

# 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:	29,333,821 PLN
Net Asset Value of institutional series:	304,118 PLN
Net Asset Value per unit:	1.074891 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

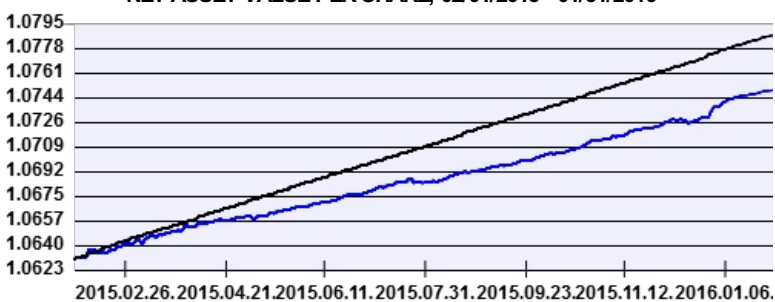
Aegon Towarzystwo Ubezpieczen na Zycie Spolka

## NET YIELD PERFORMANCE OF THE FUND:

Interval	Yield of note	Benchmark yield
From start	2.24 %	2.24 %
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, 02/01/2015 - 01/31/2016



— 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:

We had a very eventful month in Poland again. First part of the period was characterized by huge demand coming from locals due to assurance that government bonds will be exempted from bank tax. This demand concentrated on the short to intermediate maturities, that coupled with fiscal uncertainties, which means we faced a significant steepening of the yield curve again: the yield of the 5Y paper came down by 20 bps to 2,23%, while the yield of the 10Y paper came down only by 10 bps to 3,02%. The valuation of the 5y bonds started to be particularly stretched, before bad news arrived. The EC has begun talks over a potential violation with Poland, some hawkish statements came from MPC members, a new version of CHF mortgage conversion plan (that was more costly for banks than anticipated) was introduced by the president, that was all added to the already bad local sentiment generated mainly by budget concerns. In the end of the week S&P not only cut the rating outlook to negative, but also the rating to BBB+ from A-, that caused panic on Polish markets. 5Y bond yields increased approximately by 30 bps to 2,52%, 10Y bond yields increased approximately by 35 bps to 3,37% and the EURPLN sold off to 4,5. Meanwhile growth scare fueled turbulence in global markets, commodity prices fell further, inflation projections were cut in CEE region and expectations about dovish response from the biggest central banks arose, which pulled core yields down. Later, Mario Draghi signaled that the ECB is prepared to launch a fresh round of monetary stimulus as soon as March, which was a big boost to the European bond markets. Auction announcement spurred a rally in Polish government bonds, as - against the expectations - long maturity bonds were not picked for issuance at the end of January. The Fed's uncertain tone was also supportive, the probability of a further rate increase in the US decreased significantly. At the end, the BOJ surprised markets by imposing negative rates, that fueled bond markets further. The yield of the 10Y German government bond decreased by 25 bps during January to 35 bps. Also, Polish bonds could benefit from the extremely supportive global environment: the yield of the 5Y paper came down by 17 bps to 2,35%, while the yield of the 10Y paper came down by 22 bps to 3,15%. In our Fund we could even benefit from the extremely volatile environment. Short term yields proved to be quite resilient and traded at depressed levels well below the base rate and corresponding wibor/wibid rates.

## ASSET ALLOCATION OF THE FUND ON 01/31/2016

Asset type	Weight
Government bonds	33.37 %
Current account	41.05 %
Deposit	25.61 %
Liabilities	-0.07 %
total	100,00 %
Derivative products	0.00 %
Net corrected leverage	100.00 %

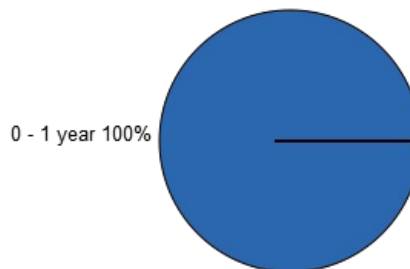
## TOP 5 POSITIONS

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

## Assets with over 10% weight

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: 0.11 %  
Annualized standard deviation of the benchmark's weekly yields: 0.03 %