

# Aegon Polish Equity Fund institutional 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% MSCI Poland IMI Loc Net
ISIN code:	HU0000710850
Start:	11/18/2011
Currency:	PLN
Total Net Asset Value of the whole Fund:	98,547,402 PLN
Net Asset Value of institutional series:	65,011,823 PLN
Net Asset Value per unit:	1.299470 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

## NET YIELD PERFORMANCE OF THE SERIES:

Interval	Yield of note	Benchmark yield
From start	3.54 %	1.90 %
2018	-10.44 %	-11.48 %
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 SERIES

### NET ASSET VALUE PER SHARE, 06/01/2018 - 05/31/2019



— 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.

## MARKET SUMMARY:

After 6 years the old Wall Street axiom, sell in May and go away, has worked again. It was in 2012, when the S&P 500 index had such a bad month. Back then it fell 6.3%, last month the index returned -6.6%. But this was still better than the emerging markets performance, which closed down the month by 7.5%. There were multiple factors that contributed to last month's bad performance. First of all, the American-Chinese trade war clouded the investment horizon. At the beginning of the month, the major indices opened at new all-time highs because investors were hopeful, that the trade conflict will be resolved soon. But the American president had other thoughts, and raised the tariffs to 25% on imports from China to the United States. At the end of the month the US president imposed 5% tariffs on Mexican goods too, although he just signed the new NAFTA agreement a few months ago. The macro economic data was mixed in May. So far, it seems that the tariff war does not hurt the US economy. More people are working, the GDP is expanding and the inflation is negligible. However the Chinese macro-economic data suggest the opposite. Their GDP is shrinking, the inflation is growing, and the export numbers fell off dramatically. So far, it looks like the U.S. is winning the trade war but as we know the Chinese are planning for the next 2 years but rather the next 50. We are looking cautiously ahead for the next few months. Certain data suggests that a defensive approach should be appropriate in the near term. The falling yield on the 10 and 30 bonds might suggest a slowing economy, but the 3 month-10 year spread might suggest that even a mild recession is not out of order. Europe looks bleakly too, the German 10 year yield hit a new all-time low, and the Brexit is still hovering on the horizon. The fund's performance was negative in May, mostly because there was a selling wave sweeping thru the markets in concern of the American-Chinese trade war. The Polish market slightly underperformed the other CEE indices. The small and midcap indices achieved the same yield as the big cap indices, but we still believe that the MIDWIG papers will provide a superior performance and we overweight this sector in the fund. By sectors, we underweight the bank and coal companies, while overweight the mining and retail sector. In May we opened long positions in CCC and ENEA.

## ASSET ALLOCATION OF THE FUND ON 05/31/2019

Asset type	Weight
International equities	96.56 %
Current account	1.98 %
Receivables	1.68 %
Liabilities	-0.21 %
total	100.00 %
Derivative products	9.90 %
Net corrected leverage	110.13 %

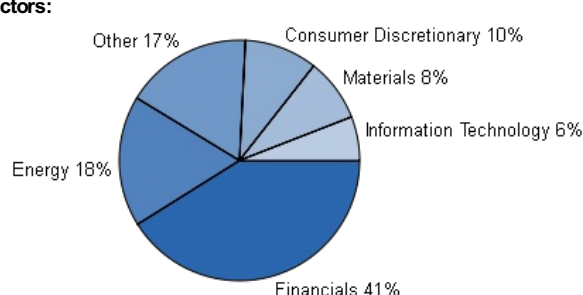
## TOP 5 POSITIONS

Asset	Type	Counterparty / issuer	Maturity
PKO Bank	share	PKO Bank (PL)	
Polski Koncern Naftowy	share	PL Koncern Naftowy (PL)	
POWSZECHNY ZAKŁAD UBEZPIECZEŃ	share	POWSZECHNY ZAKŁAD UBEZPIECZEŃ (PL)	
WIG20 INDEX FUT Jun19 Buy	derivativ	Erste Bef. Hun (HU)	2019. 06. 21.
Bank Pekao SA	share	Bank Pekao SA (PL)	

## Assets with over 10%weight

PKO Bank

## Stocks by sectors:



## RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields:	16.43 %
Annualized standard deviation of the benchmark's weekly yields:	16.37 %
WAM (Weighted Average Maturity):	0.00 years
WAL (Weighted Average Life):	0.00 years

## INVESTMENT HORIZON:

Suggested minimum investment period:



Risk and Reward Profile:

