

AEGON BESSA Derivative Fund

GENERAL INFORMATION

Fund Manager:	AEGON Hungary Fund Manager Ltd.
Custodian:	Unicredit Bank Hungary Zrt.
Main distributor:	AEGON Hungary Fund Manager Ltd.
Current capital protection period:	01/03/2014 - 01/02/2015
Capital protection::	0.008892 PLN
ISIN code:	HU0000705728
Start:	09/04/2007
Currency:	PLN
Total Net Asset Value of the whole Fund:	13,808,200 PLN
Net Asset Value of PLN series:	13,808,200 PLN
Net Asset Value per unit:	0.009770 PLN

INVESTMENT POLICY OF THE FUND:

The aim of the fund is to provide an alternative solution for those investors who are expecting a decline of the share prices on the Polish Stock Market. In case of declining share prices by its WIG20 short future exposure the fund ensures that the investor will get extra return on his investment. If the fund manager expects that the stock markets will go up than he reduces the option position, but if he sees higher risk in the stock markets than he will buy more put options for the WIG20 Index. Since the capital protection allows the fund manager to buy only limited amount of futures the maximum short exposure of the fund is 100% of the fund's net asset value. Since the fund is a dedicated bearish fund it intends to keep the WIG20 short exposure 20%-40% of net asset value, depends on the strategy of the Fund Manager. To protect the capital, the Fund mainly invests in Polish treasury bills, government bonds and other debt securities. The Fund offers 90% capital protection for the first trading day of the year under special condition. The 90% capital protection is ensured by the investment policy of the Fund, it does not mean a full capital protection.

DISTRIBUTORS

AEGON Towarzystwo Ubezpieczen na Zycie Spolka

NET YIELD PERFORMANCE OF THE FUND:

Interval	Yield of note	Benchmark yield
From start	-0.35 %	
2013	-0.94 %	
2012	-5.06 %	
2011	3.77 %	
2010	-3.52 %	
2009	-6.50 %	
2008	15.32 %	

RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields: 4.38 %

INVESTMENT HORIZON:

Suggested minimum investment period:



Risk and Reward Profile:



MARKET SUMMARY:

March turned out to be a rollercoaster month for equities. European markets sold off on news of the Russian occupation of Crimea peninsula sparking fears that an escalation of the conflict is imminent. However, probabilities of the worst-case scenarios ranging from an open military conflict to a set of prolonged retaliatory sanctions kept decreasing during the second half of the month which brought some relief. Even though the FED went on with downsizing the QE programme, US markets remained more resilient to the negative newsflow of the unfolding Ukraine crisis to further deteriorating China macro data.

The main issue in March was the Russian occupation of the Crimea peninsula. The CE3 region was just slightly negatively affected by the Ukrainian conflict as the strengthening of the German economy is likely to have a positive effect on these economies. Majority of the regional indices fell in March; the Polish WIG20 index fell by 2.4%, the Czech market declined by 1.3% and the Hungarian equity index lost 0.6% in EUR terms. Polish equities sold off sharply in sync with the broad market correction, but managed to recover the losses during the second half of March. LPP closed the month in the red due to RUB and UAH depreciation that will have a negative impact on the company net profit line in 1Q14 as it has significant exposure in Russia, and 4% of its sales generated in Ukraine.

ASSET ALLOCATION OF THE FUND ON 03/31/2014

Asset type	Weight
Government bonds	53.51 %
T-bills	27.21 %
Current account	20.02 %
Liabilities	-0.73 %
total	100.00 %
Derivative products	22.80 %
Net corrected leverage	122.81 %

TOP 5 POSITIONS

PLGB 2014/04 5,75% (Lengyel Állam)
 PLGB 2014/07/25 0% (Lengyel Állam)
 PLGB 2015/04 5,5% (Lengyel Állam)

Assets with over 10% weight

PLGB 2014/04 5,75% (Lengyel Állam)
 PLGB 2014/07/25 0% (Lengyel Állam)
 PLGB 2015/04 5,5% (Lengyel Állam)

NET PERFORMANCE OF THE FUND

NET ASSET VALUE PER SHARE, 04/01/2013 - 03/31/2014



— AEGON BESSA Derivative Fund — Capital protection

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.