

AEGON DOMESTIC

BOND FUND

GENERAL INFORMATION

ISIN code: HU-0000702493

Bloomberg kód: AEGDOME HB Equity

Fund Manager: AEGON Magyarország Befektetési Alapkezelő Zrt.

Custodian: Citibank Europe plc Magyarországi Fióktelepe

Main distributor: AEGON Magyarország Befektetési Jegy Forgalmazó Zrt.

Distributors: CIB Bank Zrt.; Citibank Europe plc Magyarországi Fióktelepe; Codex Értéktár és Értékpapír Zrt.; Equilor Befektetési Zrt.; ERSTE Befektetési Zrt.; UniCredit Bank Hungary Zrt.; Raiffeisen Bank Zrt.; Magyar Takarékszövetkezeti Bank Zrt.; BNP Paribas Magyarországi Fióktelepe; Commerzbank Zrt.; Concorde Értékpapír Zrt.

Launch Date of the Fund: 16.03.1998

Currency: HUF

Benchmark: 100% MAX Index

Net Asset Value (HUF): 59 698 183 590

Net Asset Value per share: 2.953220

The asset allocation of the Fund, 31.12.2009

Hungarian Government Bonds	94.98%
Hungarian T-bills	3.86%
Current account	0.00%
Government paper repo	0.51%
Other assets	0.64%
Total investment assets	100.00%
Net corrected leverage	23.00%
Derivative products	0.00%

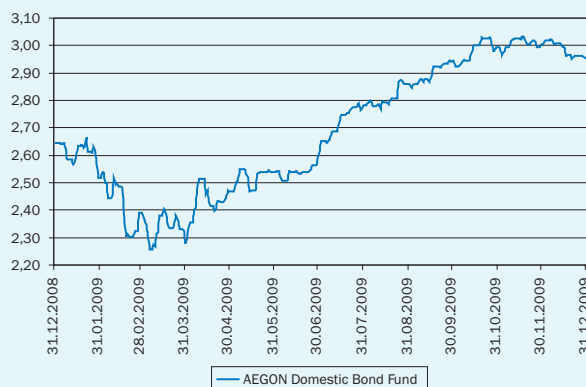
low liquidity, many players on the market opted for profit taking and only a few dared to go against this tendency. All this together resulted in domestic bond yields increasing, followed by a slight weakening of the HUF. At the end of the year the valuation level of domestic bonds has become attractive once again. The Bond Fund still bears a low risk and therefore represents the golden mean between time deposits with decreasing returns or money market funds with interest rates continuously falling on one side, and equity funds which make bigger advances – at the moment – but imply significantly more risk.

NET Yield Performance of the Fund:

Time horizon	12 months	2009 year	2008 year	2007 year	2006 year	2005 year
Net return of the Fund*	11.72%	11.72%	2.47%	4.56%	7.06%	8.43%
Benchmark performance**	13.84%	13.84%	1.80%	4.92%	5.43%	7.45%

* It shows the net performance of the fund until 31/12/09
The Fund was launched on 16/03/98
** The net return of the benchmark index.

THE NET PERFORMANCE OF THE FUND BASED ON THE NET ASSET VALUE PER SHARE



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 Policy of the Fund:

Only Hungarian Government Securities, debt securities guaranteed by the Hungarian state, corporate bonds, debt securities issued by local governments can get into the portfolio of the Fund. In order to decrease the risk of the portfolio, the fund manager analyses the risk factors of the securities and confirms the decisions taking with thorough calculations. When choosing a security, one of the most important factors is that the security should be liquid. Due to the professional diversification and the active portfolio management the Fund provides its investors with a low risk – high yield investment alternative.

Investment horizon:

Suggested minimum investment period



Risc Scale



Market Summary:

After the successful months in fall, the Fund's positive results somewhat retreated in December. In reaction to the negative news flow from the Greek market at the end of this month market participants – primarily foreign investors – became uncertain about the probability of a further cut of the key rate. Their worries seemingly proved to be right after the Hungarian Central Bank lowered its key rate by 25 bps instead of 50 bps, as many anticipated. Alongside