

# Aegon Polish Equity Fund HUF series

## GENERAL INFORMATION

Fund Manager:	AEGON Hungary Fund Manager Ltd.
Custodian:	Unicredit Bank Hungary Zrt.
Main distributor:	AEGON Hungary Fund Manager Ltd.
Benchmark composition:	60% WIG-20 Index + 35% WIG-40 Index + 5% WIBOR 3M Index
ISIN code:	HU0000710843
Start:	01/03/2012
Currency:	HUF
Total Net Asset Value of the whole Fund:	198,419,875 PLN
Net Asset Value of HUF series:	3,805,682,445 HUF
Net Asset Value per unit:	1.397828 HUF

## INVESTMENT POLICY OF THE FUND:

The fund aims to share in the yields of the Polish equity market, and to profit from Poland's economic growth through share price gains and dividend income. Given the risk profiles of the equity investments, the fund is classified as a high-risk investment. The fund manager's intentions are that the fund's portfolio should consist predominantly of the publicly traded shares of foreign-domiciled companies. The fund's primary investment targets are the exchange-traded securities of companies that are active in Poland or that generate the bulk of their revenues there, or whose shares are listed on the Warsaw Stock Exchange. The fund may also invest in the shares of other Central and Eastern European corporations. These are listed as Austria, the Czech Republic, Hungary, Russia, Romania and Turkey, although the portfolio will always chiefly consist of the shares of companies listed on the Warsaw Stock Exchange. When building the fund's portfolio, beyond the minimum statutory requirements, the principles of safety and maximum diversification (the spreading of risk) are observed. Accordingly, only publicly issued securities listed or in the process of being listed on the stock exchange will be purchased as equity investments. The fund management company, exercising all due care, determines the means of utilising the fund's resources on the basis of its own judgement and decisions, while observing the relevant legal provisions and the limitations stipulated in the Fund Documentation and by taking into account the macroeconomic environment of the investment markets, relying primarily on fundamental analysis. When compiling the portfolio, it is shares that determine the nature of the fund, and thus the proportion of shares that may be held in the fund at any given moment may reach the prevailing statutory maximum. The weights of the shares within the portfolio are determined so as to ensure that the fund - in line with our expectations with regard to future risks and yields - achieves its objective, which is to outperform the benchmark advertised by the fund, over the longer term. The fund holds more than 30% of its assets in a currency other than the domestic currency (HUF). In accordance with the current legislation, the proportion of shares in the portfolio may be up to 100%.

## DISTRIBUTORS

Aegon Magyarország Befektetési Alapkezelő Zrt., CONCORDE Értékpapír Zrt., Raiffeisen Bank Zrt., SPB Befektetési Zrt.

## NET YIELD PERFORMANCE OF THE SERIES:

Interval	Yield of note	Benchmark yield
From start	6.39 %	4.94 %
2016	6.87 %	4.66 %
2015	-11.01 %	-12.48 %
2014	1.62 %	1.10 %
2013	-0.37 %	-1.33 %

## NET PERFORMANCE OF THE SERIES

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



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: 14.08 %  
Annualized standard deviation of the benchmark's weekly yields: 13.97 %

## 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. As a result, we partially closed our overweight position in the banking and underweight position in the oil sector. In the utility sector we took an underweight position. 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
International equities	94.29 %
Current account	5.65 %
Receivables	0.38 %
Liabilities	-0.31 %
total	100.00 %
Derivative products	0.00 %
Net corrected leverage	99.99 %

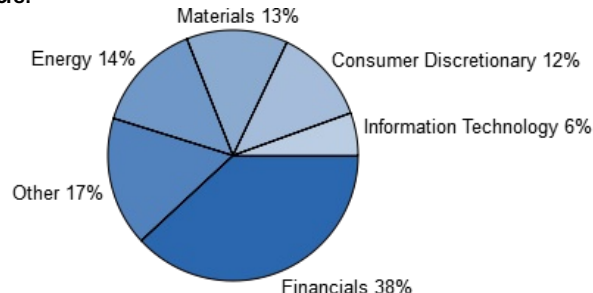
## TOP 5 POSITIONS

Polski Koncern Naftowy  
PKO Bank  
Bank Pekao SA  
POWSZECHNY ZAKŁAD UBEZPIECZEŃ  
KGHM Polska SA

## Assets with over 10% weight

There is no such instrument in the portfolio

## Stocks by sectors:



## INVESTMENT HORIZON:

Suggested minimum investment period:



Risk and Reward Profile:

