

Aegon Polish Bond 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% TBSP Index
ISIN code:	HU0000710942
Start:	08/07/2012
Currency:	PLN
Total Net Asset Value of the whole Fund:	12,674,234,648 HUF
Net Asset Value of institutional series:	107,880,652 PLN
Net Asset Value per unit:	1.331728 PLN

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 Towarzystwo Ubezpieczen na Zycie Spolka

NET YIELD PERFORMANCE OF THE SERIES:

Interval	Yield of note	Benchmark yield
From start	3.99 %	4.56 %
2018	4.17 %	4.67 %
2017	4.17 %	4.77 %
2016	0.22 %	0.25 %
2015	0.83 %	1.68 %
2014	9.56 %	9.45 %
2013	0.46 %	1.99 %

NET PERFORMANCE OF THE SERIES

NET ASSET VALUE PER SHARE, 12/01/2018 - 11/30/2019



--- Aegon Polish Bond 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.

INVESTMENT HORIZON:

Suggested minimum investment period:



Risk and Reward Profile:



TOP 5 POSITIONS

Asset	Type	Counterparty / issuer	Maturity
POLGB 2022/04/25 2,25%	interest-bearing	Lengyel Állam (PL)	2022.04.25
POLGB 2028/04/25 2,75%	interest-bearing	Lengyel Állam (PL)	2028.04.25
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:

During the month of November, we witnessed some yield increase in the credit markets. Although yield curve was collapsing at the beginning of the month, by the end of the month the curve inched slightly higher. The 3 year bond went up by 2, the 5 year by 1 and the 10 year by 5 basis points. Looking at the macro economic data, the polish GDP increased by 3,9% in the third quarter, which was slightly lower than expected. Both the investment and consumer spending showed some slow down, while the rate of export and import began to accelerate compare to the previous quarter. Based on forecasts, the GDP will grow by 4,3% in 2019, 3,4% in 2020 and 2,9% in 2021. For the 4th quarter of current year the forecast was modified to 4% from 4,3%, and for the 1st quarter of 2020 the GDP is expected to grow by 3,8%. The YoY inflation growth is as expected, it grew to 2,6% in November from October's 2,5%. The price increase was mainly due to the rise in food prices, the fuel prices showed a decreasing trend. The purchasing manager's index grew from the October 45,6 level to 46,7 in November, which was slightly higher than expected. This is the 13th month in a row that this indicator is below the critical 50 level, and although it shows a rising trend from the previous month, it is still the 2nd worst number since 2009. The new orders and export numbers also show a decreasing trend albeit at a slower rate. The industrial production is slowing too, YoY it grew in October by 3,5% compared to the previous month's 5,6%. Regarding the budget, the first 10 months cumulative deficit was 3192,1 million PLN, which means that in October the deficit was 1405,8 million PLN. In November, the Supreme Court of Poland made a decision about the FX loans: the ruling was somewhat ambiguous, however the worst case scenario seemed to be avoided for banks. The recent rulings regarding the individual cases brought a new headwind, though. Based on the Polish Bank Association's estimate, this act may cost 2,7% of the Polish GDP, but it will have a limited effect on the Polish economy.

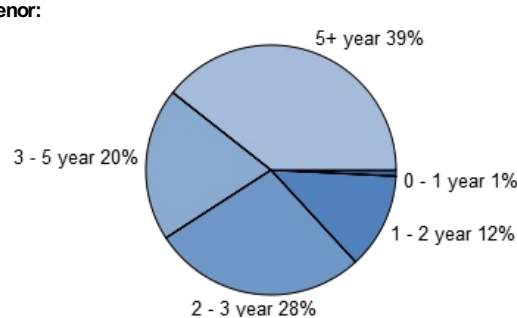
ASSET ALLOCATION OF THE FUND ON 11/30/2019

Asset type	Weight
Government bonds	84.32 %
T-bills	3.10 %
Deposit	8.04 %
Current account	5.95 %
Liabilities	-1.58 %
Market value of open derivative positions	0.16 %
Receivables	0.03 %
total	100.00 %
Derivative products	13.60 %
Net corrected leverage	103.40 %

Assets with over 10% weight

POLGB 2022/04/25 2,25% (Lengyel Állam)
POLGB 2028/04/25 2,75% (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:	2.25 %
Annualized standard deviation of the benchmark's weekly yields:	2.14 %
WAM (Weighted Average Maturity):	3.99 years
WAL (Weighted Average Life):	4.29 years