

Aegon International Bond Fund

GENERAL INFORMATION

Fund Manager:	AEGON Hungary Fund Manager Ltd.
Custodian:	Citibank Europe plc Magyarország 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:	2,008,438,204 HUF
Net Asset Value of HUF series:	2,008,438,204 HUF
Net Asset Value per unit:	2.052713 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

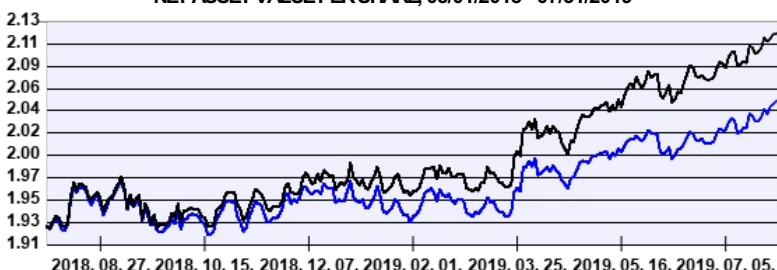
Aegon Magyarország Befektetési Alapkezelő Zrt., Budapest Hitel-és Fejlesztési Bank Zrt., CIB Bank Zrt., CONCORDE Értékpapír Zrt., Equilor Befektetési Zrt, Erste Befektetési Zrt., Raiffeisen Bank Zrt., Unicredit Bank Hungary Zrt.

NET YIELD PERFORMANCE OF THE SERIES:

Interval	Yield of note	Benchmark yield
From start	3.61 %	4.48 %
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, 08/01/2018 - 07/31/2019



— 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.

MARKET SUMMARY:

Donald Trump and president Xi Jinping managed to come to a trade truce on the G-20 meeting in Osaka and agreed to continue with the trade negotiations. In Europe, Boris Johnson was elected to be the UK's next prime minister, who is known to be a Hard-Brexit and did not wait long to promise that the UK will leave the EU at the end of October whatever happens. The global macro picture paints a mixed picture. The US data is still somewhat robust, while China and Europe are struggling more. Maybe this is the reason why Mario Draghi, resigning ECB president said that the ECB won't rule out any tool to stimulate the European economy. The German 10yr government bond already started to price in the new wave of monetary stimulus and managed to decrease to its lows in yield after Draghi's comments. The FOMC held its meeting at the end of the month where it decided to lower the base rate by 25 basispoints in line with expectations. However, Jerome Powell Fed chair gave a speech that turned out somewhat more hawkish which took the market by surprise.

ASSET ALLOCATION OF THE FUND ON 07/31/2019

Asset type	Weight
Government bonds	68.86 %
T-bills	16.18 %
Corporate bonds	5.07 %
Current account	9.81 %
Receivables	0.27 %
Liabilities	-0.17 %
total	100.00 %
Derivative products	38.66 %
Net corrected leverage	120.53 %

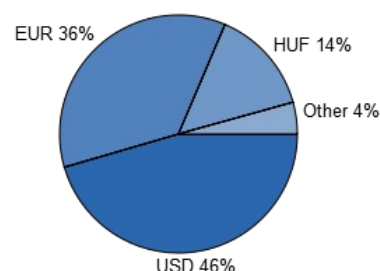
TOP 5 POSITIONS

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	derivatív	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.
Short Euro-BTP Fu Sep19 Buy	derivatív	Raiffeisen Hun (HU)	2019. 09. 06.

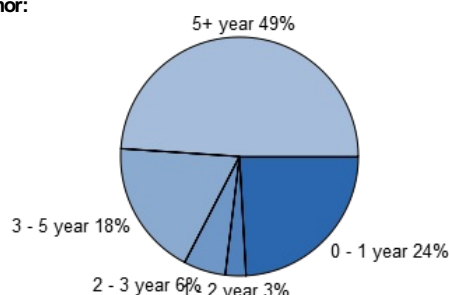
Assets with over 10% weight

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

Currency exposure:



Bonds by tenor:



RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields:	4.47 %
Annualized standard deviation of the benchmark's weekly yields:	4.58 %
WAM (Weighted Average Maturity):	6.54 years
WAL (Weighted Average Life):	7.95 years

INVESTMENT HORIZON:

Suggested minimum investment period:



Risk and Reward Profile:

