

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:	10,349,403,257 HUF
Net Asset Value of HUF series:	129,234,809 HUF
Net Asset Value per unit:	1.616639 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

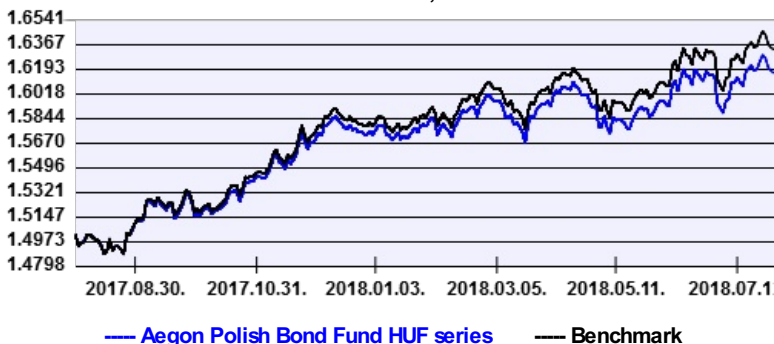
Aegon Magyarország Befektetési Alapkezelő Zrt., CIB Bank Zrt., Codex Tőzsdéügynökség és Értéktár Zrt., Commerzbank Zrt., CONCORDE Értékpapír Zrt., Equilor Befektetési Zrt, Erste Befektetési Zrt., Raiffeisen Bank Zrt., Unicredit Bank Hungary Zrt.

NET YIELD PERFORMANCE OF THE SERIES:

Interval	Yield of note	Benchmark yield
From start	4.37 %	7.27 %
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, 08/01/2017 - 07/31/2018



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:

Polish government bond yields were quite stable during July, yields closed the month a little bit lower. Economic activity improved again, signalling probably a growth that is higher than 5%, which is slightly negative for bonds. Inflation is 2% y/y but may decrease in the coming months because of the base effects. Regional valuation deteriorated a lot and levels seems to be stretched. The Monetary Policy Council remained dovish, however some members did not rule out a possible rate change later. We think that governor Glapinski still reflects the majority vote and as a result we do not expect any rate hike soon. We stay cautious mainly because of the valuation, however the government sits on a big pile of cash and the budget was still in surplus after May, so a bigger underweight is not justified yet. We continued to rotate from shorter Polgbs to shorter Hungarian government bonds, as we think, the sell-off in Hungary went too far and yields offer a good carry hedged back to PLN.

ASSET ALLOCATION OF THE FUND ON 07/31/2018

Asset type	Weight
Government bonds	79.60 %
Corporate bonds	9.70 %
T-bills	9.07 %
Current account	1.59 %
Market value of open derivative positions	0.20 %
Liabilities	-0.15 %
Receivables	0.00 %
total	100.00 %
Derivative products	17.56 %
Net corrected leverage	104.39 %

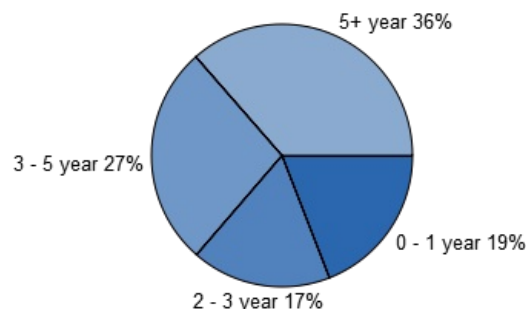
TOP 5 POSITIONS

PLGB 2023/01/25 2,5% (Lengyel Állam)
PLGB 2023/10/25 4% (Lengyel Állam)
PLGB 2028/04/25 2.75% (Lengyel Állam)
PLGB 2021/04/25 2% (Lengyel Állam)
MFB 2019/06 1% HUF (Magyar Fejlesztési Bank Zrt.)

Assets with over 10% weight

PLGB 2023/01/25 2,5% (Lengyel Állam)
PLGB 2023/10/25 4% (Lengyel Állam)
PLGB 2028/04/25 2.75% (Lengyel Állam)
PLGB 2021/04/25 2% (Lengyel Állam)

Bonds by tenor:



RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields:	3.75 %
Annualized standard deviation of the benchmark's weekly yields:	3.77 %

INVESTMENT HORIZON:

Suggested minimum investment period:



Risk and Reward Profile:

