

Aegon Polish Bond 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:	100% TBSP Index
ISIN code:	HU0000705256
Start:	05/11/2007
Currency:	HUF
Total Net Asset Value of the whole Fund:	4,331,388,158 HUF
Net Asset Value of HUF series:	50,442,682 HUF
Net Asset Value per unit:	1.585290 HUF

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 Magyarország Befektetési Alapkezelő Zrt., CIB Bank Zrt., Codex Tőzsdeügynökség és Értéktár Zrt., Commerzbank Zrt., CONCORDE Értékpapír Zrt., Equilor Befektetési Zrt, Erste Befektetési Zrt., Raiffeisen Bank Zrt., SPB Befektetési Zrt., Unicredit Bank Hungary Zrt.

NET YIELD PERFORMANCE OF THE SERIES:

Interval	Yield of note	Benchmark yield
From start	4.39 %	7.36 %
2017	9.53 %	10.82 %
2016	-4.68 %	-4.08 %
2015	-0.35 %	1.10 %
2014	11.85 %	12.94 %
2013	-0.50 %	2.13 %
2012	12.10 %	15.01 %
2011	8.99 %	9.57 %
2010	11.80 %	14.15 %
2009	16.47 %	28.27 %
2008	-16.10 %	-2.99 %

NET PERFORMANCE OF THE SERIES

NET ASSET VALUE PER SHARE, 02/01/2017 - 01/31/2018



— Aegon Polish Bond Fund HUF 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.

MARKET SUMMARY:

In January local developments played a minor role, core markets shaped the POLGB market. Based on the macro backdrop, changes in global monetary policy, economic cycle, strong oil price action, tight labour market at the end of the bull market regarding bonds was the consensus expectation for this year. In line with the expectations core market yields started to sell-off even after dovish remarks by the Ecb and BoJ. Fed officials looked a bit more confident regarding inflation and the outlook of the economy. After the statement, probability of 4 hikes in the US this year increased, and the level of the terminal rate may be questioned over time. In Europe Draghi was quite dovish, mentioning the uncertainties around the common currency and emphasizing, that the low level of interest rates will stay for a prolonged period of time even after end of QE. In Japan Kuroda was quite dovish too, forecast were unchanged and the 0% target for 10Y papers was strengthened by unlimited fix price tender, which was not used, but fulfilled its purpose: yields were little changed in Japan. However, global bond sell-off continued: 10Y US bond yields increased by ~40bps, 10Y German yields increased by 30bps. Polish government bonds were quite resilient due to the attractive fiscal situation and strong macro fundamentals, however the 5Y segment increased by 30bps, the 10Y segment by 40 bps from the lowest levels seen in January.

ASSET ALLOCATION OF THE FUND ON 01/31/2018

Asset type	Weight
Government bonds	71.53 %
T-bills	23.18 %
Current account	5.38 %
Liabilities	-0.09 %
total	100.00 %
Derivative products	0.00 %
Net corrected leverage	100.00 %

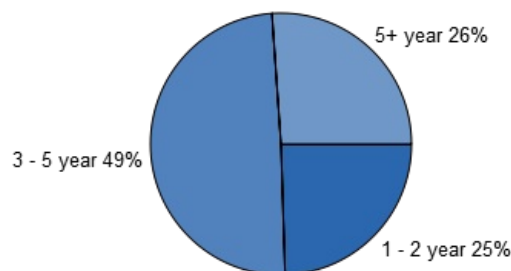
TOP 5 POSITIONS

PLGB 2022/04/25 2,25% (Lengyel Állam)
PLGB 2019/04/25 0% (Lengyel Állam)
PLGB 2021/07/25 1,75% (Lengyel Állam)
PLGB 2027/07/25 2,5% (Lengyel Állam)
PLGB 2025/07 3,25% (Lengyel Állam)

Assets with over 10% weight

PLGB 2022/04/25 2,25% (Lengyel Állam)
PLGB 2019/04/25 0% (Lengyel Állam)
PLGB 2021/07/25 1,75% (Lengyel Állam)
PLGB 2027/07/25 2,5% (Lengyel Állam)

Bonds by tenor:



RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields: 4.06 %

Annualized standard deviation of the benchmark's weekly yields: 4.11 %

INVESTMENT HORIZON:

Suggested minimum investment period:



Risk and Reward Profile:

