Aegon International 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:	80% Merrill Lynch Global Government Bond Index II ex-Japan USD (total return) + 20% ZMAX Index
ISIN code:	HU0000702477
Start:	04/21/1999
Currency:	HUF
Total Net Asset Value of the whole Fund:	1,971,866,596 HUF
Net Asset Value of HUF series:	1,971,866,596 HUF
Net Asset Value per unit:	1.984818 HUF

INVESTMENT POLICY OF THE FUND:

The fund aims to create an explicitly defensive investment portfolio for its investors, and typically invests in developed-market government bonds, and related exchange-traded derivative transactions, in the interest of achieving the highest possible return with the assumption of currency risk. The fund primarily aims for a portfolio consisting of the publicly issued bonds of foreign governments and foreign-domiciled companies. When building the fund's portfolio, beyond the minimum statutory requirements, the principles of safety and maximum diversification (the spreading of risk) are observed. Accordingly, when purchasing international securities the fund only selects publicly issued securities that are listed on foreign stock exchanges. The proportion of non-investment-grade securities is maintained at a low level, and if the planned ratio is overstepped due to the downgrading of a given issuer the fund restores it under the conditions stipulated by the relevant legal provisions. 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. In the course of its operation, however, the fund is managed on the premise that when compiling the portfolio, it is bonds that determine the nature of the fund. Accordingly, the proportion of bonds that may be kept in the fund at any given moment may reach the prevailing statutory maximum. When compiling the bond portfolio, taking into account the macroeconomic environment of the investment markets, the aim is to build up a long-term investment portfolio primarily on the basis of fundamental analyses. To ensure liquidity, the fund may purchase Hungarian government securities (primarily discount treasury bills) and MNB bonds; however, in accordance with the current statutory regulations the proportion of foreign bonds in the portfolio may be up to 100%. The fund management company is permitted, at its own discretion, to hedge all or a part of its currency risks with forward currency positions, in compliance with the statutory conditions.

DISTRIBUTORS

Aegon Magyarország Befektetési Alapkezelő Zrt., CIB Bank Zrt., Citibank Europe plc Magyarországi Fióktelepe, Codex Tőzsdeügynökség és Értéktár Zrt., CONCORDE Értékpapír Zrt., Equilor Befektetési Zrt, Erste Befektetési Zrt., Quantis Alpha Befektetési Zrt., 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	4.19 %	4.80 %
2015	3.72 %	4.09 %
2014	21.94 %	22.76 %
2013	-3.51 %	-4.21 %
2012	-2.48 %	-3.23 %
2011	19.06 %	17.60 %
2010	6.45 %	10.65 %
2009	3.56 %	-0.17 %
2008	7.24 %	15.18 %
2007	-0.05 %	-5.61 %
2006	-2.05 %	-2.35 %
2005	10.52 %	9.83 %

RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields: 8.28 %

Annualized standard deviation of the benchmark's weekly yields: 8.28 %

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

MARKET SUMMARY:

The end of 2015 for the bond markets was not a success story, as most instruments in the asset class had negative performance in December. The last month of the year was eagerly awaited as the ECB and the FED both held interest rate decision meetings. As the ECB could not meet the market expectations induced by itself, the FED successfully conducted the first rate hike in the US since 2006, without triggering highly volatile movements on the market. Meanwhile, fuel prices continued their fall as the WTI dropped by 11.1% and Brent devaluated by 17.6% US 10 year yields increased by 7 basis points, and 10 year Bund yield ended the month 8 basis points over the opening value. The Fund opened a long futures position on long maturity French govies by the end of the month.

ASSET ALLOCATION OF THE FUND ON 12/31/2015

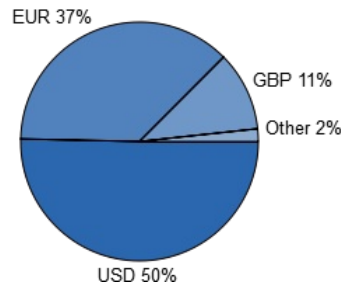| Asset type	Weight
Government bonds	78.31 %
Corporate bonds	11.59 %
T-bills	1.52 %
Current account	7.99 %
Receivables	0.86 %
Liabilities	-0.16 %
Market value of open derivative positions	0.09 %
total	100,00 %
Derivative products	70.61 %
Net corrected leverage	122.21 %

TOP 5 POSITIONS

USGB 2031/02 5,375% (Amerikai Egyesült Államok)
USGB 2018/08 2,25% (Amerikai Egyesült Államok)
USGB 2022/08 1,625% (Amerikai Egyesült Államok)
USGB 2042/02 3,125% (Amerikai Egyesült Államok)
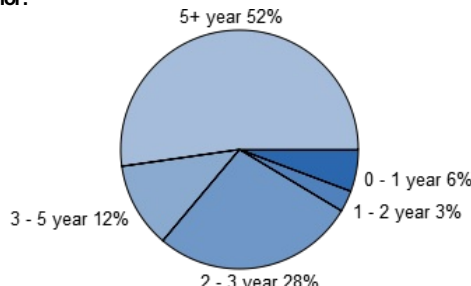SPGB 2018/10/31 3,75% (Spanyol Állam)

Assets with over 10% weight

USGB 2031/02 5,375% (Amerikai Egyesült Államok)

Currency exposure:

EUR 37% | GBP 11% | Other 2% | USD 50%

Bonds by tenor:

5+ year 52% | 0 - 1 year 6% | 1 - 2 year 3% | 2 - 3 year 28% | 3 - 5 year 12%

NET PERFORMANCE OF THE FUND

NET ASSET VALUE PER SHARE, 01/01/2015 - 12/31/2015

----- Aegon International 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.

Befektetési Alapkezelő