

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:	90,012,527 PLN
Net Asset Value of institutional series:	57,353,921 PLN
Net Asset Value per unit:	1.255949 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 FUND:

Interval	Yield of note	Benchmark yield
From start	2.97 %	1.39 %
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 %

RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields: 15.90 %

Annualized standard deviation of the benchmark's weekly yields: 15.86 %

INVESTMENT HORIZON:

Suggested minimum investment period:

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

MARKET SUMMARY:

Donald Trump, the president of the United States in his love me-love me not game august got the latter one. As Xi Jinping was his best friend in July, he became his worst enemy by August. Lately, it is very hard to follow the U.S. president's controversial reasoning, and his inconsistent thinking has an impact on the financial markets. In the last month, there were 2 days when the S&P 500 index fell more than 1%, and 2 days when it fell by more than 2%. It's a miracle that the index closed down the month by only 1.82%. We don't know what the president's true intention is, but it's not helping the investors.

The trade war has multiple aspects. Analysts thought that Trump wants to force the FED to cut rates, and using the trade war as a tool to achieve this goal. But the FED resisted the political pressure, and cut the Fed Fund Rate by only 25bp. Moreover, Jay Powell the chairman of the FED, declared that the only the change in economic data will force the central bank to change its interest rate policy. So far the FED thinks that this is only a mid-cycle slowdown which doesn't justify more rate cuts at this time. Trump didn't like what he heard, and his next tweet he stated that he doesn't know who is the greater enemy of the U.S.: Xi the Chinese president or Powell FED president.

Thanks to multiple factors, the fund had a negative performance in August. The selling wave that hit the markets in August had the biggest effect in Poland. Also the MSCI re-balancing had a negative effect on the Polish market. The local news flow wasn't favorable either, because polish mortgage holders took their case to the European courts, and the expected decision won't favor the Polish banks. Breaking it down to sectors, the commodity sector had a negative, the gaming sector positive and the retail sector had mixed performance. The Polish currency substantially weakened against the euro during August.

ASSET ALLOCATION OF THE FUND ON 08/31/2019

Asset type	Weight
International equities	93.53 %
Hungarian equities	0.31 %
Current account	6.04 %
Receivables	0.70 %
Liabilities	-0.57 %
total	100.00 %
Derivative products	19.41 %
Net corrected leverage	119.58 %

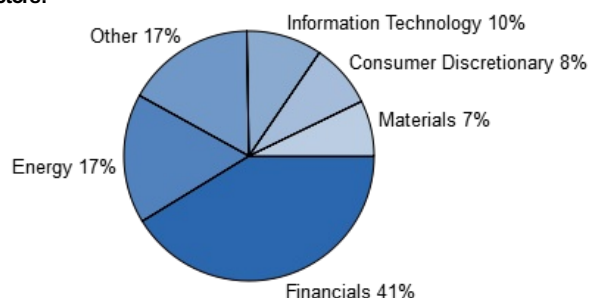
TOP 5 POSITIONS

PKO Bank
WIG20 INDEXFUT Sep19 Buy
Polski Koncern Naftowy
POWSZECHNY ZAKŁAD UBEZPIECZEŃ
CD PROJECT RED

Assets with over 10% weight

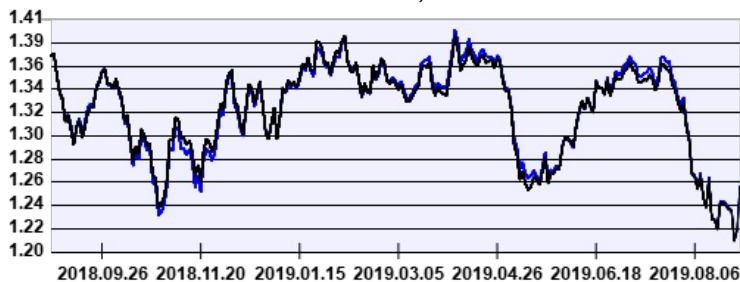
PKO Bank

Stocks by sectors:



NET PERFORMANCE OF THE FUND

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



— 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.