

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:	01/03/2018 - 01/02/2019
Capital protection::	0.008501 PLN
ISIN code:	HU0000705728
Start:	09/04/2007
Currency:	PLN
Total Net Asset Value of the whole Fund:	7,967,589 PLN
Net Asset Value of PLN series:	7,967,589 PLN
Net Asset Value per unit:	0.009523 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	-0.47 %	
2017	-4.46 %	
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, 03/01/2017 - 02/28/2018



— 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:

At the beginning of February, the stock markets suffered their worst time since 2015. The selloff could have been catalyzed by the record inflows to the markets, the excessive stock market positioning and the accelerating rise in yields; but according to some experts, US wage statistics have also been involved because they saw an overheated labour market in the data.

The record amount of cash inflows turned around after the correction, causing a \$30.6 billion outflow from equity funds, which is the highest ever value.

In February, the US federal government stopped for a while again, after failing to vote for the necessary budget law in the Senate. The higher than expected inflation figures had no negative impact on the stock markets, but the probability of the interest rates hikes in March has increased to 83%. The 10-year US government yield reached 2.95 percent, thus the US yields rose to a new 4-year high.

At the beginning of the month, the Euro and the Forint were also at a three-year high against the Dollar but after a stronger US labour market date, the US currency began to pick up after unemployment figures reported that the overseas economy is in good shape which could influence the FED's interest rate hikes as well. Emmanuel Macron's party lost two parliamentary interim elections this month; they lost more than half of last year's voters in both districts, so the decreasing popularity of the president has a negative impact on his party as well. In February, the German grand-coalition agreement was reached after the CDU/CSU made significant concessions to the SPD. Fitch upgraded the Greek debt by one degree from B- to B, while Russia received first S&P upgrade to BBB-, exiting the junk status.

Oil prices have fallen to a one-month lows as a result of the higher than expected supplies but after the Saudi oil minister's statement that they are producing significantly under the OPEC quota in the first quarter and due to the decreasing inventory data the oil prices have rebounded.

The Polish market showed a weak performance compared to both the global and regional markets. All of the sectors fell during the month, the weakest performance was achieved by the energy sector, while the IT sector fell the least.

ASSET ALLOCATION OF THE FUND ON 02/28/2018

Asset type	Weight
Government bonds	38.64 %
T-bills	29.82 %
Current account	46.00 %
Liabilities	-15.02 %
Receivables	0.58 %
total	100.00 %
Derivative products	23.66 %
Net corrected leverage	124.47 %

TOP 5 POSITIONS

PLGB 2018/10/25 0% (Lengyel Állam)
 PLGB 2018/04/25 3,75% (Lengyel Állam)
 PLGB 2018/07/25 2,5% (Lengyel Állam)

Assets with over 10% weight

PLGB 2018/10/25 0% (Lengyel Állam)
 PLGB 2018/04/25 3,75% (Lengyel Állam)
 PLGB 2018/07/25 2,5% (Lengyel Állam)

RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields: 2.71 %

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