

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:	32,831,591 PLN
Net Asset Value of institutional series:	305,541 PLN
Net Asset Value per unit:	1.079922 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

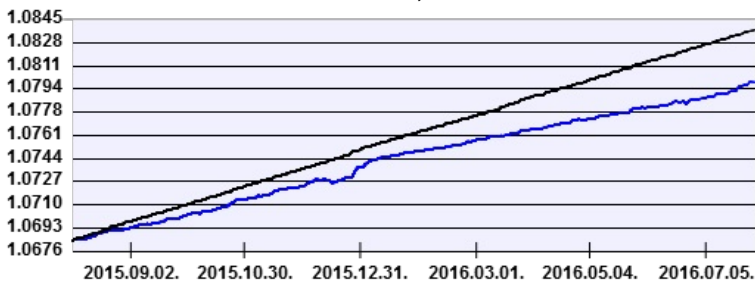
Aegon Towarzystwo Ubezpieczen na Zycie Spolka

NET YIELD PERFORMANCE OF THE FUND:

Interval	Yield of note	Benchmark yield
From start	2.07 %	2.13 %
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, 08/01/2015 - 07/31/2016



— 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 somewhat calmer for the Polgbs than usually this year despite colorful newsflow. Most important events are the followings chronologically.

S&P affirmed Poland's rating at BBB+, but highlighted concerns about public finances, the weakened system of checks and balances between key institutions and the issue of paralyzed Constitutional Tribunal, outlook remained negative.

NBP kept the base rate unchanged at 1,5% as expected and reiterated preference for rate stability. Polish central bank cut 2016 CPI, GDP growth and 2017 GDP growth forecast (-0,5% vs. -0,4%, 3,2% vs. 3,8%, 3,5% vs 3,8%, respectively). Poland has presented a plan about changes in Open Pension Funds, that aims at boosting household savings. Moreover, the assets held at OFEs (privately-owned pension funds) will be split in two parts: the liquid assets (PLN 35 bln) will be transferred to the state managed Demographic Reserve Fund. The plan seems to be slightly supportive for bond and negative for equities.

Fed minutes showed officials losing confidence in need to hike, the FOMC has become much more cautious. Interestingly, a larger NFP print in the US failed to produce a bond sell-off globally.

Poland sold 2,66bln zloty of 10Y paper, 0,214bln zloty of 0428 paper and 1,56bln zloty of 3Y paper at the first auction of July, market absorb well the supply after the initial sizable sell-off as overall size was not big and not every bid was filled as we have seen before.

Fitch affirmed Poland's rating at A-reflecting its solid macro fundamentals, but highlighted reduced predictability in economic policy, outlook remained stable, which was a positive surprise.

Polish high frequency macro data were better than expected with IP, PPI and retail sales all beating estimates affirming stable rate expectations.

The ECB did not ease further, the statement was a touch less dovish than expected but Draghi hinted on the importance of September's meeting. However, we think that the ECB will only act if data starts providing evidence of a clear threat to the economic outlook.

Polish Parliament passed top court overhaul failing to resolve significant concerns.

FOMC statement of the July meeting was cautious but came with a somewhat upbeat assessment of economic conditions suggesting a growing chance that it would increase rates later this year.

Poland sold 5,03bln zloty of 5Y paper, 2,92bln zloty of floaters at the end of the month. Market absorbed well the supply despite the quite aggressive size, however 5Y papers underperformed. Moreover, the Finance Ministry announced that it aims to sell as much as 25 billion zloty of bonds in the 3rd quarter.

In Japan BoJ disappointed markets as it opted for only a limited stimulus expansion via ETFs, but did not change the size of the bond purchases. However, Abe announced a new fiscal stimulus package. Close to the end of the month a very disappointing performance of the US economy in the 2Q16 (very weak GDP data: 1,2% vs. 2,5% expected) supported global bond markets again. During July markets were pricing in further central bank stimulus (the probability of a Fed rate hike by year-end hit a low at 12%), however ECB and BoJ did not deliver the expectations.

ASSET ALLOCATION OF THE FUND ON 07/31/2016

Asset type	Weight
T-bills	32.97 %
Government bonds	29.14 %
Deposit	36.78 %
Receivables	1.59 %
Liabilities	-1.00 %
Current account	0.45 %
total	100,00 %
Derivative products	0.00 %
Net corrected leverage	100.00 %

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:

