

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:	3,101,077,044 HUF
Net Asset Value of HUF series:	3,101,077,044 HUF
Net Asset Value per unit:	2.194519 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	3.84 %	4.73 %
2019	5.82 %	9.57 %
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 %

RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields:	5.55 %
Annualized standard deviation of the benchmark's weekly yields:	6.08 %
WAM (Weighted Average Maturity):	6.37 years
WAL (Weighted Average Life):	7.59 years

INVESTMENT HORIZON:

Suggested minimum investment period:



Risk and Reward Profile:



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) Jun20 Sell	derivatív	Raiffeisen Hun (HU)	2020.06.19
USGB 2042/02 3,125%	interest-bearing	Amerikai Egyesült Államok (US)	2042.02.15
BTPS 1.45 09/15/22	interest-bearing	Olasz Állam (IT)	2022.09.15
NETHER 0 01/15/22	zero coupon	Holland Állam (NL)	2022.01.15

MARKET SUMMARY:

The first negative signs of the coronavirus outbreak on business sentiment and hard data have emerged. Chinese car sales plunged by 92% YoY in the first two weeks of February. South Korean exports for the first twenty days of February contracted 9.3% YoY on a working-day-adjusted basis. The Japanese PMIs also declined, while their Eurozone counterparts still improved. February last week's business sentiment surveys in the Eurozone did not reflect the full impact of the spread of the coronavirus. Financial markets were firmly in the grip of coronavirus-related uncertainty. Following six consecutive days of losses, major equity indices have already entered correction territory, experiencing declines in excess of 10%. Core government bond yields plunged by 15bp to 40bp, with the UST curve steepening. The USD suffered as the 10Y UST yield hit all-time lows, while the JPY and EUR regained strength. Commodity currencies came under pressure as crude oil prices dropped 15% from recent peaks. European subordinated and high yield credit came under substantial pressure, while spread widening in most senior IG non-financial debt was moderate, reflecting CSFP support. In this environment of elevated risk aversion, EGB yield spreads to Bunds widened. We didn't make changes into portfolio composition in February.

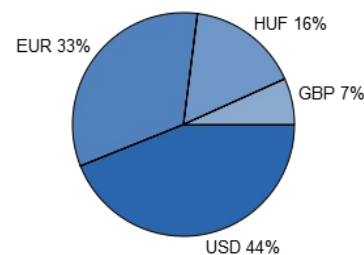
ASSET ALLOCATION OF THE FUND ON 02/29/2020

Asset type	Weight
Government bonds	72.69 %
T-bills	22.59 %
Corporate bonds	1.70 %
Liabilities	-12.16 %
Current account	11.72 %
Receivables	3.46 %
total	100,00 %
Derivative products	34.13 %
Net corrected leverage	112.62 %

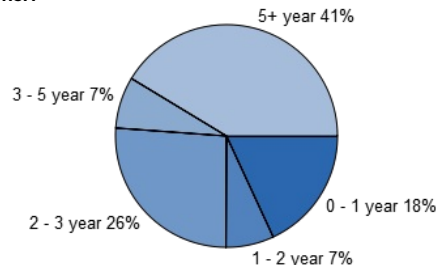
Assets with over 10% weight

USGB 2022/08 1,625% (Amerikai Egyesült Államok)
USGB 2042/02 3,125% (Amerikai Egyesült Államok)

Currency exposure:

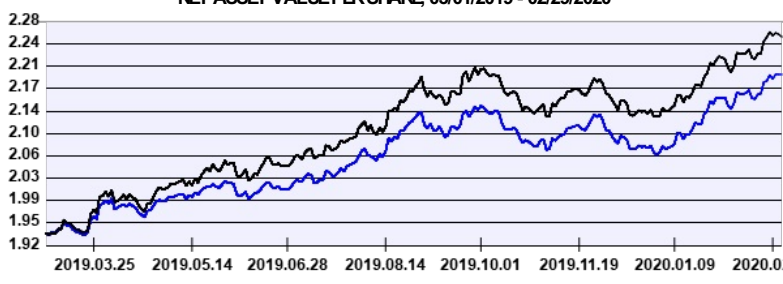


Bonds by tenor:



NET PERFORMANCE OF THE SERIES

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



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.