

# Aegon Polish Equity Fund institutional series

## GENERAL INFORMATION

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|--|--|
| Fund Manager:                            | AEGON Hungary Fund Manager Ltd.                        |
| Custodian:                               | Unicredit Bank Hungary Zrt.                            |
| Main distributor:                        | AEGON Hungary Fund Manager Ltd.                        |
| Benchmark composition:                   | 60% WIG-20 Index + 35% WIG-40 Index + 5% WBOR 3M Index |
| ISIN code:                               | HU0000710850   |
| Start:                                   | 11/18/2011   |
| Currency:                                | PLN  |
| Total Net Asset Value of the whole Fund: | 106,688,954 PLN  |
| Net Asset Value of institutional series: | 95,876,555 PLN   |
| Net Asset Value per unit:                | 1.290732 PLN   |

## INVESTMENT POLICY OF THE FUND:

The fund aims to share in the yields of the Polish equity market, and to profit from Poland's economic growth through share price gains and dividend income. Given the risk profiles of the equity investments, the fund is classified as a high-risk investment. The fund manager's intentions are that the fund's portfolio should consist predominantly of the publicly traded shares of foreign-domiciled companies. The fund's primary investment targets are the exchange-traded securities of companies that are active in Poland or that generate the bulk of their revenues there, or whose shares are listed on the Warsaw Stock Exchange. The fund may also invest in the shares of other Central and Eastern European corporations. These are listed as Austria, the Czech Republic, Hungary, Russia, Romania and Turkey; although the portfolio will always chiefly consist of the shares of companies listed on the Warsaw Stock Exchange. When building the fund's portfolio, beyond the minimum statutory requirements, the principles of safety and maximum diversification (the spreading of risk) are observed. Accordingly, only publicly issued securities listed or in the process of being listed on the stock exchange will be purchased as equity investments. The fund management company, exercising all due care, determines the means of utilising the fund's resources on the basis of its own judgement and decisions, while observing the relevant legal provisions and the limitations stipulated in the Fund Documentation and by taking into account the macroeconomic environment of the investment markets, relying primarily on fundamental analysis. When compiling the portfolio, it is shares that determine the nature of the fund, and thus the proportion of shares that may be held in the fund at any given moment may reach the prevailing statutory maximum. The weights of the shares within the portfolio are determined so as to ensure that the fund - in line with our expectations with regard to future risks and yields - achieves its objective, which is to outperform the benchmark advertised by the fund, over the longer term. The fund holds more than 30% of its assets in a currency other than the domestic currency (HUF). In accordance with the current legislation, the proportion of shares in the portfolio may be up to 100%.

## DISTRIBUTORS

Aegon Towarzystwo Ubezpieczen na Zycie Spolka

## NET YIELD PERFORMANCE OF THE FUND:

| Interval   | Yield of note | Benchmark yield |
|------------|---------------|-----------------|
| From start | 3.93 %        | 2.16 %          |
| 2017       | 21.83 %       | 21.15 %         |
| 2016       | 11.88 %       | 9.38 %          |
| 2015       | -10.34 %      | -11.98 %        |
| 2014       | -0.78 %       | -2.02 %         |
| 2013       | 0.69 %        | -1.47 %         |
| 2012       | 24.40 %       | 16.71 %         |

## NET PERFORMANCE OF THE FUND

NET ASSET VALUE PER SHARE, 07/01/2017 - 06/30/2018



----- Aegon Polish Equity 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.

## INVESTMENT HORIZON:

Suggested minimum investment period:



Risk and Reward Profile:



## MARKET SUMMARY:

The power of the world's stock exchanges was unsteady in June but the intensifying tension in connection with the trade war put pressure on the performances; the US and the European equity markets closed nearly at flat, while the emerging markets suffered a fall.

The actions of trade war jumped to a higher level in June. Trump has approved a tariff package of \$50 billion against Chinese products, of which \$34 billion worth of Chinese goods will enter into force on July 6. In addition, the US president has threatened China with an other possible tariff on \$200 billion Chinese goods, which can be replied with a stricter response by China. At the same time, there were actions on the European front as well. The European Commission has sent a document to the US Department of Commerce that if Trump targets the automakers, the EU will introduce new tariff against the US export worth \$300 billion.

The G7 Summit did not bring any substantial progress either, moreover at the end of the meeting, Trump said that the US will not sign the G7 statement on the reduction of customs duties, thus the risks of the global multilateral trading system did not end.

In June, historic meeting was held between Kim Jong Un and Donald Trump in Singapore, which was sealed by a joint declaration; Fhenjan undertook a complete abolition of the Korean atom program, while Washington offered a security guarantee to his old enemy.

In line with expectations, the FED has carried out a 25-basis point interest rate hike last month and has published about four tightening for this year, which caused a fall in the US equity market.

In June, the European Central Bank also decided on a two-step downturn in its Asset Purchase Program they will continue the program at the current monthly pace of 30 billion Euros until the end of September, then it will be reduced to 15 billion until the end of December, when the net purchases will end.

The leaders of the EU Member States held also a Summit this month, where the migration agreement was reached, which caused Euro strengthening by more than 1%, but by the end of the month, the EURUSD cross exchange rate closed at flat.

However, the Forint did not have a favourable month, it lost value significantly against the Dollar and weakened to a historic low against the Euro; at the end of the month the exchange rate hit the 330 level as well.

Oil prices have also risen sharply In June, supported by the inventory data and the news that the US wants to decrease the Iranian oil import to zero from November, moreover Trump has announced that who did not comply with it, would be penalized by financial sanctions.

Within the Polish market, large-cap papers significantly outperformed the mid and small-cap shares in June but they still closed the month in negative territory. Within the sectors, the oil and gas sector was closed alone in the black, while the other sectors declined, the weakest were the construction, IT and food sectors. In addition, the performance of the retail sector was weak as well, where slow down can be observed and Sunday closure is not beneficial to these companies either. The fund slightly outperformed its benchmark index thanks to the overweight position in CD Project, which is one of the best performing shares in the Polish market this year.

## ASSET ALLOCATION OF THE FUND ON 06/30/2018

| Asset type             | Weight   |
|------------------------|----------|
| International equities | 95.94 %  |
| Receivables            | 11.24 %  |
| Liabilities            | -7.72 %  |
| Current account        | 0.55 %   |
| total                  | 100.00 % |
| Derivative products    | 0.00 %   |
| Net corrected leverage | 100.00 % |

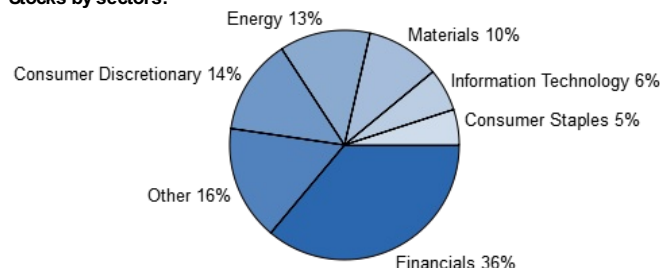
## TOP 5 POSITIONS

PKO Bank  
POWSZECHNY ZAKŁAD UBEZPIECZEŃ  
Polski Koncern Naftowy  
Bank Pekao SA  
CD PROJECT RED

## Assets with over 10%weight

There is no such instrument in the portfolio

## Stocks by sectors:



## RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields: 13.33 %  
Annualized standard deviation of the benchmark's weekly yields: 13.54 %