

# AEGON Polish Bond Fund institutional series

## GENERAL INFORMATION

Fund Manager:	AEGON Hungary Fund Manager Ltd.
Custodian:	Unicredit Bank Hungary Zrt.
Main distributor:	AEGON Hungary Befektetési Jegy Forgalmazó Zrt.
Benchmark composition:	100% TBSP Index
ISIN code:	HU0000710942
Start:	2012.08.07.
Currency:	PLN
Total Net Asset Value of the whole Fund:	1,851,555,854 HUF
Net Asset Value of institutional series:	20,387,912 PLN
Net Asset Value per unit:	1.074810 PLN

## INVESTMENT POLICY OF THE FUND:

The aim of launching the investment fund was to give investors access to the Polish bond market, and for it to function as a relatively stable, medium-risk investment in the long term, offering our customers higher yields than those attainable on bank deposits without the need for them to tie up their savings for a fixed period. The investment opportunities available to the fund are wide-ranging, so the portfolio manager has a broad remit and there is scope to build up the optimal portfolio. We aim to achieve the highest return at the lowest risk. When making investment decisions we make equal use of fundamental analysis and technical analysis tools, and always take into account the prevailing mood of investors in the market. The portfolio manager determines the potential investment opportunities on the basis of the macroeconomic forecasts, the likely yield curve and the expected return on the curve and market volatility, then selects the investments that can be regarded as safe and that ensure a relatively high yield in return for the undertaken risk.

## DISTRIBUTORS

AEGON Towarzystwo Ubezpieczeń na Życie Spółka

## NET YIELD PERFORMANCE OF THE FUND:

Interval	Yield of note	Benchmark yield
From start	7.48 %	8.74 %
1 month	-1.06 %	-0.95 %
3 months	2.19 %	2.95 %
6 months	2.88 %	3.61 %

## NET PERFORMANCE OF THE FUND

NET ASSET VALUE PER SHARE, 2012.08.07 - 2013.05.31



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 market performed well in the first half of the month but fears about QE tapering deteriorated market sentiment by the end of May. US 10 year yields quickly rose above 2,1% which discounted the attractiveness of EM bonds and put local markets under pressure. Higher bond yields and depreciating currencies were a regionwide phenomenon, local newsflow did not attract too much attention. Short end Polish bonds did not appreciate further, but the curve is still pricing two more rate cuts. The long end of the curve sold-off massively during the period. We kept a bit smaller than neutral duration during May. A cautious strategy is reasonable, but at somewhat higher yields we might consider closing our minimal short position. Outflows from EM bond funds amid negative returns are the main risks to our market now.

## ASSET ALLOCATION OF THE FUND ON 05/31/2013

Asset type	Weight
Government bonds	86.81 %
Corporate bonds	3.35 %
T-bills	0.37 %
Current account	8.31 %
Receivables	1.49 %
Liabilities	-0.02 %
Market value of open derivative positions	-0.31 %
total	100.00 %
Derivative products	8.00 %
Net corrected leverage	108.32 %

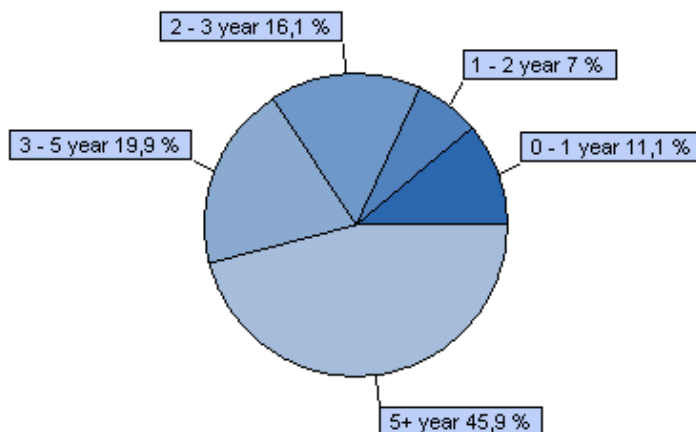
## TOP 5 POSITIONS

PLGB 2015/10 6,25% (Lengyel Állam)
PLGB 2021/10 5,75% (Lengyel Állam)
PLGB 2017/10 5,25% (Lengyel Állam)
PLGB 2013/10 5,00% (Lengyel Állam)
PLGB 2022/09 5,75% (Lengyel Állam)

## Assets with over 10% weight

PLGB 2015/10 6,25% (Lengyel Állam)
PLGB 2021/10 5,75% (Lengyel Állam)
PLGB 2017/10 5,25% (Lengyel Állam)

## Bondy by tenor:



## RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields: 3.07 %  
Annualized standard deviation of the benchmark's weekly yields: 3.14 %

## INVESTMENT HORIZON:

Suggested minimum investment period:



Risk and Reward Profile:

