

# 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:	26,081,001 PLN
Net Asset Value of institutional series:	303,797 PLN
Net Asset Value per unit:	1.073757 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

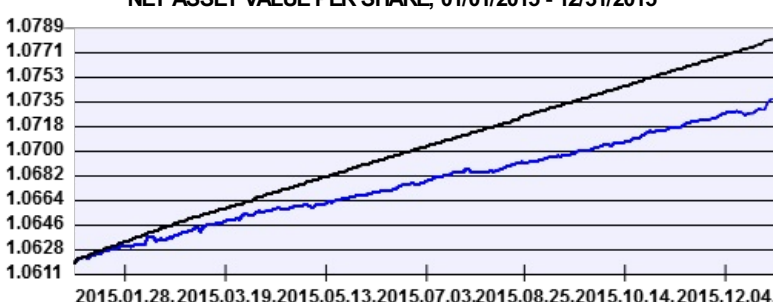
Aegon Towarzystwo Ubezpieczen na Zycie Spolka

## NET YIELD PERFORMANCE OF THE FUND:

Interval	Yield of note	Benchmark yield
From start	2.26 %	2.26 %
2015	1.12 %	1.53 %
2014	2.25 %	2.23 %
2013	3.10 %	2.71 %

## NET PERFORMANCE OF THE FUND

### NET ASSET VALUE PER SHARE, 01/01/2015 - 12/31/2015



— 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:

Event risks, low liquidity and local news were the main catalysts in December for the Polish bond market. The last month of the year started with relatively low yields due to the heightened expectations regarding ECB. On the 3rd of December ECB eased further, but without a deposit rate cut by more than 10bps and/or an increase in the monthly amount of purchases market participants were clearly disappointed. As the ECB could not meet the market expectations induced by itself, risk assets including bonds tumbled after the announcement across the world. Deteriorating global risk sentiment coupled with a very low liquidity and bad local news coming from Poland. Political turmoil with Constitutional Court, concerns about the increase of the fiscal deficit, bank and insurance asset tax introduction, switch auction (the Ministry of Finance sold 2, 5 and 10 year bonds worth close to 6,5 bln PLN) and rebalancing before a possible Fed rate hike put a very significant pressure on POLGBs, that seriously underperformed other European government bonds and regional peers: yield of the 2 year bond increased by 30 bps, yield of the 5 year bond increased by 60 bps, while the yield of the 10 year bond increased by 66 bps before they started to stabilize from oversold levels. The FED successfully conducted the first rate hike in the US since 2006, without triggering a further deterioration of the risk sentiment. The last main event was done and market participants were relieved after the first hike. Meanwhile, fuel prices continued their fall as the WTI dropped by 11% and Brent devaluated by 17%. After the panic sell-off long end yields in Poland fell by 30 bps, however volatility remained very high. At the year end short-end yields and asset swap spreads fell further mainly due to the rumour, that POLGBs may be exempted from tax put on bank's assets in 2016, but this move was also supported by the expected changes in the Polish MPC and possible rate decrease.

## ASSET ALLOCATION OF THE FUND ON 12/31/2015

Asset type	Weight
Government bonds	43.32 %
T-bills	42.14 %
Deposit	15.39 %
Current account	2.22 %
Liabilities	-0.05 %
total	100.00 %
Derivative products	0.00 %
Net corrected leverage	100.03 %

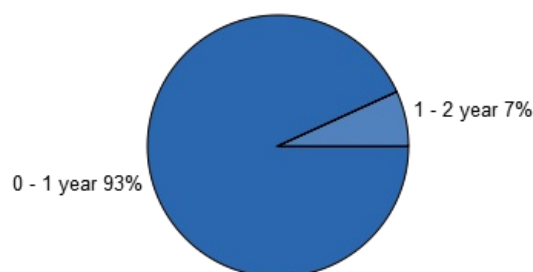
## TOP 5 POSITIONS

PLGB 2016/01/25 0% (Lengyel Állam)
PLGB 2016/04/25 5% (Lengyel Állam)
PLGB 2016/10 4,75% (Lengyel Állam)
PLGB 2017/01/25 FRN (Lengyel Állam)

## Assets with over 10% weight

PLGB 2016/01/25 0% (Lengyel Állam)
PLGB 2016/04/25 5% (Lengyel Állam)
PLGB 2016/10 4,75% (Lengyel Állam)

## Bonds by tenor:



## RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields:	0.10 %
Annualized standard deviation of the benchmark's weekly yields:	0.03 %