

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:	3,346,670,166 HUF
Net Asset Value of HUF series:	3,346,670,166 HUF
Net Asset Value per unit:	2.249580 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	3.92 %	4.82 %
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:	8.26 %
Annualized standard deviation of the benchmark's weekly yields:	8.74 %
WAM (Weighted Average Maturity):	6.02 years
WAL (Weighted Average Life):	7.19 years

INVESTMENT HORIZON:

Suggested minimum investment period:



Risk and Reward Profile:



TOP 5 POSITIONS

Asset	Type	Counterparty / issuer	Maturity
US 10YR NOTE (CBT) Sep20 Sell	derivativ	Raiffeisen Hun (HU)	2020.06.19
US Treasury 2022/08 1,625%	interest-bearing	Amerikai Egyesült Államok (US)	2022.08.15
USGB 2042/02 3,125%	interest-bearing	Amerikai Egyesült Államok (US)	2042.02.15
LONG GLT FUTURE Sep20 Buy	derivativ	Raiffeisen Hun (HU)	2020.06.19
BTPS 1.45 09/15/22	interest-bearing	Clasz Állam (IT)	2022.09.15

MARKET SUMMARY:

Last month, the European Commission proposed a package that includes a EUR 750bn recovery instrument, of which two-thirds would take the form of grants, while the rest would be made up of loans. The Ifo Business Climate Index recovered somewhat from the trough it reached in April, suggesting that German economic activity will take time to return to pre-pandemic levels. Eurozone PMIs bottomed out in May, but remained far from the 50-threshold that distinguishes expanding from contracting economic activity. In financial markets, focus on public support measures outweighed geopolitical concerns in the context of US-China relations. Major equity indices increased by 2-5%. Bonds came under moderate pressure, with 10Y yields rising by 12bp, while USTs traded sideways. Semi-core and periphery EGBs strongly outperformed, supported by the proposed recovery fund and reassuring statements from ECB officials on the flexible use of capital keys within the PEPP. European cash credit markets rallied across sectors, with subordinated and HY bonds, as well as bonds from cyclical sectors, outperforming. Underpinned by persistent risk appetite, EUR-USD rose by 1.1% to a two month high of 1.11. We slightly decreased our exposure to the long-term UK government papers along with increasing it to the 10 years government bonds issued by U.S. government, we also opened positions in Portuguese bonds issued by the government as well as bought some more Spanish government papers.

ASSET ALLOCATION OF THE FUND ON 05/31/2020

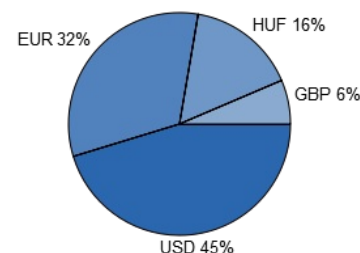
Asset type	Weight
Government bonds	68.60 %
T-bills	20.78 %
Corporate bonds	1.58 %
Current account	10.71 %
Liabilities	-1.87 %
Receivables	0.21 %
total	100,00 %
Derivative products	43.95 %
Net corrected leverage	116.95 %

Assets with over 10% weight

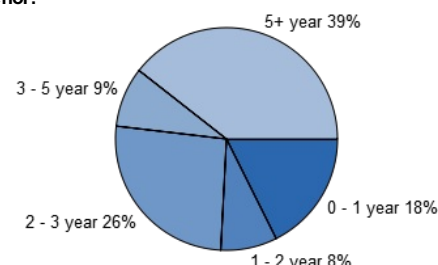
USGB 2022/08 1,625% (Amerikai Egyesült Államok)

USGB 2042/02 3,125% (Amerikai Egyesült Államok)

Currency exposure:



Bonds by tenor:



NET PERFORMANCE OF THE SERIES

NET ASSET VALUE PER SHARE, 06/01/2019 - 05/31/2020



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.