

Aegon Istanbul Equity Fund PLN 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:	HU0000710165
Start:	06/18/2012
Currency:	PLN
Total Net Asset Value of the whole Fund:	5,078,427,154 HUF
Net Asset Value of PLN series:	12,555,124 PLN
Net Asset Value per unit:	0.666665 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 FUND:

Interval	Yield of note	Benchmark yield
From start	-5.47 %	-6.15 %
2018	-37.22 %	-38.25 %
2017	12.21 %	12.08 %
2016	-3.01 %	-0.48 %
2015	-22.59 %	-25.44 %
2014	35.04 %	34.30 %
2013	-30.49 %	-28.32 %

NET PERFORMANCE OF THE FUND

NET ASSET VALUE PER SHARE, 09/01/2018 - 08/31/2019



— Aegon Istanbul 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.

MARKET SUMMARY:

Donald Trump, the president of the United States in his love me-love me not game august got the latter one. As Xi Jinping was his best friend in July, he became his worst enemy by August. Lately, it is very hard to follow the U.S. president's controversial reasoning, and his inconsistent thinking has an impact on the financial markets. In the last month, there were 2 days when the S&P 500 index fell more than 1%, and 2 days when it fell by more than 2%. It's a miracle that the index closed down the month by only 1.82%. We don't know what the president's true intention is, but it's not helping the investors.

The trade war has multiple aspects. Analysts thought that Trump wants to force the FED to cut rates, and using the trade war as a tool to achieve this goal. But the FED resisted the political pressure, and cut the Fed Fund Rate by only 25bp. Moreover, Jay Powell the chairman of the FED, declared that the only the change in economic data will force the central bank to change its interest rate policy. So far the FED thinks that this is only a mid-cycle slowdown which doesn't justify more rate cuts at this time. Trump didn't like what he heard, and his next tweet he stated that he doesn't know who is the greater enemy of the U.S.: Xi the Chinese president or Powell FED president. The fund had a negative month and under performed its benchmark too. The bank sector underweight that was established last month was brought back to neutral level in August, because we think that expected interest cut, that is based on favorable inflation data, will have a positive effect on the bank sector. The fund still has an overweight position in the defensive with low debt companies.

ASSET ALLOCATION OF THE FUND ON 08/31/2019

Asset type	Weight
International equities	98.29 %
Current account	2.04 %
Liabilities	-0.37 %
Receivables	0.04 %
total	100.00 %
Derivative products	0.00 %
Net corrected leverage	100.00 %

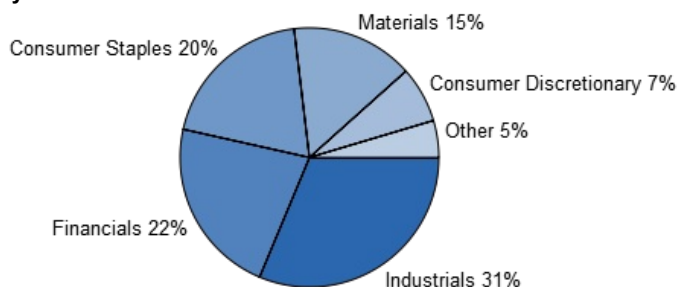
TOP 5 POSITIONS

Aselsan Elektronik Sanayi
EREGLI DEMIR VE CELIK FABRIK
TURKIYE GARANTI BANKASI
BIRLESIK MAGAZALAR
Ulker Bisküvi Sanayi AS

Assets with over 10% weight

Aselsan Elektronik Sanayi
EREGLI DEMIR VE CELIK FABRIK

Stocks by sectors:



RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields: 29.43 %
Annualized standard deviation of the benchmark's weekly yields: 30.57 %

INVESTMENT HORIZON:

Suggested minimum investment period:



Risk and Reward Profile:

