

# Aegon Polish Money Market Fund PLN 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% WBID 1M Index
ISIN code:	HU0000711601
Start:	10/26/2012
Currency:	PLN
Total Net Asset Value of the whole Fund:	119,500,498 PLN
Net Asset Value of PLN series:	119,185,887 PLN
Net Asset Value per unit:	1.094762 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	1.35 %	1.78 %
2018	0.78 %	1.45 %
2017	0.92 %	1.47 %
2016	0.79 %	1.44 %
2015	0.92 %	1.53 %
2014	1.85 %	2.23 %
2013	2.89 %	2.71 %

## RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields:	0.07 %
Annualized standard deviation of the benchmark's weekly yields:	0.10 %
WAM (Weighted Average Maturity):	0.30 years
WAL (Weighted Average Life):	0.30 years

## CREDIT PROFILE

Issuer	Rating*	Country	Weight
Országos Takarékpénztár és Kereskedelmi Bank Nyrt.	BBB	HU	14.24 %
Citigroup Inc.	A	US	4.19 %
ING Bank N. V. (Amsterdam)	A	NL	13.40 %
Lengyel Állam	A	PL	59.41 %

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

## MARKET SUMMARY:

Polish bond yields continued to fall in July. Only the 3-year bond yield rose slightly, the 5 year dropped 6 bp, and the 10 year dropped 18 bp, so the yield curve flattened a bit. If we look at the economic data, the market expects 4,3% GDP growth this year, 3,5% next year and 2,8% in 2021. If we pair this with the 2,9% inflation that is above the Central's Bank 2,5% target it seems obvious to expect a rate hike. But according to the Central Bank's president, Mr. Glapinski, there is no need to worry, the monetary policy won't be changed because of this sudden spike in the inflation rate. Plus, we might add, that although the local economy is performing well, (there are some deterioration in some macro data) the global environment will cool off any inflation risk, and the FED's and ECB's easing cycle won't make any rate hiking an urgent one. The main culprit of the inflation's acceleration is the rising food prices, which reached 6,8% level, the first time since May of 2011. July's PMI decreased from 48,4 to 47,4, which was below expectations. New orders decreased compared to the beginning of the year to below 50, this is the 9th month in a row that index is below that level. June industrial output YoY decreased by 2,7% from May's 7,7%, which was significantly below market expectations. This is the first time since 2017 that this indicator is falling. Regarding the budget, the accumulated first 6 months deficit reached 5041 million PLN, which means the deficit in June was 2883 million PLN.

## ASSET ALLOCATION OF THE FUND ON 07/31/2019

Asset type	Weight
Government bonds	59.38 %
Deposit	31.80 %
Current account	9.07 %
Liabilities	-0.25 %
total	100,00 %
Derivative products	0.00 %
Net corrected leverage	100.01 %

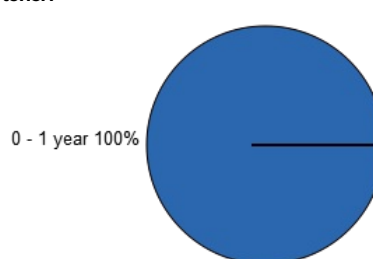
## TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity
POLGB 2019/10 5,50%	interest-bearing	Lengyel Állam (PL)	2019. 10. 25.
POLGB 2020/04 1,5%	interest-bearing	Lengyel Állam (PL)	2020. 04. 25.
PLN Betét	Betét	OTP Bank (HU)	2019. 08. 07.
PLN Betét	Betét	ING Bank Hun (HU)	2019. 08. 21.
PLN Betét	Betét	Citibank Hun (HU)	2019. 08. 07.

## Assets with over 10% weight

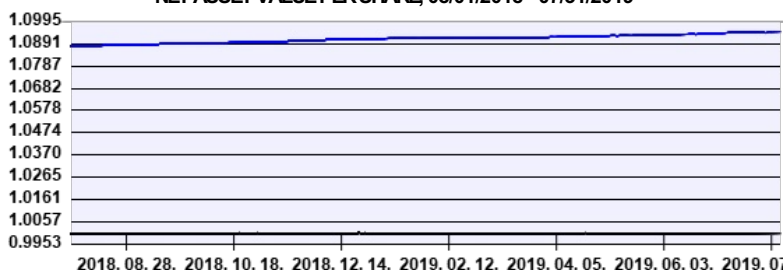
POLGB 2019/10 5,50% (Lengyel Állam)  
POLGB 2020/04 1,5% (Lengyel Állam)

## Bonds by tenor:



## NET PERFORMANCE OF THE SERIES

### NET ASSET VALUE PER SHARE, 08/01/2018 - 07/31/2019



----- Aegon Polish Money Market Fund PLN 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.

## INVESTMENT HORIZON:

Suggested minimum investment period:



Risk and Reward Profile:

