

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:	5,656,258 PLN
Net Asset Value of PLN series:	5,656,258 PLN
Net Asset Value per unit:	0.009414 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 Ubezpieczeń na Życie Spółka

NET YIELD PERFORMANCE OF THE SERIES:

Interval	Yield of note	Benchmark yield
From start	-0.60 %	
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, 09/01/2016 - 08/31/2017



— 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: 3.04 %

MARKET SUMMARY:

Thanks to the better-than-expected macro data the main US equity indices bounced back after a weak start in August. While the European main equity indices finished slightly below their last month closing price, the BUX reached its absolute peak this month.

The British government seems to be more permissive in case of Brexit and is willing to pay 40 billion Euros to the EU budget, furthermore would accept the European Court's indirect jurisdiction in several cases after leaving the EU. Based on a survey in August, Macron's popularity is decreasing; more than 55 percent of the voters are not satisfied with his performance, while this number was just 43 percent in July.

August was a busy month in the United States. Donald Trump announced that an inquiry is started regarding the Chinese violation of intellectual property, the wall will be built on the Mexican border and no agreement will be reached in the NAFTA case (North American Free Trade Agreement). In addition, the president dissolved two advisory boards and dismissed his strategic senior advisor. It is still a question whether political consensus can be achieved in case of the tax reform and the debt limit. According to the minutes of the FED's summit, reduction of the balance sheet is about to start in September, but the decision-makers are still divided in the question of raising interest rate due to the fact that inflation is regarded in different ways. The North-Korean conflict increased in August because of the threat of a rocket attack against Guam; a new rocket was launched that hit the Pacific Ocean flying over Japan. As a result of the increasing geopolitical tension, investors become more risk-averse as a result, the price of gold reached a 10-month peak.

Along with gold, other precious metal's price went up to in August: silver reached its June rate, platinum its March rate and palladium its 2001 rate.

The oil price deteriorated in August due to the higher-than-planned OPEC output, the profit realisation and the lack of the oil demand because of hurricane Harvey.

The Norwegian national Fund is about to raise its weight of the equities, from 60 to 70 percent, becoming one of the most significant market participants of the global equity market.

On the Polish market, best performers were the oil & gas and energy sectors, while the food sector was the weakest in August. Thanks to a more moderate pension reform, the market was well performing.

ASSET ALLOCATION OF THE FUND ON 08/31/2017

Asset type	Weight
Government bonds	45.77 %
T-bills	29.48 %
Current account	24.81 %
Receivables	0.10 %
Liabilities	-0.09 %
total	100.00 %
Derivative products	11.48 %
Net corrected leverage	110.44 %

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)

INVESTMENT HORIZON:

Suggested minimum investment period:



3 months



6 months



1 year



2 years



3 years



4 years



5 years

Risk and Reward Profile:



very low



low



moderate



intermediate



significant



high



very high