

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:	3,499,589,236 HUF
Net Asset Value of PI series:	6,010 PLN
Net Asset Value per unit:	0.736827 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

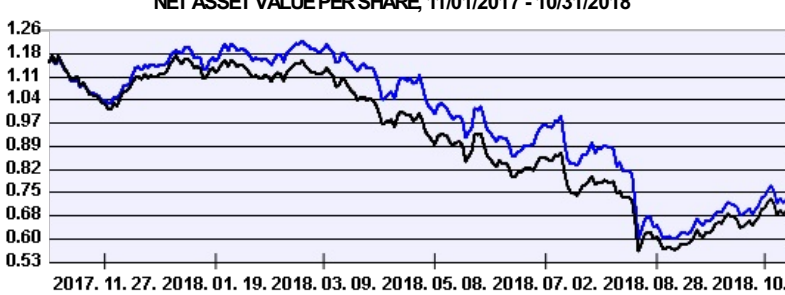
Aegon Towarzystwo Ubezpieczen na Zycie Spolka

NET YIELD PERFORMANCE OF THE SERIES:

Interval	Yield of note	Benchmark yield
From start	-6.12 %	-7.93 %
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, 11/01/2017 - 10/31/2018



— 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:

At the beginning of October, America and Canada managed to come to an agreement about the NAFTA which even gave a positive boost to the market thus the American main equity indices managed to hit a new absolute peak. However, in the middle of the month, the deteriorating technical picture, rising US yields, weak new home sales data and fears of slowing down global growth triggered significant drops in the markets that had not been seen since February. The fall was suffered mainly by the market leader equities thus significant profit taking were made in the US technology sector where these papers has not reported such a fall in a single day since August 2011. The Chinese spying case also caused tension in the markets; according to the news Chinese spies have placed chips in the assets of more than 30 companies (including US agencies) which allows secret access to internal networks. This has further intensified the tension between America and China and we believe that this case may have further negative impacts on the future. In addition, according to Bloomberg's information, Trump plans to impose tariff on Chinese good worth \$257 billion, if they can not reach a common agreement at the meeting with the Chinese President, Xi Jinping in November. This statement was attributed by the market to the negotiating style of the US president and to the midterm elections in 6th of November but by the end of the month, the US President spoke of the negotiations in high terms.

European stocks also fell sharply last month, partly because of the global stock market correction and on the other hand, the further rise in Italian yield spreads and the growing fears of Brexit put pressure on the markets. The Euro also weakened against the dollar last month; at the end of October, the EURUSD pair fell down to the level of 1.13.

The oil price also closed in the red last month; although, at the beginning of October, it was still close to 4 years highs but by the end of the month it fell by more than 15%. The fall has been attributed to the profit takings, possible growth in Saudi production, the negative impact on the oil demand caused by the trade war and the news that America has granted a temporary, 180-day exemption from the sale ban to eight buyers (8 countries) of Iranian oil.

The fund managed to slightly outperform in October and its performance was positive in Forint terms, despite the fact that the Turkish market had fallen in Lira terms; thus the positive performance was due to the appreciation of the Lira against the Forint. In the fund, we continue to hold the banking sector underweight which affected the performance slightly negatively because of the relative strength of the banks in the previous month but outperformance of the off-benchmark paper compensated this.

ASSET ALLOCATION OF THE FUND ON 10/31/2018

Asset type	Weight
International equities	94.05 %
Current account	6.43 %
Liabilities	-0.51 %
Receivables	0.05 %
total	100.00 %
Derivative products	0.00 %
Net corrected leverage	100.00 %

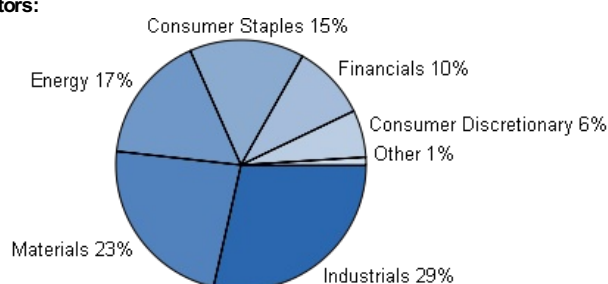
TOP 5 POSITIONS

BIRLESIK MAGAZALAR
TUPRAS
EREGLI DEMIR VE CELIK FABRIK
Turk Hava Yollari
Hektas Ticaret T.A.S.

Assets with over 10% weight

BIRLESIK MAGAZALAR
TUPRAS

Stocks by sectors:



RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields:	44.27 %
Annualized standard deviation of the benchmark's weekly yields:	40.68 %