

# AEGON Domestic Bond Fund

## 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:	45,199,084,551 HUF
Net Asset Value of HUF series:	45,199,084,551 HUF
Net Asset Value per unit:	4.030257 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.

## DISTRIBUTORS

AEGON Magyarország Befektetési Jegy Forgalmazó Zrt., CIB Közép-Európai Nemzetközi Bank Zrt., Citibank Europe plc Magyarországi Fióktelepe, Codex Értéktár és Értékpapír 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	9.43 %	10.11 %
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 %
2005	8.43 %	8.76 %
2004	13.07 %	14.02 %
2003	1.19 %	-0.31 %

## NET PERFORMANCE OF THE FUND

### NET ASSET VALUE PER SHARE, 09/01/2012 - 08/31/2013



— 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.

## MARKET SUMMARY:

This month was characterized by uncertainty arising inside and outside Hungary. International sentiment was driven by fears of nearing Fed tapering again which caused significant fall of bond prices globally, especially weighing on emerging markets. As investor sentiment turned to be negative and another round of significant capital outflows hit emerging markets, longer maturity local bond prices decreased materially. Meanwhile, the National Bank of Hungary surprised the market with a 20 bps rate cut, hitting a new record low of 3,8%. Easing bias remained, the end of the easing cycle could reach 3,5%, if market conditions allow it. Though, this is accompanied by very steep curve and longer FRAs (6x9) price no more rate cuts.

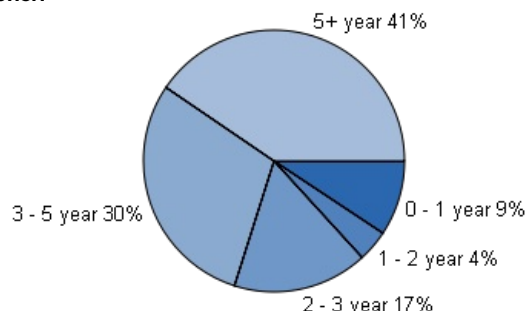
## ASSET ALLOCATION OF THE FUND ON 08/31/2013

Asset type	Weight
Government bonds	91.17 %
Corporate bonds	8.84 %
T-bills	3.32 %
Liabilities	-3.26 %
Current account	0.30 %
Receivables	0.00 %
Market value of open derivative positions	-0.26 %
total	100,00 %
Derivative products	18.38 %
Net corrected leverage	100.29 %

### Assets with over 10% weight

2017A (Államadósság Kezelő Központ Zrt.)  
2017B (Államadósság Kezelő Központ Zrt.)  
2022A (Államadósság Kezelő Központ Zrt.)

## Bonds by tenor:



## RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields: 6.54 %

Annualized standard deviation of the benchmark's weekly yields: 6.16 %

## INVESTMENT HORIZON:

Suggested minimum investment period:



Risk and Reward Profile:

