

# AEGON Central European Credit Fund HUF 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:                               | HU0000709597                                 |
| Start:                                   | 01/12/2011                                   |
| Currency:                                | HUF  |
| Total Net Asset Value of the whole Fund: | 16,655,829,934 HUF                           |
| Net Asset Value of HUF series:           | 1,897,687,573 HUF                            |
| Net Asset Value per unit:                | 1.389839 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

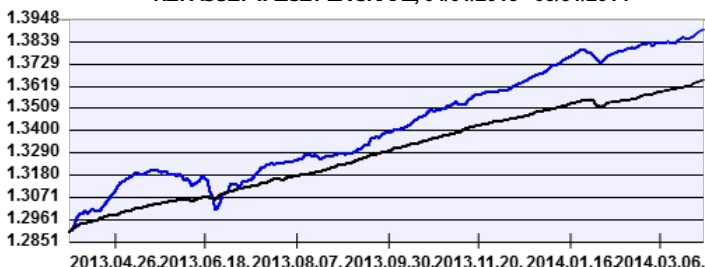
AEGON Magyarország Befektetési Alapkezelő Zrt., CIB Közép-Európai Nemzetközi Bank Zrt., Citibank Europe plc Magyarországi Fióktelepe, CONCORDE Értékpapír Zrt., Erste Befektetési Zrt., OTP Bank Nyrt., Raiffeisen Bank Zrt., Sopron Bank Zrt., SPB Befektetési Zrt.

## NET YIELD PERFORMANCE OF THE FUND:

| Interval   | Yield of note | Benchmark yield |
|------------|---------------|-----------------|
| From start | 10.79 %       | 7.29 %          |
| 2013       | 8.16 %        | 6.78 %          |
| 2012       | 21.17 %       | 9.60 %          |

## NET PERFORMANCE OF THE FUND

### NET ASSET VALUE PER SHARE, 04/01/2013 - 03/31/2014



— AEGON Central European Credit Fund HUF series — 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.

## RISK INDICATORS FOR THE LAST 12 MONTHS:

|   |        |
|---|--------|
| Annualized standard deviation of the fund's weekly yields:      | 2.03 % |
| Annualized standard deviation of the benchmark's weekly yields: | 0.59 % |

## MARKET SUMMARY:

The sentiment on the emerging markets was fully determined by the geopolitical conflict between Russia and Ukraine. After the social unrest in February and the replacement of Mr. Yanukovich, tensions were intensified as the Crimea parliament filed an official request to join Russia. After the Russian duma welcomed the request, EU and US officials introduced sanctions against various individuals and corporates that have taken part in escalating the tensions in Ukraine. Meanwhile, at the other end of the Atlantic-ocean Mrs Janet Yellen held her first FOMC meeting as chair. The decision regarding the tapering came as expected: the FOMC reduced the pace of quantitative easing by USD 10 billion. What was not expected though was the relatively hawkish tone of the comment which stated that the members of the committee see an earlier rise in the Fed funds rate. In contrast, the policymakers at the European Central Bank expressed their view on the European economy which turned out to be pointing to a dovish direction. The more strict tone from the Fed caused the US yield curve to bear flatten with the short end increasing significantly. The 3 year UST yield added 13 basispoint after the meeting. Market of the 10 year government bond was also better offered but the weakening was only 10 basispoints. US government bonds managed to strengthen until the end of the month, the 10 year government bond's yield increased by 7 basispoints throughout March. Sentiment on the emerging markets managed to get better from the second part of the month as the Russian-Ukraine tensions eased. The average emerging market yield spread above the relevant US yields managed to tighten by 20 basispoints.

## ASSET ALLOCATION OF THE FUND ON 03/31/2014

| Asset type                                | Weight   |
|---|----------|
| Corporate bonds                           | 53.94 %  |
| Government bonds                          | 16.68 %  |
| Mortgage debentures                       | 16.07 %  |
| T-bills                                   | 11.58 %  |
| Collective securities                     | 0.41 %   |
| Current account                           | 2.70 %   |
| Liabilities                               | -2.06 %  |
| Market value of open derivative positions | 0.65 %   |
| Receivables                               | 0.02 %   |
| total                                     | 100.00 % |
| Derivative products                       | 79.01 %  |
| Net corrected leverage                    | 103.59 % |

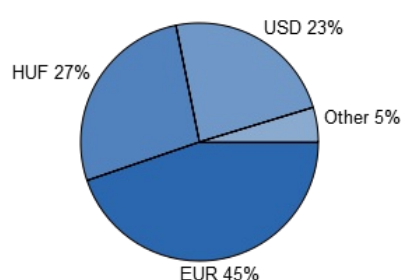
## TOP 3 POSITIONS

MFB 2016/05 5,875% (Magyar Fejlesztési Bank Zrt.)  
 MOL 2017/04/20 5,875% (MOL Nyrt.)  
 MOL 2019/09/26 6,25% USD (MOL Group Finance SA)

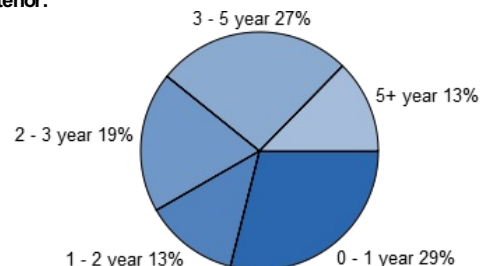
## Assets with over 10%weight

There is no such instrument in the portfolio

## Currency exposure:



## Bonds by tenor:



## INVESTMENT HORIZON:

Suggested minimum investment period:



Risk and Reward Profile:

