

# 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.; OTP Bank Nyrt.

**Launch Date of the Fund:** 16.03.1998

**Currency:** HUF

**Benchmark:** 100% MAX Index

**Net Asset Value (HUF):** 60 855 248 936

**Net Asset Value per share:** 3.163075

## The asset allocation of the Fund, 31.05.2010

Hungarian Government Bonds	95.03%
Hungarian T-bills	2.77%
Current account	0.01%
Government paper repo	2.22%
Other assets	-0.02%
Total investment assets	100.00%
Net corrected leverage	27.78%
Derivative products	0.00%

low level yields and to a lesser extent the new government's sometimes confusing economic policy messages, that is why serious increase of yields and volatility characterized May. Because of the decline in risk appetite and the weakening of the forint, the result of further reductions in base rate was no longer an option in May. Thanks to our well-timed transactions, the Fund has maintained and even increased its performance compared to the market. Looking ahead, the domestic bonds might be attractive once again as the longer end papers with around 6,5% yield have advantage over the shorter maturities on a relative stable market, which might be supported by the mentioned positioning of professional investors.

## 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

3 months
  1 year
  2 years
  3 years
  5 years

Risc Scale

very low
  moderate
  high

## Market Summary:

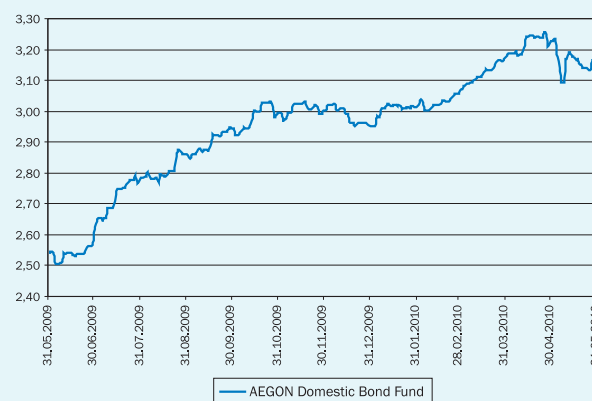
The domestic bond market was very hectic in May, mainly for reasons with external origin. A significant correction during the first half of the month took place on the main international stock exchanges. The market was already overbought, this phenomenon could be considered normal technical downfall, and coincided with the escalation of the debt problem of the developed market, this overall deteriorated the global risk appetite. Although the domestic market has underweight positioning among both local and international investors, the Hungarian bond market could not break away from the global processes as a result of the initial

## 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*	24.52%	11.72%	2.47%	4.56%	7.06%	8.43%
Benchmark performance**	19.63%	13.84%	1.80%	4.92%	5.43%	7.45%

\* It shows the net performance of the fund until 31/05/10  
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.