

Aegon Polish Bond Fund

P series

GENERAL INFORMATION

| | |
|--|---------------------------------|
| Fund Manager: | AEGON Hungary Fund Manager Ltd. |
| Custodian: | Unicredit Bank Hungary Zrt. |
| Main distributor: | AEGON Hungary Fund Manager Ltd. |
| Benchmark composition: | 100% TBSP Index |
| ISIN code: | HU0000713565 |
| Start: | 03/28/2014 |
| Currency: | PLN |
| Total Net Asset Value of the whole Fund: | 2,932,758,470 HUF |
| Net Asset Value of P series: | 21,251,008 PLN |
| Net Asset Value per unit: | 1.104014 PLN |

INVESTMENT POLICY OF THE FUND:

The aim of the investment fund is to give investors access to the Polish bond market and to function as a relatively stable, medium-risk investment already medium term, offering our customers stable real returns without the need to tie up their savings for a fixed period. The fund primarily invests into Zloty denominated Polish government bonds but the portfolio manager has some room to use other fixed income investments. We aim to maximise returns with the given risk level. Our investment decisions are based on fundamental research extended by technical research while we also take into account global market sentiment. Expected shifts in the yield curve based on our macro expectations are at the core of our investment process. Risk/return characteristics are also considered when we select suitable and safe investments. We aim to totally hedge any currency risk in the fund.

DISTRIBUTORS

Aegon Towarzystwo Ubezpieczen na Zycie Spolka

NET YIELD PERFORMANCE OF THE SERIES:

| Interval | Yield of note | Benchmark yield |
|------------|---------------|-----------------|
| From start | 2.93 % | 4.02 % |
| 2016 | -0.38 % | 0.25 % |
| 2015 | 0.22 % | 1.68 % |

NET PERFORMANCE OF THE SERIES

NET ASSET VALUE PER SHARE, 09/01/2016 - 08/31/2017



— Aegon Polish Bond Fund P series — Benchmark

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.

INVESTMENT HORIZON:

Suggested minimum investment period:



Risk and Reward Profile:



MARKET SUMMARY:

Polish yields declined by 5-10bps in August mainly due to core market developments and continuously improving fiscal situation (lower issuance than expected).

GDP rose by 3,9% y/y in the second quarter. Growth was driven by consumption while investment remained more or less in stagnation. With an economy showing signs of reflation, the market will be looking for any hints that the NBP could shift away from its dovish policy stance, however it may not happen in the next few months. Soft data were mixed: inflation rose to 1,7% y/y in July (up from 1,5% y/y in June) on the back of higher food prices, industrial output grew by 6,2% (consensus, 8,4%), construction output grew by 19,8% (consensus was 13,3%), retail sales grew by 6,8% (consensus 7,4%).

Moody's said in July that judicial reforms were a credit negative, but in the meantime the President vetoed some of them, whilst growth has been firm, fiscal situation improved.

Poland has financed 72% of gross borrowing needs by August 2017 and held only one switch auctions in the previous month. With improving tax collection and decreasing deficit, the Polish Debt Management Agency cut back the issuance for the third quarter and announced, that they are not going to hold any regular auctions in September.

ASSET ALLOCATION OF THE FUND ON 08/31/2017

| Asset type | Weight |
|------------------------|----------|
| Government bonds | 78.22 % |
| T-bills | 19.88 % |
| Current account | 1.22 % |
| Receivables | 1.14 % |
| Liabilities | -0.46 % |
| total | 100,00 % |
| Derivative products | 0.00 % |
| Net corrected leverage | 100.00 % |

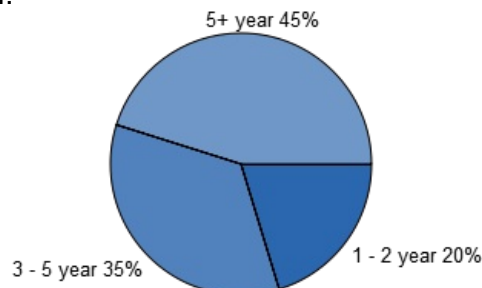
TOP 5 POSITIONS

PLGB 2022/04/25 2,25% (Lengyel Állam)
 PLGB 2022/09 5,75% (Lengyel Állam)
 PLGB 2019/04/25 0% (Lengyel Állam)
 PLGB 2023/10/25 4% (Lengyel Állam)

Assets with over 10% weight

PLGB 2022/04/25 2,25% (Lengyel Állam)
 PLGB 2022/09 5,75% (Lengyel Állam)
 PLGB 2019/04/25 0% (Lengyel Állam)
 PLGB 2023/10/25 4% (Lengyel Állam)

Bonds by tenor:



RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields: 2.64 %
 Annualized standard deviation of the benchmark's weekly yields: 2.68 %