

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:	15,761,993,231 HUF
Net Asset Value of institutional series:	125,493,183 PLN
Net Asset Value per unit:	1.407173 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

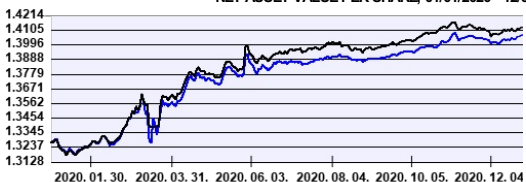
Aegon Towarzystwo Ubezpieczen na Zycie Spolka

NET YIELD PERFORMANCE OF THE SERIES:

Interval	Yield of note	Benchmark yield
From start	4.15 %	4.70 %
2020	6.00 %	6.42 %
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, 01/01/2020 - 12/31/2020



— 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.

MARKET SUMMARY:

In the last month of the year, the Polish bond market had a stable performance. Regarding the 10-year maturity, yields gradually returned to around 1.24% after rising at the beginning of the month. Yields closed slightly higher at the 3-year maturity and slightly lower at the 5-year maturity. Thus, the yield curve flattened slightly. Moving on to economic data, GDP is expected to decline by 3.3% in 2020 and 3.8% in 2021. Better-than-expected macro data would justify higher yields, but they are offset by global liquidity and QE programs. GDP growth in the fourth quarter is expected to be -4.4%, while GDP in the first quarter of 2021 has been revised from -1.4% down to -1.5%. Year-on-year inflation decreased to 2.3% in December from 3% in November. The central bank forecasts inflation at 3.4% in 2020. The Purchasing Managers' Index rose from 50.8 in November to 51.7 points in December, exceeding market expectations. New orders have increased due to holiday spending. Industrial production grew 5.4% in November, outperforming market expectations. As for general government, the cumulative deficit for the first eleven months was PLN 13,204.8 million, so that in November the government generated a deficit of PLN 1,134.7 million. In October, the current account-to-GDP ratio reached 3.5%, the highest level since the mid-1990s. During the month our non-Polish exposure (Hungarian, Romanian, EUR denominated corporates) improved our performance.

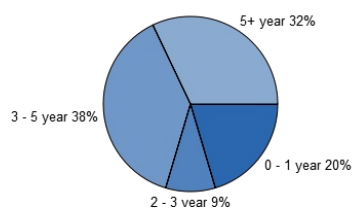
ASSET ALLOCATION OF THE FUND ON 12/31/2020

Asset type	Weight
Government bonds	57.64 %
Corporate bonds	37.57 %
Current account	5.33 %
Liabilities	-0.14 %
Receivables	0.02 %
Market value of open derivative positions	-0.41 %
total	100.00 %
Derivative products	19.13 %
Net corrected leverage	107.59 %

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:



RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields:	4.28 %
Annualized standard deviation of the benchmark's weekly yields:	3.61 %
WAM (Weighted Average Maturity):	4.10 years
WAL (Weighted Average Life):	4.34 years

INVESTMENT HORIZON:

Suggested minimum investment period:



Risk and Reward Profile:



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.