

Aegon International Bond Fund

GENERAL INFORMATION

Fund Manager:	AEGON Hungary Fund Manager Ltd.
Custodian:	Citibank Europe plc Magyarországi Fióktelepe
Main distributor:	AEGON Hungary Fund Manager Ltd.
Benchmark composition:	80% Merrill Lynch Global Government Bond Index II ex-Japan USD (total return) + 20% ZMAX Index
ISIN code:	HU0000702477
Start:	04/21/1999
Currency:	HUF
Total Net Asset Value of the whole Fund:	1,538,393,998 HUF
Net Asset Value of HUF series:	1,538,393,998 HUF
Net Asset Value per unit:	1.990546 HUF

INVESTMENT POLICY OF THE FUND:

The fund aims to create an explicitly defensive investment portfolio for its investors, and typically invests in developed-market government bonds, and related exchange-traded derivative transactions, in the interest of achieving the highest possible return with the assumption of currency risk. The fund primarily aims for a portfolio consisting of the publicly issued bonds of foreign governments and foreign-domiciled companies. When building the fund's portfolio, beyond the minimum statutory requirements, the principles of safety and maximum diversification (the spreading of risk) are observed. Accordingly, when purchasing international securities the fund only selects publicly issued securities that are listed on foreign stock exchanges. The proportion of non-investment-grade securities is maintained at a low level, and if the planned ratio is overstepped due to the downgrading of a given issuer the fund restores it under the conditions stipulated by the relevant legal provisions. 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. In the course of its operation, however, the fund is managed on the premise that when compiling the portfolio, it is bonds that determine the nature of the fund. Accordingly, the proportion of bonds that may be kept in the fund at any given moment may reach the prevailing statutory maximum. When compiling the bond portfolio, taking into account the macroeconomic environment of the investment markets, the aim is to build up a long-term investment portfolio primarily on the basis of fundamental analyses. To ensure liquidity, the fund may purchase Hungarian government securities (primarily discount treasury bills) and MNB bonds; however, in accordance with the current statutory regulations the proportion of foreign bonds in the portfolio may be up to 100%. The fund management company is permitted, at its own discretion, to hedge all or a part of its currency risks with forward currency positions, in compliance with the statutory conditions.

DISTRIBUTORS

Aegon Magyarország Befektetési Alapkezelő Zrt., Budapest Hitel-és Fejlesztési Bank Zrt., CIB Bank Zrt., Codex Tőzsdéügynökség és Értéktár 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	3.51 %	4.33 %
2018	3.34 %	5.25 %
2017	-5.90 %	-4.07 %
2016	1.07 %	2.24 %
2015	3.72 %	4.09 %
2014	21.94 %	22.76 %
2013	-3.51 %	-4.21 %
2012	-2.48 %	-3.23 %
2011	19.06 %	17.60 %
2010	6.45 %	10.65 %
2009	3.56 %	-0.17 %

RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields:	5.86 %
Annualized standard deviation of the benchmark's weekly yields:	5.68 %
WAM (Weighted Average Maturity):	5.39 years
WAL (Weighted Average Life):	6.56 years

INVESTMENT HORIZON:

Suggested minimum investment period:



Risk and Reward Profile:



MARKET SUMMARY:

Market expects a moderate acceleration in the global economy in the second half of 2019. One major driver for this anticipated short-lived global recovery is the recent rebound in global financial conditions led by the Fed and later by the ECB. Furthermore, monetary and fiscal stimulus in China is underway. Finally, a trade agreement between the US and China would ease geopolitical uncertainty. The Ifo business expectations index rose for the first time in six months, tentatively suggesting a turnaround. This would be good news for global trade. Late March, UK MPs took control of the Brexit process but failed to reach a consensus on any alternative to Prime Minister Theresa May's. Over the past four weeks, core government bond yields across the globe have steeply declined. The 10Y Bund yield fell to -0.06%, a drop of 23bp; the 10Y UST yield slumped by 31bp; the 10Y UK Gilt yield plunged by 30bp. The USD returned on bid against the other FX majors. We haven't changed the composition of the fund in March.

ASSET ALLOCATION OF THE FUND ON 03/31/2019

Asset type	Weight
Government bonds	58.19 %
T-bills	12.02 %
Corporate bonds	6.49 %
Current account	23.30 %
Receivables	0.13 %
Liabilities	-0.10 %
total	100.00 %
Derivative products	50.63 %
Net corrected leverage	118.21 %

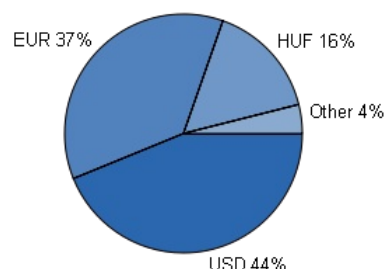
TOP 5 POSITIONS

Asset	Type	Counterparty / issuer	Maturity
US 10YR NOTE (CBT) Jun19 Sell	derivativ	Raiffeisen Hun (HU)	2019. 06. 19.
USGB 2042/02 3,125%	interest-bearing	Amerikai Egyesült Államok (US)	2042. 02. 15.
EURO-BUND FUTURE Jun19 Buy	derivativ	Raiffeisen Hun (HU)	2019. 06. 06.
US Treasury 2022/08 1,625%	interest-bearing	Amerikai Egyesült Államok (US)	2022. 08. 15.
US Államkötvény 2031/02 5,375%	interest-bearing	Amerikai Egyesült Államok (US)	2031. 02. 15.

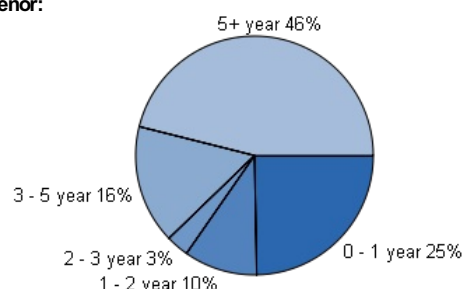
Assets with over 10% weight

USGB 2042/02 3,125% (Amerikai Egyesült Államok)

Currency exposure:

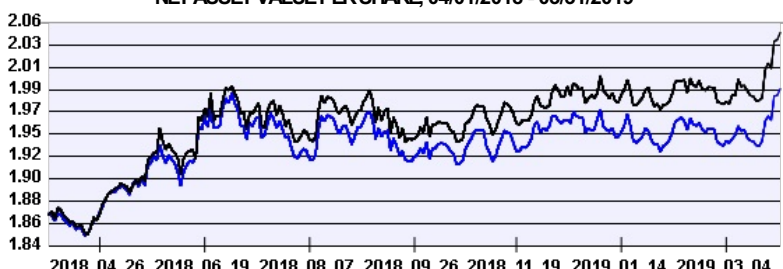


Bonds by tenor:



NET PERFORMANCE OF THE SERIES

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



— Aegon International Bond Fund — 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.