

MARKET SUMMARY

Thanks to the acceleration of the vaccination process, the economy was almost fully re-opened by the end of May, and those who had been vaccinated almost fully recovered their lives to the pre-virus levels. Earlier this month, the Ministry of Finance raised its budget deficit target for this year to HUF 3,990 billion, and the Public Debt Management Centre has revised its 2021 financing plan accordingly. In May, year-on-year inflation could have risen further from 5.1% in April, and the central bank, seeing the risk, has also adopted a more restrictive tone in its communication. In mid-month, Barnabas Virág indicated that the central bank could start an interest rate hike cycle in June due to rising upside inflation risks. The Communication stressed that the gradual phasing out of crisis management tools could also start after the interest rate hike. The forint also started to strengthen on the news of the rate hike. The first quarter GDP figure was better than the 1.9% previously reported, as the economy grew by 2% compared to the last quarter of last year. The yield curve moved higher on the back of the monetary policy reversal, with yields ending the month almost 50 basis points higher at the three-year maturity and 20 basis points higher at the ten-year maturity. The government continues to hold a large amount of cash, with the focus on the June inflation report and the actions taken as a result of.

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.

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
Net Asset Value of the whole Fund:	18,731,648,592 HUF
Net Asset Value of institutional series:	2,090,199,987 HUF
Net Asset Value per unit:	1.128361 HUF

NET YIELD PERFORMANCE OF THE SERIES

Interval	Yield of note	Benchmark yield
From start	2.72 %	2.91 %
2020	1.55 %	1.41 %
2019	7.23 %	7.74 %
2018	-1.51 %	-0.95 %
2017	6.28 %	6.41 %

DISTRIBUTORS

SUGGESTED MINIMUM INVESTMENT PERIOD

3 mths	6 mths	1 yr	2 yr	3 yr	4 yr	5 yr
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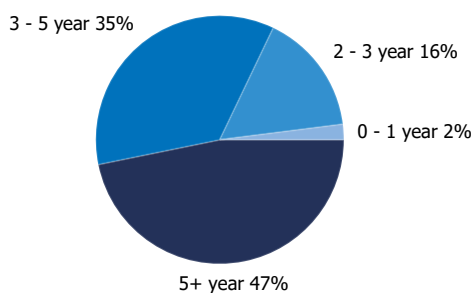
RISK PROFILE

1	2	3	4	5	6	7
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← Lower risk → Higher risk

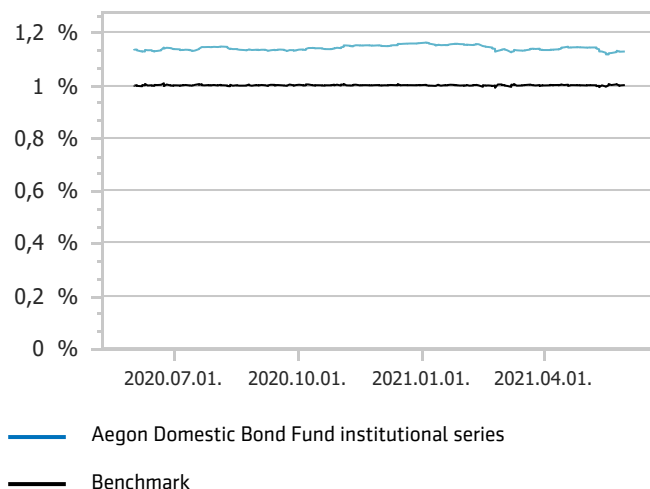
ASSET ALLOCATION OF THE FUND	
Asset	Weight
Government bonds	83.80 %
Corporate bonds	8.29 %
T-bills	1.86 %
Current account	7.09 %
Liabilities	-1.12 %
Receivables	0.08 %
total	100,00 %
Derivative products	0.00 %
Net corrected leverage	100.00 %
Assets with over 10% weight	
2025B (Államadósság Kezelő Központ Zrt.)	

Bonds by tenor:



NET PERFORMANCE OF THE SERIES

net asset value per share, 06/01/2020 - 05/31/2021



RISK INDICATORS FOR THE LAST 12 MONTHS

Annualized standard deviation of the fund's weekly yields	3.54 %
Annualized standard deviation of the benchmark's weekly yields	3.49 %
WAM (Weighted Average Maturity)	5.35 years
WAL (Weighted Average Life)	5.95 years

Legal declaration

The recent document qualifies as Portfolio Report according to the Kbtv. requirements. It contains the following elements based on the last net asset value of the reporting month: presentation of the assets of the fund regarding asset type of portfolio investment and regarding other categories detailed in its investment policy; list of assets (issuers) representing more than 10% of the portfolio; net asset value of the fund, including the cumulated and the calculated value per unit share. Investors are kindly advised, that past performance of the fund does not guarantee future performance. The returns presented are to be considered without applicable taxes, distribution fees and commissions, fees related to account keeping and other costs in relation with holding an investment fund unit. Information presented in the Portfolio Report are for information purposes only, not intended to serve as investment advice, or any other offer. Investors are kindly advised to carefully read the Key Investors Document and Prospectus of the fund, in order to understand the risks of investing into the fund, and to be able to make an informed investor decision. The referred documents are available at the distribution locations and on the official website of Aegon Alapkezelő Zrt. Aegon Magyarország Befektetési Alapkezelő Zrt. | 1085 Budapest, Kálvin tér 12-13. | +36 1 477 4814 | alapkezel@egon.hu | www.aegonalapkezel.hu