

# 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: | 36,823,191 PLN                  |
| Net Asset Value of PLN series:           | 36,518,007 PLN                  |
| Net Asset Value per unit:                | 1.068539 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

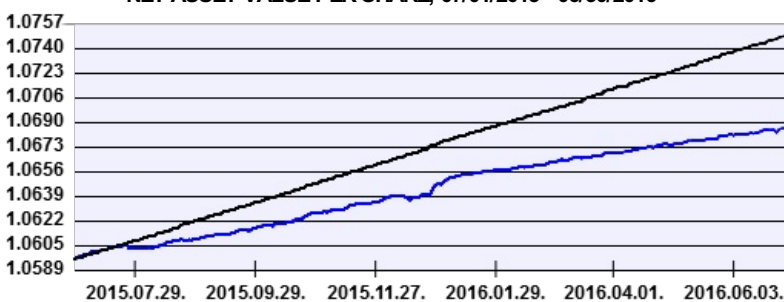
Aegon Towarzystwo Ubezpieczen na Zycie Spolka

## NET YIELD PERFORMANCE OF THE FUND:

| Interval   | Yield of note | Benchmark yield |
|------------|---------------|-----------------|
| From start | 1.82 %        | 2.15 %          |
| 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, 07/01/2015 - 06/30/2016



— 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:

This month was a real roller coaster for Polish government bonds. First part of the month was characterized by risk-off mood and skyrocketing Polish yields. Sentiment was spoiled by both local and external concerns. In Poland local concerns heightened uncertainty, as EU stepped up unprecedented probe of the Rule of Law in connection with the constitutional crisis, and CHF mortgage conversion plan was again in the focus with a potential harmful outcome. Moreover, the British referendum gained more and more attraction. Brexit risks impacted portfolio construction and led to significant CEE position reduction. Poland was considered by far to be most severely impacted if Brexit had occurred, that coupled with the abovementioned local issues hitting Polish government bonds severely: yields of the 10Y bond went up by 20bps above 3,3%, 5y bond yields skyrocketed by almost 30bps above 2,6% and even the 2Y bond yields increased by 25bps to 1,85%. After Brexit actually happened investors started to trade medium-term consequences of the referendum: lower growth and inflation, and anticipated further easing/less hawkish attitude from central banks. In the US a very weak NFP number and of course the Brexit priced rate hikes for both 2016 and 2017 out. In Poland a new mortgage conversion plan was disclosed, however a lot of details are still missing making it impossible to fully analyze the impacts, but it seems to be the case, that the worst case scenario didn't materialize, which was a relief for the markets. The valuation of the Polish government bonds improved by a huge amount, and that altogether resulted in a sharp rally in Polish yields. 2Y bond yields decreased by 20 bps to 1,65%, 5Y yields tumbled by 40bps to 2,2%, 10Y yields collapsed by 40bps to 2,9% from the highest levels seen in June.

## ASSET ALLOCATION OF THE FUND ON 06/30/2016

| Asset type             | Weight   |
|------------------------|----------|
| Government bonds       | 32.21 %  |
| T-bills                | 29.37 %  |
| Deposit                | 32.80 %  |
| Current account        | 6.13 %   |
| Liabilities            | -0.45 %  |
| total                  | 100.00 % |
| Derivative products    | 0.00 %   |
| Net corrected leverage | 100.11 % |

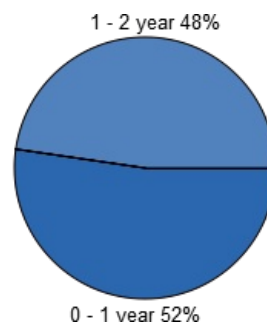
## TOP 5 POSITIONS

|                                    |
|------------------------------------|
| PLGB 2017/07/25 0% (Lengyel Állam) |
| PLGB 2016/10 4,75% (Lengyel Állam) |
| PLGB 2017/04 4,75% (Lengyel Állam) |

## Assets with over 10% weight

|                                    |
|------------------------------------|
| PLGB 2017/07/25 0% (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: | 0.04 % |