

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:	100% MSCI Turkey 10/40 NETR Local
ISIN code:	HU0000713151
Start:	12/30/2013
Currency:	PLN
Total Net Asset Value of the whole Fund:	6,081,015,049 HUF
Net Asset Value of PI series:	2,653,208 PLN
Net Asset Value per unit:	0.868203 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 Ubezpieczeń na Życie Spółka

NET YIELD PERFORMANCE OF THE SERIES:

Interval	Yield of note	Benchmark yield
From start	-2.70 %	-4.72 %
2018	-36.71 %	-38.25 %
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, 03/01/2018 - 02/28/2019



— 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:	45.43 %
Annualized standard deviation of the benchmark's weekly yields:	42.67 %
WAM (Weighted Average Maturity):	0.00 years
WAL (Weighted Average Life):	0.00 years

MARKET SUMMARY:

In February, the developed market equities continued to rise with a slower pace, while the emerging market equities underperformed for the first time since October. The performance of the Central and Eastern European equities was weaker last month, the domestic equity index (BUX) closed the month in the negative territory. The rise in US equities was supported by the avoiding of the further government shutdown, positive expectations surrounding the trade negotiations and the "patient" position of the FED in further interest rate hikes. However, the 2800 point level is still a resistance for the S&P 500 index. FED decision-makers prefer the wait due to weakening inflation, depressed global growth and falling stock and corporate bond prices. However, the American last quarter GDP data was stronger than expected. The international sentiment was still mostly influenced by the trade war. However, according to the Wall Street Journal, the American and Chinese positions are getting even closer to make a formal agreement in March. The trade war optimism also helped Chinese stocks. Although it was one of the worst capital markets last year, the Shanghai Stock Exchange Composite Index is currently one of the biggest winners this year and is already showing a 25% rise. The rise was also driven by the Chinese government's stimulus measures, in addition, the MSCI index provider would also increase the weight of Chinese shares in its global indices. Brexit remains one of the most important drivers on the European markets. The market is expecting the postponement of the deadline of 29 March. It is planned that on 12 March, Theresa May again submit to the British Parliament a revised Brexit agreement to vote, if the decision-makers reject it again, they can vote on extending the deadline. After a minor correction in early February, oil prices continued to rise. The fall in US crude oil stocks, the Venezuelan political crisis and the OPEC countries' efforts to reduce production have contributed positively to the price of the "black gold". We also received positive news about Hungary in the month, both S&P and Fitch Ratings upgraded Hungary's sovereign debt rating to a stable outlook. The fund achieved a positive return in February and significantly outperformed its benchmark index. Good performance was supported by our heavily underweighted banking sector strategy and the outstanding performance of our off-benchmark shares. We believe that artificially inflated credit growth was too fast in Turkey, followed by an economic slowdown; thus the weight of the non-performing loans can be underestimated by the Turkish banks thus we prefer off-benchmark shares instead of banking securities.

ASSET ALLOCATION OF THE FUND ON 02/28/2019

Asset type	Weight
International equities	98.19 %
Liabilities	-6.15 %
Receivables	5.53 %
Current account	2.45 %
total	100.00 %
Derivative products	0.00 %
Net corrected leverage	100.00 %

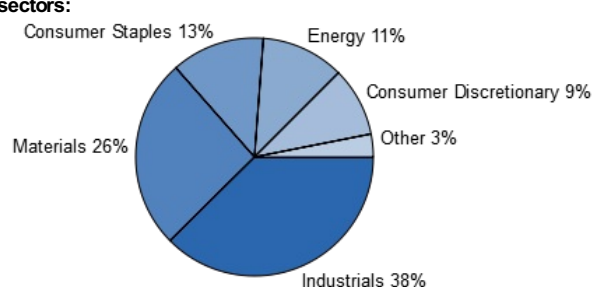
TOP 5 POSITIONS

Asset	Type	Counterparty / issuer	Maturity
Aselsan Elektronik Sanayi	share	Aselsan Elektronik Sanayi (TR)	
TUPRAS	share	TUPRAS (TR)	
TEKFEN HOLDING	share	TEKFEN HOLDINGAS (TR)	
Turk Hava Yollari	share	Turkish Airlines (TR)	
EREGLI DEMIR VE CELIK FABRIK	share	EREGLI DEMIR VE CELIK FABRIK (TR)	

Assets with over 10% weight

Aselsan Elektronik Sanayi
TUPRAS
TEKFEN HOLDING

Stocks by sectors:



INVESTMENT HORIZON:

Suggested minimum investment period:



Risk and Reward Profile:

