

Aegon Russia Equity Fund HUF series

GENERAL INFORMATION

Fund Manager:	AEGON Hungary Fund Manager Ltd.
Custodian:	Unicredit Bank Hungary Zrt.
Main distributor:	AEGON Hungary Fund Manager Ltd.
Benchmark composition:	100% MSCI Russia 10/40 Net TR Loc
ISIN code:	HU0000707401
Start:	12/04/2008
Currency:	HUF
Total Net Asset Value of the whole Fund:	4,199,621,309 HUF
Net Asset Value of HUF series:	1,965,225,613 HUF
Net Asset Value per unit:	2.254706 HUF

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

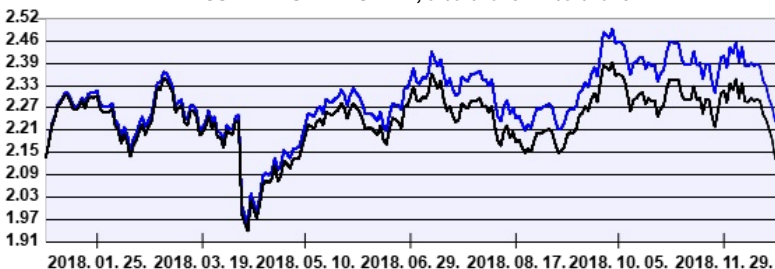
Aegon Magyarország Befektetési Alapkezelő Zrt., CIB Bank Zrt., Codex Tőzsdetűgyőnökség és Értéktár Zrt., Commerzbank Zrt., CONCORDE Értékpapír Zrt., Equilor Befektetési Zrt., Erste Befektetési Zrt., KBC Securities Magyarországi Fióktelepe, OTP Bank Nyrt., Raiffeisen Bank Zrt., Takarékbank Zrt., Unicredit Bank Hungary Zrt.

NET YIELD PERFORMANCE OF THE SERIES:

Interval	Yield of note	Benchmark yield
From start	8.41 %	9.31 %
2018	6.26 %	1.31 %
2017	-11.80 %	-13.91 %
2016	50.80 %	48.83 %
2015	11.61 %	9.86 %
2014	-32.35 %	-31.22 %
2013	-1.93 %	-1.19 %
2012	4.76 %	7.91 %
2011	-11.05 %	-12.34 %
2010	35.75 %	35.82 %
2009	78.23 %	103.33 %

NET PERFORMANCE OF THE SERIES

NET ASSET VALUE PER SHARE, 01/01/2018 - 12/31/2018



— Aegon Russia Equity Fund HUF 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:	22.46 %
Annualized standard deviation of the benchmark's weekly yields:	22.44 %

MARKET SUMMARY:

The stock markets suffered significant losses in the last month of the year; such a decline in December was not seen since the Great Depression of the 1930s. Regarding the whole year of 2018, the main equity indices suffered their worst year in a decade, while the Hungarian equity market managed to close at flat.

At the beginning of December, the US yield curve was inverted for the first time since 2007, namely the two-year and the five-year yield spread dropped below zero. As a result of this, the investors feel that the next recession can be closer than we think; the reverse yield curve was previously a good sign of the coming recession in most cases. However, based on the CNBC information, this was the root cause of the correction in early December after the US Hedge Funds and their trading robots could be activated because of the inversion. The remainder of December was also characterized by very high volatility.

The European equities fell to a two-year low with such a high daily loss that was not seen since the Brexit vote. At the end of the month, the US equity market managed to rebound with an unprecedented daily rise (5%), thus the US equities closed the year with a nearly 7% drop but not at annual low. In addition to the deteriorating technical picture, the fall was accompanied by a further increase in trade-war tension after the Huawei's Chief Financial Officer was arrested in Canada on US request. Moreover, in line with the official expectations, the FED raised the target base rate with 25 basis points, bringing additional sellers to the markets.

We received new important impulses from Europe as well. The Italian market has outperformed the developed markets after the European Commission has approved the new Italian 2019 budget plan, which estimates a 2.04 percent deficit target. In addition, Theresa May managed to survive the vote of no confidence but the fact that 117 Members voted against her questions whether the Brexit agreement can pass through the British parliamentary vote.

The fund managed to slightly outperform its benchmark index last month but the fall on the world's stock exchanges hit the Russian market as well thus the fund also suffered a loss in December. On December 20th, the benchmark index of the fund changed, it is now following 100% MSCI Russia 10/40 Net total return local index. We look a bit more optimistic on the Russian market after seeing that the investment sentiment has improved thanks to Russia being taken off the sanction list and Russian shares are more attractive in terms of pricing, while PMI values also indicate a supportive environment. However, the fall in oil prices could be a major opposition to the Russian market, but we appreciate the longer term drivers.

ASSET ALLOCATION OF THE FUND ON 12/31/2018

Asset type	Weight
International equities	96.11 %
Receivables	21.97 %
Liabilities	-21.84 %
Current account	3.78 %
total	100.00 %
Derivative products	0.00 %
Net corrected leverage	100.00 %

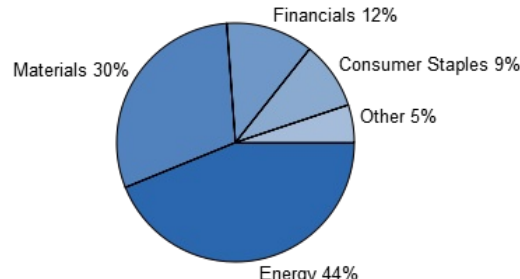
TOP 5 POSITIONS

LUKOIL GDR NEW
Gazprom GDR
TATNEFT GDR új
SBERBANK-Sponsored GDR
Polymetal International PLC

Assets with over 10%weight

LUKOIL GDR NEW

Stocks by sectors:



INVESTMENT HORIZON:

Suggested minimum investment period:



Risk and Reward Profile:

