

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:	12,653,701,798 HUF
Net Asset Value of HUF series:	633,472,262 HUF
Net Asset Value per unit:	1.759074 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	4.63 %	7.33 %
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, 11/01/2018 - 10/31/2019



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.

TOP 5 POSITIONS

Asset	Type	Counterparty / issuer	Maturity
POLGB 2028/04/25 2,75%	interest-bearing	Lengyel Állam (PL)	2028.04.25
POLGB 2022/04/25 2,25%	interest-bearing	Lengyel Állam (PL)	2022.04.25
POLGB 2024/04/25 2,5%	interest-bearing	Lengyel Állam (PL)	2024.04.25
POLGB 2027/07/25 2,5%	interest-bearing	Lengyel Állam (PL)	2027.07.25
POLGB 2021/04/25 2%	interest-bearing	Lengyel Állam (PL)	2021.04.25

MARKET SUMMARY:

The October election didn't have too much effect on the markets. The bond yields stayed almost at the same level as they were in the previous month. The 3 and 5 year bond yields rose by 6 basis points, while the 10 year rose by only 4 basis points, so the yield curve remained almost the same. Looking at the macro economic data forecasts, the GDP will grow by 4,2% in 2019, 3,5% in 2020 and 2,8% in 2021, and according to the expectations there is a 5% chance that the Polish economy will fall into recession in the next 12 months. The third quarter GDP forecast remained at 4,2%, and the fourth quarter GDP forecast was raised to 4,3% from 4,1%. The YoY inflation fell back 2,5% from 2,6% as they were forecasted. This is the second month in a row that the inflation rate is slowing, which justifies the president of the central bank theory that base rate should be kept at the same level in the near future. The PMI fell from the September's 47,8 level to 45,6 which was below the expected 48,1. This is the biggest drop in 3,5 years. The MoM new orders had the biggest decrease since 2009. The industrial output grew by 5,6% YoY, which was above expectations. Regarding the budget balance the first 9 month cumulative deficit was 1786,3 million PLN, which means that in September the surplus was 194,4 million PLN. On the parliamentary elections, which was held on the 13th October, the ruling Law and Justice party took 235 seats in the 460-seat assembly, which means, it won a second term in office.

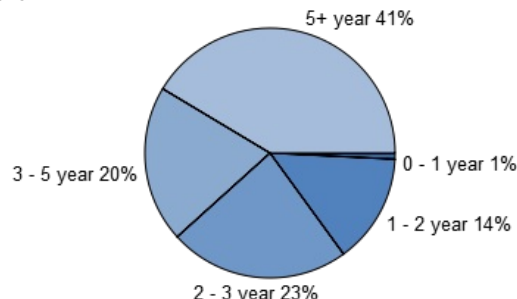
ASSET ALLOCATION OF THE FUND ON 10/31/2019

Asset type	Weight
Government bonds	82.00 %
T-bills	3.10 %
Deposit	8.06 %
Current account	6.68 %
Market value of open derivative positions	0.14 %
Receivables	0.02 %
total	100.00 %
Derivative products	13.63 %
Net corrected leverage	103.41 %

Assets with over 10% weight

POLGB 2028/04/25 2,75% (Lengyel Állam)
POLGB 2022/04/25 2,25% (Lengyel Állam)
POLGB 2024/04/25 2,5% (Lengyel Állam)
POLGB 2027/07/25 2,5% (Lengyel Állam)

Bonds by tenor:



RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields:	3.89 %
Annualized standard deviation of the benchmark's weekly yields:	3.85 %
WAM (Weighted Average Maturity):	4.04 years
WAL (Weighted Average Life):	4.34 years

INVESTMENT HORIZON:

Suggested minimum investment period:

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3 months	6 months	1 year	2 years	3 years	4 years	5 years
<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