

# 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):** 59 059 369 511

**Net Asset Value per share:** 3.130637

## The asset allocation of the Fund, 31.07.2010

Hungarian Government Bonds	97.22%
Hungarian T-bills	0.00%
Current account	0.01%
Government paper repo	0.30%
Other assets	2.48%
Total investment assets	100.00%
Net corrected leverage	22.80%
Derivative products	0.00%

the bonds with medium maturity and we suppose this is the aftermath of the stopped IMF negotiations. There are huge debt repayment obligations in 2013-14 and this could have been stretched out easily with a new IMF program. There is not much room for rate cuts any more, and the risk was real in July, that rate increase measurements needed to save the forint, which contributed a lot to the yield increase of the short term debt papers. The Fund has limited upside potential, however the medium maturities can gain during favorable market sentiment.

## 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:

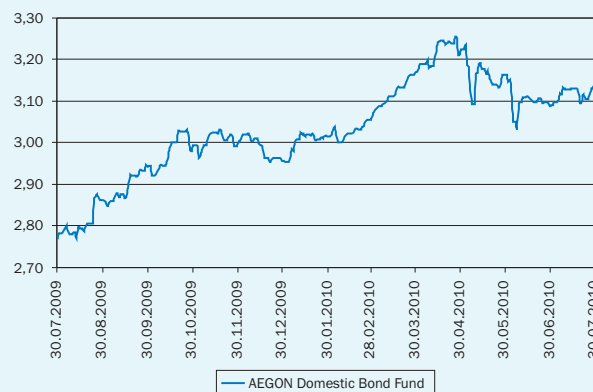
The AEGON Domestic Bond Fund erased the biggest part of the losses of the previous month in July with its 1.27% yield, which is equal to the benchmark's. Although the profit of July is very good, our market underperformed the regional peers, as the Hungarian economic uncertainties are getting evident to the investors. The shape of the yield curve has changes, the longer end over-performed

## 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*	12.48%	11.72%	2.47%	4.56%	7.06%	8.43%
Benchmark performance**	11.18%	13.84%	1.80%	4.92%	5.43%	7.45%

\* It shows the net performance of the fund until 31/07/10  
 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.