

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:	11,812,265,265 HUF
Net Asset Value of HUF series:	574,937,416 HUF
Net Asset Value per unit:	1.736143 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 SERIES:

Interval	Yield of note	Benchmark yield
From start	4.55 %	7.25 %
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 SERIES

NET ASSET VALUE PER SHARE, 10/01/2018 - 09/30/2019



— Aegon Polish Bond Fund HUF 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.

RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields:	3.87 %
Annualized standard deviation of the benchmark's weekly yields:	3.84 %
WAM (Weighted Average Maturity):	3.96 years
WAL (Weighted Average Life):	4.26 years

TOP 5 POSITIONS

Asset	Type	Counterparty / issuer	Maturity
POLGB 2028/04/25 2,75%	interest-bearing	Lengyel Állam (PL)	2028.04.25
POLGB 2024/10/25 2,25%	interest-bearing	Lengyel Állam (PL)	2024.10.25
POLGB 2022/04/25 2,25%	interest-bearing	Lengyel Állam (PL)	2022.04.25
POLGB 2021/04/25 2%	interest-bearing	Lengyel Állam (PL)	2021.04.25
HUF/PLN 19.10.03 Forward Sell	derivativ	OTP Bank (HU)	2019.10.03

MARKET SUMMARY:

The trend has changed in September from the earlier months, the Polish yields began to rise and the yield curve began to steepen. Although the 3 year yield remained almost the same, the 5 year rose by 8-, and the 10 year by 15 basis points by the end of the month. Moving on with economic data, according to market expectations, the GDP in 2019 will be 4,3%, in 2020 3,6%, and in 2021 3,1%. Also the third quarter's forecast for the current year was changed from 4,3% to 4,2% and fourth quarter's forecast was kept unchanged. The inflation rate fell back a little from the August's 2,9% level to 2,6% in September, which was slightly below the market expectation of 2,75%. Polish inflation slowed for the first time since January. The Purchasing Managers' Index fell from August's 48,8 level to 47,8, which was slightly under market expectations. This is the 11th month in a row that the index is below the 50 level. New orders also declined at the fastest in the last 10 years. Although Industrial output grew in July by 5,8%, it fell in August 1,3% YoY. This was way below market expectations. The main culprit was the auto industry. Regarding the government budget balance, the cumulative deficit for the first 8 months was 1980,7 million PLN, which means that the monthly surplus was 2802,2 million PLN. In September, the government made an announcement that they will double the minimum wage by 2024, in order to increase living standards in Poland. This can have a substantial effect on inflation, wage rise, and consumption.

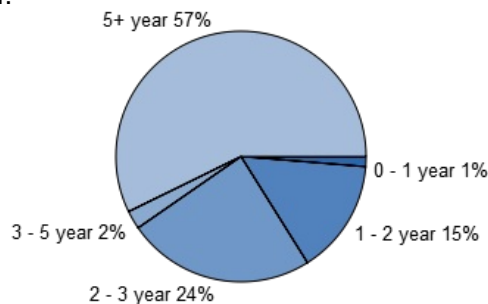
ASSET ALLOCATION OF THE FUND ON 09/30/2019

Asset type	Weight
Government bonds	82.40 %
T-bills	3.63 %
Current account	7.76 %
Deposit	7.60 %
Liabilities	-6.95 %
Receivables	5.41 %
Market value of open derivative positions total	0.14 %
Derivative products	14.58 %
Net corrected leverage	103.65 %

Assets with over 10% weight

POLGB 2028/04/25 2,75% (Lengyel Állam)
 POLGB 2024/10/25 2,25% (Lengyel Állam)
 POLGB 2022/04/25 2,25% (Lengyel Állam)
 POLGB 2021/04/25 2% (Lengyel Állam)

Bonds by tenor:



INVESTMENT HORIZON:

Suggested minimum investment period:



Risk and Reward Profile:

