

# 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:	43,002,270,448 HUF
Net Asset Value of HUF series:	43,002,270,448 HUF
Net Asset Value per unit:	4.898116 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	9.87 %	10.59 %
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 %

## RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields:	4.80 %
Annualized standard deviation of the benchmark's weekly yields:	4.73 %

## INVESTMENT HORIZON:

Suggested minimum investment period:



Risk and Reward Profile:



## MARKET SUMMARY:

The first month of the year hasn't passed eventless. The Swiss National Bank took an unexpected step mid month: it gave up the EURCHF floor after long years of holding it at 1,2. This resulted in a short lived, but severe depreciation of many EM currencies, including the HUF. After the first waves of panic passed, a correction started, thus the CHFHUF closed at 299, while the EURHUF went down to 311 by the end of the month. Following the SNB, European QE was all but certain, and the ECB did act. It announced the details of its' long awaited QE program, positively surprising the market in terms of size and some technical details, so the global bond rally went on. German 10-year government bond yields fell to the level of 0,3% while the US 10-year fell to 1,64%. With the aforementioned events unfolding, we experienced a significant rally on the Hungarian market and a flattening of the Hungarian government bonds yield curve. The long end fell more than 80 basis points, the mid curve fell about 75 bps, but we only saw a smaller decrease in short government bond yields. The 15 year HGB closed the first month of 2015 below 3% while short papers still traded below 2%. Inflation developments suggest there is scope for further monetary easing.

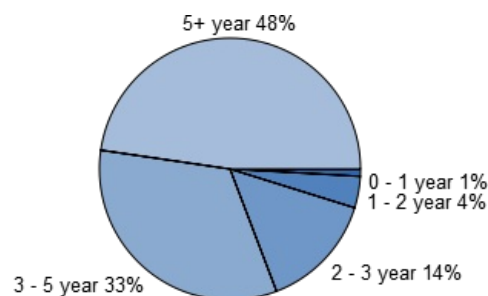
## ASSET ALLOCATION OF THE FUND ON 01/31/2015

Asset type	Weight
Government bonds	95.80 %
Corporate bonds	2.13 %
T-bills	0.92 %
Liabilities	-3.99 %
Receivables	3.74 %
Repos	1.35 %
Market value of open derivative positions	0.03 %
Current account total	100.00 %
Derivative products	4.34 %
Net corrected leverage	99.97 %

## Assets with over 10% weight

2020A (Államadósság Kezelő Központ Zrt.)  
 2019A (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, 02/01/2014 - 01/31/2015



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.