

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:	4,263,832,412 HUF
Net Asset Value of P series:	22,358,492 PLN
Net Asset Value per unit:	1.090794 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	9.08 %	9.85 %
1 month	-0.54 %	-0.56 %
3 months	1.02 %	1.12 %
6 months	3.97 %	4.38 %

NET PERFORMANCE OF THE FUND

NET ASSET VALUE PER SHARE, 03/28/2014 - 02/28/2015



— AEGON Polish Bond Fund P 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:	2.74 %
Annualized standard deviation of the benchmark's weekly yields:	2.51 %

MARKET SUMMARY:

On 4 February, the NBP left the base rate at 2%, as we expected. However, the MPC removed the remaining hurdle for monetary easing by dropping the growth condition from its statement and shifting its focus solely to deflation. The MPC now simply needs a forecast about a more extended period of deflation in the March projection to cut further, which should be met easily. Additionally, Governor Belka indicated that rate cuts could exceed 25bp. The strong Zloty - parallel with the fact that Belka signaled some discomfort with the PLN's appreciation versus the euro - could also justify a larger-than-25bp rate cut. Our base case scenario is a 25bp cut in March with a tilt toward a 50bps cut. In response to the improving valuation, rate cut expectations and improving bond market sentiment after Yellen's testimony we stick to our position, which means some duration overweight.

ASSET ALLOCATION OF THE FUND ON 02/28/2015

Asset type	Weight
Government bonds	75.30 %
Corporate bonds	15.39 %
T-bills	4.94 %
Receivables	66.14 %
Liabilities	-42.28 %
Deposit	3.52 %
Current account	1.79 %
Market value of open derivative positions	0.15 %
total	100.00 %
Derivative products	19.92 %
Net corrected leverage	118.02 %

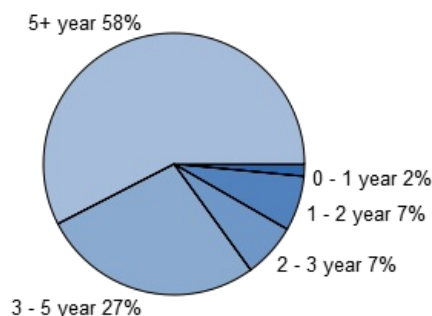
TOP 5 POSITIONS

PLGB 2025/07 3,25% (Lengyel Állam)
PLGB 2022/09 5,75% (Lengyel Állam)
PLGB 2021/10 5,75% (Lengyel Állam)
PLGB 2018/04/25 3,75% (Lengyel Állam)
PLGB 2023/10/25 4% (Lengyel Állam)

Assets with over 10% weight

PLGB 2025/07 3,25% (Lengyel Állam)
PLGB 2022/09 5,75% (Lengyel Állam)
PLGB 2021/10 5,75% (Lengyel Állam)

Bonds by tenor:



INVESTMENT HORIZON:

Suggested minimum investment period:



Risk and Reward Profile:

