

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:	10,270,961,651 HUF
Net Asset Value of P series:	35,934,566 PLN
Net Asset Value per unit:	1.124709 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	2.85 %	3.94 %
2017	3.56 %	4.77 %
2016	-0.38 %	0.25 %
2015	0.22 %	1.68 %

NET PERFORMANCE OF THE SERIES

NET ASSET VALUE PER SHARE, 06/01/2017 - 05/31/2018



— 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.

RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields:	1.80 %
Annualized standard deviation of the benchmark's weekly yields:	1.79 %

MARKET SUMMARY:

In May global developments played the most important role. Oil prices increased further, the USD appreciated, EM sold-off and bond yields kept moving higher. Polish bond yields increased in parallel with the global bond yields, but strong macro/low issuance need/dovish central bank shielded the Polish local market quite well: Polish yields increased by only ~10bps during the month (at the top, the maximum was ~20bps). Closer to the end of the month Italian panic started: core market bond yields fell, periphery bond yields jumped changing the global bond sell-off to a classic risk-off mood. During the month, we started to invest in Hungarian government bonds and quasi-sovereign papers, as yield levels seem to be oversold and hedged back to PLN it offers a good value and carry position according to our opinion.

ASSET ALLOCATION OF THE FUND ON 05/31/2018

Asset type	Weight
Government bonds	74.42 %
T-bills	11.81 %
Corporate bonds	9.87 %
Liabilities	-26.10 %
Receivables	25.02 %
Deposit	4.33 %
Current account	0.68 %
Market value of open derivative positions	-0.04 %
total	100.00 %
Derivative products	13.09 %
Net corrected leverage	103.27 %

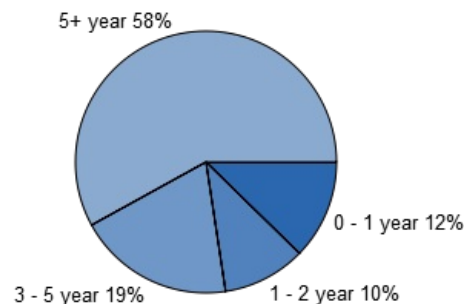
TOP 5 POSITIONS

PLGB 2025/07 3,25% (Lengyel Állam)
PLGB 2023/10/25 4% (Lengyel Állam)
PLGB 2021/07/25 1,75% (Lengyel Állam)
PLGB 2027/07/25 2,5% (Lengyel Állam)
PLGB 2019/04/25 0% (Lengyel Állam)

Assets with over 10% weight

PLGB 2025/07 3,25% (Lengyel Állam)
PLGB 2023/10/25 4% (Lengyel Állam)
PLGB 2021/07/25 1,75% (Lengyel Állam)
PLGB 2027/07/25 2,5% (Lengyel Állam)
PLGB 2019/04/25 0% (Lengyel Állam)

Bonds by tenor:



INVESTMENT HORIZON:

Suggested minimum investment period:



Risk and Reward Profile:

