

# 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):** 59 500 950 252**Net Asset Value per share:** 3.234649

## The asset allocation of the Fund, 30.09.2010

Hungarian Government Bonds	96.94%
Hungarian T-bills	1.59%
Current account	0.02%
Government paper repo	0.00%
Other assets	1.45%
Total investment assets	100.00%
Net corrected leverage	22.67%
Derivative products	0.00%

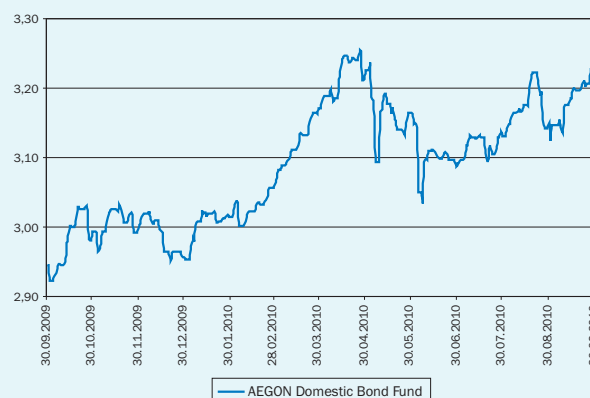
has weakened against the European currency, and so we saw a 20-forint strengthening over the course of September, which helped to lower bond yields. The international sentiment, which reflects the beneficial impact of the quantitative easing program, favours investments in emerging markets, especially the least overbought market, which for the time being is still Hungary. Besides this, investor perception of the domestic market was also given a boost by the government's open commitment to budgetary discipline, and to maintaining next year's deficit target at below 3%. For these reasons our fund recorded a gain of more than 3.5% over just one month.

## 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*	9.84%	11.72%	2.47%	4.56%	7.06%	8.43%
Benchmark performance**	9.13%	13.84%	1.80%	4.92%	5.43%	7.45%

\* It shows the net performance of the fund until 30/09/10  
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.

## 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:

Since mid-August, the fund's performance has been strongly influenced by the exchange rate between the Swiss franc and the forint. This is hardly surprising given that any strengthening in the Swiss currency results in a worsening of Hungary's financial stability, economic growth and budgetary problems. The market ended the month of August on a rather weak note due to the Swiss-franc exchange rate, which was above HUF 220 at the time. Since then, the forint has strengthened against the euro, and the franc