

Aegon Polish Bond Fund HUF 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:	HU0000705256
Start:	05/11/2007
Currency:	HUF
Total Net Asset Value of the whole Fund:	11,933,192,602 HUF
Net Asset Value of HUF series:	547,999,740 HUF
Net Asset Value per unit:	1.644297 HUF

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

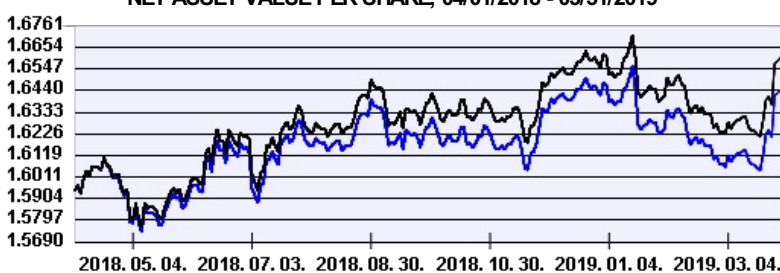
Aegon Magyarország Befektetési Alapkezelő Zrt., CIB Bank Zrt., Codex Tőzsdeügynökség és Értéktár Zrt., Commerzbank Zrt., CONCORDE Értékpapír Zrt., Equilor Befektetési Zrt, Erste Befektetési Zrt., Raiffeisen Bank Zrt., Unicredit Bank Hungary Zrt.

NET YIELD PERFORMANCE OF THE SERIES:

Interval	Yield of note	Benchmark yield
From start	4.27 %	7.05 %
2018	4.20 %	5.33 %
2017	9.53 %	10.82 %
2016	-4.68 %	-4.08 %
2015	-0.35 %	1.10 %
2014	11.85 %	12.94 %
2013	-0.50 %	2.13 %
2012	12.10 %	15.01 %
2011	8.99 %	9.57 %
2010	11.80 %	14.15 %
2009	16.47 %	28.27 %

NET PERFORMANCE OF THE SERIES

NET ASSET VALUE PER SHARE, 04/01/2018 - 03/31/2019



— Aegon Polish Bond Fund HUF 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:	4.14 %
Annualized standard deviation of the benchmark's weekly yields:	4.10 %
WAM (Weighted Average Maturity):	4.28 years
WAL (Weighted Average Life):	4.72 years

MARKET SUMMARY:

The Polish government bond market showed some strengthening in March, which was mainly driven by the decline of the German yields. Regarding the 3-, 5- and 10 year maturity, the yields declined by 6-, 12- and 14 basis points respectively and as a result the yield curve has slightly flattened. Moving on with economic data, according to market expectations the Polish economy will expand 4,3% in 1Q, and the growth forecast in 2019 and 2020 has been revised to 4,2% and 3,4% respectively. Annual inflation rate rose to 1,7%, slightly above market expectations in March, topping lower end of the central bank's tolerance band for the first time in five months. The rise of consumer prices were mainly driven by food and fuel prices. The Purchasing Managers' index showed an increase in March, it rose to 48,7 from 47,6 in February, beating market expectations of 47,4. However output, new orders and employment all continued to decline, so this is the 5th consecutive month of contraction in the manufacturing sector. The industrial production surged 6,9% y/y in February, following a 6,1% rise in the prior month, which means this is the strongest increase in industrial activity since October. Regarding the government budget balance, the cumulative deficit in the first two months was 794,5 million PLN, which means that the monthly deficit amounted to 7382 million PLN. In 2018, the general government deficit arrived at 0,4% of GDP and public debt stood at 48,9% of GDP. However, the exceptional conditions of public finances are not going to be long lasting, as the announced fiscal package will push the deficit this year and the next higher. We still hold short-dated Hungarian government bonds instead of the short end on the Polish yield curve.

ASSET ALLOCATION OF THE FUND ON 03/31/2019

Asset type	Weight
Government bonds	81.82 %
T-bills	9.32 %
Corporate bonds	8.43 %
Current account	0.18 %
Receivables	0.17 %
Market value of open derivative positions	0.12 %
Liabilities	-0.03 %
total	100.00 %
Derivative products	22.47 %
Net corrected leverage	105.64 %

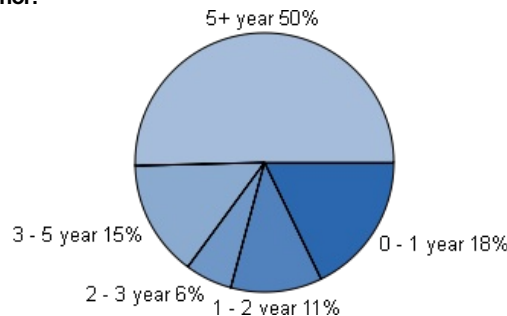
TOP 5 POSITIONS

Asset	Type	Counterparty / issuer	Maturity
PLGB 2028/04/25 2.75%	interest-bearing	Lengyel Állam (PL)	2028. 04. 25.
PLGB 2025/07 3,25%	interest-bearing	Lengyel Állam (PL)	2025. 07. 25.
PLGB 2022/09 5,75%	interest-bearing	Lengyel Állam (PL)	2022. 09. 23.
PLGB 2020/04 1,5%	interest-bearing	Lengyel Állam (PL)	2020. 04. 25.
HUF/PLN 19.04.30 Forward Sell	derivatív	OTP Bank (HU)	2019. 04. 30.

Assets with over 10% weight

- PLGB 2028/04/25 2.75% (Lengyel Állam)
- PLGB 2025/07 3,25% (Lengyel Állam)
- PLGB 2022/09 5,75% (Lengyel Állam)
- PLGB 2020/04 1,5% (Lengyel Állam)

Bonds by tenor:



INVESTMENT HORIZON:

Suggested minimum investment period:



Risk and Reward Profile:

