

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:	13,752,132,628 HUF
Net Asset Value of institutional series:	111,227,472 PLN
Net Asset Value per unit:	1.387507 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

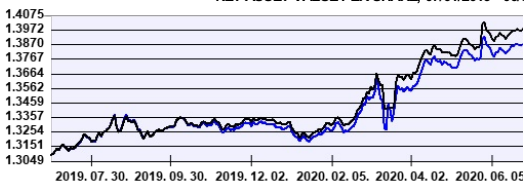
Aegon Towarzystwo Ubezpieczen na Zycie Spolka

NET YIELD PERFORMANCE OF THE SERIES:

Interval	Yield of note	Benchmark yield
From start	4.24 %	4.84 %
2019	3.73 %	3.94 %
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, 07/01/2019 - 06/30/2020



— 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.

RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields:	4.57 %
Annualized standard deviation of the benchmark's weekly yields:	3.90 %
WAM (Weighted Average Maturity):	4.21 years
WAL (Weighted Average Life):	4.56 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.
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:

After a 40 basis point cut in interest rates at the end of May, yields showed some correction in June. While yields were relatively stable in the middle of the yield curve, they rose by 5 basis points at the 3-year maturity and by 14 basis points at the 10-year maturity, leading to a steepening yield curve. Moving on with economic data, the Polish economy is expected to face a deep recession this year. GDP is expected to shrink by 4% in 2020, with growth of 4.1% in 2021 and 3% in 2022. GDP expectations for the second and third quarters were also revised, the former from -8.4% down to -9% and the latter from -5.9% up to -5.6%. Year-on-year inflation rose to 3.3% in June, from 2.9% in May. The reason for the price increase is mainly to be found in the increase in the food and energy prices. The growth rate of price is currently above the central bank's 2.5% target, and inflation is also expected to reach 3% in 2020, so Prime Minister Morawiecki said that a V-shaped recovery from the crisis is possible. The Purchasing Managers' Index rose to 47.2 points in June from 40.6 points in May, exceeding expectations by 46.5 points. Although the indicator is still below the 50-point mark, there are already signs of recovery. New orders rose sharply and came close to pre-crisis levels. Employment is still declining, but at a slower pace. Industrial production produced a 17% decline in May, which fell short of market expectations. As the government budget, the cumulative deficit for the first three months was PLN 25,881.6 million, so the government in May generated a deficit of PLN 6,998.7 million. The 12-month rolling current account was 1.5% of GDP in April, a record high.

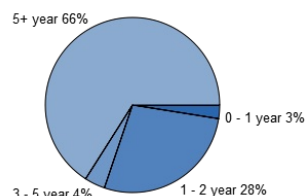
ASSET ALLOCATION OF THE FUND ON 06/30/2020

Asset type	Weight
Government bonds	78.16 %
Corporate bonds	10.85 %
T-bills	2.33 %
Deposit	4.37 %
Current account	2.78 %
Receivables	1.45 %
Market value of open derivative positions	0.20 %
Liabilities	-0.14 %
total	100.00 %
Derivative products	12.58 %
Net corrected leverage	103.14 %

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:

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

Risk and Reward Profile:

very low low moderate intermediate significant high very high