

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:	HJ0000702477
Start:	04/21/1999
Currency:	HUF
Total Net Asset Value of the whole Fund:	1,894,887,205 HUF
Net Asset Value of HUF series:	1,894,887,205 HUF
Net Asset Value per unit:	2.008606 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

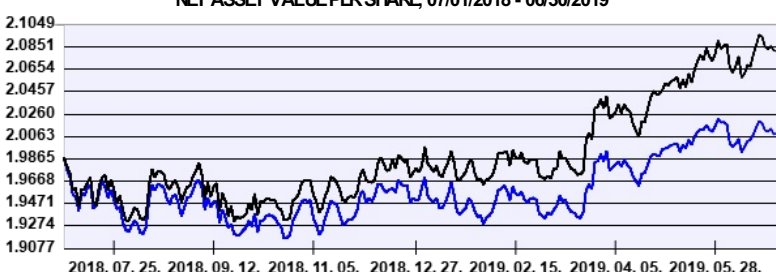
Aegon Magyarország Befektetési Alapkezelő Zrt., Budapest Hírel-és Fejlesztési Bank Zrt., CIB Bank Zrt., CONCORDE Értékpapír Zrt., Equilor Befektetési Zrt, Erste Befektetési Zrt., Raiffeisen Bank Zrt., Unicredit Bank Hungary Zrt.

NET YIELD PERFORMANCE OF THE SERIES:

Interval	Yield of note	Benchmark yield
From start	3.51 %	4.39 %
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 %

NET PERFORMANCE OF THE SERIES

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



----- 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.

RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields:	5.36 %
Annualized standard deviation of the benchmark's weekly yields:	5.27 %
WAM (Weighted Average Maturity):	6.79 years
WAL (Weighted Average Life):	8.23 years

MARKET SUMMARY:

In the recent weeks/months, there have been two main developments with regard to the global economic outlook. Macro-economic uncertainty has increased, in large part reflecting renewed trade tensions between US and China, and this weighed on sentiment. Associated with that, financial markets volatility has picked up. As a result, ECB Mario Draghi sounded surprisingly dovish in saying that additional stimulus will be needed if there is no improvement in the economic outlook. Fed Chair Jerome Powell pledged to act as appropriate to sustain expansion amid rising uncertainties - seven of 17 FOMC members now anticipate a 50bp-lower target rate by the end of the year. Yields on 10Y US Treasuries fell below 2%, 10Y Bund yields marked new lows and a raft of semi-core 10-year yields slid deeper into negative territory trading at -0.4%, with the spread between Italian and German 10-year government bonds falling to 200 basis points. Equities were well supported, and the S&P 500 reached new highs amid rising hopes of a US-China trade truce being reached. EURUSD managed to move above 1.14 for a while until moved back to 1.13 area. Credit spreads tightened, with the iTraxx approaching 50bp. CEE/MEA currencies rallied, with gains led by the ZAR and the RUB. With the OPEC+ agreement to extend oil output cuts for nine months, through Q1 '20, oil inventories should draw through Q2 '19, supporting Brent and WTI prices to the upside. Last month we increased positions in both short-term and long-term debt securities issued by the U.S.

ASSET ALLOCATION OF THE FUND ON 06/30/2019

Asset type	Weight
Government bonds	71.01 %
T-bills	26.24 %
Corporate bonds	5.31 %
Liabilities	-20.61 %
Receivables	10.57 %
Current account total	7.49 %
Derivative products	100,00 %
Net corrected leverage	32.42 %
	113.94 %

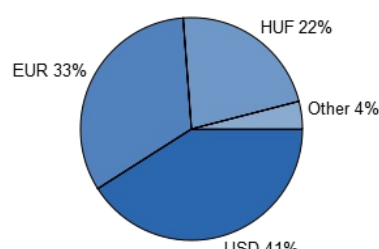
TOP 5 POSITIONS

Asset	Type	Counterparty / issuer	Maturity
US Treasury 2022/08 1,625%	interest-bearing	Amerikai Egyesült Államok (US)	2022. 08. 15.
US 10YR NOTE (CBT)Sep19 Sell	derivativ	Raiffeisen Hun (HU)	2019. 09. 19.
D191120	zero coupon	Államadósság Kezelő Központ Zrt. (HU)	2019. 11. 20.
USGB 2042/02 3,125%	interest-bearing	Amerikai Egyesült Államok (US)	2042. 02. 15.
D190731	zero coupon	Államadósság Kezelő Központ Zrt. (HU)	2019. 07. 31.

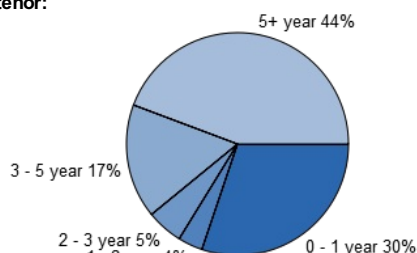
Assets with over 10% weight

USGB 2022/08 1,625% (Amerikai Egyesült Államok)
D191120 (Államadósság Kezelő Központ Zrt.)

Currency exposure:



Bonds by tenor:



INVESTMENT HORIZON:

Suggested minimum investment period:

