

AEGON Bezpieczny 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% WIBID 6M Index
ISIN code:	HU0000711619
Start:	10/26/2012
Currency:	PLN
Total Net Asset Value of the whole Fund:	13,532,509 PLN
Net Asset Value of institutional series:	10,033,618 PLN
Net Asset Value per unit:	1.041237 PLN

INVESTMENT POLICY OF THE FUND:

The Fund's goal is to offer a stable and predictable yield at a low risk level for the investors. According to this the fund is only allowed to buy (hold) fixed income securities which were issued or guaranteed by Poland or by another member of the European Union. Issuer/guarantor should have a minimum rating of BB. The fund can invest 100% of its capital in Polish government bonds. Maximum exposure to another investment grade issuer should not exceed 20%, for lower ratings the limit is 10%. Maximum allowed duration of the fund is one year, 75% of the securities in the portfolio should have a maturity of maximum 2 years. The base currency of the fund is PLN, maximum weight of FX-denominated bonds is 50%. The fund aims to completely hedge its FX exposure. The fund can also place bank deposits.

DISTRIBUTORS

AEGON Towarzystwo Ubezpieczeń na Życie Spółka

NET YIELD PERFORMANCE OF THE FUND:

Interval	Yield of note	Benchmark yield
From start	3.06 %	2.81 %
2013	3.10 %	2.65 %

NET PERFORMANCE OF THE FUND

NET ASSET VALUE PER SHARE, 03/01/2013 - 02/28/2014



— AEGON Bezpieczny 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.

RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields: 0.38 %

Annualized standard deviation of the benchmark's weekly yields: 0.09 %

INVESTMENT HORIZON:

Suggested minimum investment period:



Risk and Reward Profile:



MARKET SUMMARY:

After the panic on global emerging markets at the end of January, sentiment improved gradually in February. Although the impacts of the sell-off on Poland were modest at least compared to peers, the improvement in this month worth mentioning: PLN appreciated 2,5% vs. the Euro, 9x12 FRA decreased by 20bps and cash markets also experienced a strengthening. Looking ahead to the future, in Poland we expect a more dovish stance by the MPC in terms of rate guidance, which is justified by a more benign macro outlook: inflation is anticipated to return to the target only in 2016, despite stronger than previously expected growth momentum. Previously it was said by the MPC that the base rate should be kept at this level at least until the end of H1 2014, now we can see an even more extended period with risk that the start of hiking cycle will come only in 2015. In line with our expectations, we bought some carry instruments (European Investment Bank) maturing in August enhancing the book yield of the portfolio with a relative low risk profile; and also tried to capitalize on the moves in short-term rates.

ASSET ALLOCATION OF THE FUND ON 02/28/2014

Asset type	Weight
Government bonds	69.77 %
Corporate bonds	26.92 %
T-bills	2.93 %
Current account	0.43 %
Liabilities	-0.04 %
total	100.00 %
Derivative products	0.00 %
Net corrected leverage	100.01 %

TOP 5 POSITIONS

PLGB 2014/04 5,75% (Lengyel Állam)
 EUROPEAN INV. BANK 2014/08 6,5% (EUROPEAN INVESTMENT BANK)
 BGOSK 2014/10 5,75% (Bank Gospodarstwa Krajowego)
 BGOSK 2015/02 FRN (Bank Gospodarstwa Krajowego)
 PLGB 2015/04 5,5% (Lengyel Állam)

Assets with over 10% weight

PLGB 2014/04 5,75% (Lengyel Állam)
 EUROPEAN INV. BANK 2014/08 6,5% (EUROPEAN INVESTMENT BANK)
 BGOSK 2014/10 5,75% (Bank Gospodarstwa Krajowego)
 BGOSK 2015/02 FRN (Bank Gospodarstwa Krajowego)

Bonds by tenor:

