

# Aegon Polish Equity Fund

## PLN series

### GENERAL INFORMATION

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% WIBOR 3M Index
ISIN code:	HU0000710835
Start:	
Currency:	PLN
Total Net Asset Value of the whole Fund:	121,083,611 PLN
Net Asset Value of PLN series:	PLN
Net Asset Value per unit:	1.000000 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 Ubezpieczeń na Życie Spółka, CONCORDE Értékpapír Zrt.

### NET YIELD PERFORMANCE OF THE SERIES:

Interval	Yield of note	Benchmark yield
From start		

### RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields: no data

Annualized standard deviation of the benchmark's weekly yields: no data

### MARKET SUMMARY:

At the beginning of October, America and Canada managed to come to an agreement about the NAFTA which even gave a positive boost to the market thus the American main equity indices managed to hit a new absolute peak. However, in the middle of the month, the deteriorating technical picture, rising US yields, weak new home sales data and fears of slowing down global growth triggered significant drops in the markets that had not been seen since February. The fall was suffered mainly by the market leader equities thus significant profit taking were made in the US technology sector where these papers has not reported such a fall in a single day since August 2011. The Chinese spying case also caused tension in the markets; according to the news Chinese spies have placed chips in the assets of more than 30 companies (including US agencies) which allows secret access to internal networks. This has further intensified the tension between America and China and we believe that this case may have further negative impacts on the future. In addition, according to Bloomberg's information, Trump plans to impose tariff on Chinese good worth \$257 billion, if they can not reach a common agreement at the meeting with the Chinese President, Xi Jinping in November. This statement was attributed by the market to the negotiating style of the US president and to the midterm elections in 6th of November but by the end of the month, the US President spoke of the negotiations in high terms. European stocks also fell sharply last month, partly because of the global stock market correction and on the other hand, the further rise in Italian yield spreads and the growing fears of Brexit put pressure on the markets. The Euro also weakened against the dollar last month; at the end of October, the EURUSD pair fell down to the level of 1.13. The oil price also closed in the red last month; although, at the beginning of October, it was still close to 4 years highs but by the end of the month it fell by more than 15%. The fall has been attributed to the profit takings, possible growth in Saudi production, the negative impact on the oil demand caused by the trade war and the news that America has granted a temporary, 180-day exemption from the sale ban to eight buyers (8 countries) of Iranian oil. The Polish market was an underperformer in October in the Region but within the Polish equities the small cap papers managed to outperform the middle and large capitalization shares, although they still achieved negative yield. Regarding the sectors, the chemicals and oil-related companies suffered the biggest fall, while the energy sector was the best in October. The fund slightly underperformed in October, partly because of the overweight in PlayWay, Dino Polska, and CCC which equities suffered bigger fall, while the overweighted position in Budimex relative added to the monthly performance.

### ASSET ALLOCATION OF THE FUND ON 10/31/2018

Asset type	Weight
International equities	96.81 %
Current account	3.81 %
Liabilities	-0.64 %
Receivables	0.02 %
total	100,00 %
Derivative products	0.00 %
Net corrected leverage	100.00 %

### TOP 5 POSITIONS

PKO Bank  
Polski Koncern Naftowy  
POWSZECHNY ZAKŁAD UBEZPIECZEŃ  
Bank Pekao SA  
SANTANDER BANK POLSKA SA

### Assets with over 10% weight

There is no such instrument in the portfolio

### Stocks by sectors:

### INVESTMENT HORIZON:

Suggested minimum investment period:



Risk and Reward Profile:

