

## Aegon Domestic Bond 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% MAX Index
ISIN code:	HU0000718127
Start:	12/01/2016
Currency:	HUF
Total Net Asset Value of the whole Fund:	30,082,562,875 HUF
Net Asset Value of institutional series:	374,047,336 HUF
Net Asset Value per unit:	1.009643 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

### NET PERFORMANCE OF THE SERIES

#### NET ASSET VALUE PER SHARE, 12/01/2016 - 02/28/2017



— Aegon Domestic Bond 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.

### INVESTMENT HORIZON:

Suggested minimum investment period:



Risk and Reward Profile:



### MARKET SUMMARY:

The Hungarian bond market was rather calm in February, volatility remained low throughout the month. Investors demonstrated their appetite for longer maturity issues as well on the auctions of GDMA, leading to a smaller decline of yields at the long end. All in all, the yield curve remained very steep, and only managed to flatten in a small extent. In terms of macroeconomic data Q4 GDP was published. Being below expectations, the extent of YoY growth only reached 1.6%, while QoQ growth was equal to 0.4%. Meanwhile, CPI accelerated, with the headline reading reaching 2.3% in January, while core showed a minimal decrease compared to last month, reaching 1.6%. The stability of the core figure means that the environment is still supportive for the loose monetary policy of the NBH. In addition, the budget shows an exceptional performance, reaching a record surplus of 123.4 billion HUF in January, mainly driven by sale of land by the government. During the month, a debate on a potential eurobond issue unfolded between the NBH and the Ministry of National Economy, which could increase the HUF issuance requirement in case it is postponed.

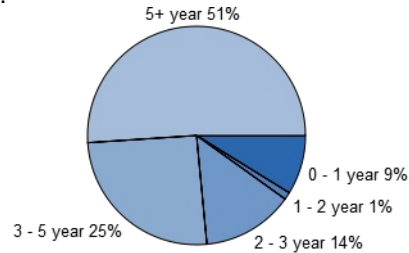
### ASSET ALLOCATION OF THE FUND ON 02/28/2017

Asset type	Weight
Government bonds	88.03 %
T-bills	4.71 %
Corporate bonds	2.61 %
Mortgage debentures	0.98 %
Current account	4.36 %
Liabilities	-2.72 %
Receivables	1.97 %
Market value of open derivative positions	0.06 %
total	100,00 %
Derivative products	9.44 %
Net corrected leverage	100.01 %

#### Assets with over 10% weight

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

#### Bonds by tenor:



### NET YIELD PERFORMANCE OF THE SERIES:

Interval	Yield of note	Benchmark yield
From start	0.96 %	0.95 %
1 month	0.02 %	-0.03 %

### RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields: 1.62 %  
Annualized standard deviation of the benchmark's weekly yields: 1.58 %