

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: | 13,182,756,953 HUF |
| Net Asset Value of HUF series: | 753,900,180 HUF |
| Net Asset Value per unit: | 1.817048 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 | 4.71 % | 7.36 % |
| 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, 05/01/2019 - 04/30/2020



— 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.

RISK INDICATORS FOR THE LAST 12 MONTHS:

| | |
|---|------------|
| Annualized standard deviation of the fund's weekly yields: | 5.67 % |
| Annualized standard deviation of the benchmark's weekly yields: | 5.09 % |
| WAM (Weighted Average Maturity): | 4.49 years |
| WAL (Weighted Average Life): | 4.89 years |

TOP 5 POSITIONS

| Asset | Type | Counterparty / issuer | Maturity |
|-------------------------------|------------------|-----------------------|------------|
| POLGB 2021/10/25 5,75% | interest-bearing | Lengyel Állam (PL) | 2021.10.25 |
| POLGB 2027/07/25 2,5% | interest-bearing | Lengyel Állam (PL) | 2027.07.25 |
| POLGB 2025/07/25 3,25% | interest-bearing | Lengyel Állam (PL) | 2025.07.25 |
| POLGB 2026/07/25 2,5% | interest-bearing | Lengyel Állam (PL) | 2026.07.25 |
| HUF/PLN 20.05.29 Forward Sell | derivativ | Citibank Hun (HU) | 2020.05.29 |

MARKET SUMMARY:

The Polish bond market performed well in April. The yield curve went lower and became steeper, with bond yields closing 43 basis points lower over the 3-year period, 38 basis points lower over the 5-year period and 27 basis points lower over the 10-year period. Moving on to economic data, the Polish economy is expected to face a deep recession this year. The expectation in April is that the GDP will shrink by 3.5% in 2020. GDP expectations for the first quarter were left unchanged at 1.5%, but the forecasts for the second, third and fourth quarters were revised significantly downwards. Thus, in the second quarter -8.3% instead of -1.6% GDP growth, in the third quarter -4.3% instead of 0.3% growth, and in the last quarter instead of an increase of 1.3%, they expect a decrease of 1.9%. For the first time since 2012, there is a 90% chance of a recession in the next 12 months. According to preliminary data year-on-year inflation slowed to 3.4% in April from 4.6% in March. Food price inflation has slowed and fuel prices have fallen sharply as a result of the fall in oil prices. The Purchasing Managers' Index fell to 31.9 points in April from 42.4 points in March, falling below expectations of 34.6 points. The indicator is below the 50-point limit for the 18th consecutive month, which was mainly due to the fact that the factories stopped production due to the spread of the coronavirus in April. New orders and exports fell by a record amount. Industrial production fell 2.3% in the third month of the year which was below market expectations. As for the government budget, the accumulated deficit for the first three months was PLN 9354.5 million, so that in March the government generated a deficit of PLN 6042.3 million. Due to the negative effects of the coronavirus, the government announced a fiscal package worth PLN 330 billion, representing 14.6% of GDP. Deficit may rise to 8-9% of GDP this year, but forecasting error is very significant. State banks/development funds (BGK, PFR) may issue a significant amount of bonds needed to finance programmes, with state guarantee. In addition to interest rate cuts and other easing measures, the central bank also announced a major asset purchase program, under which it had already purchased PLN 50 billion worth of securities. During the month we decreased our exposure to Polish duration and increased our exposure to Hungarian duration.

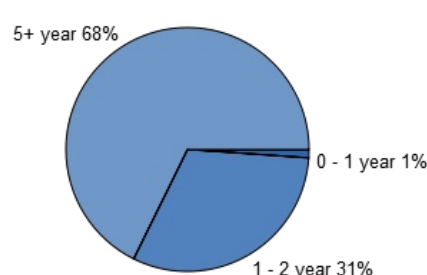
ASSET ALLOCATION OF THE FUND ON 04/30/2020

| Asset type | Weight |
|---|----------|
| Government bonds | 92.21 % |
| T-bills | 3.41 % |
| Current account | 5.86 % |
| Liabilities | -3.73 % |
| Deposit | 2.28 % |
| Receivables | 0.06 % |
| Market value of open derivative positions | -0.08 % |
| total | 100,00 % |
| Derivative products | 13.13 % |
| Net corrected leverage | 103.27 % |

Assets with over 10% weight

POLGB 2021/10/25 5,75% (Lengyel Állam)
POLGB 2027/07/25 2,5% (Lengyel Állam)
POLGB 2025/07/25 3,25% (Lengyel Állam)

Bonds by tenor:



INVESTMENT HORIZON:

Suggested minimum investment period:



Risk and Reward Profile:

