

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:	4,902,681 PLN
Net Asset Value of PLN series:	4,902,681 PLN
Net Asset Value per unit:	0.009500 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	-0.52 %	
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, 08/01/2016 - 07/31/2017



— 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

MARKET SUMMARY:

The American stock market reached an absolute peak in July, for example the Nasdaq and the DJIA indices. However, Merrill Lynch shares the opinion of the technical analyst of JP Morgan that the culmination of the market can be followed by a selling wave in summer or in autumn.

At the beginning of July, the EU-Japan free trade agreement was announced that abolish 99 percent of the duties and many trade barriers between the two countries. In the first half of the month, the German 10-year bond yield passed the 0.5 percent rate which led to a selling wave on other bond and equity markets. In Great Britain, the British currency passed through the 1.31 level for the first time since Brexit which was due to the optimism about the exit negotiations and the slump of the dollar.

Overseas, the dollar weakened further and reached a two year low against the euro. After the FED meeting in July, two main questions remained: the schedule of the decrease of the balance sheet and the decline of the inflation. According to the WSJ, the FED will not increase the base rate until December. Based on a recent survey, the picture about Trump has further worsened thanks to the "Russian scandal" and the infighting within the Republican Party. In accordance with Trump's previous conviction, the USA had an opposite view of climate protection than the other 19 countries on the G20 summit.

The rebound of the oil price that has started in last month continued in July. The oil moved near the 8-week peak, approaching 50 dollars. Beside the weak dollar, the possible culmination of the American production, the export limitation of Saudi and the situation of Venezuela can be important in terms of supply.

On the Polish market, best performers were the banking sector and energy sector, while the IT sector was the weakest in July. Overall the fund was moving sideways.

ASSET ALLOCATION OF THE FUND ON 07/31/2017

Asset type	Weight
Government bonds	52.70 %
T-bills	33.92 %
Current account	14.25 %
Liabilities	-0.81 %
total	100.00 %
Derivative products	25.15 %
Net corrected leverage	124.13 %

TOP 5 POSITIONS

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

Assets with over 10% weight

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

RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields: 3.25 %

INVESTMENT HORIZON:

Suggested minimum investment period:



Risk and Reward Profile:

