

# Aegon Polish Money Market Fund PLN 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:	HU0000711601
Start:	10/26/2012
Currency:	PLN
Total Net Asset Value of the whole Fund:	24,913,281 PLN
Net Asset Value of PLN series:	24,608,288 PLN
Net Asset Value per unit:	1.068041 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

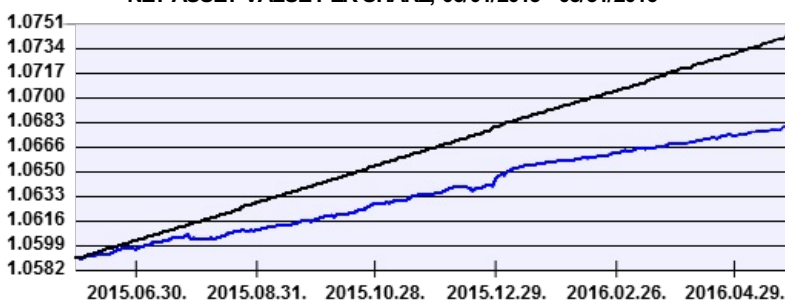
Aegon Towarzystwo Ubezpieczen na Zycie Spolka

## NET YIELD PERFORMANCE OF THE FUND:

Interval	Yield of note	Benchmark yield
From start	1.85 %	2.16 %
2015	0.92 %	1.53 %
2014	1.85 %	2.23 %
2013	2.89 %	2.71 %

## NET PERFORMANCE OF THE FUND

### NET ASSET VALUE PER SHARE, 06/01/2015 - 05/31/2016



— Aegon Polish Money Market Fund PLN 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:

May was characterized by two different sub-periods for the Polish bond market. The first half of the month resulted in a strong performance of Polish bonds: 5Y yields decreased by 14 bps to 2,21%, 10Y yields decreased by 17 bps to 2,9%. This was partly caused by the weak macro data, fueling rate cut expectations: headline inflation continued to undershoot expectations representing the 6th consecutive downside surprise, core inflation hit a 10-year low in March, Q1 GDP growth was 3% versus market consensus of 3,5% and Polish manufacturing PMI fell sharply in April to 51 versus 53 consensus. Globally a weak NFP data in the USA supported bond markets (just 160.000 jobs were added in the month of April versus 200.000 consensus) that kept growth concerns alive and pushed probabilities of a coming FED rate hike even lower, however that were already incredibly low. On top of that, Poland avoided a second credit-rating reduction in its history, however it was widely expected, as Moody's cut only its outlook but left its rating unchanged. That was a significant positive surprise for the markets causing a rally in EURPLN and Polish bond yields, however that lasted only for one day after the announcement. The second half of the month was characterized by a completely different newsflow. The rhetoric from the FED changed significantly: several decision makers signaled, that rate hike even in June is still on the stable and absolutely can not be ruled out repricing Fed rate hike expectations, that put the fragile Polish bond market under pressure. Along with the changing global environment local sentiment was characterized by bad newsflow: fiscal risks, potential harmful mortgage conversion plan, Constitutional Tribunal crisis attracted again attention and the credibility of some statistical data came into question (according to some analysts in reality inflation and GDP growth may be higher than the actual data shows). Meanwhile Polish activity data rebounded with a quite strong industrial output and retail sales print, confirming that GDP slowdown on Q1 should be a one-off and next quarters will be better. Along with the stable rhetoric coming from Polish MPC members stating that no rate cuts are necessary, rate cut expectations decreased significantly in Poland. All of that together caused a huge sell-off on the Polish bond market, 5Y yields were hit seriously: yields skyrocketed by 32bps from the low level to 2,43%, while 10Y yields increased by 20 bps to 3,1%. Moreover, even the yields of the short dated papers increased by 7-10 bps.

During the month Adam Glapinski has been named as the successor to Marek Belka at the helm of the central bank, as expected.

## ASSET ALLOCATION OF THE FUND ON 05/31/2016

Asset type	Weight
Government bonds	47.58 %
Deposit	48.42 %
Current account	4.11 %
Liabilities	-0.03 %
total	100.00 %
Derivative products	0.00 %
Net corrected leverage	100.11 %

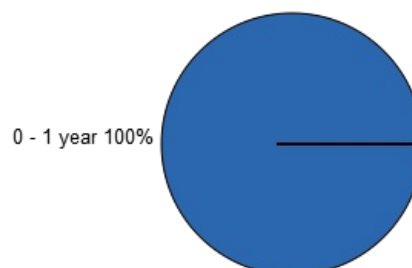
## TOP 5 POSITIONS

PLGB 2016/10 4,75% (Lengyel Állam)  
PLGB 2017/04 4,75% (Lengyel Állam)

## Assets with over 10% weight

PLGB 2016/10 4,75% (Lengyel Állam)  
PLGB 2017/04 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 %