

# 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:	28,894,274 PLN
Net Asset Value of institutional series:	304,333 PLN
Net Asset Value per unit:	1.075651 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

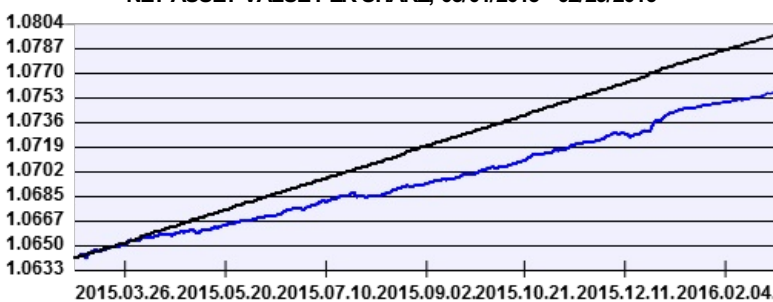
Aegon Towarzystwo Ubezpieczen na Zycie Spolka

## NET YIELD PERFORMANCE OF THE FUND:

Interval	Yield of note	Benchmark yield
From start	2.21 %	2.22 %
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, 03/01/2015 - 02/29/2016



— 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:

The global environment has not changed much for the biggest part of February: bond markets were even more skeptical about the chances of a Federal Reserve interest rate increase, inflation expectations continued to fall, as 5y5y inflation swap hit new all-time low with 1,4% and expectations about a further, significant easing by the ECB has increased. As a result, core market yields decreased further: the yield of the 10 Yr Treasuries were below 1,7% (although only for a short period of time), and the yield of the 10Yr Bunds gradually decreased to 11 bps (started the month with 35 bps). On the Polish market local newsflow was quite calm this month, that helped the consolidation, which was boosted by the global environment. The Zloty first managed to stabilize, and could even appreciate this month. As the foreign investors slashed holdings of Polish bonds by a record 13,1 billion Zloty in January (after S&P unexpectedly cut the country's credit rating), there was a significant potential buying power in case of stabilizing local sentiment (the positioning was clearly light). The valuation of Polish bonds was still favorable, and the recent significant underperformance and steep curve also supported the market. The Ministry of Finance had a very successful action: there was a huge demand for the 10 Yr government bond (5,66 bln zloty), and the appetite for duration was clearly there throughout February. The Polish CPI was lower than expected (-0,7% vs. -0,5%), while retail sales growth surprised on the downside and construction data was also weak that were supportive for bonds again (soft data reinforces the case for a dovish MPC). The Ministry of Finance had another very successful action: there was a huge demand for the 5 Yr government bond (7,3 bln zloty). As a result, there was a significant flattening of the yield curve: the yield of the 5Y paper came down by 20 bps to 2,15%, while the yield of the 10Y paper came down only by 30 bps to 2,85%, before levels started to be stretched and rally seemed to be a bit exhausted. Money market yields were quite stable during February: all tenors are around 1,3%. On the macro front, oil prices seemed to be stabilizing (at least for a short period of time), and US macro started to improve increasing the chance of a further increase in the base rate this year, that coupled with very stretched valuation levels in terms of core yields.

## ASSET ALLOCATION OF THE FUND ON 02/29/2016

Asset type	Weight
Government bonds	50.27 %
Deposit	26.06 %
Current account	23.77 %
Liabilities	-13.94 %
Receivables	13.92 %
total	100.00 %
Derivative products	0.00 %
Net corrected leverage	99.97 %

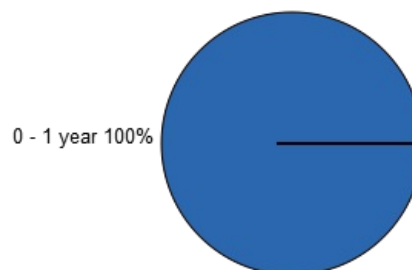
## TOP 5 POSITIONS

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