

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:	41,922,061,879 HUF
Net Asset Value of HUF series:	41,922,061,879 HUF
Net Asset Value per unit:	4.734858 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 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	9.70 %	10.42 %
2014	11.37 %	12.58 %
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 %

RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields:	4.66 %
Annualized standard deviation of the benchmark's weekly yields:	4.59 %

INVESTMENT HORIZON:

Suggested minimum investment period:

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 months	6 months	1 year	2 years	3 years	4 years	5 years

Risk and Reward Profile:

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
very low	low	moderate	intermediate	significant	high	very high

MARKET SUMMARY:

December brought more surprises than expected. The crack of the Russian markets experienced in the middle of the month, the further deterioration of Rubel and the continuous downturn of oil prices caused many market participants to flee into safe havens. Thanks to this, US 10 year government bond yields fell to as deep as 2,05% mid month, although this was partially offset by a short-lived correction. The Brent ended the year below 60\$ putting more deflationary pressure on the Euro zone thus further fuelling expectations of an earlier kick off for the ECB's QE program. German government bond yields kept falling the whole month and closed the year at 0,54%. The Hungarian market experienced a strong sell-off during the collapse of the Russian market despite the good sentiment before. This sell-off came with a nearly 50 basis points increase in the 10 year government bond yield. As the panic ceased yields started falling again resulting in the 10 year government bond closing the year at 3,6% while short papers finished around 1,5%. However the HUF could not get back to stronger levels after the panic thus ending the month higher.

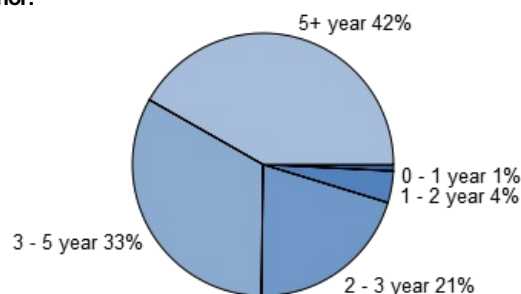
ASSET ALLOCATION OF THE FUND ON 12/31/2014

Asset type	Weight
Government bonds	96.74 %
Corporate bonds	1.02 %
T-bills	0.80 %
Repos	1.43 %
Current account	0.23 %
Liabilities	-0.19 %
Receivables	0.04 %
Market value of open derivative positions	-0.07 %
total	100,00 %
Derivative products	3.28 %
Net corrected leverage	100.06 %

Assets with over 10% weight

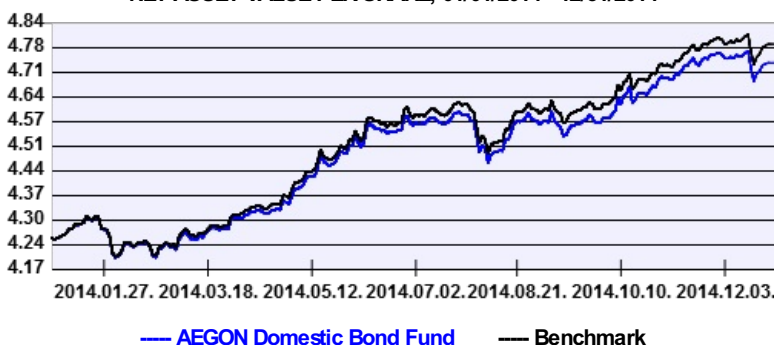
2019A (Államadósság Kezelő Központ Zrt.)
 2020A (Államadósság Kezelő Központ Zrt.)
 2022A (Államadósság Kezelő Központ Zrt.)
 2017A (Államadósság Kezelő Központ Zrt.)

Bonds by tenor:



NET PERFORMANCE OF THE FUND

NET ASSET VALUE PER SHARE, 01/01/2014 - 12/31/2014



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.