

# 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:	27,403,064 PLN
Net Asset Value of institutional series:	304,553 PLN
Net Asset Value per unit:	1.076430 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

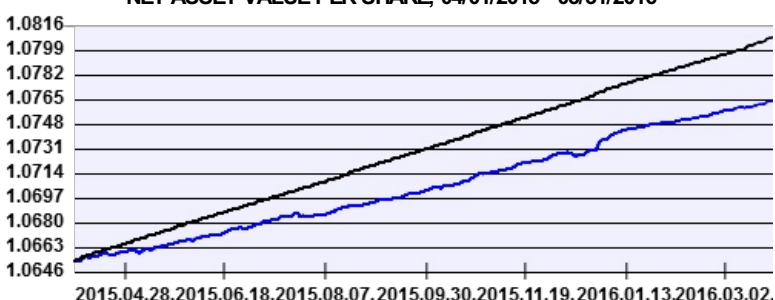
Aegon Towarzystwo Ubezpieczen na Zycie Spolka

## NET YIELD PERFORMANCE OF THE FUND:

Interval	Yield of note	Benchmark yield
From start	2.17 %	2.20 %
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, 04/01/2015 - 03/31/2016



— 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.

## 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:	0.04 %

## INVESTMENT HORIZON:

Suggested minimum investment period:



Risk and Reward Profile:



## MARKET SUMMARY:

This month was mainly about big central banks, again. Eurozone QE adjusted net supply was a large positive amount in March, that was the heaviest month of the year. In the first part of the March, core market yields increased. On the 10th of March the ECB delivered an extended package of easing measures. The refinancing rate, the marginal lending rate and the deposit rate were all cut. Liquidity measures were rather aggressive with a new set of 4 TLTROs with a maturity of 4 years and an interest rate that can be negative. The monthly pace of asset purchases was raised to EUR 80bn and IG non-bank corporate debt will be included in the program. Risk sentiment deteriorated when Draghi downplayed the prospect of further rate cuts, however, this program is still very supportive for fixed income assets. On the 16th of March the Fed held the regular FOMC meeting. The outcome was quite dovish: rates were unchanged, Fed fund futures continued pricing 1 rate hike this year, after Fed's updated "dot plot" showed Fed expecting 2 rate hikes in 2016 (the FOMC members' median interest rate projections have come down by 50bps for both 2016 and 2017). The FOMC statement unexpectedly highlighted the risks from global economic and financial market developments more prominently. FOMC developments coupled with very dovish comments from Yellen were very supportive for risk assets in the near term and the short-lived sell-off on core bond markets proved to be a better entry level for long positioning.

Local market in Poland was more stable, especially compared to the previous months. Even if S&P downgrade was premature it did serve to put a lot of focus on fiscals and so far it seems that PiS tries to avoid any other move from rating agencies. Polish banking sector regulator, KNF, released an estimate of the cost of the draft CHF loan conversion bill submitted by President Duda. The horrible cost and potential side effects supported the view that the bill will be changed, and the cost will be watered down, which was supportive too. The new MPC has formed and seems to be united: there is no appetite for cutting the base rate (at least for now), partly because rating agencies put a high emphasis on the independence of the NBP, partly the real economy does not need it (strong GDP data, PMI, industrial production and retail sales numbers were introduced in March) and rate cuts would further hit the profitability of the banking sector, after damages by bank tax and potential mortgage conversion, and partly because a sizable fiscal easing is already in place. The Ministry of Finance had a successful action right at the beginning of March: there was a sizable demand for the 10 Yr government bond, (6,8bn zloty), however most of it was filled (5,66 bln zloty issued). The second (switch) auction was also successful: the agency issued a new 5Y paper in a good size (5,22bln PLN issued) and another floaters. Poland also issued 10Yr bonds denominated in USD with a good timing in a significant size. Altogether Polish bonds were stable throughout March, yields managed to decline a bit further.

## ASSET ALLOCATION OF THE FUND ON 03/31/2016

Asset type	Weight
Government bonds	16.70 %
Deposit	56.72 %
Liabilities	-29.41 %
Receivables	29.36 %
Current account	26.72 %
total	100.00 %
Derivative products	0.00 %
Net corrected leverage	100.26 %

## TOP 5 POSITIONS

PLGB 2016/10 4,75% (Lengyel Állam)

## Assets with over 10% weight

PLGB 2016/10 4,75% (Lengyel Állam)

Bonds by tenor:

