

# Aegon Russia Equity Fund institutional 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 USD |
| ISIN code:                               | HU0000709514                      |
| Start:                                   | 12/10/2010                        |
| Currency:                                | HUF                               |
| Total Net Asset Value of the whole Fund: | 7,489,573,868 HUF                 |
| Net Asset Value of institutional series: | 2,799,066,794 HUF                 |
| Net Asset Value per unit:                | 3.143006 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

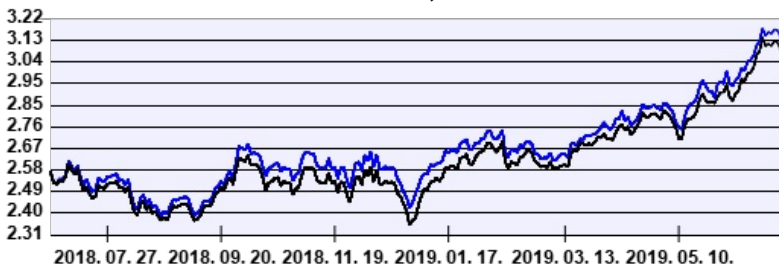
Aegon Magyarország Befektetési Alapkezelő Zrt., Raiffeisen Bank Zrt.

## NET YIELD PERFORMANCE OF THE SERIES:

| Interval   | Yield of note | Benchmark yield |
|------------|---------------|-----------------|
| From start | 3.99 %        | 2.37 %          |
| 2018       | 7.12 %        | 1.31 %          |
| 2017       | -11.09 %      | -13.91 %        |
| 2016       | 52.01 %       | 48.83 %         |
| 2015       | 12.51 %       | 9.86 %          |
| 2014       | -31.20 %      | -31.22 %        |
| 2013       | -0.40 %       | -1.19 %         |
| 2012       | 6.45 %        | 7.91 %          |
| 2011       | -10.94 %      | -12.34 %        |

## NET PERFORMANCE OF THE SERIES

### NET ASSET VALUE PER SHARE, 07/01/2018 - 06/30/2019



— Aegon Russia Equity Fund institutional 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.

## MARKET SUMMARY:

The political uncertainty is still a major factor in today's investment environment. The "Boss", meaning Donald Trump, is not kidding around, he will raise the tariffs by an additional \$300 billion on Chinese imports if the two leaders will not find a common ground on the G-20 meetings - said Wilbur Ross the U.S. Secretary of Commerce. The macroeconomic indicators are still weakening. The Chinese Caixin PMI index fell to 52,7 from 54,4 and its future expectation sub index fell to a 7 year low. Based on this, the Chinese retail consumption is slowing too, while the inflation YoY is reaching 2,7%. The U.S. economy is showing signs of a slowdown too. Although the unemployment rate is still historically very low at 3,6%, but the change in the monthly non-farm payrolls was 75,000 instead of the expected 175,000, and the U.S. PMI came in at 50,5 level which is slightly above recession levels. The German 10 year bond yield made a new all-time low at -31bp, while the Swiss 30 year yield went negative and the 50 year yield is close to 0. The fund performed well in the past month thanks to general market optimism and good stock picking. Because the outcome of the G-20 meeting and the friendly central bank attitude we think the market can go up even further in the near future. In June the Russian market was the second best performer after Turkey, thanks to the interest rate by the Central Bank, and Putin's St. Petersburg speech, where he emphasized the importance of developing a better infrastructure. The inflation data was better than expected, it seems that the tax increases didn't have any effect on inflation, and the ruble appreciated by 4% against the dollar. Last month the gold miners were overweight and the steel industry was underweight in the fund.

## ASSET ALLOCATION OF THE FUND ON 06/30/2019

| Asset type             | Weight   |
|------------------------|----------|
| International equities | 99.01 %  |
| Liabilities            | -2.34 %  |
| Receivables            | 1.80 %   |
| Current account        | 1.53 %   |
| total                  | 100,00 % |
| Derivative products    | 0.00 %   |
| Net corrected leverage | 100,00 % |

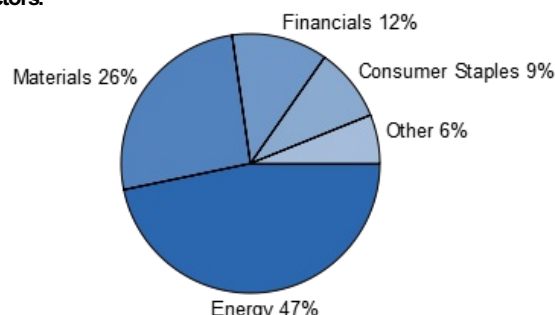
## TOP 5 POSITIONS

| Asset                       | Type  | Counterparty / issuer            | Maturity |
|-----------------------------|-------|----------------------------------|----------|
| NOVATEK OAO GDR             | share | NOVATEK (RU)                     |          |
| Gazprom GDR                 | share | Gazprom (RU)                     |          |
| LUKOIL GDR NEW              | share | LUKOIL (RU)                      |          |
| SBERBANK-Sponsored GDR      | share | SBERBANK (RU)                    |          |
| X5 Retail Group NV-Regs GDR | share | X5 Retail Group NV-Regs GDR (RU) |          |

## Assets with over 10% weight

There is no such instrument in the portfolio

## Stocks by sectors:



## RISK INDICATORS FOR THE LAST 12 MONTHS:

|   |            |
|---|------------|
| Annualized standard deviation of the fund's weekly yields:      | 17.58 %    |
| Annualized standard deviation of the benchmark's weekly yields: | 17.98 %    |
| WAM (Weighted Average Maturity):                                | 0.00 years |
| WAL (Weighted Average Life):                                    | 0.00 years |

## INVESTMENT HORIZON:

Suggested minimum investment period:



Risk and Reward Profile:

