

# Aegon Russia Equity Fund PLN 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:	HU0000710157
Start:	06/15/2012
Currency:	PLN
Total Net Asset Value of the whole Fund:	4,960,981,454 HUF
Net Asset Value of PLN series:	18,258,396 PLN
Net Asset Value per unit:	1.179371 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

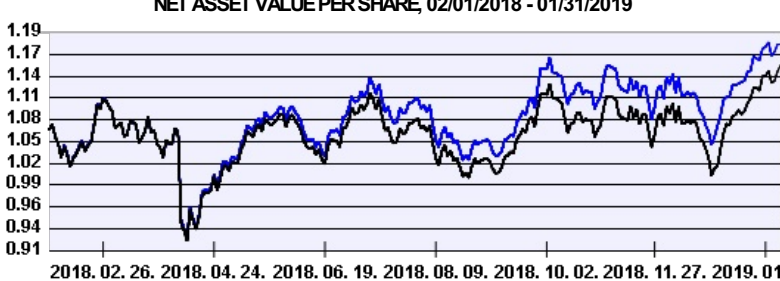
Aegon Towarzystwo Ubezpieczeń na Życie Spółka

## NET YIELD PERFORMANCE OF THE SERIES:

Interval	Yield of note	Benchmark yield
From start	2.52 %	1.57 %
2018	5.59 %	0.67 %
2017	-16.61 %	-18.62 %
2016	57.60 %	55.54 %
2015	12.25 %	10.49 %
2014	-34.44 %	-33.34 %
2013	-2.08 %	-1.33 %

## NET PERFORMANCE OF THE SERIES

NET ASSET VALUE PER SHARE, 02/01/2018 - 01/31/2019



--- Aegon Russia Equity Fund PLN 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:	22.07 %
Annualized standard deviation of the benchmark's weekly yields:	22.40 %
WAM (Weighted Average Maturity):	0.00 years
WAL (Weighted Average Life):	0.00 years

## MARKET SUMMARY:

After the record fall in December, the beginning of the year on stock markets has been favourable for the equity prices. Both developed and emerging markets could increase their value. The Emerging market index and America also showed a 9% rise in the first month of the year, while in US dollar terms, Hungarian equities could also rise by 6%. The rise was mainly due to the decline in the Fed's rate hike and the easing of the US-China trade war. In addition, the longest government shutdown in America's history has ended, after Donald Trump has announced that he will sign a budget for three weeks for government agencies. However, the President continues to insist on building the wall on the Mexican border, if no agreement can be reached, another shutdown may come and even a state of emergency can be announced. The oil price also managed to rebound this year thanks to the declining stocks, easing in trade war and turmoil in Venezuela. Europe is still under pressure because of the uncertainty surrounding Brexit. In mid-January, the Brexit draft was voted down by the British Parliament as expected, while Plan B for further steps (planned by the Prime Minister) was voted on 30th January. Although, after the vote, several Representatives of the Union have indicated that they do not support the proposals. Though Theresa May rejects another referendum, some sources suggest that there is already a draft that would offer three versions for the British population: no-deal, May plan or stay. In our opinion, the postponement of 2-years deadline of Article 50 is the most likely scenario, but uncertainty increases the likelihood of a hard-Brexit output. We think that hard-Brexit is not priced in at all, thus such a negative scenario can bring serious sellers to the market but the convergence of the parties and any agreement may reduce pressure on the British and European equities. The Russian market achieved good performance in January, but the Fund was slightly below the benchmark. At the moment, we are optimistic about Russian equities, the technical picture is favorable, the macro environment is stable, coupled with an attractive pricing and favorable EPS growth, thus we expect an outperformance of Russian equities within the Emerging markets. Currently in the fund, we hold overweight in the mining and banking sectors.

## ASSET ALLOCATION OF THE FUND ON 01/31/2019

Asset type	Weight
International equities	95.30 %
Current account	4.45 %
Receivables	0.37 %
Liabilities	-0.11 %
total	100.00 %
Derivative products	0.00 %
Net corrected leverage	100.00 %

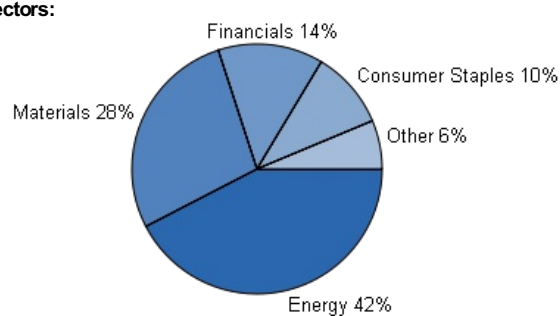
## TOP 5 POSITIONS

Asset	Type	Counterparty / issuer	Maturity
LUKOIL GDR NEW	share	LUKOIL (RU)	
SBERBANK-Sponsored GDR	share	SBERBANK (RU)	
Gazprom GDR	share	Gazprom (RU)	
TATNEFT GDR új	share	TATNEFT (RU)	
MAGNIT OJSC.SPON	share	MAGNIT OJSC-SPON GDR (RU)	

## Assets with over 10% weight

There is no such instrument in the portfolio

## 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