

Aegon Domestic Bond Fund institutional series

GENERAL INFORMATION

Fund Manager:	AEGON Hungary Fund Manager Ltd.
Custodian:	Raiffeisen Bank Zrt.
Main distributor:	AEGON Hungary Fund Manager Ltd.
Benchmark composition:	100% MAX Index
ISIN code:	HU0000718127
Start:	12/01/2016
Currency:	HUF
Total Net Asset Value of the whole Fund:	21,919,388,998 HUF
Net Asset Value of institutional series:	1,303,649,742 HUF
Net Asset Value per unit:	1.125690 HUF

INVESTMENT POLICY OF THE FUND:

The fund is intended to serve as a stable, moderately low-risk form of investment, and to offer investors higher returns than bank deposits over the medium term. The portfolio elements are selected in accordance with the above principles. To ensure liquidity, the fund primarily aims to hold bonds and discount treasury bills issued by the State Debt Management Centre on behalf of the State of Hungary, as well as bonds issued by the National Bank of Hungary. The fund has a low risk profile, but its portfolio may also contain forint-denominated debt securities issued by banks and corporations, which are expected to yield a higher return than government securities. The fund may also keep its liquid assets in bank deposits. Besides this, the fund may hold a limited proportion of foreign-currency instruments in its portfolio, but only subject to the full hedging of currency risk. Aegon Domestic Bond Fund must hold minimum 80% of its assets in HUF-denominated bonds issued by the members of European Economic Area.

DISTRIBUTORS

NET YIELD PERFORMANCE OF THE SERIES:

Interval	Yield of note	Benchmark yield
From start	3.72 %	4.08 %
2019	7.23 %	7.74 %
2018	-1.51 %	-0.95 %
2017	6.28 %	6.41 %

NET PERFORMANCE OF THE SERIES

NET ASSET VALUE PER SHARE, 03/01/2019 - 02/29/2020



— Aegon Domestic Bond Fund institutional 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.

MARKET SUMMARY:

In February the record weak HUF and the 4.7% January inflation print was evidently too much for the market and for the central bank as well. The central bank verbally intervened couple of times, signalling its willingness to use all available tools to combat inflation. Banking system liquidity, which already was tightening autonomously, was further decreased by the central bank via lower auctioned FX-swap amounts, driving short yields and at the end of the day the whole yield curve higher. In the second part of the month, negative news about the coronavirus drove core yields lower and stopped the move higher in local rates. The yield curve flattened: two-year yields were higher by 35 bps while the long end was higher by 15 bps after being quoted 70/35 bps higher respectively in the middle of the month.

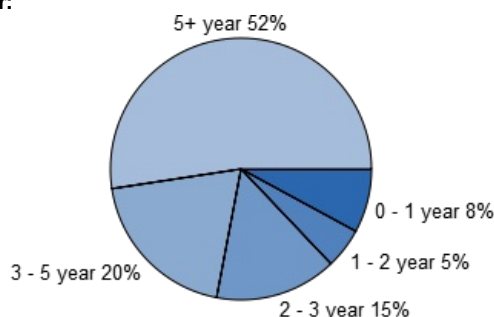
ASSET ALLOCATION OF THE FUND ON 02/29/2020

Asset type	Weight
Government bonds	94.50 %
Corporate bonds	3.14 %
other assets	1.09 %
T-bills	0.32 %
Current account	1.35 %
Liabilities	-0.62 %
Receivables	0.27 %
Market value of open derivative positions	-0.04 %
total	100.00 %
Derivative products	4.41 %
Net corrected leverage	100.00 %

Assets with over 10% weight

2025B (Államadósság Kezelő Központ Zrt.)
2022B (Államadósság Kezelő Központ Zrt.)
2027A (Államadósság Kezelő Központ Zrt.)

Bonds by tenor:



RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields:	4.34 %
Annualized standard deviation of the benchmark's weekly yields:	4.29 %
WAM (Weighted Average Maturity):	4.89 years
WAL (Weighted Average Life):	5.46 years

INVESTMENT HORIZON:

Suggested minimum investment period:



Risk and Reward Profile:

