

# AEGON Central European Credit Fund PLN 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:	HU0000712401
Start:	08/12/2013
Currency:	PLN
Total Net Asset Value of the whole Fund:	21,774,773,570 HUF
Net Asset Value of PLN series:	34,751,364 PLN
Net Asset Value per unit:	1.068743 PLN

## 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

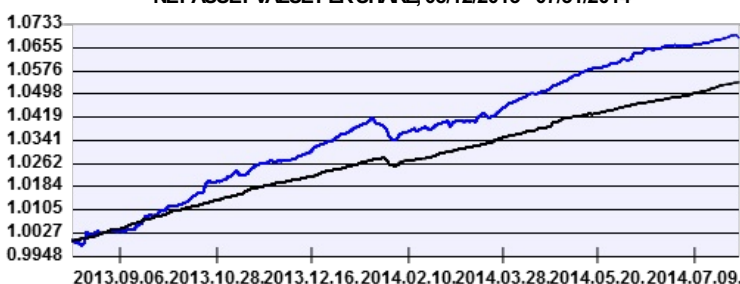
AEGON Towarzystwo Ubezpieczeń na Życie Spółka

## NET YIELD PERFORMANCE OF THE FUND:

Interval	Yield of note	Benchmark yield
From start	6.87 %	5.37 %
1 month	0.22 %	0.48 %
3 months	1.39 %	1.17 %
6 months	3.32 %	2.73 %

## NET PERFORMANCE OF THE FUND

### NET ASSET VALUE PER SHARE, 08/12/2013 - 07/31/2014



— AEGON Central European Credit Fund PLN 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:

July has turned in another positive performance across emerging markets fixed income with sovereign index posting a healthy +0.72% return MTD. However, performance has languished since June, offset to an extent by the carry. The market could price in further growth weakness in the near term. Geopolitical risks in Middle East and Russia-Ukraine remains one of the few sources of EM volatility. Fed policy and data releases in the US could pose some risks in the weeks ahead, as liquidity conditions wane in August. Core bond yields remain well anchored, with expectation of benign inflation and macro moderation. EM sovereign spreads have widened 7 bps in July MTD to 291 bps, while corporate spreads have widened 8 bps in July MTD to 304 bps.

## ASSET ALLOCATION OF THE FUND ON 07/31/2014

Asset type	Weight
Corporate bonds	45.72 %
Government bonds	27.61 %
T-bills	19.88 %
Mortgage debentures	11.36 %
Collective securities	0.14 %
Liabilities	-6.58 %
Receivables	1.50 %
Repos	0.78 %
Current account	0.36 %
Market value of open derivative positions	-0.75 %
total	100.00 %
Derivative products	77.75 %
Net corrected leverage	107.80 %

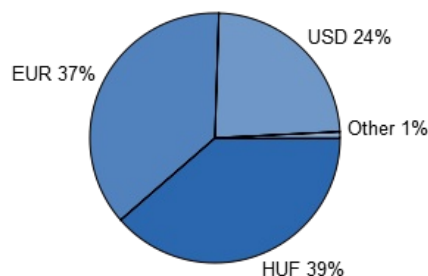
## TOP 3 POSITIONS

MOL 2017/04/20 5,875% (MOL Nyrt.)  
MFB 2016/05 5,875% (Magyar Fejlesztési Bank Zrt.)  
D140821 (Államadósság Kezelő Központ Zrt.)

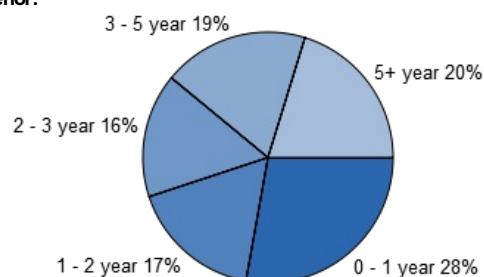
## Assets with over 10% weight

There is no such instrument in the portfolio

## Currency exposure:



## Bonds by tenor:



## RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields: 1.06 %  
Annualized standard deviation of the benchmark's weekly yields: 0.47 %

## INVESTMENT HORIZON:

Suggested minimum investment period:



Risk and Reward Profile:

