

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:	12,409,777,909 HUF
Net Asset Value of HUF series:	586,025,129 HUF
Net Asset Value per unit:	1.719984 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., Commerzbank Zrt., CONCORDE Értékpapír Zrt., Equilor Befektetési Zrt., Erste Befektetési Zrt., Raiffeisen Bank Zrt., Unicredit Bank Hungary Zrt.

NET YIELD PERFORMANCE OF THE FUND:

Interval	Yield of note	Benchmark yield
From start	4.51 %	7.21 %
2018	4.20 %	5.33 %
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 %

NET PERFORMANCE OF THE FUND

NET ASSET VALUE PER SHARE, 09/01/2018 - 08/31/2019



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:	3.97 %
Annualized standard deviation of the benchmark's weekly yields:	3.94 %

MARKET SUMMARY:

The fall of polish yields continued in August. The 10 year fell by 35bp, the 5 year by 20bp and the 3 year by 13bp, so the yield became even more flatter. The inflation rate dropped from 2,9% to 2,8%, which was the market expectation, but it is still higher than the government target of 2,5%. The GDP growth was cut from previous levels, so the expectation now is 4,2% in 2019, 3,5% in 2020 and 3% in 2021. In the second quarter the GDP grew YoY by 4,5%, which was higher than the expected 4,4%, but it is still showing the signs of a slowdown, because in the previous quarter it was 4,7%. The PMI grew from 47,4 to 48 which was better than the forecasted 47,6. The industrial output improved too from the very weak 2,7 level, to 5,8. Regarding the budget the accumulated deficit of the first 7 months was 4783 million PLN, which means that the government generated a 258 million PLN surplus. In addition, the government announced that target for next year is a balanced budget. The zero deficit will likely be achieved by one-off items, that slightly deteriorates the otherwise quite optimistic picture. During the month we could capitalize on market turbulence due to our active management.

ASSET ALLOCATION OF THE FUND ON 08/31/2019

Asset type	Weight
Government bonds	79.51 %
T-bills	3.43 %
Deposit	19.33 %
Liabilities	-7.31 %
Receivables	4.17 %
Current account	0.92 %
Market value of open derivative positions	-0.05 %
total	100,00 %
Derivative products	13.90 %
Net corrected leverage	103.47 %

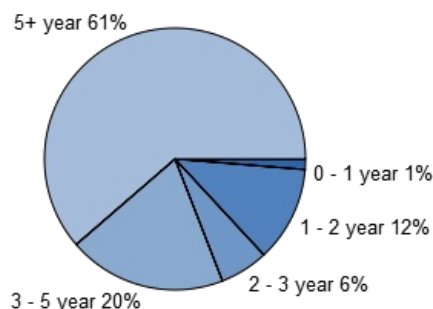
TOP 5 POSITIONS

POLGB 2024/10/25 2,25%
POLGB 2028/04/25 2,75%
POLGB 2022/09/23 5,75%
HUF/PLN 19.10.03 Forward Sell
POLGB 2021/04/25 2%

Assets with over 10% weight

POLGB 2024/10/25 2,25% (Lengyel Állam)
POLGB 2028/04/25 2,75% (Lengyel Állam)
POLGB 2022/09/23 5,75% (Lengyel Állam)

Bonds by tenor:



INVESTMENT HORIZON:

Suggested minimum investment period:

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 months	6 months	1 year	2 years	3 years	4 years	5 years

Risk and Reward Profile:

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
very low	low	moderate	intermediate	significant	high	very high