

# AEGON Domestic 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:	100% MAX Index
ISIN code:	HU0000702493
Start:	03/16/1998
Currency:	HUF
Total Net Asset Value of the whole Fund:	42,634,434,178 HUF
Net Asset Value of HUF series:	42,634,434,178 HUF
Net Asset Value per unit:	4.760067 HUF

## 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.

## DISTRIBUTORS

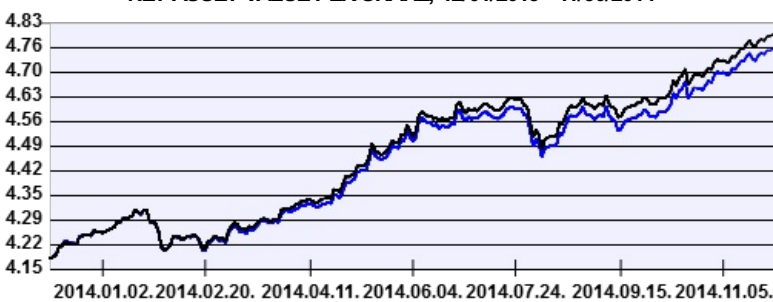
AEGON Magyarország Befektetési Alapkezelő Zrt., CIB Közép-Európai Nemzetközi Bank Zrt., Citibank Europe plc Magyarországi Fióktelepe, Codex Tőzsdeügynökség és Értéktár Zrt., Commerzbank Zrt., CONCORDE Értékpapír Zrt., Equilor Befektetési Zrt., Erste Befektetési Zrt., OTP Bank Nyrt., Raiffeisen Bank Zrt.,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

## NET YIELD PERFORMANCE OF THE FUND:

Interval	Yield of note	Benchmark yield
From start	9.79 %	10.50 %
2013	8.83 %	10.03 %
2012	23.83 %	21.90 %
2011	0.46 %	1.64 %
2010	6.34 %	6.40 %
2009	11.72 %	15.44 %
2008	2.47 %	2.59 %
2007	4.56 %	6.11 %
2006	7.06 %	6.96 %
2005	8.43 %	8.76 %
2004	13.07 %	14.02 %

## NET PERFORMANCE OF THE FUND

### NET ASSET VALUE PER SHARE, 12/01/2013 - 11/30/2014



— AEGON Domestic 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.

## MARKET SUMMARY:

November has not been an uneventful month. The yield of developed markets strengthened, the US 10-year government bond yield decreased from 2,38% to 2,16% while the German 10-year government bonds reached a historic low 0,7% from 0,85%. This process also helped EM markets to gain momentum. Along with the above, ECB indicated further monetary easing signalling they are willing to do anything to fight the disinflationary environment. Even government bond purchases seem possible unlike months ago. This could be supported by the fact that the OPEC members do not intend to take back their production which lead to a further decrease in oil prices, thus the price of Brent oil fell below 70\$ which could increase disinflationary pressure on Europe.

On the tailwind of this, the month started with a significant HUF appreciation which could not last long so EUR/HUF closed the month in the 306-307 range. Thanks to this appreciation, the supportive events in developed markets and a couple of successful auctions domestic bond yield started to decrease after a selloff in early November. Short yields are trading as low as 1,6% while the 15-year bond trades now below 4%. Inflationary processes seem to be positive, many of the analysts believe that restarting the rate cuts in 2015 is not impossible. Also, regional markets trade like Eurozone proxies - and some even say there is no convergence.

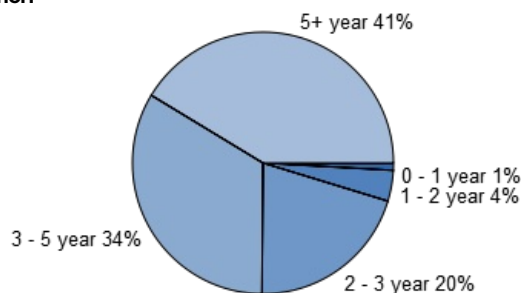
## ASSET ALLOCATION OF THE FUND ON 11/30/2014

Asset type	Weight
Government bonds	95.48 %
Corporate bonds	1.00 %
T-bills	0.91 %
Repos	2.56 %
Current account	0.14 %
Liabilities	-0.10 %
Market value of open derivative positions	0.01 %
Receivables	0.00 %
total	100,00 %
Derivative products	3.15 %
Net corrected leverage	99.99 %

### Assets with over 10% weight

2019A (Államadósság Kezelő Központ Zrt.)  
 2020A (Államadósság Kezelő Központ Zrt.)  
 2022A (Államadósság Kezelő Központ Zrt.)  
 2017A (Államadósság Kezelő Központ Zrt.)

### Bonds by tenor:



## RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields: 4.62 %

Annualized standard deviation of the benchmark's weekly yields: 4.55 %

## INVESTMENT HORIZON:

Suggested minimum investment period:



Risk and Reward Profile:

