

# 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: | 33,226,133,608 HUF                           |
| Net Asset Value of HUF series:           | 33,226,133,608 HUF                           |
| Net Asset Value per unit:                | 5.142225 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, 08/01/2015 - 07/31/2016



— 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.

## RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields: 3.50 %

Annualized standard deviation of the benchmark's weekly yields: 3.27 %

## INVESTMENT HORIZON:

Suggested minimum investment period:



Risk and Reward Profile:



very low low moderate intermediate significant high very high

## MARKET SUMMARY:

The favourable climate for fixed income assets remained in July. Investors expect the ECB and the BoE to ease further while in Japan, monetary and fiscal steps to promote growth are also in the cards. Close to the end of the month a very disappointing performance of the US economy in the 2Q16 (very weak GDP data: 1,2% vs. 2,5% expected) supported global bond markets again.

The trend of falling yields continued in July, especially in case of short term bonds. The 3 year yield dropped by 26 basis points, while 1 year yield fell by 39 basis points. The tendency got an additional boost as the NBH announced on the 12th July that the number of 3-month depo auctions will be reduced to one by August. Additionally, the auctions' size are going to be capped by October. The additional liquidity is expected to flow into local fixed income, driving the short end of the yield curve lower.

We finetuned the funds aggressive curve position in July closer to the benchmark.

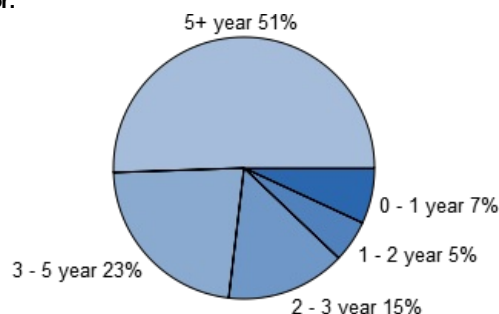
## ASSET ALLOCATION OF THE FUND ON 07/31/2016

| Asset type                                | Weight   |
|---|----------|
| Government bonds                          | 92.37 %  |
| T-bills                                   | 4.21 %   |
| Corporate bonds                           | 3.26 %   |
| Liabilities                               | -1.00 %  |
| Repos                                     | 0.77 %   |
| Current account                           | 0.24 %   |
| Market value of open derivative positions | 0.07 %   |
| Receivables                               | 0.07 %   |
| total                                     | 100,00 % |
| Derivative products                       | 8.98 %   |
| 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.)  
 2025B (Államadósság Kezelő Központ Zrt.)  
 2022A (Államadósság Kezelő Központ Zrt.)

## Bonds by tenor:



## NET YIELD PERFORMANCE OF THE FUND:

| Interval   | Yield of note | Benchmark yield |
|------------|---------------|-----------------|
| From start | 9.32 %        | 10.04 %         |
| 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 %          |