

# 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: | 5,696,196,383 HUF                            |
| Net Asset Value of PI series:            | 7,574 PLN                                    |
| Net Asset Value per unit:                | 0.928558 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 | -1.28 %       | -3.91 %         |
| 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 %         |

## INVESTMENT HORIZON:

Suggested minimum investment period:

|                          |                          |                          |                          |                          |                          |                                     |
|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|-------------------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 3 months                 | 6 months                 | 1 year                   | 2 years                  | 3 years                  | 4 years                  | 5 years                             |

Risk and Reward Profile:

|                          |                          |                          |                          |                          |                          |                                     |
|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|-------------------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| very low                 | low                      | moderate                 | intermediate             | significant              | high                     | very high                           |

## TOP 5 POSITIONS

| Asset                     | Type  | Counterparty / issuer          | Maturity |
|---------------------------|-------|--------------------------------|----------|
| Türk Hava Yolları         | share | Turkish Airlines (TR)          |          |
| Aselsan Elektronik Sanayi | share | Aselsan Elektronik Sanayi (TR) |          |
| TEKFEN HOLDING            | share | TEKFEN HOLDINGAS (TR)          |          |
| TUPRAS                    | share | TUPRAS (TR)                    |          |
| TRAKYA CAM                | share | TRAKYA CAM (TR)                |          |

## MARKET SUMMARY:

The U.S. Federal Reserve Bank cut its benchmark rate by 25 basis point in September, and based on future data it may cut even more. It's mentionable, that the board was very divided about the rate cut. They were divided almost evenly, but 2 governors wanted to raise the rates. The 10 year yield sunk to a 3 year low, and the 30 year yield fell below 2%, which is the lowest ever recorded. The ECB also cut rates from -40 basis points to -50, and they restarted the asset purchase program in the amount of 20 billion euros per month. When the news came out the EURUSD cross rate went below 1,10 which was a 2 year low. In Hungary, the national bank kept the benchmark yield at 0,9% and raised the interbank liquidity amount to 100 billion HUF for the next quarter. This didn't bode well for the forint, the EURHUF rate went above 336, which was a new all time high. The fund performed well in the past month and also outperformed its benchmark. During the month the fund reduced its bank exposure and the variance from the benchmark. The fund is still over weight in companies that are defensive and has a lower debt load.

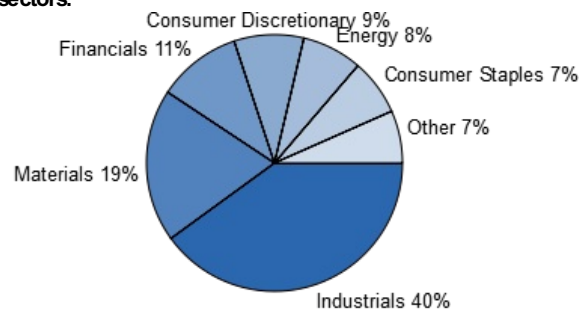
## ASSET ALLOCATION OF THE FUND ON 09/30/2019

| Asset type             | Weight   |
|------------------------|----------|
| International equities | 99.23 %  |
| Liabilities            | -7.55 %  |
| Current account        | 4.99 %   |
| Receivables            | 3.34 %   |
| total                  | 100.00 % |
| Derivative products    | 0.00 %   |
| Net corrected leverage | 100.00 % |

## Assets with over 10% weight

Türk Hava Yolları  
Aselsan Elektronik Sanayi

## Stocks by sectors:



## NET PERFORMANCE OF THE SERIES

### NET ASSET VALUE PER SHARE, 10/01/2018 - 09/30/2019



— 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:      | 28.58 %    |
| Annualized standard deviation of the benchmark's weekly yields: | 29.73 %    |
| WAM (Weighted Average Maturity):                                | 0.00 years |
| WAL (Weighted Average Life):                                    | 0.00 years |