

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:	2,196,488,135 HUF
Net Asset Value of HUF series:	2,196,488,135 HUF
Net Asset Value per unit:	2.125453 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

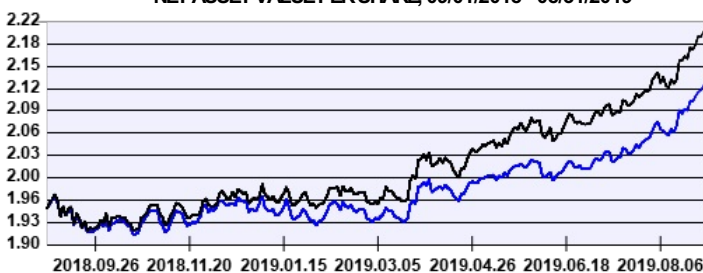
Aegon Magyarország Befektetési Alapkezelő Zrt., Budapest Hitel-és Fejlesztési Bank Zrt., CIB Bank Zrt., CONCORDE Értékpapír Zrt., Equilor Befektetési Zrt., Erste Befektetési Zrt., Raiffeisen Bank Zrt., Unicredit Bank Hungary Zrt.

NET YIELD PERFORMANCE OF THE FUND:

Interval	Yield of note	Benchmark yield
From start	3.77 %	4.66 %
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 FUND

NET ASSET VALUE PER SHARE, 09/01/2018 - 08/31/2019



---- 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:

High uncertainty over US-China trade policies, Brexit and other political and geopolitical developments continues to weigh on the global outlook. Although the volatile news flow leaves room for optimism, the patterns so far vindicate market scepticism about the likelihood of sudden deals for US-China trade or Brexit. In the meantime, the global manufacturing, trade and investment slump continues, while a consumption-supported service sector is keeping overall growth afloat. Facing this ambiguous outlook, central bankers seem to be diverging in their interpretations and policy recommendations. Yields on 10Y US Treasuries fell below 1.5%, 10Y Bund yields marked new lows and a raft of semi-core 10-year yields slid deeper into negative territory trading at -0.6% (some days hit below -0.7%), with the spread between Italian and German 10-year government bonds falling to almost 100 basis points. Last month we increased our exposure to the U.K. government bonds as well as to the Spanish short-term government papers.

ASSET ALLOCATION OF THE FUND ON 08/31/2019

Asset type	Weight
Government bonds	71.81 %
T-bills	26.38 %
Corporate bonds	4.72 %
Liabilities	-11.36 %
Receivables	6.31 %
Current account	2.14 %
total	100.00 %
Derivative products	39.30 %
Net corrected leverage	121.73 %

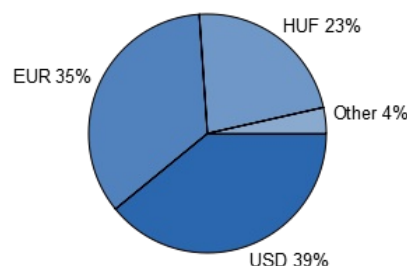
TOP 5 POSITIONS

US Treasury 2022/08 1,625%
US 10YR NOTE (CBT) Dec19 Sell
D191120
USGB 2042/02 3,125%
D190925

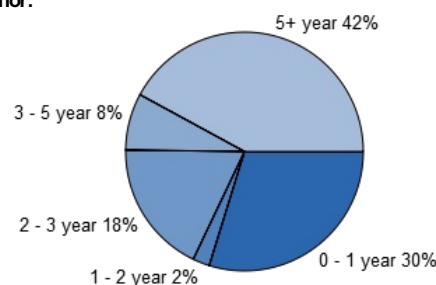
Assets with over 10% weight

USGB 2022/08 1,625% (Amerikai Egyesült Államok)

Currency exposure:



Bonds by tenor:



RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields: 4.48 %
Annualized standard deviation of the benchmark's weekly yields: 4.60 %

INVESTMENT HORIZON:

Suggested minimum investment period:

☐ 3 months ☐ 6 months ☐ 1 year ☒ 2 years ☐ 3 years ☐ 4 years ☐ 5 years

Risk and Reward Profile:

☐ very low ☐ low ☐ moderate ☒ intermediate ☐ significant ☐ high ☐ very high