AEGON

Aegon BondMaxx Total Return Bond Investment Fund R series

GENERAL INFORMATION

Fund Manager:	AEGON Hungary Fund Manager Ltd.
Custodian:	Citibank Europe plc Magyarországi Fióktelepe
Main distributor:	AEGON Hungary Fund Manager Ltd.
Benchmark composition:	100% RMAX Index + 1%
ISIN code:	HU0000712260
Start:	07/16/2013
Currency:	HUF
Total Net Asset Value of the whole Fund:	29,789,368,418 HUF
Net Asset Value of R series:	692,668,664 HUF
Net Asset Value per unit:	1.176579 HUF

INVESTMENT POLICY OF THE FUND:

The fund's investment objective is to provide investors with a higher return than that attainable in the domestic money market, primarily by investing in the bond market of the Central and Eastern European region. The fund's bond investments are mainly concentrated in the corporate and mortgage bond markets, but government securities issued in foreign currency are also potential investment targets. Forint-denominated Hungarian government securities are only held for liquidity management purposes. The fund may also buy into other investment funds that invest in the above markets. The achievement of a higher return than would be attainable in the Hungarian government securities market is made possible by the better diversification, the additional yield from the premiums of the bonds, and, in a favourable market environment, by the price gains resulting from the narrowing of the premiums. The fund's general risk level and the asset allocation between the three main areas of investment is determined on the basis of a regular market analysis and situational analysis relating to four main aspects (fundamentals, valuation levels, market sentiment, technical factors). The in-depth analysis is also an important factor in the selection of the individual securities by region, sector and interest risk. In the course of selecting the individual securities, a thorough financial analysis is also essential to determine the creditworthiness of the issuer. Risk management and the regular monitoring of the issuers are of key importance to the fund. When compiling the fund's portfolio we aim to achieve a moderate risk profile, primarily purchasing investment-grade securities. The fund only buys lower-rated instruments in limited proportions. The fund may only conclude derivative transactions for the purpose of hedging or ensuring an efficient portfolio structure. The fund may also hold unleveraged collective investments linked to derivative indexes. The fund also has the option of taking on a substantial currency exposure, which will ordinarily be fully hedged, although depending on market circumstances the fund may even have an open currency position. The fund management company, exercising all due care, based on its own judgement and decisions, and while observing the relevant legal provisions and the limitations stipulated in the Fund Documentation, determines the means of utilising the fund's resources, and the weights of the various investments within the portfolio, with a view to ensuring that the fund - in line with our expectations with regard to future risks and returns - achieves its objective in the long term.
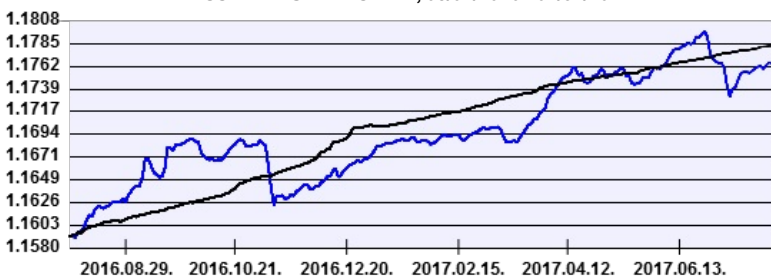
DISTRIBUTORS

Raiffeisen Bank Zrt.

NET YIELD PERFORMANCE OF THE SERIES:

Interval	Yield of note	Benchmark yield
From start	4.11 %	3.12 %
2016	3.11 %	2.23 %
2015	2.96 %	2.52 %
2014	5.74 %	4.34 %

NET PERFORMANCE OF THE SERIES

NET ASSET VALUE PER SHARE, 08/01/2016 - 07/31/2017

----- Aegon BondMaxx Total Return Bond Investment Fund R 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:	0.91 %
Annualized standard deviation of the benchmark's weekly yields:	0.15 %

MARKET SUMMARY:

July had two main themes to contend with. One was the continuously dropping volatility on the markets and the second was the rapid depreciation of the US dollar. In case of the former, it is worth mentioning that the VIX index reached the 9,05 level intraday which has been never seen before in the history of the index. The US currency continued to depreciate by 3,64% against the EUR in the month. The reasons behind the devaluation is attributable to the fact that market is pricing out the Trump effect in the case of the US economy and also still pricing in a relatively hawkish ECB after Draghi's Sintra speech. Oil managed to continue with its bounce back from June's low levels following the news that Saudi Arabia pledged to reduce crude export in August. Regarding emerging markets it also important to note that better-then-expected numbers were published in the case of Chinese GDP. The expectation was 6,8% but the hard data showed a 6,9% YoY growth in 2Q. The above mentioned developments supported the hard currency EM debt instruments in July, this the asset class managed to post a good performance. Inflows kept pouring in to EM debt funds, the overall inflow was around USD 5,7billion. We increased our exposure in MOL with buying the issuer's EUR paper and also participated in the new EUR issuance of PKO Bank.

ASSET ALLOCATION OF THE FUND ON 07/31/2017

| Asset type	Weight
Government bonds	37.34 %
Corporate bonds	34.13 %
Mortgage debentures	5.99 %
T-bills	5.92 %
other assets	0.62 %
Collective securities	0.09 %
Current account	16.01 %
Liabilities	-1.57 %
Market value of open derivative positions	1.36 %
Receivables	0.11 %
total	100,00 %
Derivative products	70.35 %
Net corrected leverage	100.80 %

TOP 3 POSITIONS

MFB 2020/10 6,25% USD (Magyar Fejlesztési Bank Zrt.)
MOL 2023/04/28 2,625% (MOL Nyrt.)
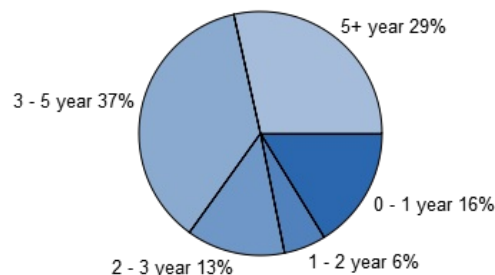MFB 2021/12/08 2,375% EUR (Magyar Fejlesztési Bank Zrt.)

Assets with over 10% weight

There is no such instrument in the portfolio

Currency exposure:
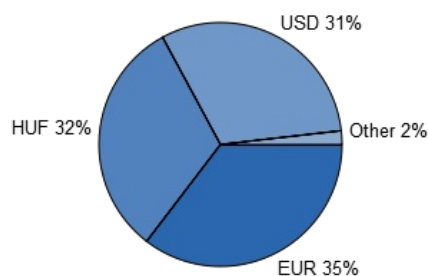
Bonds by tenor:

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
☐	☑	☐	☐	☐	☐	☐

AEGON : Befektetési Alapkezelő