

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: | 15,345,945,904 HUF |
| Net Asset Value of P series: | 59,921,283 PLN |
| Net Asset Value per unit: | 1.248368 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 | 3.38 % | 4.46 % |
| 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, 12/01/2019 - 11/30/2020



— 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: | 4.29 % |
| Annualized standard deviation of the benchmark's weekly yields: | 3.60 % |
| WAM (Weighted Average Maturity): | 4.20 years |
| WAL (Weighted Average Life): | 4.44 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 November, we witnessed some rising yields in the Polish bond market. Yields were 3 basis points higher at three-year maturities and 4-5 basis points higher at 5- and 10-year maturities than at the beginning of the month. Moving on to economic data, the Polish economy is expected to face a recession this year. According to the expectations in November the GDP will contract by 3.5% in 2020 and will grow by 4% in 2021. Better-than-expected macro data would justify higher yields, but they are offset by the global liquidity and QE programs. In the third quarter, GDP contracted by 1.5% year-on-year, exceeding market expectations, while it grew by 7.9% quarter on quarter. In the third quarter, economic growth was driven by the retail sector and manufacturing, but the export growth also made a positive contribution to GDP. Fourth-quarter GDP growth was revised downwards from -3.8% to -4.4% due to the second-wave constraints. According to preliminary data the year-on-year inflation slowed to 3% in November from 3.1% in October. The central bank's forecasts is that inflation will be 3.4% this year. The Purchasing Managers Index remained unchanged from 50.8 in October. Due to the weakening demand, production fell again. Industrial production grew by 1% in October, outperforming market expectations. As for general budget, the accumulated deficit for the first ten months was PLN 12,070 million, so that in October the government generated a surplus of PLN 1,684.5 million. The budget balance in 2020 is projected to be -9.6% of GDP. During the month, off-benchmark positions performed well: the Hungarian government bonds outperformed their Polish counterparts, while our other regional quasi-sovereign and cautious corporate bond exposures outperformed the benchmark.

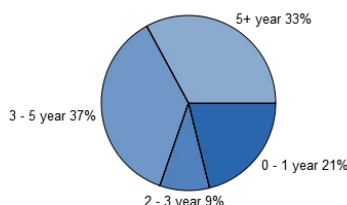
ASSET ALLOCATION OF THE FUND ON 11/30/2020

| Asset type | Weight |
|---|----------|
| Government bonds | 57.24 % |
| Corporate bonds | 38.71 % |
| Current account | 4.35 % |
| Liabilities | -0.35 % |
| Receivables | 0.03 % |
| Market value of open derivative positions | 0.02 % |
| total | 100.00 % |
| Derivative products | 16.69 % |
| Net corrected leverage | 106.32 % |

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