

# Aegon BondMaxx Total Return Bond Investment Fund institutional 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:                               | HU00000709605                                |
| Start:                                   | 01/12/2011                                   |
| Currency:                                | HUF  |
| Total Net Asset Value of the whole Fund: | 29,523,820,452 HUF                           |
| Net Asset Value of institutional series: | 23,135,976,623 HUF                           |
| Net Asset Value per unit:                | 1.604835 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

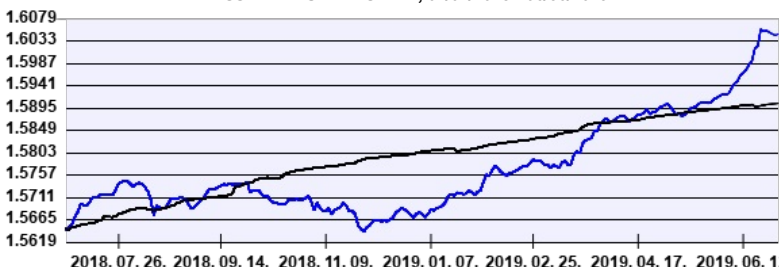
Aegon Magyarország Befektetési Alapkezelő Zrt., Raiffeisen Bank Zrt., Unicredit Bank Hungary Zrt.

## NET YIELD PERFORMANCE OF THE SERIES:

| Interval   | Yield of note | Benchmark yield |
|------------|---------------|-----------------|
| From start | 5.75 %        | 4.05 %          |
| 2018       | -1.80 %       | 1.31 %          |
| 2017       | 2.12 %        | 1.20 %          |
| 2016       | 3.31 %        | 2.23 %          |
| 2015       | 3.17 %        | 2.52 %          |
| 2014       | 5.91 %        | 4.34 %          |
| 2013       | 8.79 %        | 6.78 %          |
| 2012       | 21.84 %       | 9.60 %          |

## NET PERFORMANCE OF THE SERIES

### NET ASSET VALUE PER SHARE, 07/01/2018 - 06/30/2019



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----- 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:      | 1.05 %     |
| Annualized standard deviation of the benchmark's weekly yields: | 0.18 %     |
| WAM (Weighted Average Maturity):                                | 2.40 years |
| WAL (Weighted Average Life):                                    | 3.08 years |

## MARKET SUMMARY:

The political uncertainty is still a major factor in today's investment environment. The "Boss", meaning Donald Trump, is not kidding around, he will raise the tariffs by an additional \$300 billion on Chinese imports if the two leaders will not find a common ground on the G-20 meetings - said Wilbur Ross the U.S. Secretary of Commerce. The macro economic indicators are still weakening. The Chinese Caixin PMI index fell to 52,7 from 54,4 and its future expectation subindex fell to a 7 year low. Based on this the Chinese retail consumption is slowing too, while the inflation YoY is reaching 2,7%. The U.S. economy is showing signs of a slow down too. Although the unemployment rate is still historically very low at 3,6%, but the change in the monthly non-farm payrolls was 75,000 instead of the expected 175,000, and the U.S. PMI came in at 50,5 level which is slightly above recession levels. The German 10 year bond yield made a new all time low at -31bp, while the Swiss 30 year yield went negative and the 50 year yield is close to 0. In this environment EM sovereign bonds performed quite well in June. We cut our Ivory Coast and Turkey exposure and participated in the new Ukrainian and Serbian EUR issuance and also in the new Novolipetsk Steel issuance.

## ASSET ALLOCATION OF THE FUND ON 06/30/2019

| Asset type                                | Weight   |
|---|----------|
| Government bonds                          | 39.97 %  |
| Corporate bonds                           | 29.96 %  |
| T-bills                                   | 15.37 %  |
| Mortgage debentures                       | 2.40 %   |
| other assets                              | 0.66 %   |
| Collective securities                     | 0.11 %   |
| Current account                           | 13.32 %  |
| Liabilities                               | -1.46 %  |
| Receivables                               | 0.00 %   |
| Market value of open derivative positions | -0.31 %  |
| total                                     | 100.00 % |
| Derivative products                       | 64.51 %  |
| Net corrected leverage                    | 100.98 % |

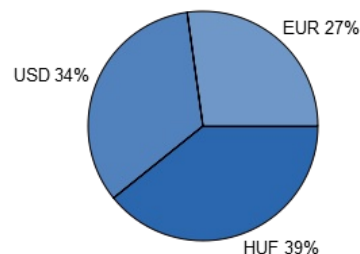
## TOP 3 POSITIONS

| 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. |
| D191120  | zero coupon      | Államadósság Kezelő Központ Zrt. (HU) | 2019. 11. 20. |

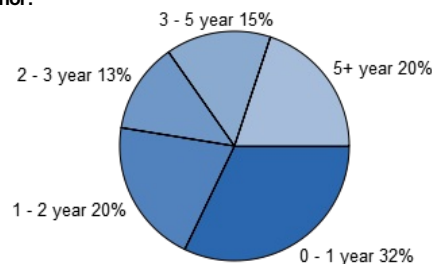
## Assets with over 10% weight

There is no such instrument in the portfolio

## Currency exposure:



## Bonds by tenor:



## INVESTMENT HORIZON:

Suggested minimum investment period:

|                          |                                     |                          |                          |                          |                          |                          |
|--------------------------|-------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3 months                 | 6 months                            | 1 year                   | 2 years                  | 3 years                  | 4 years                  | 5 years                  |

Risk and Reward Profile:

|                          |                                     |                          |                          |                          |                          |                          |
|--------------------------|-------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| very low                 | low                                 | moderate                 | intermediate             | significant              | high                     | very high                |