion worth of 279 Chinese products, moreover an additional \$200 billion worth of import is planned to be further charged.

The most important event in August was the fall in the Turkish currency, which also put pressure on the performance of the Turkish equity market. The main reason for the weak performance of the Turkish stock market over the past period is the break of the investor confidence in the Turkish capital markets and monetary policy. Monetary steps to curb the currency fall and the missing of these actions caused panic among the investors, which led to a dramatic sell-off, the fall of Lira has broken records; the inflation rise rapidly, while the central bank does not raise interest rates, thus the investors question the independence of the central bank.

Russian stocks also suffered a fall in August, caused by the news of the new American sanctions, which are not related to election manipulation but to Scriptal poisoning, thus the Ruble also broke out in the weak direction from its multi-month trading range.

In the middle of the month, the Dollar also began to weaken after Trump criticized the US central bank for interest rate hikes and expressed disappointment with the Chairman of the Federal Reserve.

After several months of negotiations, a bilateral agreement was signed between the USA and Mexico at the end of August, but the US and Canada have not been able to agree on the renegotiation of the North American Free Trade Agreement (NAFTA) yet.

The P/E pricing of the Turkish equity market is already attractive for a value investor as they are traded below its long term average with two standard deviation, which used to be a good entry point, but such a decrease in Lira can cause further significant losses. The slump of the Turkish currency already undermines the stability of the banking system and the main danger is that the chance of introducing a capital restriction has appeared. Currently, the fund is not fully filled with equities and our Turkish market outlook is still negative but a little improvement in the USA-Turkish relationship could cause a bear-market rally.

ASSET ALLOCATION OF THE FUND ON 08/31/2018

Asset type	Weight
International equities	84.13 %
Current account	17.58 %
Liabilities	-16.28 %
Receivables	14.58 %
total	100.00 %
Derivative products	0.00 %
Net corrected leverage	100.00 %

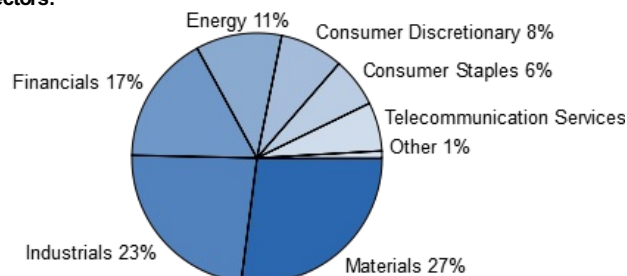
TOP 5 POSITIONS

KOC HOLDING AS
Hektas Ticaret T.A.S.
TURKCELL ILETISIM HIZMET AS
Alkim Alkali Kimya SA
EREGLI DEMIR VE CELIK FABRIK

Assets with over 10% weight

There is no such instrument in the portfolio

Stocks by sectors:



INVESTMENT HORIZON:

Suggested minimum investment period:



Risk and Reward Profile:

