

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:	21,561,887,749 HUF
Net Asset Value of institutional series:	1,827,819,296 HUF
Net Asset Value per unit:	1.146126 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	3.79 %	4.05 %
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, 08/01/2019 - 07/31/2020



— 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.

RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields:	8.16 %
Annualized standard deviation of the benchmark's weekly yields:	7.53 %
WAM (Weighted Average Maturity):	5.27 years
WAL (Weighted Average Life):	5.93 years

MARKET SUMMARY:

At the rate setting meeting in July, the Monetary Council again implemented a 15 basis points rate cut, reducing the base rate from the previous level of 0.75% to 0.6%. The rate cut was not a surprise to the market. After the meeting, deputy governor of the CB, Barnabás Virág emphasized, that in order to support the economy in a sustainable manner the necessary easing of short-term rates has been made, which indicates that further easing is not expected in the foreseeable future. It is very important that the rate cuts should have an effect not only on the shorter, but also on the longer segment as well. So they are planning a reallocation between instruments affecting longer term maturities by reducing the amount of the collateralized lending facility while restarting the QE in limited amount in the segment of 15-year maturities. Regarding the short term yields, they are planning to keep them at a safe distance from a range close to zero by gradually decreasing the stock of FX swap instruments. Thus in July, the yields of the 3- and 5 year maturities declined somewhat while the 10 year bond yields closed the month 15 basis points lower, so the yield curve has flattened. Regional valuation of the Hungarian government bonds is still attractive. Regarding the economic growth, the Ministry of Finance has cut its growth forecast, so further increase in issuance plan is possible.

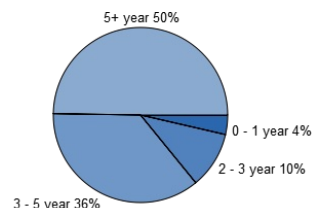
ASSET ALLOCATION OF THE FUND ON 07/31/2020

Asset type	Weight
Government bonds	93.85 %
Corporate bonds	3.03 %
T-bills	0.46 %
Current account	2.49 %
Market value of open derivative positions	0.35 %
Liabilities	-0.17 %
total	100.00 %
Derivative products	7.27 %
Net corrected leverage	100.00 %

Assets with over 10% weight

2025B (Államadósság Kezelő Központ Zrt.)
2027A (Államadósság Kezelő Központ Zrt.)
2028A (Államadósság Kezelő Központ Zrt.)

Bonds by tenor:



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



Befektetési Alapkezelő