

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:	34,688,075,358 HUF
Net Asset Value of HUF series:	34,688,075,358 HUF
Net Asset Value per unit:	5.093713 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 PERFORMANCE OF THE FUND

NET ASSET VALUE PER SHARE, 04/01/2015 - 03/31/2016



— 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.

INVESTMENT HORIZON:

Suggested minimum investment period:



Risk and Reward Profile:



MARKET SUMMARY:

The local bond market witnessed a strong rally in March. Core central banks took the initiative as the ECB delivered further significant easing and the Fed remained extremely dovish on the back of weaker macro data. The Hungarian market received further boost by the local central bank which unexpectedly cut its base rate by 15 bps to 1.2% and announced a new easing cycle after revising 2016/17 inflation forecasts lower. More interestingly the interest rate corridor was adjusted to be more asymmetric with the o/n depo rate cut to -0.05% (first EM central bank to adopt a negative depo rate) and the o/n repo rate cut to 1.45%. The latter measures supplement the central bank's policy toolkit to drive banking system liquidity to the government bond market. The market bull flattened with 10-year yields closing the month below 3%.

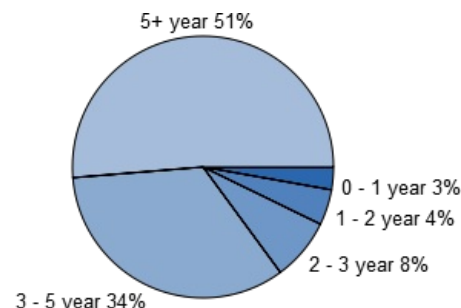
ASSET ALLOCATION OF THE FUND ON 03/31/2016

Asset type	Weight
Government bonds	96.67 %
Corporate bonds	3.09 %
T-bills	0.07 %
Current account	0.27 %
Liabilities	-0.13 %
Market value of open derivative positions	0.12 %
Receivables	0.01 %
total	100.00 %
Derivative products	10.10 %
Net corrected leverage	100.00 %

Assets with over 10% weight

2023A (Államadósság Kezelő Központ Zrt.)
 2019A (Államadósság Kezelő Központ Zrt.)
 2020A (Államadósság Kezelő Központ Zrt.)
 2022A (Államadósság Kezelő Központ Zrt.)
 2024B (Államadósság Kezelő Központ Zrt.)

Bonds by tenor:



NET YIELD PERFORMANCE OF THE FUND:

Interval	Yield of note	Benchmark yield
From start	9.44 %	10.17 %
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 %

RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields: 3.70 %
 Annualized standard deviation of the benchmark's weekly yields: 3.43 %