

# Aegon Polish Bond Fund institutional 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:	HU0000710942
Start:	08/07/2012
Currency:	PLN
Total Net Asset Value of the whole Fund:	10,669,672,515 HUF
Net Asset Value of institutional series:	106,152,582 PLN
Net Asset Value per unit:	1.235673 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 Ubezpieczeń na Życie Spółka

## NET YIELD PERFORMANCE OF THE SERIES:

Interval	Yield of note	Benchmark yield
From start	3.88 %	4.52 %
2017	4.17 %	4.77 %
2016	0.22 %	0.25 %
2015	0.83 %	1.68 %
2014	9.56 %	9.45 %
2013	0.46 %	1.99 %

## NET PERFORMANCE OF THE SERIES

### NET ASSET VALUE PER SHARE, 03/01/2017 - 02/28/2018



— Aegon Polish Bond Fund institutional 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

## RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields:	1.71 %
Annualized standard deviation of the benchmark's weekly yields:	1.76 %

## MARKET SUMMARY:

In February, Polish government bonds had a stellar month. Core markets seemed to be oversold in terms of bond yields, especially in the US, where 10Yr yields were approaching 3%, which seemed to be a good entry level for investors. In case of Poland the macro view is favourable: the inflation is in control (declined below 2% and expected to stay there for next month too), the MPC is for stable rates, Poland posted a current account surplus after 22 years of deficit, the budget deficit turned lower than 2% in 2017 (and we expect similar for 2018), tax revenues increased significantly due to targeted measures, and based on these the issuance may be lower than expected for this year (the Polish state already financed almost 50% of the original plan), which parallel with a stable demand may cause a further decrease in yields. High frequency data supported the view, that growth should be strong at the beginning of the year again. However, a slight rebalancing is intact in the economy: consumption will be strong this year, but a softening is expected and the investments are rebounding pointing towards a healthier composition of growth.

## ASSET ALLOCATION OF THE FUND ON 02/28/2018

Asset type	Weight
Government bonds	79.86 %
T-bills	19.13 %
Receivables	0.56 %
Current account	0.56 %
Liabilities	-0.09 %
total	100.00 %
Derivative products	0.00 %
Net corrected leverage	100.00 %

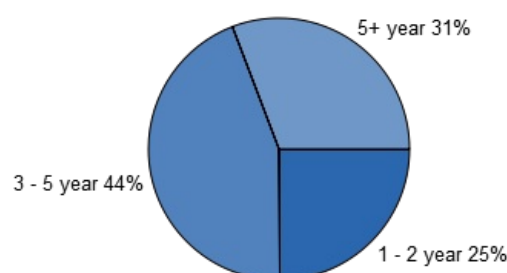
## TOP 5 POSITIONS

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

## Assets with over 10% weight

PLGB 2021/07/25 1,75% (Lengyel Állam)  
 PLGB 2022/04/25 2,25% (Lengyel Állam)  
 PLGB 2019/04/25 0% (Lengyel Állam)  
 PLGB 2025/07 3,25% (Lengyel Állam)  
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## Bonds by tenor:



## 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