

# Aegon Domestic Bond Fund

## GENERAL INFORMATION

Fund Manager:	AEGON Hungary Fund Manager Ltd.
Custodian:	Citibank Europe plc Magyarország 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:	32,532,397,982 HUF
Net Asset Value of HUF series:	32,532,397,982 HUF
Net Asset Value per unit:	5.176964 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 Magyarország 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, 10/01/2015 - 09/30/2016



— 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.

## INVESTMENT HORIZON:

Suggested minimum investment period:



Risk and Reward Profile:



## MARKET SUMMARY:

Surprising almost every market participant S&P decided to upgrade Hungary's credit rating to BBB- stable, thus Hungary's credit rating is back to investment grade at Fitch and S&P and only Moody's is lagging with an upgrade imminent in November.

Central bank actions to limit the access to the sterilisation facility and the unexpected rating upgrade supported local assets as global volatility in the fixed income space picked up. 10y government bond yields closed the month unchanged while 5y yields fell 15 bps.

The Fund slightly overweighted duration for the month.

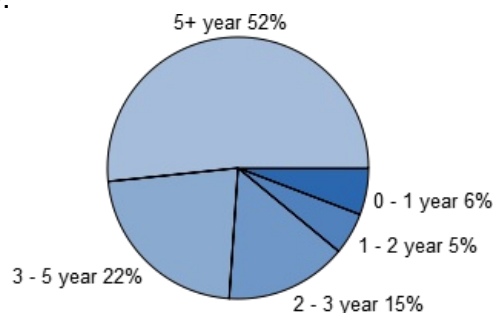
## ASSET ALLOCATION OF THE FUND ON 09/30/2016

Asset type	Weight
Government bonds	94.14 %
Corporate bonds	3.35 %
T-bills	3.15 %
Liabilities	-1.10 %
Current account	0.33 %
Repos	0.18 %
Receivables	0.08 %
Market value of open derivative positions	-0.05 %
total	100.00 %
Derivative products	8.53 %
Net corrected leverage	100.00 %

## Assets with over 10% weight

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

## Bonds by tenor:



## NET YIELD PERFORMANCE OF THE FUND:

Interval	Yield of note	Benchmark yield
From start	9.27 %	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: 3.46 %

Annualized standard deviation of the benchmark's weekly yields: 3.20 %