

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: | 15,242,035,972 HUF |
| Net Asset Value of P series: | 60,961,861 PLN |
| Net Asset Value per unit: | 1.246853 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

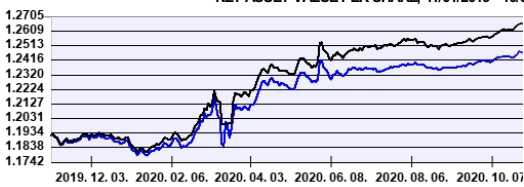
Aegon Towarzystwo Ubezpieczeń na Życie Spółka

NET YIELD PERFORMANCE OF THE SERIES:

| Interval | Yield of note | Benchmark yield |
|------------|---------------|-----------------|
| From start | 3.40 % | 4.52 % |
| 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, 11/01/2019 - 10/31/2020



— 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.

RISK INDICATORS FOR THE LAST 12 MONTHS:

| | |
|---|------------|
| Annualized standard deviation of the fund's weekly yields: | 4.34 % |
| Annualized standard deviation of the benchmark's weekly yields: | 3.66 % |
| WAM (Weighted Average Maturity): | 4.40 years |
| WAL (Weighted Average Life): | 4.65 years |

TOP 5 POSITIONS

| Asset | Type | Counterparty / issuer | Maturity |
|-------------------------|------------------|----------------------------------|---------------|
| POLGB 2021/07/25 1.75% | interest-bearing | Lengyel Állam (PL) | 2021. 07. 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 2030/06/05 2.125% | interest-bearing | Bank Gospodarstwa Krajowego (PL) | 2030. 06. 05. |

MARKET SUMMARY:

In October, bond yields in the Polish bond market continued to decline. Yields were 17 basis points lower at the three-year maturity, 19 basis points lower at the 5-year maturity and 14 basis points at the ten-year maturity than at the beginning of the month. Moving on to economic data, the Polish economy is expected to face a recession this year. GDP is expected to shrink by 3.5% in 2020 and to grow by 4% in 2021. Better-than-expected macro data would justify higher yields, but they are offset by global liquidity and QE programs. GDP is expected to be -1.9% in the third quarter and the fourth quarter has been revised downwards from -2.9% to -3.8%. According to preliminary data, YoY inflation slowed to 3% in October from 3.2% in September. YoY, Energy prices rose by 4.8%, food prices by 3% and fuel prices fell by 9.2%. The central bank forecasts inflation to be 3.3% this year and expects a 1.5% price increase next year. The value of the Purchasing Managers Index remained unchanged compared to September. Thus, for the fourth month in a row, the indicator is above the 50-point threshold. For the first time in a long time, employment and exports have risen at the fastest rate. However, due to the pandemic, domestic demand remained subdued. Industrial production grew by 5.9% in September, outperforming market expectations. As for government budget, the accumulated deficit for the first nine months was PLN 13,763 million, so that in September the government generated a deficit of PLN 464.4 million. The budget balance was -5.5% of GDP in the second quarter.

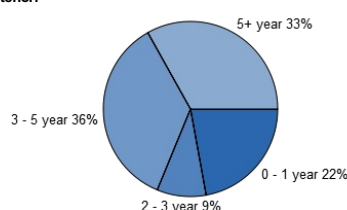
ASSET ALLOCATION OF THE FUND ON 10/31/2020

| Asset type | Weight |
|---|----------|
| Government bonds | 59.82 % |
| Corporate bonds | 38.67 % |
| Current account | 1.77 % |
| Receivables | 0.14 % |
| Liabilities | -0.06 % |
| Market value of open derivative positions | -0.33 % |
| total | 100.00 % |
| Derivative products | 16.99 % |
| Net corrected leverage | 106.45 % |

Assets with over 10% weight

POLGB 2021/07/25 1.75% (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:

☐ 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