

Aegon Bessa Derivative Fund

GENERAL INFORMATION

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|--|---------------------------------|
| 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: | 5,215,511 PLN |
| Net Asset Value of PLN series: | 5,215,511 PLN |
| Net Asset Value per unit: | 0.009594 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 | -0.42 % | |
| 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, 07/01/2016 - 06/30/2017



— 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: 3.21 %

MARKET SUMMARY:

After the slight increase in May, the main equity indices were stagnating in June. Although the technical analyst of JP Morgan expects the culmination in the stock markets during the summer with a correction in Autumn, Deutsche Bank does not project any recession in the next 12 months.

The ECB has reduced its inflation forecast mainly due to the decrease of the oil price. In the British parliamentary elections, the Conservative Party was unable to retain an absolute majority - as a result the Pound decreased sharply. In the second half of the month, the first negotiation and negotiation schedule for Brexit negotiations was launched. In line with expectations, in the second round of the French elections, Emmanuel Macron's party had an absolute majority. At the end of the month, European decision-makers have extended the sanctions against Russia for another 6 months until January 2018.

At the beginning of June, due to the news of rising Libyan production to three-year highs, oil short positions were opened, and by the middle of the month, oil prices decreased led by fears of over-supply; although the launch of the blockade against Qatar had a slight rebounding effect. After the disappointment at the OPEC meeting, oil only returned to level 45 only at the end of the month when it became apparent that the inventory increased by 118k instead of the expected decrease of 2.2 million barrels.

At the beginning of the month, the US long yield dropped to its 2017 low as a result of disappointment with Trump, weak inflation and strengthening yen; furthermore, in the second week of June, Nasdaq turned down. As it was expected, the FED increased the base rate by 25 bps.

In Asia, Japanese market was supported by excellent macro data, while the Chinese H-stocks decreased because of the arrest of Anbang's CEO. In accordance to the MSCI decision in June, the Chinese A-shares were included in MSCI Emerging Market Index, but Argentina was left out.

On the Polish market, best performers were the energy and real estate sector, while media sector was the weakest. All in all, the market was moving sideways, and the reform of pension funds remains the focus.

ASSET ALLOCATION OF THE FUND ON 06/30/2017

| Asset type | Weight |
|------------------------|----------|
| T-bills | 51.01 % |
| Government bonds | 39.65 % |
| Current account | 9.29 % |
| Receivables | 0.34 % |
| Liabilities | -0.24 % |
| total | 100.00 % |
| Derivative products | 22.75 % |
| Net corrected leverage | 122.68 % |

TOP 5 POSITIONS

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

Assets with over 10% weight

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

INVESTMENT HORIZON:

Suggested minimum investment period:

| | | | | | | |
|--------------------------|--------------------------|-------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3 months | 6 months | 1 year | 2 years | 3 years | 4 years | 5 years |

Risk and Reward Profile:

| | | | | | | |
|--------------------------|--------------------------|-------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| very low | low | moderate | intermediate | significant | high | very high |