

# Aegon Polish Bond 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% TBSP Index
ISIN code:	HU0000710942
Start:	08/07/2012
Currency:	PLN
Total Net Asset Value of the whole Fund:	1,846,025,454 HUF
Net Asset Value of institutional series:	21,382,573 PLN
Net Asset Value per unit:	1.194899 PLN

## INVESTMENT POLICY OF THE FUND:

The aim of the investment fund is to give investors access to the Polish bond market and to function as a relatively stable, medium-risk investment already medium term, offering our customers stable real returns without the need to tie up their savings for a fixed period. The fund primarily invests into Zloty denominated Polish government bonds but the portfolio manager has some room to use other fixed income investments. We aim to maximise returns with the given risk level. Our investment decisions are based on fundamental research extended by technical research while we also take into account global market sentiment. Expected shifts in the yield curve based on our macro expectations are at the core of our investment process. Risk/return characteristics are also considered when we select suitable and safe investments. We aim to totally hedge any currency risk in the fund.

## DISTRIBUTORS

Aegon Towarzystwo Ubezpieczen na Zycie Spolka

## NET YIELD PERFORMANCE OF THE SERIES:

Interval	Yield of note	Benchmark yield
From start	3.91 %	4.59 %
2016	0.22 %	0.25 %
2015	0.83 %	1.68 %
2014	9.56 %	9.45 %
2013	0.46 %	1.99 %

## NET PERFORMANCE OF THE SERIES

### NET ASSET VALUE PER SHARE, 04/01/2016 - 03/31/2017



— Aegon Polish Bond 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:

Polish government bonds had a very strong month in March: yields came down by 15-40 bps, that coupled with a significant flattening of the yield curve. Investors' risk perceptions changed significantly: political risks, which led to an extreme increase in risk premia last year, were fading from investors' attention. It was partly surprising, because the main concerns are unlikely to be resolved soon. Still regional valuation of Polish government bond improved a lot in the last periods, good local support (demand from banks due to the bank tax) is expected. In addition, the budget deficit is more likely to remain below the 3% threshold of GDP this year (which was important for the flattening) and economy is running relatively well, however high frequency data was a bit worse than expected, which strengthened the view of stable rates for this year in Poland. Moreover, international environment was very supportive too: yields of the 10Y German and USD bonds came down by approximately 20bps. General theme of the month was, whether global reflation trade is done, overdone, or can it further to go.

## ASSET ALLOCATION OF THE FUND ON 03/31/2017

Asset type	Weight
Government bonds	73.73 %
T-bills	24.13 %
Corporate bonds	0.94 %
Liabilities	-2.98 %
Current account	2.67 %
Receivables	1.52 %
Market value of open derivative positions	0.01 %
total	100,00 %
Derivative products	0.15 %
Net corrected leverage	100.08 %

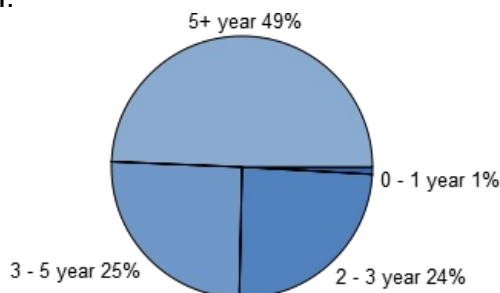
## TOP 5 POSITIONS

PLGB 2021/07/25 1,75% (Lengyel Állam)
PLGB 2019/04/25 0% (Lengyel Állam)
PLGB 2022/09 5,75% (Lengyel Állam)
PLGB 2025/07 3,25% (Lengyel Állam)
PLGB 2022/04/25 2,25% (Lengyel Állam)

## Assets with over 10% weight

PLGB 2021/07/25 1,75% (Lengyel Állam)
PLGB 2019/04/25 0% (Lengyel Állam)
PLGB 2022/09 5,75% (Lengyel Állam)
PLGB 2025/07 3,25% (Lengyel Állam)

## Bonds by tenor:



## RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields:	2.84 %
Annualized standard deviation of the benchmark's weekly yields:	2.83 %