

Aegon Central European Credit Fund R series

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% RMAX Index + 1%
ISIN code:	HU0000712260
Start:	07/16/2013
Currency:	HUF
Total Net Asset Value of the whole Fund:	29,239,508,574 HUF
Net Asset Value of R series:	756,568,950 HUF
Net Asset Value per unit:	1.153316 HUF

INVESTMENT POLICY OF THE FUND:

The fund's investment objective is to provide investors with a higher return than that attainable in the domestic money market, primarily by investing in the bond market of the Central and Eastern European region. The fund's bond investments are mainly concentrated in the corporate and mortgage bond markets, but government securities issued in foreign currency are also potential investment targets. Forint-denominated Hungarian government securities are only held for liquidity management purposes. The fund may also buy into other investment funds that invest in the above markets. The achievement of a higher return than would be attainable in the Hungarian government securities market is made possible by the better diversification, the additional yield from the premiums of the bonds, and, in a favourable market environment, by the price gains resulting from the narrowing of the premiums. The fund's general risk level and the asset allocation between the three main areas of investment is determined on the basis of a regular market analysis and situational analysis relating to four main aspects (fundamentals, valuation levels, market sentiment, technical factors). The in-depth analysis is also an important factor in the selection of the individual securities by region, sector and interest risk. In the course of selecting the individual securities, a thorough financial analysis is also essential to determine the creditworthiness of the issuer. Risk management and the regular monitoring of the issuers are of key importance to the fund. When compiling the fund's portfolio we aim to achieve a moderate risk profile, primarily purchasing investment-grade securities. The fund only buys lower-rated instruments in limited proportions. The fund may only conclude derivative transactions for the purpose of hedging or ensuring an efficient portfolio structure. The fund may also hold unleveraged collective investments linked to derivative indexes. The fund also has the option of taking on a substantial currency exposure, which will ordinarily be fully hedged, although depending on market circumstances the fund may even have an open currency position. 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.

DISTRIBUTORS

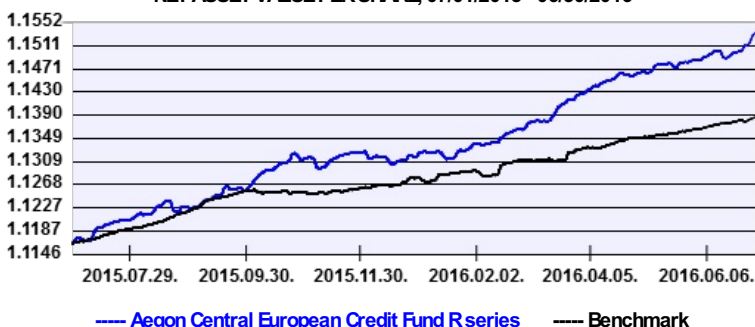
Raiffeisen Bank Zrt.

NET YIELD PERFORMANCE OF THE FUND:

Interval	Yield of note	Benchmark yield
From start	4.94 %	3.59 %
2015	2.96 %	2.52 %
2014	5.74 %	4.34 %

NET PERFORMANCE OF THE FUND

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



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.

MARKET SUMMARY:

June 2016 will always be remembered as the month when the UK voted to leave the EU and it's fair to say that the overwhelming focus on the referendum dominated price action in markets from start to finish. According to surveys, investors increased their cash balance to a level only seen back in 2011 and lightened their positioning in EM bonds to a somewhat neutral level. Thanks to the cautious approach, the sell off was altogether contained and EM hard currency sovereign spreads widened "only" by 20-25 basispoints on the day of the results and rallied by the same margin on the next three trading days. The rally came as the result of the increased expectation of even more easing from the ECB and BoJ and the postponement of the rate hike from the Fed as a result of the surprising Brexit vote.

The fund approached June with a somewhat low risk-profile and a high cash ratio. We only opened again our exposure to Serbia as the South European country has limited exposure to the European Union. As the vote on Brexit looked binary beforehand, the fund hedged the bulk of its USD duration with long US 10-year Treasury bond.

ASSET ALLOCATION OF THE FUND ON 06/30/2016

Asset type	Weight
Corporate bonds	41.53 %
Government bonds	33.22 %
T-bills	10.46 %
Mortgage debentures	3.71 %
Current account	13.82 %
Liabilities	-1.34 %
Receivables	0.00 %
Market value of open derivative positions	-1.04 %
total	100.00 %
Derivative products	77.15 %
Net corrected leverage	100.03 %

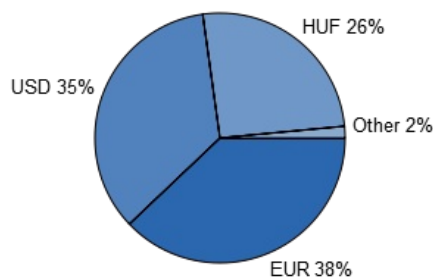
TOP 3 POSITIONS

MFB 2020/10 6,25% USD (Magyar Fejlesztési Bank Zrt.)
 OTP 5,27% 09/19/2016 (Országos Takarékpénztár és Kereskedelmi Bank Nyrt.)
 MOL 2017/04/20 5.875% (MOL Nyrt.)

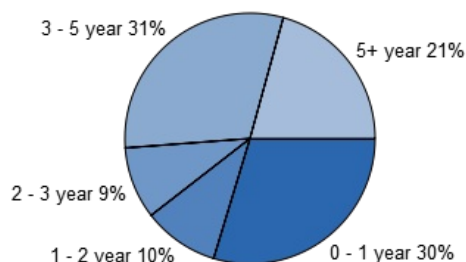
Assets with over 10% weight

MFB 2020/10 6,25% USD (Magyar Fejlesztési Bank Zrt.)

Currency exposure:



Bonds by tenor:



RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields: 0.58 %

Annualized standard deviation of the benchmark's weekly yields: 0.31 %

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