

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:	33,156,701,558 HUF
Net Asset Value of HUF series:	33,156,701,558 HUF
Net Asset Value per unit:	5.055627 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	9.26 %	9.99 %
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:	3.41 %
Annualized standard deviation of the benchmark's weekly yields:	3.20 %

INVESTMENT HORIZON:

Suggested minimum investment period:



Risk and Reward Profile:



MARKET SUMMARY:

As the rate cut cycle finished by the end of May, the NBH kept the base rate at 0.90% for June, without taking any additional monetary policy measures to surprise the local money market. It is expected, - and also communicated by the NBH - that the base rate will be kept at the current level for a longer period.

In June, the international markets overwhelmingly focused on Brexit. Following the short selloff after Brexit, the yield curve started to flatten rapidly, right back to pre-Brexit levels. Moody's also changed the Hungarian banking system's outlook to positive after the British referendum, while the decision on the revision of the government debt rating will be published on the 8th of July.

We kept a slight duration overweight throughout the month.

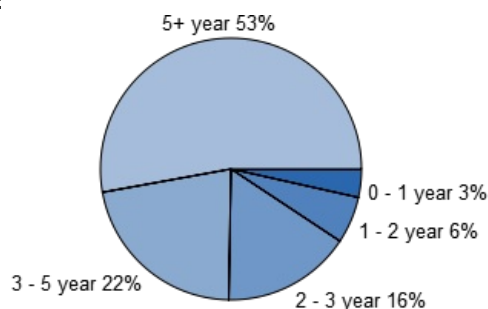
ASSET ALLOCATION OF THE FUND ON 06/30/2016

Asset type	Weight
Government bonds	93.45 %
Corporate bonds	3.27 %
T-bills	0.71 %
Current account	2.82 %
Liabilities	-0.13 %
Receivables	0.02 %
Market value of open derivative positions	0.00 %
total	100.00 %
Derivative products	10.04 %
Net corrected leverage	100.00 %

Assets with over 10% weight

2020A (Államadósság Kezelő Központ Zrt.)
2019A (Államadósság Kezelő Központ Zrt.)
2023A (Államadósság Kezelő Központ Zrt.)
2022A (Államadósság Kezelő Központ Zrt.)
2025B (Államadósság Kezelő Központ Zrt.)
2024B (Államadósság Kezelő Központ Zrt.)

Bonds by tenor:



NET PERFORMANCE OF THE FUND

NET ASSET VALUE PER SHARE, 07/01/2015 - 06/30/2016



— 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.