

# AEGON Central European Credit Fund R series

## GENERAL INFORMATION

Fund Manager:	AEGON Hungary Fund Manager Ltd.
Custodian:	Citibank Europe plc Magyarországi Fióktelepe
Main distributor:	AEGON Hungary Fund Manager Ltd.
Benchmark composition:	100% RMAX Index + 1%
ISIN code:	HU0000712260
Start:	07/16/2013
Currency:	HUF
Total Net Asset Value of the whole Fund:	15,805,926,291 HUF
Net Asset Value of R series:	103,250,125 HUF
Net Asset Value per unit:	1.025624 HUF

## INVESTMENT POLICY OF THE FUND:

The fund's investment objective is to provide investors with a higher return than that attainable in the domestic money market, primarily by investing in the bond market of the Central and Eastern European region. The fund's bond investments are mainly concentrated in the corporate and mortgage bond markets, but government securities issued in foreign currency are also potential investment targets. Forint-denominated Hungarian government securities are only held for liquidity management purposes. The fund may also buy into other investment funds that invest in the above markets. The achievement of a higher return than would be attainable in the Hungarian government securities market is made possible by the better diversification, the additional yield from the premiums of the bonds, and, in a favourable market environment, by the price gains resulting from the narrowing of the premiums. The fund's general risk level and the asset allocation between the three main areas of investment is 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 in-depth analysis is also an important factor in the selection of the individual securities by region, sector and interest risk. In the course of selecting the individual securities, a thorough financial analysis is also essential to determine the creditworthiness of the issuer. Risk management and the regular monitoring of the issuers are of key importance to the fund. When compiling the fund's portfolio we aim to achieve a moderate risk profile, primarily purchasing investment-grade securities. The fund only buys lower-rated instruments in limited proportions. The fund may only conclude derivative transactions for the purpose of hedging or ensuring an efficient portfolio structure. The fund may also hold unleveraged 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, although depending on market circumstances the fund may even have an open currency position. 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.

## DISTRIBUTORS

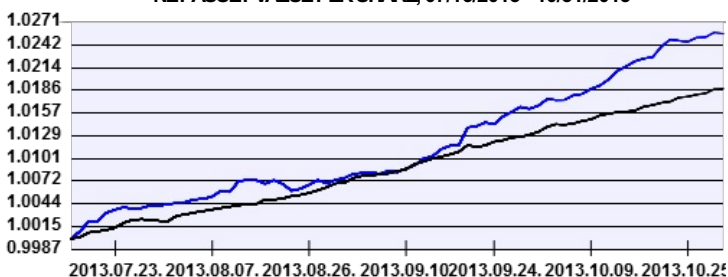
Raiffeisen Bank Zrt.

## NET YIELD PERFORMANCE OF THE FUND:

Interval	Yield of note	Benchmark yield
From start	2.56 %	1.88 %
1 month	0.92 %	0.57 %
3 months	2.12 %	1.65 %

## NET PERFORMANCE OF THE FUND

### NET ASSET VALUE PER SHARE, 07/16/2013 - 10/31/2013



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: 0.45 %  
Annualized standard deviation of the benchmark's weekly yields: 0.13 %

## MARKET SUMMARY:

The main topic for the investors in October was the US budget and debt ceiling problem and how the politicians could solve them. The US politicians disappointed as they did not manage to come to an understanding about next year's budget in time and the world number one economy has been shut down after 18 years. Analysts were concerned that the political gridlock would extend into mid-October, when Congress and the President must agree to raise the debt ceiling to avoid the prospect of defaulting on the public debt. However, after 16 days politicians managed to "kick down the can" and accept an interim appropriations bill that postpones the issue until February next year. Thanks to the temporary solution, the expected start of the Fed tapering has also shifted to the mid of next year, which gave a bit of a fresh air to bond markets. The 10 year US Treasury decreases by 15 basispoints from mid October, and the sovereign and corporate credit spreads have tightened significantly throughout the month.

## ASSET ALLOCATION OF THE FUND ON 10/31/2013

Asset type	Weight
Corporate bonds	49.38 %
Government bonds	21.00 %
Mortgage debentures	14.74 %
T-bills	11.36 %
Collective securities	0.41 %
Current account	3.73 %
Liabilities	-2.41 %
Receivables	1.46 %
Market value of open derivative positions	0.19 %
Repos	0.15 %
total	100.00 %
Derivative products	68.47 %
Net corrected leverage	103.33 %

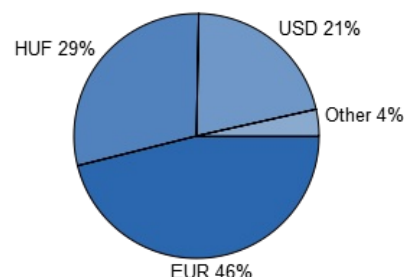
## TOP 3 POSITIONS

MFB 2016/05 5,875% (Magyar Fejlesztési Bank Zrt.)  
Richter átváltható 2014 4,4 (Magyar Nemzeti Vagyonkezelő Zrt.)  
MOL 2019/09/26 6,25% USD (MOL Group Finance SA)

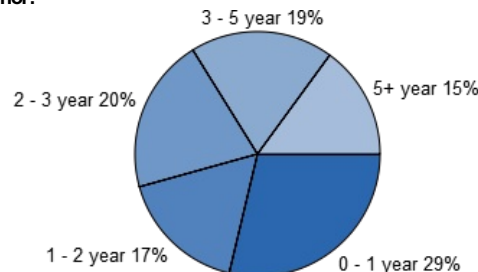
## Assets with over 10% weight

There is no such instrument in the portfolio

## Currency exposure:



## Bonds by tenor:



## 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