

Aegon Polish Bond Fund P 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:	HU0000713565
Start:	03/28/2014
Currency:	PLN
Total Net Asset Value of the whole Fund:	13,343,758,147 HUF
Net Asset Value of P series:	50,408,846 PLN
Net Asset Value per unit:	1.241844 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	3.57 %	4.67 %
2019	3.10 %	3.94 %
2018	3.55 %	4.67 %
2017	3.56 %	4.77 %
2016	-0.38 %	0.25 %
2015	0.22 %	1.68 %

NET PERFORMANCE OF THE SERIES

NET ASSET VALUE PER SHARE, 06/01/2019 - 05/31/2020



— Aegon Polish Bond Fund P 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 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
HUF/PLN 20.07.31 Forward Sell	derivatv	Citibank Hun (HU)	2020.07.31
POLGB 2026/07/25 2,5%	interest-bearing	Lengyel Állam (PL)	2026.07.25

MARKET SUMMARY:

The Polish bond market continued to rally in May. Yields were stable for most of the month, but fell by 33 basis points at the 3-year maturity, by 36 basis points at the 5-year maturity and by 35 basis points at the 10-year maturity as a result of the cut in interest rates at the end of the month. Moving on to the economic data, the Polish economy is expected to face a deep recession this year. The forecast in May is that the 2020 GDP is expected to contract by 3.7% , with growth of 3.6% in 2021 and 3.1% in 2022. GDP expectations for the second and third quarters were also revised downwards, the former from -8.3% down to -8.4% and the latter from -4.3% to -5.9%. According to preliminary data, the YoY of inflation slowed to 2.9% in May from 3.4% in April. Food price inflation has slowed and fuel prices have fallen further as a result of the fall in oil prices. While the accelerating inflation was the problem before the corona virus outbreak, it is a bigger concern now whether the rate of price growth will reach the 2.5% target set by the central bank. Thus, due to the risk of declining economic activity and inflation, the central bank lowered the key rate to 0.1% at the end of May - timing was surprising for market participants. The Purchasing Managers Index rose to 40.6 points in May from 31.9 points in April, exceeding the expectations of 35.4 points. The indicator is still below the 50-point marker for the 19th consecutive month, which was caused in May mainly by the closure of the economy due to the corona virus. However, new orders and employment have already started to rise from their April lows. Industrial production produced a record decline of 24.6% in April, which was below market expectations. As for the government budget, the accumulated deficit for the first three months was PLN 18,882.9 million, so that in April the government generated a deficit of PLN 9,528.4 million.

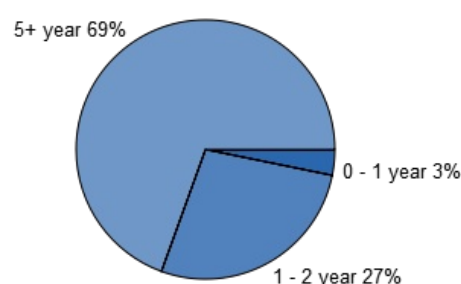
ASSET ALLOCATION OF THE FUND ON 05/31/2020

Asset type	Weight
Government bonds	90.21 %
T-bills	3.02 %
Deposit	4.50 %
Current account	2.38 %
Liabilities	-0.11 %
Receivables	0.05 %
Market value of open derivative positions	-0.04 %
total	100,00 %
Derivative products	12.95 %
Net corrected leverage	103.23 %

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:



RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields:	4.46 %
Annualized standard deviation of the benchmark's weekly yields:	3.77 %
WAM (Weighted Average Maturity):	4.38 years
WAL (Weighted Average Life):	4.77 years