

MARKET SUMMARY

In May, year-on-year inflation stagnated at 5.1%, reflecting last year's low base. In June, the vaccination process reached a new milestone, with the number of vaccinated reaching 5.5 million, resulting in an almost fully re-opened economy. Wearing a mask is no longer mandatory and in most cases, immunity cards have lost their relevance. In June, the Hungarian central bank began a new cycle of interest rate hikes, raising the base rate from 0.6% to 0.9% and the one-week deposit rate from 0.75% to 0.9%, in line with its May announcement. In its communication, it stressed that, in view of the increased risks, interest rate decisions will be reviewed on a monthly basis. The news also led to the strengthening of the forint. The phasing out of crisis instruments will also begin, with the first round of the FGS Go! program being closed as its budget is exhausted. The yield curve flattened somewhat during the month. Yields were unchanged on the 3- and 5-year maturities, but ended the month 17 basis points lower on the 10-year maturity. The government has huge cash holdings. Asset purchases continue, with the next review due at the end of August, which could pose some risk to the long-term yields.

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:	18,801,778,974 HUF
Net Asset Value of institutional series:	2,350,867,255 HUF
Net Asset Value per unit:	1.132011 HUF

DISTRIBUTORS

SUGGESTED MINIMUM INVESTMENT PERIOD

3 mths	6 mths	1 yr	2 yr	3 yr	4 yr	5 yr
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NET YIELD PERFORMANCE OF THE SERIES

Interval	Yield of note	Benchmark yield
From start	2.75 %	2.94 %
2020	1.55 %	1.41 %
2019	7.23 %	7.74 %
2018	-1.51 %	-0.95 %
2017	6.28 %	6.41 %

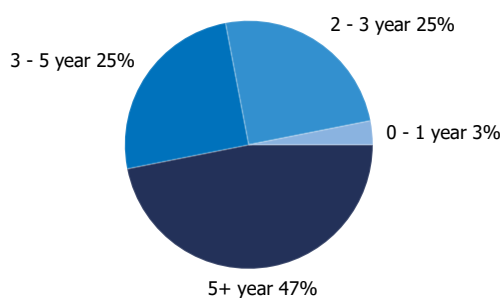
RISK PROFILE

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

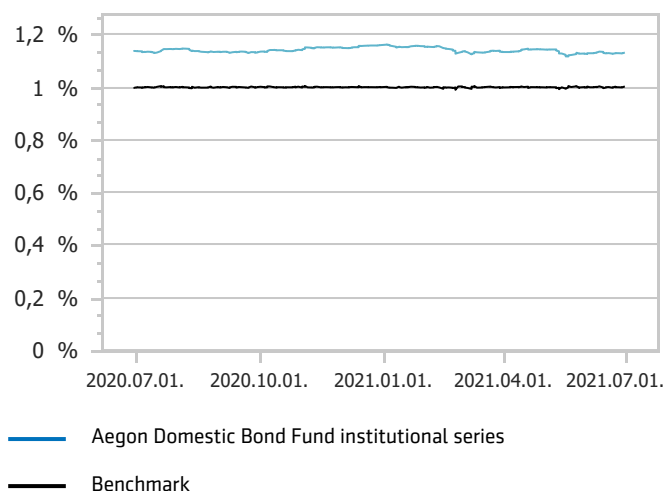
ASSET ALLOCATION OF THE FUND	
Asset	Weight
Government bonds	83.11 %
Corporate bonds	8.22 %
T-bills	2.92 %
Current account	5.60 %
Receivables	0.26 %
Liabilities	-0.11 %
total	100,00 %
Derivative products	0.00 %
Net corrected leverage	100.00 %
Assets with over 10% weight	
2025B (Államadósság Kezelő Központ Zrt.)	

Bonds by tenor:



NET PERFORMANCE OF THE SERIES

net asset value per share, 07/01/2020 - 06/30/2021



RISK INDICATORS FOR THE LAST 12 MONTHS

Annualized standard deviation of the fund's weekly yields	3.40 %
Annualized standard deviation of the benchmark's weekly yields	3.35 %
WAM (Weighted Average Maturity)	5.30 years
WAL (Weighted Average Life)	5.88 years

Legal declaration

The recent document qualifies as Portfolio Report according to the Kbfv. 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@aeon.hu | www.aegonalapkezel.hu