

Aegon BondMaxx Total Return Bond Investment Fund CZK 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:	HU0000717400
Start:	09/01/2016
Currency:	CZK
Total Net Asset Value of the whole Fund:	27,820,028,272 HUF
Net Asset Value of CZK series:	100,022 CZK
Net Asset Value per unit:	1.000221 CZK

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

NET YIELD PERFORMANCE OF THE SERIES:

Interval	Yield of note	Benchmark yield
From start	0.01 %	1.41 %
2018	-1.53 %	1.31 %
2017	0.75 %	1.20 %

NET PERFORMANCE OF THE SERIES

NET ASSET VALUE PER SHARE, 06/01/2018 - 05/31/2019



--- Aegon BondMaxx Total Return Bond Investment Fund CZK 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:	1.11 %
Annualized standard deviation of the benchmark's weekly yields:	0.19 %
WAM (Weighted Average Maturity):	2.68 years
WAL (Weighted Average Life):	3.44 years

MARKET SUMMARY:

As the US/China trade war is on a path of further escalation, the Trump administration adds to the worsening backdrop by announcing a surprisingly specific threat of imposing tariffs on all Mexican imports unless the Mexican government takes decisive action to curb the flow of illegal migration. This is not helping global growth outlook so tensions came to surface regarding a possible recession that the world might face. Due to the trade tensions risk off mood prevail on the markets. Equities were hit and risky bonds have seen relevant spread widening. EM benchmark spread moves out of the past few months' range. Since the 3rd of May, EM benchmark has widened by 35bp but still managed to post (slightly) positive total returns thanks to the compression of UST yields. While the pattern of country sub-index performances since then has shown a strong beta component as well as idiosyncratic factors. The latter is exemplified by the outperformance of South Africa, Ukraine and Argentina driven by domestic developments. We have moved away from high beta names in the portfolio during May. We offloaded the Ivory Coast position almost entirely and participated in the new Novolipetsk Steel issuance.

ASSET ALLOCATION OF THE FUND ON 05/31/2019

Asset type	Weight
Government bonds	48.15 %
Corporate bonds	32.84 %
T-bills	11.10 %
Mortgage debentures	2.55 %
other assets	0.70 %
Collective securities	0.11 %
Current account	6.96 %
Liabilities	-0.92 %
Market value of open derivative positions	-1.50 %
total	100.00 %
Derivative products	65.45 %
Net corrected leverage	100.00 %

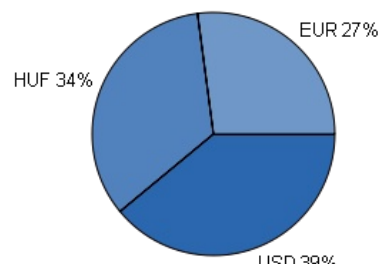
TOP 3 POSITIONS

Asset	Type	Counterparty / issuer	Maturity
Magyar Fejlesztési Bank Zrt. 2020/10 6,25% USD	interest-bearing	Magyar Fejlesztési Bank Zrt. (HU)	2020. 10. 21.
MOL 2023/04/28 2,625%	interest-bearing	MOL Nyrt. (HU)	2023. 04. 28.
SERBIA 2021/09/28 7,25% USD	interest-bearing	Szerb Állam (RS)	2021. 09. 28.

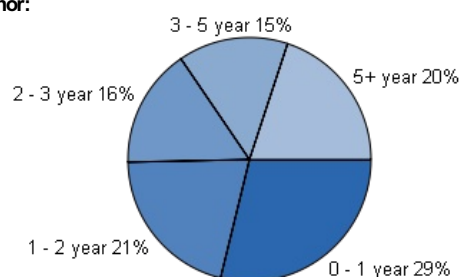
Assets with over 10% weight

There is no such instrument in the portfolio

Currency exposure:



Bonds by tenor:



INVESTMENT HORIZON:

Suggested minimum investment period:



Risk and Reward Profile:

