

# Aegon Central European Credit Fund institutional 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:	HU0000709605
Start:	01/12/2011
Currency:	HUF
Total Net Asset Value of the whole Fund:	29,434,376,184 HUF
Net Asset Value of institutional series:	18,917,695,856 HUF
Net Asset Value per unit:	1.551633 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

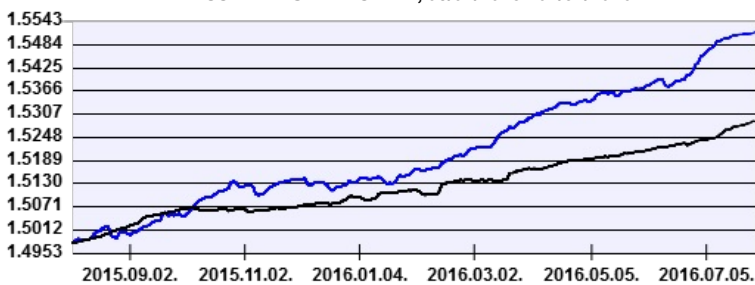
Aegon Magyarország Befektetési Alapkezelő Zrt., Equilor Befektetési Zrt, Raiffeisen Bank Zrt., Unicredit Bank Hungary Zrt.

## NET YIELD PERFORMANCE OF THE FUND:

Interval	Yield of note	Benchmark yield
From start	8.24 %	5.46 %
2015	3.17 %	2.52 %
2014	5.91 %	4.34 %
2013	8.79 %	6.78 %
2012	21.84 %	9.60 %

## NET PERFORMANCE OF THE FUND

NET ASSET VALUE PER SHARE, 08/01/2015 - 07/31/2016



— Aegon Central European Credit Fund institutional series — 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.

## MARKET SUMMARY:

For the most part markets in July bounced back from the initial post-Brexit fallout. Much of the general rebound elsewhere can be attributed to the renewed hopes of central bank policy remaining accommodative. In the case of the BoE and ECB, expectations were high for further easing despite remaining on the sidelines in July and instead waiting for the post-Brexit data. Markets were also waiting for Shinzo Abe to introduce the newest leg of fiscal stimulus in the context of Japan's ongoing three arrow structural reform. The main laggard asset was energy in July as WTI has slide 15% which took it levels near 40 USD, while Brent went on a same path with a 13% slide. Hard currency emerging market sovereign bonds weathered the slide of oil and relatively stronger USD quite well as the asset class posted a 1,92% performance from the asset class in USD in July. The asset class saw some record inflows into both hard currency and local currency. Strong sentiment persisted around EM bonds throughout the month. We have increased our Hungarian USD duration, took some profit on our Mbl position while still maintaining some exposure and after the coup attempt, we opened a very slight exposure the Turkish sovereign bonds.

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

Asset type	Weight
Corporate bonds	39.52 %
Government bonds	29.55 %
T-bills	14.32 %
Mortgage debentures	3.65 %
Current account	14.02 %
Liabilities	-1.73 %
Repos	0.45 %
Receivables	0.13 %
Market value of open derivative positions	0.08 %
total	100,00 %
Derivative products	72.60 %
Net corrected leverage	100.00 %

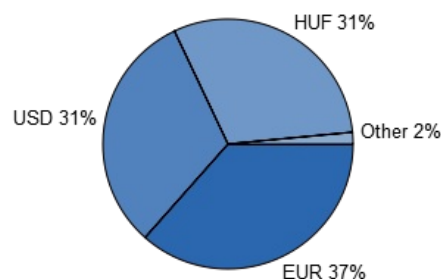
## TOP 3 POSITIONS

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.)

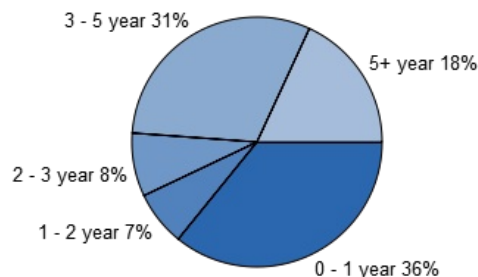
## Assets with over 10% weight

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: 0.65 %

Annualized standard deviation of the benchmark's weekly yields: 0.32 %

## INVESTMENT HORIZON:

Suggested minimum investment period:



Risk and Reward Profile:

