

Aegon Domestic Bond Fund

GENERAL INFORMATION

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| 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: | 34,992,351,370 HUF |
| Net Asset Value of HUF series: | 34,992,351,370 HUF |
| Net Asset Value per unit: | 5.025362 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., 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 | 9.41 % | 10.13 % |
| 2015 | 3.54 % | 4.48 % |
| 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 % |

INVESTMENT HORIZON:

Suggested minimum investment period:



Risk and Reward Profile:



MARKET SUMMARY:

February was a quite calm month on the local bond market. Global fixed income environment remains supportive with investors again expecting the ECB to ease monetary conditions in March. After a slight increase in yields at the beginning of the month we saw a bull flattening of the yield curve with long end yields closing the month lower. Auction demand remains strong but large monthly redemptions did not have a significant secondary market effect. We reduced duration in the fund by the end of the month after the rally since mid-December.

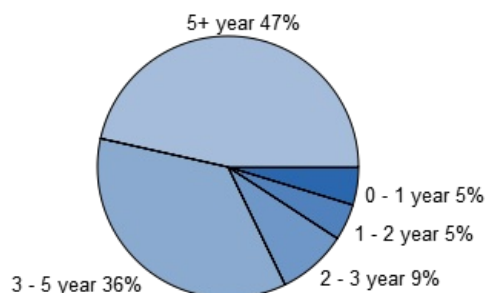
ASSET ALLOCATION OF THE FUND ON 02/29/2016

| Asset type | Weight |
|---|----------|
| Government bonds | 94.87 % |
| Corporate bonds | 3.09 % |
| T-bills | 1.98 % |
| Repos | 1.31 % |
| Liabilities | -1.12 % |
| Current account | 0.16 % |
| Receivables | 0.03 % |
| Market value of open derivative positions | -0.21 % |
| total | 100.00 % |
| Derivative products | 10.23 % |
| Net corrected leverage | 100.00 % |

Assets with over 10% weight

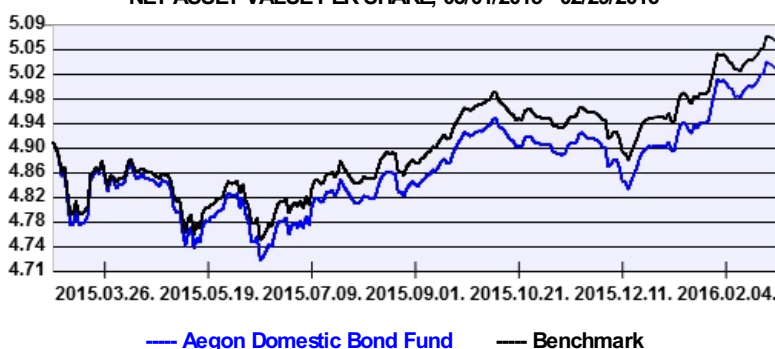
2023A (Államadósság Kezelő Központ Zrt.)
 2019A (Államadósság Kezelő Központ Zrt.)
 2022A (Államadósság Kezelő Központ Zrt.)
 2020A (Államadósság Kezelő Központ Zrt.)

Bonds by tenor:



NET PERFORMANCE OF THE FUND

NET ASSET VALUE PER SHARE, 03/01/2015 - 02/29/2016



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: 4.79 %
 Annualized standard deviation of the benchmark's weekly yields: 4.31 %