

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:	16,185,792,341 HUF
Net Asset Value of institutional series:	129,055,347 PLN
Net Asset Value per unit:	1.397757 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

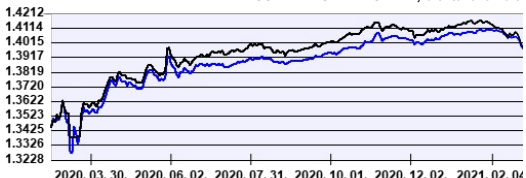
Aegon Towarzystwo Ubezpieczen na Zycie Spolka

NET YIELD PERFORMANCE OF THE SERIES:

Interval	Yield of note	Benchmark yield
From start	3.99 %	4.50 %
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, 02/29/2020 - 02/28/2021



— 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.

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 February, we saw a strong rise in yields on the Polish bond market. Yields closed higher by 22 basis points at 3-year maturity, 32 basis points at 5-year maturity and 45 basis points at 10-year maturity, thus increasing the slope of the yield curve. The sell-off was mainly due to the globally rising inflation expectations. Moving on to economic data, Polish GDP contracted by 2.8% in 2020. However, according to the February survey the economic growth is expected to be 3.7% in 2021 and 4.7% in 2022. GDP growth in the first quarter was reduced from -1.9% to -2%, and growth is expected to be 8.9% in the second quarter. Better-than-expected macro data would justify higher yields, but they are offset by global liquidity and QE programs. Year-on-year inflation accelerated to 2.7% in January, well above expectations. The government has allowed retail stores to reopen from February 1, so consumption could pick up again, which also could have an impact on prices. The Purchasing Managers' Index rose from 51.9 in January to 53.4 in February, exceeding market expectations. New orders started to grow strongly, due to exports. Industrial production grew 0.9% in the first month of the year, outperforming market expectations by 0.6%. As for general government, in January the government generated a surplus of PLN 6,645.4 million, bringing the 12-month rolling budget deficit to 3.53% of GDP.

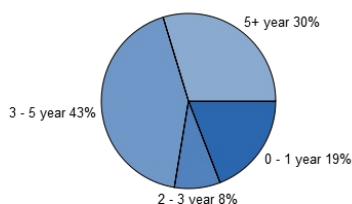
ASSET ALLOCATION OF THE FUND ON 02/28/2021

Asset type	Weight
Government bonds	62.97 %
Corporate bonds	36.69 %
Current account	4.36 %
Liabilities	-4.01 %
Market value of open derivative positions	-0.01 %
total	100.00 %
Derivative products	21.32 %
Net corrected leverage	109.74 %

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:	4.12 %
Annualized standard deviation of the benchmark's weekly yields:	3.50 %
WAM (Weighted Average Maturity):	4.22 years
WAL (Weighted Average Life):	4.48 years

INVESTMENT HORIZON:

Suggested minimum investment period:



Risk and Reward Profile:

