

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:	15,855,226,496 HUF
Net Asset Value of institutional series:	131,488,573 PLN
Net Asset Value per unit:	1.388496 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	3.87 %	4.45 %
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, 04/01/2020 - 03/31/2021



— 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.

MARKET SUMMARY:

In March, the Polish bond market had a mixed performance. The rise in yields during the month was mainly due to the rise in core market yields. However, in the middle of the month, the central bank bought back more bonds and announced that asset purchases would now be made more frequent and flexible, and because of this yields adjusted a little bit. Thus, yields were 5 basis points higher at 3-year maturity, 9 basis points at 5-year maturity and 4 basis points at 10-year maturity. Moving on to the economic data, Polish GDP is expected to grow by 3.8% this year and 4.6% in 2022. First-quarter GDP growth was left unchanged at -2%, and second-quarter GDP growth was revised downwards from 8.9% to 8.7%. Year-on-year inflation accelerated to 3.2% in March, well above expectations. This put some pressure on the central bank, but Governor Glapinski said there was virtually 0% chance the central bank would raise interest rates in the near future. The Purchasing Managers' Index rose from 53.4 in February to 54.3 points in March. Due to exports, demand strengthened, but output and employment also started to grow. Industrial production grew 2.7% in February, which was lower than the 3.9% market expectations. Regarding the general government, the government generated a deficit of PLN 5,768.98 million in the second month, bringing the 12-month rolling budget deficit to 3.48% of GDP.

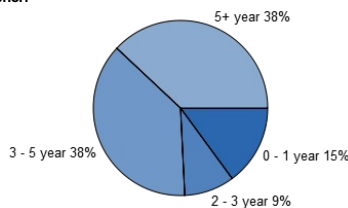
ASSET ALLOCATION OF THE FUND ON 03/31/2021

Asset type	Weight
Government bonds	56.97 %
Corporate bonds	36.94 %
Current account	5.70 %
Receivables	5.61 %
Liabilities	-4.46 %
Market value of open derivative positions	-0.75 %
total	100.00 %
Derivative products	21.39 %
Net corrected leverage	109.75 %

Assets with over 10% weight

POLGB 2025/04/25 0,75% (Lengyel Állam)
 POLGB 2021/07/25 1,75% (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:	2.24 %
Annualized standard deviation of the benchmark's weekly yields:	2.30 %
WAM (Weighted Average Maturity):	4.36 years
WAL (Weighted Average Life):	4.62 years

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

TOP 5 POSITIONS

Asset	Type	Counterparty / issuer	Maturity
POLGB 2025/04/25 0,75%	interest-bearing	Lengyel Állam (PL)	2025. 04. 25.
POLGB 2021/07/25 1,75%	interest-bearing	Lengyel Állam (PL)	2021. 07. 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.
POLGB 2030/10/25 1,25%	interest-bearing	Lengyel Állam (PL)	2030. 10. 25.