

# 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:	27,455,865 PLN
Net Asset Value of institutional series:	304,749 PLN
Net Asset Value per unit:	1.077122 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

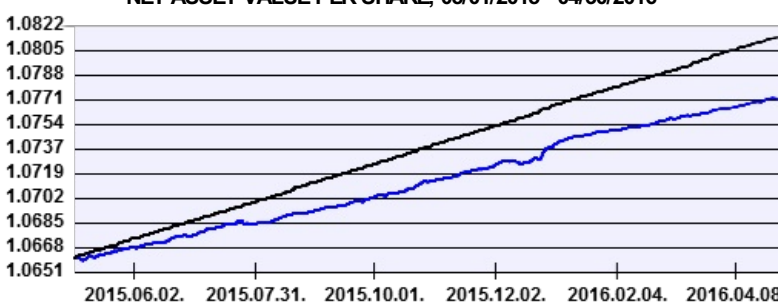
Aegon Towarzystwo Ubezpieczen na Zycie Spolka

## NET YIELD PERFORMANCE OF THE FUND:

Interval	Yield of note	Benchmark yield
From start	2.14 %	2.18 %
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, 05/01/2015 - 04/30/2016



— 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:

This month was characterized by the gradual increase of Polish government bond yields and bear steepening of the yield curve: 2 year yields increased by 6bps, 5 year yields increased by 8 bps, 10 year yields increased by 24 bps. Weak performance of core markets was one of the main drivers: 10 year yields in the US and Germany both increased by more than 20 bps during the month. This was a surprise for most analysts in case of European bond yields as April was the most supportive month in the Eurozone in terms of huge negative net supply and fair value of the Bund yields has fallen significantly. However, in case of US it wasn't so surprising as market expectations for the Fed were already close to maximum dovishness. The continuation of the Greek saga, Brexit fears, new elections in Spain and the rating update of Portugal by DBRS weighed on periphery and also on Polish bond market.

Locally political risks played an important role again: fears about the CHF debt conversion plan (president's office doesn't plan any changes to terms of the plan just spread over a longer time frame?), democracy issues, weakening zloty put pressure on Polish bonds again. After Moody's signaled that constitutional crisis heightens political risk, market sentiment turned negative as Moody's will update Polish rating in the middle of next month. Ministry of Finance financed almost 60% of yearly borrowing needs end of April, however positioning in Polish bonds has been increasing significantly in the last period, that was a bit more negative for the performance of bonds this month.

A set of economic activity data for March (industrial production, PPI, retail sales, construction output) surprised on the weak side by a wide margin. We saw a very cautious change in rhetoric by the Polish MPC members: they spoke about the possibility of rate cut. The MPC is still not at the point where rate cut would be imminent but the minutes have opened the door a little further towards a potential easing. With weak economic data and weak inflation (it was the fifth consecutive CPI undershooting for Poland in March) coupled with a more dovish than expected MPC minutes may increase the rate cut expectations further however we do not expect a rate cut before Governor Belka's mandate expires in June.

## ASSET ALLOCATION OF THE FUND ON 04/30/2016

Asset type	Weight
Government bonds	31.76 %
Deposit	43.77 %
Current account	24.73 %
Liabilities	-0.44 %
total	100.00 %
Derivative products	0.00 %
Net corrected leverage	100.00 %

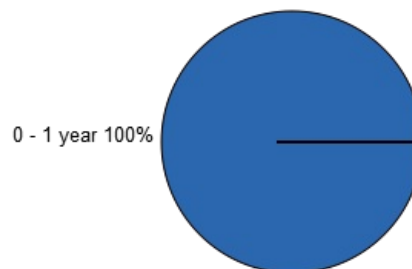
## TOP 5 POSITIONS

PLGB 2016/10 4,75% (Lengyel Állam)

## Assets with over 10% weight

PLGB 2016/10 4,75% (Lengyel Állam)

Bonds by tenor:



0 - 1 year 100%

## 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 %