

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:	7,778,052 PLN
Net Asset Value of PLN series:	7,778,052 PLN
Net Asset Value per unit:	0.009472 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

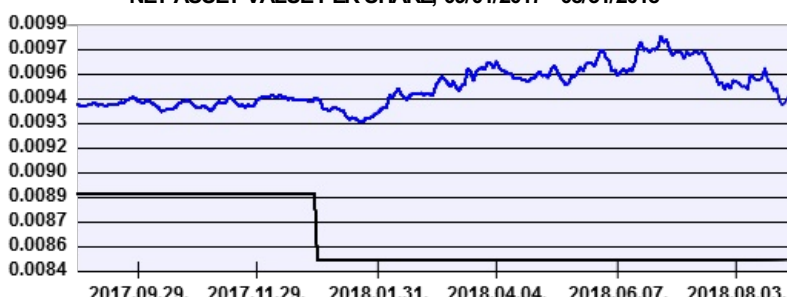
Aegon Towarzystwo Ubezpieczen na Zycie Spolka

NET YIELD PERFORMANCE OF THE SERIES:

Interval	Yield of note	Benchmark yield
From start	-0.49 %	
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, 09/01/2017 - 08/31/2018



— 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:

The US stock markets hit a new absolute peak in August, while the European and Emerging markets were characterized by fall; Apple also shows the US market strength as it has reached the 1000 billion dollar market capitalization as the first Western company.

Though in the middle of the month the markets have calmed down somewhat on the news of a possible US-China trade agreement, however, the trade negotiations ended with no material results and America activated the new 25% additional tariffs on \$16 billion worth of 279 Chinese products, moreover an additional \$200 billion worth of import is planned to be further charged.

The most important event in August was the fall in the Turkish currency, which also put pressure on the performance of the Turkish equity market. The main reason for the weak performance of the Turkish stock market over the past period is the break of the investor confidence in the Turkish capital markets and monetary policy. Monetary steps to curb the currency fall and the missing of these actions caused panic among the investors, which led to a dramatic sell-off, the fall of Lira has broken records; the inflation rise rapidly, while the central bank does not raise interest rates, thus the investors question the independence of the central bank.

Russian stocks also suffered a fall in August, caused by the news of the new American sanctions, which are not related to election manipulation but to Scriptal poisoning, thus the Ruble also broke out in the weak direction from its multi-month trading range.

In the middle of the month, the Dollar also began to weaken after Trump criticized the US central bank for interest rate hikes and expressed disappointment with the Chairman of the Federal Reserve.

After several months of negotiations, a bilateral agreement was signed between the USA and Mexico at the end of August, but the US and Canada have not been able to agree on the renegotiation of the North American Free Trade Agreement (NAFTA) yet.

The Polish equity market performed in line with the Regional markets, while within the Polish market the large-cap papers significantly outperformed compared to the small and mid-caps. Regarding the sectors, the best performance was achieved by the oil&gas sector, while the energy sector proved to be the weakest in August.

ASSET ALLOCATION OF THE FUND ON 08/31/2018

Asset type	Weight
T-bills	68.98 %
Current account	31.29 %
Liabilities	-0.39 %
Receivables	0.16 %
total	100.00 %
Derivative products	30.48 %
Net corrected leverage	128.97 %

TOP 5 POSITIONS

PLGB 2019/04/25 0% (Lengyel Állam)
PLGB 2018/10/25 0% (Lengyel Állam)

Assets with over 10% weight

PLGB 2019/04/25 0% (Lengyel Állam)
PLGB 2018/10/25 0% (Lengyel Állam)

RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields: 4.51 %

INVESTMENT HORIZON:

Suggested minimum investment period:



Risk and Reward Profile:

