

AEGON Polish Bond Fund

P 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:	HU0000713565
Start:	03/28/2014
Currency:	PLN
Total Net Asset Value of the whole Fund:	2,091,376,753 HUF
Net Asset Value of P series:	2,882,940 PLN
Net Asset Value per unit:	1.075394 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	7.54 %	8.12 %
1 month	1.74 %	1.86 %
3 months	3.86 %	4.16 %
6 months	6.55 %	7.17 %

NET PERFORMANCE OF THE FUND

NET ASSET VALUE PER SHARE, 03/28/2014 - 10/31/2014



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:	2.08 %
Annualized standard deviation of the benchmark's weekly yields:	1.82 %

MARKET SUMMARY:

Polish government bond yields fell significantly in October. The collapsing commodity prices and slowing European growth created a favourable external environment as inflation across the globe could stay at a low level, while the ECB could be forced to act. Polish central bank surprisingly cut the base rate by 50 bps, the market quickly priced further cuts. Long end of the yield curve got stronger in spite of that we saw a little correction in periphery yields. The curve is extremely flat and the steepness of 2year/10year is just 70 bps and our other indicators also show the market is rich, but this Eurozone deflation proxy trade is still working.

ASSET ALLOCATION OF THE FUND ON 10/31/2014

Asset type	Weight
Government bonds	76.45 %
Corporate bonds	13.99 %
Current account	5.98 %
Deposit	3.59 %
Market value of open derivative positions	0.01 %
Liabilities	0.00 %
total	100,00 %
Derivative products	16.86 %
Net corrected leverage	115.46 %

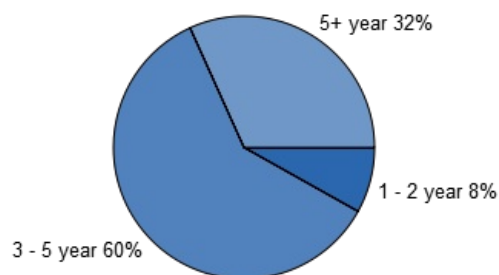
TOP 5 POSITIONS

PLGB 2022/09 5,75% (Lengyel Állam)
PLGB 2019/07 3,25% (Lengyel Állam)
PLGB 2018/04/25 3,75% (Lengyel Állam)
PLGB 2018/07/25 2,5% (Lengyel Állam)
BOS BANK 2016/05/11 6% (BOS Finance AB, Sweden)

Assets with over 10% weight

PLGB 2022/09 5,75% (Lengyel Állam)
PLGB 2019/07 3,25% (Lengyel Állam)
PLGB 2018/04/25 3,75% (Lengyel Állam)

Bonds by tenor:



INVESTMENT HORIZON:

Suggested minimum investment period:

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 months	6 months	1 year	2 years	3 years	4 years	5 years

Risk and Reward Profile:

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
very low	low	moderate	intermediate	significant	high	very high