

# 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:	3,594,541,267 HUF
Net Asset Value of HUF series:	3,594,541,267 HUF
Net Asset Value per unit:	2.283339 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., Budapesti 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	3.97 %	4.89 %
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:	9.05 %
Annualized standard deviation of the benchmark's weekly yields:	9.40 %
WAM (Weighted Average Maturity):	6.10 years
WAL (Weighted Average Life):	7.28 years

## INVESTMENT HORIZON:

Suggested minimum investment period:

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 months	6 months	1 year	2 years	3 years	4 years	5 years

Risk and Reward Profile:

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
very low	low	moderate	intermediate	significant	high	very high

## TOP 5 POSITIONS

Asset	Type	Counterparty / issuer	Maturity
US 10YR NOTE (CBT)Sep20 Sell	derivatv	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.
EURO-BUND FUTURE Sep20 Buy	derivatv	Raiffeisen Hun (HU)	2020. 06. 19.
BTPS 1.45 09/15/22	interest-bearing	Olasz Állam (IT)	2022. 09. 15.

## MARKET SUMMARY:

Last month overall market sentiment remained upbeat on better-than-expected macroeconomic data releases and promising results of pharma companies regarding COVID-19 vaccine. In the US, nonfarm payrolls were better than expected, showing an increase of 4.8 million in June, while the unemployment rate dropped by more than 2% to 11.1%. COVID-19 cases have continued to rise, especially in southern and western US states. Investors reacted to the US labour market report with optimism. Equity markets, which had increased by about 3% in the days before, gained further after the release. Notably, the payroll report failed to lift core bond yields or EUR-USD, with the latter continuing to fluctuate between 1.12 and 1.13. The 10Y BTP-Bund spread compressed throughout the week and has tightened to a fresh three-month low of 163bp. In credit markets, IG cash underperformed amid a continued wave of new supply, while riskier parts of the credit universe were sought after. We slightly decreased our exposure to the 10 years government bonds issued by U.S. government, closed position in Imperial Brands papers as well as bought some more Italian government papers.

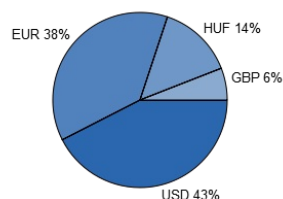
## ASSET ALLOCATION OF THE FUND ON 06/30/2020

Asset type	Weight
Government bonds	73.07 %
T-bills	18.93 %
Current account	16.64 %
Liabilities	-10.32 %
Receivables	1.70 %
total	100.00 %
Derivative products	36.66 %
Net corrected leverage	113.82 %

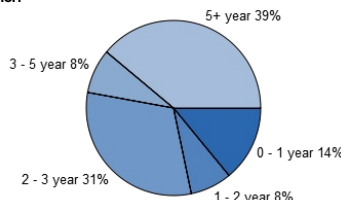
## Assets with over 10% weight

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

## Currency exposure:

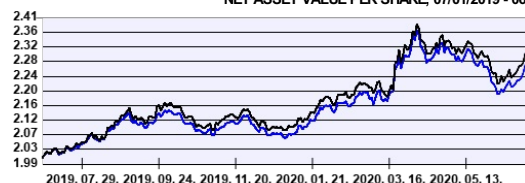


## Bonds by tenor:



## NET PERFORMANCE OF THE SERIES

### NET ASSET VALUE PER SHARE, 07/01/2019 - 06/30/2020



— 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.