

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:	7,629,957 PLN
Net Asset Value of PLN series:	7,629,957 PLN
Net Asset Value per unit:	0.009510 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

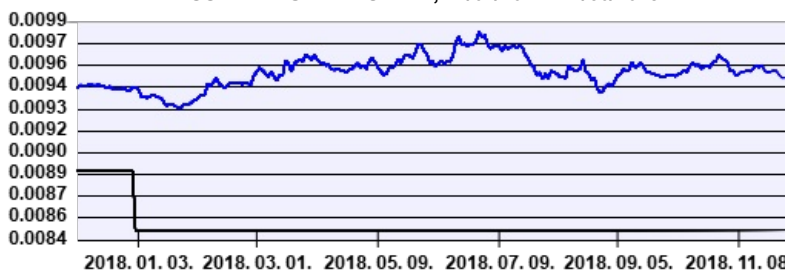
Aegon Towarzystwo Ubezpieczen na Zycie Spolka

NET YIELD PERFORMANCE OF THE SERIES:

Interval	Yield of note	Benchmark yield
From start	-0.45 %	
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, 12/01/2017 - 11/30/2018



— 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.

RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields: 4.86 %

MARKET SUMMARY:

In November, main equity indices closed in the positive territory and the emerging markets managed to outperform the developed market equities for the first time since March, while Hungarian stocks were able to achieve higher returns than their regional counterparts.

However, oil price suffered its worst month of the past 10 years. The biggest problem for oil is the slowing demand in parallel with the explosion of shale production in the US, thus the investors are afraid of sudden over-supply.

At the end of the month, Jerome Powell gave the last boost for the equities with his announcement, according to his statement they are close to achieving the neutral interest rate, which gave momentum for the equity asset class.

In early November, the US midterm election was in the limelight of the markets, the result was the same that the consensus expected. The Democrats regained the House of Representatives for the first time in eight years but the majority of Republicans remained in the Senate.

At the end of the month, all the attention was paid to the G20 summit, eminently to the Trump-Xi meeting. The talks between the two leaders ended with a ceasefire, which resulted in a 90-day intensive reconciliation period to resolve the conflict between them and the introduction of new tariffs in January has been also postponed. The markets were pleased to see the trade war fears softened, which also helped the stocks' performance.

Some good news emerged in Europe as well, the Italian government showed willingness to compromise in the question of the budget deficit, according to the news the next year's budget deficit can be reduced to 2%.

In addition, we have received significant impulses in connection with Brexit last month. On the one hand, the text of the agreement on the Brexit conditionality system was completed and the EU and Britain agreed on the framework for coexistence after Brexit. However, the parliamentary vote on the first Brexit law will be on December 11 but according to consensus, the British Parliament will not go through the agreement.

The fund achieved good performance in November and slightly outperformed its benchmark. Within the Polish market, large capitalization papers significantly outperformed medium and low-capitalized stocks, while large-cap papers rose by more than 5% in November, small-cap paper suffered a minimal fall. In terms of the sectors, the rise in energy and oil&gas sectors was the most impressive, while IT-linked shares suffered a slight fall.

ASSET ALLOCATION OF THE FUND ON 11/30/2018

Asset type	Weight
T-bills	32.41 %
Government bonds	30.69 %
Current account	37.04 %
Liabilities	-0.10 %
total	100.00 %
Derivative products	15.53 %
Net corrected leverage	115.45 %

TOP 5 POSITIONS

PLGB 2019/04/25 0% (Lengyel Állam)
PLGB 2019/07 3,25% (Lengyel Állam)

Assets with over 10% weight

PLGB 2019/04/25 0% (Lengyel Állam)
PLGB 2019/07 3,25% (Lengyel Állam)

INVESTMENT HORIZON:

Suggested minimum investment period:



3 months

6 months

1 year

2 years

3 years

4 years

5 years

Risk and Reward Profile:



very low

low

moderate

intermediate

significant

high

very high