

# AEGON Polish Money Market 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 1M Index
ISIN code:	HU0000711619
Start:	10/26/2012
Currency:	PLN
Total Net Asset Value of the whole Fund:	20,636,399 PLN
Net Asset Value of institutional series:	12,263,001 PLN
Net Asset Value per unit:	1.048893 PLN

## INVESTMENT POLICY OF THE FUND:

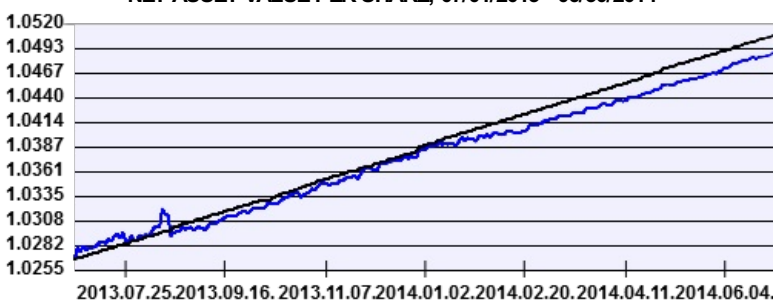
The Fund's goal is to offer a stable and predictable yield at a low risk level for the investors. According to this the fund is only allowed to hold fixed income securities, which were primarily issued or guaranteed by Poland. To a limited extent it is allowed to buy bonds issued by the European Union (and its institutions), the European Central Bank, or the European Investment Bank, if the security is denominated in PLN and its credit rating is at least equal to Poland's rating. Securities issued or guaranteed by Poland can be held regardless of the credit rating up to 100% of the NAV. Maximum allowed duration of the fund is 0.5 year, while maximum weighted average maturity of the portfolio is 1 year. The Fund must limit investment in securities to those with a residual maturity until the legal redemption date of less than or equal to 2 years, provided that the time remaining until the next interest rate reset date is less than or equal to 397 days. To ensure liquidity the fund can also place bank deposits. All of the assets held by the fund are denominated in PLN.

## DISTRIBUTORS

AEGON Towarzystwo Ubezpieczen na Zycie Spolka

## NET PERFORMANCE OF THE FUND

### NET ASSET VALUE PER SHARE, 07/01/2013 - 06/30/2014



— AEGON Polish Money Market 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.

## INVESTMENT HORIZON:

Suggested minimum investment period:



Risk and Reward Profile:



## MARKET SUMMARY:

The actions from ECB increased the probability of a rate cut in Poland too. MPC members of the NBP responded also in their statements to the situation, in which we could see negative inflation numbers in Hungary, and also the Hungarian base rate is below the Polish one, which was not the case in the last decade. However, most important event of the month came from local developments, which decreased the probability of a rate cut at least in the short run. Weekly news magazine Wprost released fragments of a dinner conversation between interior minister Bartłomiej Sienkiewicz and NBP president Marek Belka, which took place in July 2013. During the conversation the minister asks the central bank president whether he could support the government through financing (which would be a direct violation of the constitution). The NBP president sets his conditions: a change at the position of finance minister and change in the NBP Act. The extent to which it was a hypothetical situation remains a question, but the fact is that finance minister Jacek Rostowski was replaced and amendment to the NBP Act was sent to the government. After the scandal PLN depreciated, and longer dated government bonds decreased in value. Though, short term rates were not affected at all. Our base scenario is that downside surprises on activity or inflation could push the NBP to cut rates in the coming months, although our call is tilted towards a delayed action.

## ASSET ALLOCATION OF THE FUND ON 06/30/2014

Asset type	Weight
Corporate bonds	33.22 %
Government bonds	31.41 %
T-bills	27.08 %
Current account	8.32 %
Liabilities	-0.01 %
total	100.00 %
Derivative products	0.00 %
Net corrected leverage	100.02 %

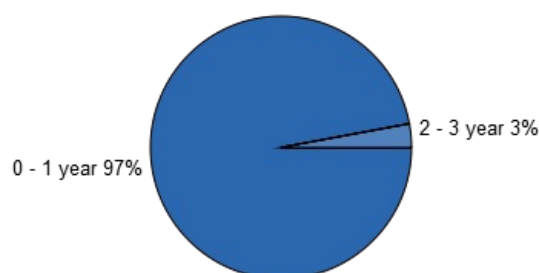
## TOP 5 POSITIONS

EUROPEAN INV. BANK 2014/08 6,5% (EUROPEAN INVESTMENT BANK)
PLGB 2014/07/25 0% (Lengyel Állam)
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

EUROPEAN INV. BANK 2014/08 6,5% (EUROPEAN INVESTMENT BANK)
PLGB 2014/07/25 0% (Lengyel Állam)

## Bonds by tenor:



## NET YIELD PERFORMANCE OF THE FUND:

Interval	Yield of note	Benchmark yield
From start	2.89 %	2.74 %
2013	3.10 %	2.71 %

## RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields: 0.24 %  
Annualized standard deviation of the benchmark's weekly yields: 0.07 %