

## 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:	15,164,675,914 HUF
Net Asset Value of institutional series:	117,928,092 PLN
Net Asset Value per unit:	1.395202 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	4.17 %	4.76 %
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, 10/01/2019 - 09/30/2020



— 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:	4.38 %
Annualized standard deviation of the benchmark's weekly yields:	3.72 %
WAM (Weighted Average Maturity):	3.84 years
WAL (Weighted Average Life):	4.07 years

### TOP 5 POSITIONS

Asset	Type	Counterparty / issuer	Maturity
POLGB 2021/10/25 5,75%	interest-bearing	Lengyel Állam (PL)	2021. 10. 25.
POLGB 2025/04/25 0,75%	interest-bearing	Lengyel Állam (PL)	2025. 04. 25.
BGOSK 07/03/25 1.25%	interest-bearing	Bank Gospodarstwa Krajowego (PL)	2025. 07. 03.
POLGB 2028/04/25 2,75%	interest-bearing	Lengyel Állam (PL)	2028. 04. 25.
BGOSK 2027/04/27 1,875%	interest-bearing	Bank Gospodarstwa Krajowego (PL)	2027. 04. 27.

### MARKET SUMMARY:

In September, we witnessed some decline in yields on the Polish bond market. Yields were 6-8 basis points lower at the three-year and ten-year maturities and 14 basis points lower at the 5-year maturity than at the beginning of the month. The yield curve thus became somewhat steeper. Moving on to the economic data, the Polish economy is expected to face a recession this year. According to the September forecast the GDP is expected to shrink by 3.6% in 2020 and grow by 4.2% in 2021. Better-than-expected macro data would justify higher yields, but offset by global liquidity and QE programmes. GDP is expected to be -4.3% in the third quarter and the fourth quarter has been revised downwards from -2.7% to -2.9%. Year-on-year inflation accelerated to 3.2% in September from 2.9% in August. Although this has already exceeded the central bank's 2.5% inflation target, the Monetary Council expects that it will slow to 1.5% next year. The central bank forecasts inflation to be 3.3% this year and expects a 1.5% price increase next year. The Purchasing Managers' Index rose to 50.8 points in September from 50.6 points in August, falling below expectations of 52.4 points. The number of new orders increased slightly in parallel with exports. Industrial production grew by 1.5% in August, but still performed below market expectations. As for the government budget, the cumulative deficit for the first eight months was PLN 13 298.5 million, so that in August the government generated a surplus of PLN 2995.8 million. The current account-to-GDP ratio stood at 2.8% after July, the highest surplus on record.

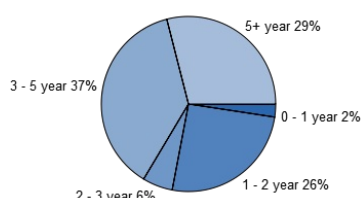
### ASSET ALLOCATION OF THE FUND ON 09/30/2020

Asset type	Weight
Government bonds	58.61 %
Corporate bonds	29.44 %
T-bills	2.13 %
Current account	7.38 %
Receivables	2.59 %
Liabilities	-0.11 %
Market value of open derivative positions	-0.02 %
total	100.00 %
Derivative products	9.46 %
Net corrected leverage	103.66 %

### Assets with over 10% weight

POLGB 2021/10/25 5,75% (Lengyel Állam)  
POLGB 2025/04/25 0,75% (Lengyel Állam)  
BGOSK 07/03/25 1.25% (Bank Gospodarstwa Krajowego)

### Bonds by tenor:



### INVESTMENT HORIZON:

Suggested minimum investment period:



Risk and Reward Profile:

