

# Aegon Polish Money Market 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% WIBID 1M Index
ISIN code:	HU0000711619
Start:	10/26/2012
Currency:	PLN
Total Net Asset Value of the whole Fund:	113,476,309 PLN
Net Asset Value of institutional series:	315,726 PLN
Net Asset Value per unit:	1.115919 PLN

## INVESTMENT POLICY OF THE FUND:

The aim of the fund is to function as a stable, low-risk investment vehicle, but to offer investors better returns than the performance of the current benchmark index. The fund is a standard variable net asset value money market fund. The portfolio elements are selected in accordance with these and the Money Market Funds' principles. The portfolio elements are selected in accordance with the above mentioned principles and based on the EU wide regulation on money market funds. To ensure liquidity the fund manager primarily aims to hold government bonds and discount treasury bills issued by the Polish Debt Management Agency, and short-term instruments (e.g. deposits, repos) available on the interbank market. The fund is allowed to invest in securities issued or guaranteed by any EU member state, and in money market instruments issued or guaranteed by a supranational institution established in the EU in accordance with the Money Market Funds Regulation. The fund is only allowed to invest in debt securities, which are classified as investment grade on average by the external credit rating agencies. In addition, some financial assets, which are particularly addressed by the EU wide money market regulation, shall have a favourable assessment based on the internal credit quality assessment procedure. The fund may also hold investment units or shares within the framework of the Money Market Funds Regulation. The Fund invests at least 50% of its assets in PLN denominated assets (money market instruments issued or guaranteed by the Polish state; deposits; cash), also fulfilling the diversification requirements of the Money Market Funds Regulation. The Fund shall have a weighted average maturity no more than 6 months, and a weighted average life no more than 12 months. Moreover, the Fund shall also be allowed to invest in money market instruments with a residual maturity until the legal redemption date of less than or equal to 2 years, provided that the time remaining until the next interest rate reset date is less than or equal to 397 days. The fund may hold a limited proportion of foreign-currency instruments in its portfolio, but only subject to the full hedging of currency risk (the difference between the currency risk exposure of the derivative instrument and the hedged instrument can be maximum 5%). Aegon Polish Money Market Fund is not a guaranteed investment. The risk of loss of the principal is to be borne by the investor. An investment in Aegon Polish Money Market Fund is different from an investment in deposits, with particular reference to the risk that the principal invested in Aegon Polish Money Market Fund is capable of fluctuation. Aegon Polish Money Market Fund does not rely on external support for guaranteeing the liquidity of the fund or stabilising the NAV per unit or share.

## DISTRIBUTORS

Aegon Towarzystwo Ubezpieczeń na Życie Spółka

## NET YIELD PERFORMANCE OF THE SERIES:

Interval	Yield of note	Benchmark yield
From start	1.54 %	1.77 %
2019	0.78 %	1.18 %
2018	0.98 %	1.45 %
2017	1.12 %	1.47 %
2016	0.99 %	1.44 %
2015	1.12 %	1.53 %
2014	2.25 %	2.23 %
2013	3.10 %	2.71 %

## RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields:	0.12 %
Annualized standard deviation of the benchmark's weekly yields:	0.08 %
WAM (Weighted Average Maturity):	0.20 years
WAL (Weighted Average Life):	0.19 years

## CREDIT PROFILE:

Issuer	Rating*	Country	Weight
Államadósság Kezelő Központ Zrt.	BBB	HU	31.27 %
Lengyel Állam	A	PL	33.78 %

\*: Average rating of the big three credit rating agencies (S&P, Moody's, Fitch)

## TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity
POLGB 2020/04/25 1,5%	interest-bearing	Lengyel Állam (PL)	2020.04.25
D200226	zero coupon	Államadósság Kezelő Központ Zrt. (HU)	2020.02.26
D200429	zero coupon	Államadósság Kezelő Központ Zrt. (HU)	2020.04.29
D200325	zero coupon	Államadósság Kezelő Központ Zrt. (HU)	2020.03.25
POLGB 2020/07/25 0%	zero coupon	Lengyel Állam (PL)	2020.07.25
D200318	zero coupon	Államadósság Kezelő Központ Zrt. (HU)	2020.03.18
D200311	zero coupon	Államadósság Kezelő Központ Zrt. (HU)	2020.03.11
D200304	zero coupon	Államadósság Kezelő Központ Zrt. (HU)	2020.03.04
D201021	zero coupon	Államadósság Kezelő Központ Zrt. (HU)	2020.10.21
D200624	zero coupon	Államadósság Kezelő Központ Zrt. (HU)	2020.06.24

## MARKET SUMMARY:

The bond yields continued to rise in the last month of the year. The 3 year rose by 7 bp, the 5 year by 5 bp and the 10 year by 7bp, which caused the yield curve to steepen. Looking at the macro economic data, the Polish GDP increased by 4,2% in 2019, 3,4% in 2020 and 2,9% in 2021. The 4th quarter growth was revised from 4% to 3,9%, and the growth in 1st quarter of 2020 was decreased to 3,6%. The YoY inflation grew to 3,4% in December from November's 2,6%, which was a lot higher than the expected 2,8%. The purchasing manager's index grew from the November level 46,7 to 48 in December, so it ended slightly higher than the expected 46,8 level. Although this is the 14th month in a row that this indicator is below the crucial 50 level, still this is the best number since last August. The employment rate is falling 6 month in a row, but the new orders rate is falling at a slower rate. The industrial output is slowing too, YoY it grew in November by 1,4% compared to the previous month's 3,5%. Regarding the budget, the first 11 months cumulative deficit was 1882,2 million PLN, which means that in November the surplus was 1309,9 million PLN. In 2019 the budget balance reached its best level ever after the 2nd quarter. Based on the data it could have improved in the 3rd quarter further, but most likely the year will end with a slight deficit of 0,9%.

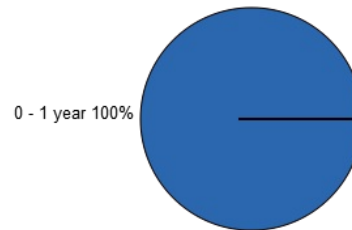
## ASSET ALLOCATION OF THE FUND ON 12/31/2019

Asset type	Weight
T-bills	36.05 %
Government bonds	28.94 %
Current account	35.13 %
Liabilities	-0.17 %
Market value of open derivative positions	0.05 %
total	100,00 %
Derivative products	39.95 %
Net corrected leverage	100.05 %

## Assets with over 10% weight

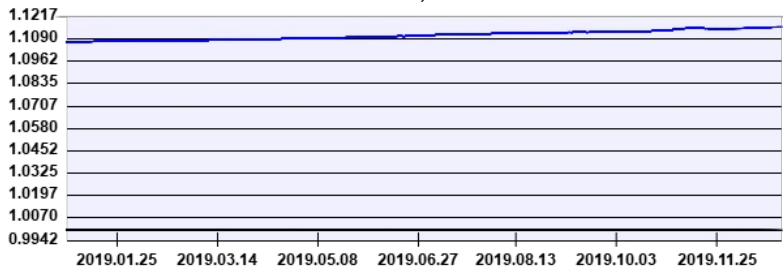
POLGB 2020/04/25 1,5% (Lengyel Állam)

## Bonds by tenor:



## NET PERFORMANCE OF THE SERIES

### NET ASSET VALUE PER SHARE, 01/01/2019 - 12/31/2019



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.

## INVESTMENT HORIZON:

Suggested minimum investment period:



Risk and Reward Profile:

