

# Aegon Bessa Derivative Fund

## GENERAL INFORMATION

Fund Manager:	AEGON Hungary Fund Manager Ltd.
Custodian:	Unicredit Bank Hungary Zrt.
Main distributor:	AEGON Hungary Fund Manager Ltd.
Current capital protection period:	01/03/2017 - 01/02/2018
Capital protection::	0.008891 PLN
ISIN code:	HU0000705728
Start:	09/04/2007
Currency:	PLN
Total Net Asset Value of the whole Fund:	6,020,671 PLN
Net Asset Value of PLN series:	6,020,671 PLN
Net Asset Value per unit:	0.009618 PLN

## INVESTMENT POLICY OF THE FUND:

The aim of the fund is to provide an alternative solution for those investors who are expecting a decline of the share prices on the Polish Stock Market. In case of declining share prices by its WIG20 short future exposure the fund ensures that the investor will get extra return on his investment. If the fund manager expects that the stock markets will go up than he reduces the option position, but if he sees higher risk in the stock markets than he will buy more put options for the WIG20 Index. Since the capital protection allows the fund manager to buy only limited amount of futures the maximum short exposure of the fund is 100% of the fund's net asset value. Since the fund is a dedicated bearish fund it intends to keep the WIG20 short exposure 20%-40% of net asset value, depends on the strategy of the Fund Manager. To protect the capital, the Fund mainly invests in Polish treasury bills, government bonds and other debt securities. The Fund offers 90% capital protection for the first trading day of the year under special condition. The 90% capital protection is ensured by the investment policy of the Fund, it does not mean a full capital protection.

## DISTRIBUTORS

Aegon Towarzystwo Ubezpieczen na Zycie Spolka

## NET YIELD PERFORMANCE OF THE SERIES:

Interval	Yield of note	Benchmark yield
From start	-0.40 %	
2016	-2.34 %	
2015	4.05 %	
2014	-1.86 %	
2013	-0.94 %	
2012	-5.06 %	
2011	3.77 %	
2010	-3.52 %	
2009	-6.50 %	
2008	15.32 %	

## NET PERFORMANCE OF THE SERIES

### NET ASSET VALUE PER SHARE, 06/01/2016 - 05/31/2017



— Aegon Bessa Derivative Fund — Capital protection

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: 3.42 %

## MARKET SUMMARY:

During May, a slight increase was observable in the price of the main equity indices. Brexit related news emerged at the beginning of the month: some detail of the Juncker-May supper was leaked out and the EU has raised the Brexit fine to €100Bn (gross). In addition, at the end of the month, a survey was published stating the possibility that the Conservatives may lose majority in parliament at early elections in June - all of which has contributed to the weakening pound during the month. While European stocks were heavily bought in early May, the oil price dropped to five months low due to the fear of over-supply and poor technical picture. Although the OPEC has prolonged the production restriction for 9 months at its month-end meeting as it was expected, for the Libyan and Nigerian production it did not assign a ceiling. As a result, the oil price closed close to its opening price in May. The outcome of the French presidential election has also come as it was expected: Emmanuel Macron won 66 while Marine Le Pen got 34 percent of the votes. News from the US came in relation to the Trump-Russian relations and the dismissal of the FBI President. In the middle of the month, the possibility of launching a resignation process against the President this year was priced at 29% vs. the previous 19%. As political risks increased in the US and decreased in Europe at the same time, investors shifted from Dollar to Euro pulling the EURUSD cross to its new Trump-era high. The banking sector was heavily shorted but short selling dominated in each sector. The turn came at the end of the month, when Trump has signed the Arms Agreement with Saudi Arabia - as a result arm manufacturers' and technological company's stocks were bought. In addition, due to the favorable technical picture and news from supportive monetary policy, S&P 500 closed at all time high. Following the good performance during the year, there was a correction in the Polish market. Construction, chemical and oil and gas sectors were among the poor performers while telecom stocks among the bests. News came in regard to the pension fund reform - 25% of wealth is expected to be transferred to state fund which may introduce a certain level of uncertainty to the market.

## ASSET ALLOCATION OF THE FUND ON 05/31/2017

Asset type	Weight
T-bills	53.21 %
Government bonds	34.32 %
Current account	12.52 %
Liabilities	-0.10 %
Receivables	0.09 %
total	100.00 %
Derivative products	19.69 %
Net corrected leverage	119.51 %

## TOP 5 POSITIONS

PLGB 2017/07/25 0% (Lengyel Állam)  
 PLGB 2018/10/25 0% (Lengyel Állam)  
 PLGB 2017/10 5,25% (Lengyel Állam)  
 PLGB 2018/04/25 3,75% (Lengyel Állam)

## Assets with over 10% weight

PLGB 2017/07/25 0% (Lengyel Állam)  
 PLGB 2018/10/25 0% (Lengyel Állam)  
 PLGB 2017/10 5,25% (Lengyel Állam)  
 PLGB 2018/04/25 3,75% (Lengyel Állam)

## INVESTMENT HORIZON:

Suggested minimum investment period:



Risk and Reward Profile:

