

AEGON Polish Bond 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% TBSP Index
ISIN code:	HU0000710942
Start:	08/07/2012
Currency:	PLN
Total Net Asset Value of the whole Fund:	1,766,432,480 HUF
Net Asset Value of institutional series:	22,705,074 PLN
Net Asset Value per unit:	1.101681 PLN

INVESTMENT POLICY OF THE FUND:

The aim of the investment fund is to give investors access to the Polish bond market and to function as a relatively stable, medium-risk investment already medium term, offering our customers stable real returns without the need to tie up their savings for a fixed period. The fund primarily invests into Zloty denominated Polish government bonds but the portfolio manager has some room to use other fixed income investments. We aim to maximise returns with the given risk level. Our investment decisions are based on fundamental research extended by technical research while we also take into account global market sentiment. Expected shifts in the yield curve based on our macro expectations are at the core of our investment process. Risk/return characteristics are also considered when we select suitable and safe investments. We aim to totally hedge any currency risk in the fund.

DISTRIBUTORS

AEGON Towarzystwo Ubezpieczen na Zycie Spolka

NET YIELD PERFORMANCE OF THE FUND:

Interval	Yield of note	Benchmark yield
From start	5.48 %	6.61 %
2013	0.46 %	1.99 %

NET PERFORMANCE OF THE FUND

NET ASSET VALUE PER SHARE, 06/01/2013 - 05/31/2014



— AEGON Polish Bond 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: 4.83 %
Annualized standard deviation of the benchmark's weekly yields: 4.55 %

MARKET SUMMARY:

We remained in a very benign fixed income environment in May. Emerging market sentiment is positive: the carry trade environment is flourishing and emerging currencies trade stronger. Polish macro remains supportive, inflation surprised on the downside again. Short yields are coming lower as the market prices low yields for longer. The chances of a rate cut have increased with a possible ECB move in the pipeline but with the expected robust GDP growth the Monetary Council remains reluctant to ease despite the strong PLN. The long end performed strongly as well and now follows periphery yields after some underperformance in the first quarter. Technical situation also supports the market as Poland has funded 80% of gross issuance needs by the end of May.

ASSET ALLOCATION OF THE FUND ON 05/31/2014

Asset type	Weight
Government bonds	80.49 %
Corporate bonds	15.61 %
Current account	5.95 %
Liabilities	-5.50 %
Deposit	3.35 %
Market value of open derivative positions	0.08 %
total	100.00 %
Derivative products	8.56 %
Net corrected leverage	108.48 %

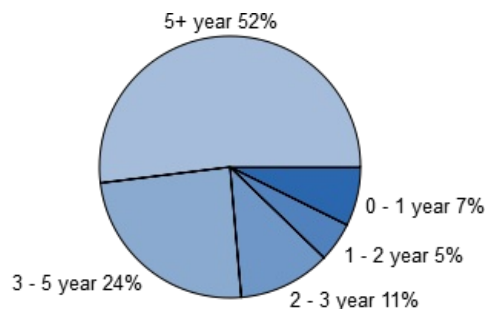
TOP 5 POSITIONS

PLGB 2018/07/25 2,5% (Lengyel Állam)
PLGB 2019/07 3,25% (Lengyel Állam)
PLGB 2021/10 5,75% (Lengyel Állam)
PLGB 2019/10 5,50% (Lengyel Állam)
PLGB 2020/10 5,25% (Lengyel Állam)

Assets with over 10% weight

PLGB 2018/07/25 2,5% (Lengyel Állam)
PLGB 2019/07 3,25% (Lengyel Állam)
PLGB 2021/10 5,75% (Lengyel Állam)

Bonds by tenor:



INVESTMENT HORIZON:

Suggested minimum investment period:



Risk and Reward Profile:

