

# Aegon Domestic Bond Fund HUF 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% MAX Index
ISIN code:	HU0000702493
Start:	03/16/1998
Currency:	HUF
Total Net Asset Value of the whole Fund:	31,312,674,342 HUF
Net Asset Value of HUF series:	31,312,674,342 HUF
Net Asset Value per unit:	5.114478 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

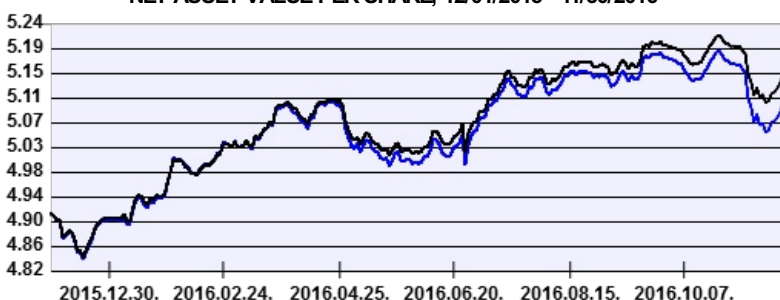
Aegon Magyarország Befektetési Alapkezelő Zrt., CIB Bank Zrt., Citibank Europe plc Magyarországi Fióktelepe, Codex Tőzsdeügynökség és Értéktár Zrt., Commerzbank Zrt., CONCORDE Értékpapír Zrt., Equilor Befektetési Zrt., Erste Befektetési Zrt., OTP Bank Nyrt., Raiffeisen Bank Zrt., SPB Befektetési Zrt., Takarékbank Zrt, Unicredit Bank Hungary Zrt.

## NET YIELD PERFORMANCE OF THE FUND:

Interval	Yield of note	Benchmark yield
From start	9.11 %	9.86 %
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 %

## NET PERFORMANCE OF THE FUND

NET ASSET VALUE PER SHARE, 12/01/2015 - 11/30/2016



— Aegon Domestic Bond Fund HUF 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:

Post-election market uncertainty and increased expectations in concern with the US-rates trajectory induced a wave of selloff on the global market, heavily hitting EM bonds. Thus, HGB suffered significant losses in November as well. The 10-year HGB yield jumped 40 points, while yields on the 5-year maturity increased by 30 points. Meanwhile, shorter maturity yields fell further, resulting in a record steep yield curve.

Macroeconomic data published in November were quite disappointing in terms of the September industrial production, while Q4 expectations remained optimistic. Similarly, PMI remained around the level of 54, indicating stronger growth for the upcoming quarter. Core inflation increased from 1.3% to 1.4% on a YoY basis, driven by increasing oil price and base effects. CPI is expected to increase further in the remaining months of the year due to increasing fuel prices, and the excise duty hike of tobacco products.

The NBH stills keeps monetary conditions loose. The base rate had not been changed in November, however the upper band of the interest rate corridor was cut by 15 bps to 90 basis points, to a level identical to the base rate. This measure fits well into a potential scenario well known by market participants, namely that the NBH aims to change to active side policy in the near future. As for the growth outlook of the Hungarian economy, expectations for 2016 slightly reduced to 2%, while GDP growth is expected to increase in 2017, partly due to the fiscal stimuli (tax cut, minimum wage hike) already announced by the government.

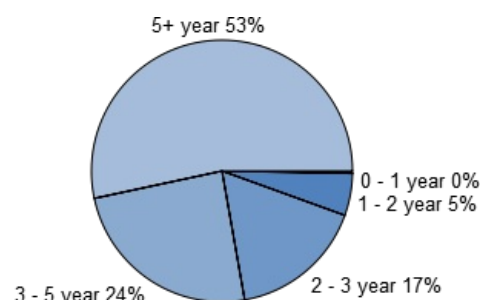
## ASSET ALLOCATION OF THE FUND ON 11/30/2016

Asset type	Weight
Government bonds	94.06 %
Corporate bonds	2.52 %
Current account	3.68 %
Liabilities	-0.14 %
Receivables	0.03 %
Market value of open derivative positions	-0.03 %
total	100.00 %
Derivative products	9.23 %
Net corrected leverage	100.02 %

## Assets with over 10% weight

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

## Bonds by tenor:



## RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields: 4.16 %

Annualized standard deviation of the benchmark's weekly yields: 3.75 %

## INVESTMENT HORIZON:

Suggested minimum investment period:



Risk and Reward Profile:

