

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:	13,219,660,733 HUF
Net Asset Value of HUF series:	721,274,904 HUF
Net Asset Value per unit:	1.795214 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	4.68 %	7.33 %
2019	6.92 %	7.79 %
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 %

NET PERFORMANCE OF THE SERIES

NET ASSET VALUE PER SHARE, 03/01/2019 - 02/29/2020



— 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.

TOP 5 POSITIONS

Asset	Type	Counterparty / issuer	Maturity
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 2028/04/25 2,75%	interest-bearing	Lengyel Állam (PL)	2028.04.25
POLGB 2027/07/25 2,5%	interest-bearing	Lengyel Állam (PL)	2027.07.25
POLGB 2026/07/25 2,5%	interest-bearing	Lengyel Állam (PL)	2026.07.25

MARKET SUMMARY:

In February, the Polish bond market saw a sharp decline in yields, mainly due to the risk aversion surrounding the coronavirus. Yields were down 20 basis points at the 3-year maturity, 27 bps at the 5-year maturity and 37 bps at the 10-year maturity. Thus, the yield curve has flattened. Moving further on the economic data, the Polish economy expanded by 3.2% in the last quarter of 2019, thus slightly outperforming market expectations. Forecasts for the first and second quarters of 2020 have been revised downwards, from 3.6% to 3% and 3.4% to 3% respectively. Forecasts for both 2020 and 2021 show an increase of 3.3%. Year-on-year inflation accelerated to 4.4% in January, ahead of expectations. This has been the highest inflation rate increase since October 2011, mainly due to rising food prices. The Purchasing Management Index rose 48.2 points in February from 47.8 points in January, thus exceeding expectations of 48 points. For the 16th consecutive month, this is below the 50-point mark, which was mainly due to the fact that new orders and exports continued to fall in February. Industrial production grew 1.1% in the first month of the year, although slower than in the previous month, but still exceeded market expectations. As far as the government's budget, according to the Ministry of Finance, the 2019 deficit was PLN 13.67 billion. In the first month of the New Year, a budget surplus of PLN 3.477 billion was recorded.

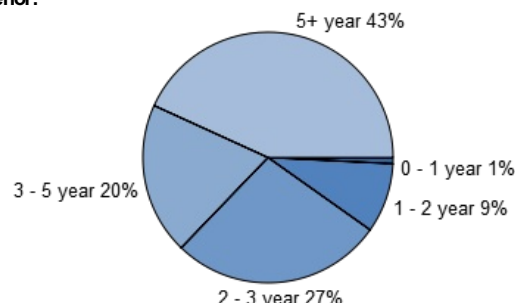
ASSET ALLOCATION OF THE FUND ON 02/29/2020

Asset type	Weight
Government bonds	83.60 %
T-bills	3.02 %
Current account	11.24 %
Deposit	3.79 %
Liabilities	-3.52 %
Receivables	1.69 %
Market value of open derivative positions	0.19 %
total	100.00 %
Derivative products	13.08 %
Net corrected leverage	103.26 %

Assets with over 10% weight

POLGB 2022/04/25 2,25% (Lengyel Állam)
POLGB 2024/04/25 2,5% (Lengyel Állam)
POLGB 2028/04/25 2,75% (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:	3.69 %
Annualized standard deviation of the benchmark's weekly yields:	3.61 %
WAM (Weighted Average Maturity):	3.81 years
WAL (Weighted Average Life):	4.11 years

INVESTMENT HORIZON:

Suggested minimum investment period:



Risk and Reward Profile:

