

Aegon Emerging Europe Bond Fund institutional 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:	HU0000718408
Start:	12/30/2016
Currency:	HUF
Total Net Asset Value of the whole Fund:	21,709,956 EUR
Net Asset Value of institutional series:	7,409,733,559 HUF
Net Asset Value per unit:	1.146912 HUF

INVESTMENT POLICY OF THE FUND:

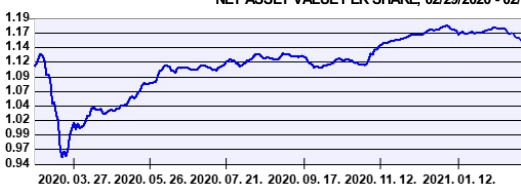
The fund's investment objective is to provide investors with capital appreciation by investing in the sovereign- and quasi-sovereign bond market of Emerging European countries. The fund has no rating constraints, the fund has a permission to invest in any kind of issuer without limitation on its long-term 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

Raiffeisen Bank Zrt.

NET PERFORMANCE OF THE SERIES

NET ASSET VALUE PER SHARE, 02/29/2020 - 02/28/2021



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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:	12.56 %
WAM (Weighted Average Maturity):	7.43 years
WAL (Weighted Average Life):	9.79 years

MARKET SUMMARY:

In February, several European CB officials warned about rising bond yields and reiterated the central bank's readiness to adjust policy to preserve favourable financial conditions. Jerome Powell sought to ease concerns about an outbreak of inflation caused by fiscal stimulus or pent-up demand, saying that higher inflation was unlikely to be large or long-lasting. The German Ifo index reached its highest level since October 2020, supported by improved expectations of export-oriented manufacturers. We faced a volatile month for global equities, which delivered a negative performance, with the continued rise in government bond yields not helping. The UST10YR yield posted another double-digit rise, while the Bund10YR yield defied the ECB's warning with a 6bp increase. European IG spreads widened slightly, while high-yield spreads were hovering around month-end levels. Weak equity markets and month-end position adjustments pulled EUR-USD back to 1.21 after earlier attempts to break above 1.22. We initiated short positions in the U.S. ultra-long government papers, slightly increased duration for Romania and Ukraine along with decreased ones for Hungary and Kazakhstan, opened relatively small positions in Ghana and took profit on Pemex, the duration for all other countries remained at neutral levels during the month.

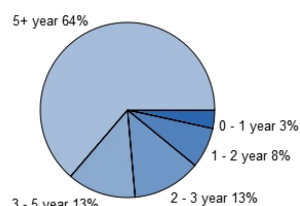
ASSET ALLOCATION OF THE FUND ON 02/28/2021

Asset type	Weight
Government bonds	85.25 %
Corporate bonds	11.97 %
Current account	3.45 %
Liabilities	-0.07 %
Receivables	0.05 %
Market value of open derivative positions	-0.64 %
total	100.00 %
Derivative products	15.11 %
Net corrected leverage	104.85 %

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	3.35 %	
2020	6.01 %	
2019	12.05 %	
2018	-5.45 %	
2017	4.87 %	

INVESTMENT HORIZON:

Suggested minimum investment period:



Risk and Reward Profile:

