

Aegon Emerging Europe Bond Fund EUR series

GENERAL INFORMATION

Fund Manager:	AEGON Hungary Fund Manager Ltd.
Custodian:	Unicredit Bank Hungary Zrt.
Main distributor:	AEGON Hungary Fund Manager Ltd.
Benchmark composition:	The fund has no benchmark
ISIN code:	HU0000706114
Start:	12/11/2007
Currency:	EUR
Total Net Asset Value of the whole Fund:	21,928,688 EUR
Net Asset Value of EUR series:	1,177,860 EUR
Net Asset Value per unit:	1.076519 EUR

INVESTMENT POLICY OF THE FUND:

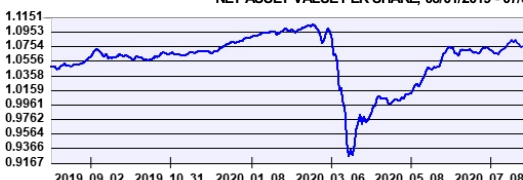
The fund's investment objective is to provide investors with capital appreciation by investing in the sovereign- and quasi-sovereign bond market of Emerging European countries. The fund has no rating constraints, the fund has a permission to invest in any kind of issuer without limitation on its long-term foreign currency debt rating. The fund aims to reach the highest capital gain with rational risk taking. The fund primarily invests on the sovereign- and quasi-sovereign bond market of Emerging European countries denominated in foreign currency, but holds Hungarian local currency, long- and short-term bonds with diversification and liquidity management purposes. The fund may also invest in mortgage backed securities, and short- and long-term, fixed or floating securities of other financial institutions, municipalities or other business corporations, structured and convertible bonds. The fund's general risk level and the measure of the deviation from the target weights are determined on the basis of a regular market analysis and situational analysis relating to four main aspects (fundamentals, valuation levels, market sentiment, technical factors). The core part of the fund consists of the foreign currency denominated, sovereign and quasi-sovereign bonds of Central and Eastern Europe (Hungary, Croatia, Poland, Romania, Slovakia, Ukraine), Southeast Europe (Serbia, Turkey), Baltic states (Lithuania, Latvia) and the countries of the Commonwealth of Independent States (Azerbaijan, Belarus, Kazakhstan, Russia, Georgia, Armenia) and also holds Hungarian local currency bonds with diversification and liquidity management purposes. In case of attractive market conditions (e.g. possible upgrade of an issuer's long-term foreign currency debt rating, change of the yield curve, market mispricing, etc.) the fund may invest in bonds of issuers not listed above. The fund does not intend to invest more than 25% of its assets in a single country. The target weight for the fund's fixed income investments in the above listed countries (target countries) is 95%. The aimed risk profile of the fund is intermediate. We do not use constraints on foreign currency debt ratings. The fund may only conclude derivative transactions for the purpose of hedging or ensuring an efficient portfolio structure. The fund may also hold unleveraged debt-type collective investments linked to derivative indexes. The fund also has the option of taking on a substantial currency exposure, which will ordinarily be fully hedged to the target currency (USD), although depending on market circumstances the fund may even have an open currency position. The investment policy of the fund changed on the 30th of December, 2016. Since then the fund has no benchmark, and fund performance before the change is not applicable.

DISTRIBUTORS

Aegon Magyarország Befektetési Alapkezelő Zrt., Aegon Towarzystwo Ubezpieczeń na Życie Spółka, Aegon Životná poisťovňa, a.s., Commerzbank Zrt., CONCORDE Értékpapír Zrt., Erste Befektetési Zrt., KBC Securities Magyarországi Fióktelepe, MKB Bank Zrt., OTP Bank Nyrt., Raiffeisen Bank Zrt., SC Aegon ASIGURARI DE VIATA SA, Unicredit Bank Hungary Zrt.

NET PERFORMANCE OF THE SERIES

NET ASSET VALUE PER SHARE, 08/01/2019 - 07/31/2020



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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: 12.19 %

WAM (Weighted Average Maturity): 6.93 years

WAL (Weighted Average Life): 9.21 years

MARKET SUMMARY:

Previous month, EU leaders reached an agreement on the recovery fund as well as the long-term budget 2021-2027. Tensions between the US and China increased when the US ordered the closure of China's consulate in Houston and China retaliated by ordering the closure of the US consulate in Chengdu. Eurozone GDP reported a drop of 12.1% QoQ in Q2 '20, while US GDP reduced by a less severe 9.5% QoQ. The Fed remained on hold but reiterated that there were considerable risks to the US outlook amid a resurgence of coronavirus cases. Fed Chair Jerome Powell again flagged the need for more fiscal support, as Republicans and Democrats wrangled over a new fiscal package while enhanced unemployment benefits expire at the end of July. Under the spell of numerous GDP reports and a flurry of corporate earnings releases, performance in financial markets was quite mixed. Major equity indices were stable in the US but weaker in the Eurozone. Core bond markets firmed, especially after Mr. Powell's press conference, with 10Y Bund and UST yields dropping by 5-10bp to multi-month lows. Credit markets held up well, with credit spreads from cash bonds grinding slightly tighter amid the slowdown of issuance activity. The US dollar remained weak, the GBP rallied and EUR-USD conquered the 1.19 level. We opened position in Serbia and slightly increased position in Ghana, moderately increased exposure to Kazakhstan and held a higher duration for Azerbaijan while the duration for all other countries remained at neutral levels during the month.

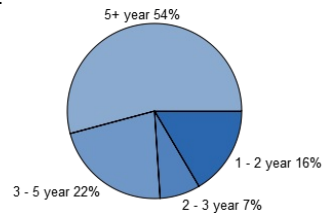
ASSET ALLOCATION OF THE FUND ON 07/31/2020

Asset type	Weight
Government bonds	77.82 %
Corporate bonds	12.76 %
Market value of open derivative positions	6.32 %
Current account	4.62 %
Liabilities	-1.56 %
Receivables	0.05 %
total	100.00 %
Derivative products	2.51 %
Net corrected leverage	100.63 %

Assets with over 10% weight

There is no such instrument in the portfolio

Bonds by tenor:



NET YIELD PERFORMANCE OF THE SERIES:

Interval	Yield of note	Benchmark yield
From start	0.59 %	0.83 %
2019	10.41 %	
2018	-5.82 %	
2017	4.30 %	
2016	0.03 %	-0.15 %
2015	0.96 %	0.07 %
2014	1.12 %	0.30 %
2013	0.20 %	0.24 %
2012	3.34 %	1.08 %
2011	-0.10 %	1.25 %
2010	1.45 %	1.00 %

INVESTMENT HORIZON:

Suggested minimum investment period:



Risk and Reward Profile:



Befektetési Alapkezelő