

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:	6,548,518,038 HUF
Net Asset Value of P series:	28,919,784 PLN
Net Asset Value per unit:	1.085145 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	5.26 %	6.45 %

NET PERFORMANCE OF THE FUND

NET ASSET VALUE PER SHARE, 11/01/2014 - 10/31/2015



— 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.

INVESTMENT HORIZON:

Suggested minimum investment period:



Risk and Reward Profile:



MARKET SUMMARY:

Inflation ticked lower to -0.8% (down from -0.6% in August) in September marking the fifteenth month of deflation. Inflation decline was led by lower energy prices and softer core inflation. We expect the CPI to rise gradually in the coming months, as base effects are set to push the annual CPI back into positive territory in December. Next year inflation is likely to increase on the back of strong base effects but in our view it will stay well below the inflation target of the NBP.

Retail sales again surprised to the downside and increased only by 2.9% in real terms, mostly due to weaker car and fuel sales. Industrial output slowed to 4.1% in September on the back of unfavourable calendar effects, but it picked up in working day adjusted terms. Although the data releases confirm weaker activity in Q3, we expect that GDP growth will probably accelerate to its recent trend (slightly above 3%) in the final quarter of the year.

Law and Justice won the general elections with a majority (235 of 460 seats). After the elections bond yields remained broadly stable, though market started to price additional rate cut(s) and majority of market participants expects the steepening of the yield curve. We stick to our view, that the Council will keep rates unchanged in the coming months, as the bar for a near-term rate cut remains relatively high. This can change in 2016 with the new members of the MPC.

ASSET ALLOCATION OF THE FUND ON 10/31/2015

Asset type	Weight
Government bonds	87.62 %
T-bills	7.56 %
Corporate bonds	7.01 %
Liabilities	-4.31 %
Current account	2.29 %
Market value of open derivative positions	-0.17 %
total	100.00 %
Derivative products	9.16 %
Net corrected leverage	104.58 %

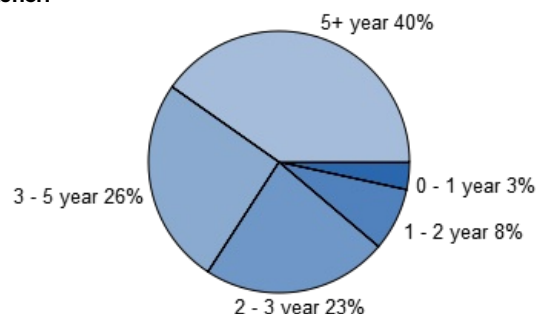
TOP 5 POSITIONS

PLGB 2018/04/25 3,75% (Lengyel Állam)
PLGB 2022/09 5,75% (Lengyel Állam)
PLGB 2020/04 1,5% (Lengyel Állam)
PLGB 2017/07/25 0% (Lengyel Állam)
PLGB 2026/07/25 2,5% (Lengyel Állam)

Assets with over 10% weight

PLGB 2018/04/25 3,75% (Lengyel Állam)
PLGB 2022/09 5,75% (Lengyel Állam)
PLGB 2020/04 1,5% (Lengyel Állam)

Bonds by tenor:



RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields:	3.15 %
Annualized standard deviation of the benchmark's weekly yields:	3.00 %