

# AEGON International Bond Fund

## GENERAL INFORMATION

Fund Manager:	AEGON Hungary Fund Manager Ltd.
Custodian:	Citibank Europe plc Magyarországi Fióktelepe
Main distributor:	AEGON Hungary Fund Manager Ltd.
Benchmark composition:	80% Merrill Lynch Global Government Bond Index II ex-Japan + 20% ZMAX Index
ISIN code:	HU0000702477
Start:	04/21/1999
Currency:	HUF
Total Net Asset Value of the whole Fund:	1,743,462,379 HUF
Net Asset Value of HUF series:	1,743,462,379 HUF
Net Asset Value per unit:	1.586739 HUF

## INVESTMENT POLICY OF THE FUND:

The fund aims to create an explicitly defensive investment portfolio for its investors, and typically invests in developed-market government bonds, and related exchange-traded derivative transactions, in the interest of achieving the highest possible return with the assumption of currency risk. The fund primarily aims for a portfolio consisting of the publicly issued bonds of foreign governments and foreign-domiciled companies. When building the fund's portfolio, beyond the minimum statutory requirements, the principles of safety and maximum diversification (the spreading of risk) are observed. Accordingly, when purchasing international securities the fund only selects publicly issued securities that are listed on foreign stock exchanges. The proportion of non-investment-grade securities is maintained at a low level, and if the planned ratio is overstepped due to the downgrading of a given issuer the fund restores it under the conditions stipulated by the relevant legal provisions. The fund management company, exercising all due care, based on its own judgement and decisions, and while observing the relevant legal provisions and the limitations stipulated in the Fund Documentation, determines the means of utilising the fund's resources, and the weights of the various investments within the portfolio, with a view to ensuring that the fund - in line with our expectations with regard to future risks and returns - achieves its objective in the long term. In the course of its operation, however, the fund is managed on the premise that when compiling the portfolio, it is bonds that determine the nature of the fund. Accordingly, the proportion of bonds that may be kept in the fund at any given moment may reach the prevailing statutory maximum. When compiling the bond portfolio, taking into account the macroeconomic environment of the investment markets, the aim is to build up a long-term investment portfolio primarily on the basis of fundamental analyses. To ensure liquidity, the fund may purchase Hungarian government securities (primarily discount treasury bills) and MNB bonds; however, in accordance with the current statutory regulations the proportion of foreign bonds in the portfolio may be up to 100%. The fund management company is permitted, at its own discretion, to hedge all or a part of its currency risks with forward currency positions, in compliance with the statutory conditions.

## DISTRIBUTORS

AEGON Magyarország Befektetési Alapkezelő Zrt., CIB Közép-Európai Nemzetközi Bank Zrt., Citibank Europe plc Magyarországi Fióktelepe, Codex Értéktár és Értékpapír Zrt., CONCORDE Értékpapír Zrt., Equilor Befektetési Zrt, Erste Befektetési Zrt., Raiffeisen Bank Zrt., SPB Befektetési Zrt., Takarékbank Zrt, Unicredit Bank Hungary Zrt.

## NET YIELD PERFORMANCE OF THE FUND:

Interval	Yield of note	Benchmark yield
From start	3.25 %	3.96 %
2012	-2.48 %	-3.23 %
2011	19.06 %	17.60 %
2010	6.45 %	10.65 %
2009	3.56 %	-0.17 %
2008	7.24 %	15.18 %
2007	-0.05 %	-5.61 %
2006	-2.05 %	-2.35 %
2005	10.52 %	9.83 %
2004	-2.13 %	-4.91 %
2003	5.26 %	10.80 %

## RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields: 9.02 %  
Annualized standard deviation of the benchmark's weekly yields: 8.86 %

## 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

## MARKET SUMMARY:

It came as a big surprise that the Fed did not start tapering in September, which resulted in a slight relief on emerging markets. The FOMC meeting, held in mid-September had even more: this was the first time that the Federal Reserve published its projection for the year 2016, from which it turned out that the rate-setters see the base rate well below what economists have expected. The surprisingly dovish tone eased the pressure on the 10-year treasury yield, which came down by 20 basispoints after the Fed meeting. The 10-year Bund had also rallied with its yield coming down from 2% to 1,75% by the end of September. The Spanish and Italian 10-year government bonds had an outstanding performance in September, with the exception of the last week of the month, where Italian yields were lifted by 19 basispoints on the back of the political tensions.

## ASSET ALLOCATION OF THE FUND ON 09/30/2013

Asset type	Weight
Government bonds	71.22 %
Corporate bonds	21.94 %
Current account	5.83 %
Repos	1.20 %
Liabilities	-0.15 %
Market value of open derivative positions	-0.01 %
total	100,00 %
Derivative products	12.58 %
Net corrected leverage	102.56 %

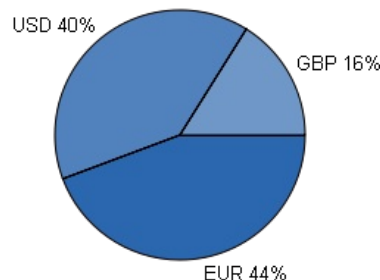
## TOP 5 POSITIONS

XTALN 2016/11 5.80% USD (Xstrata Fin Canada)  
 XTALN 2018/11 2.375% EUR (XSTRATA Finance Dubai)  
 SLOVEN4 18/03/22 4% (Szlovén Állam)  
 USGB 2018/08 2,25% (Amerikai Egyesült Államok)  
 FRGB 2055/02 4,00% (Francia Állam)

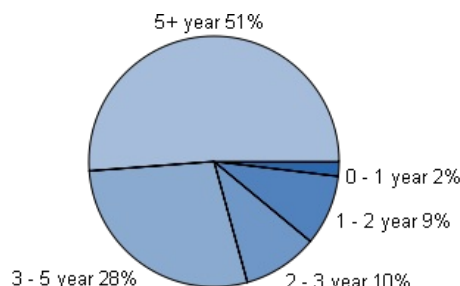
## Assets with over 10% weight

There is no such instrument in the portfolio

## Currency exposure:

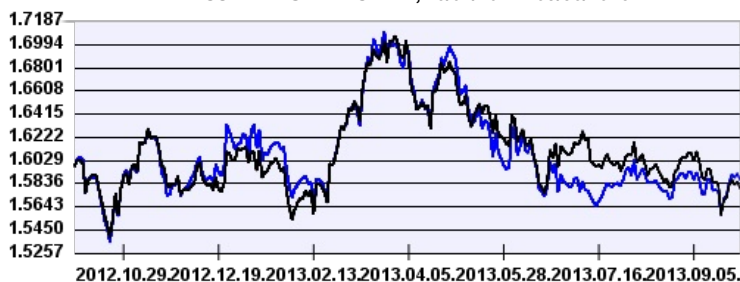


## Bonds by tenor:



## NET PERFORMANCE OF THE FUND

### NET ASSET VALUE PER SHARE, 10/01/2012 - 09/30/2013



— AEGON International Bond Fund — 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.