

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.
Launch Date of the Fund: 16.03.1998
Currency: HUF
Benchmark: 100% MAX Index
Net Asset Value (HUF): 55 294 914 836
Net Asset Value per share: 3.086397

DISTRIBUTORS

AEGON Magyarország Befektetési Jegy Forgalmazó Zrt.
 BNP Paribas Magyarországi Fióktelepe
 CIB Bank Zrt.
 Citibank Europe plc Magyarországi Fióktelepe
 Codex Értéktár és Értékpapír Zrt.
 Commerzbank Zrt.
 Concorde Értékpapír Zrt.
 Equilor Befektetési Zrt.
 ERSTE Befektetési Zrt.
 OTP Bank Nyrt.
 Raiffeisen Bank Zrt.
 Magyar Takarékszövetkezeti Bank Zrt.
 UniCredit Bank Hungary Zrt.

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

Risk Scale



very low



moderate



high

THE ASSET ALLOCATION OF THE FUND 30. 11. 2010.

Hungarian T-bills	10.82%
Hungarian Government Bonds	87.89%
Other assets	0.17%
Government paper repo	1.03%
Current account	0.33%
Liabilities	0.00%
Receivables	0.24%
Total investment assets	100.00%
Net corrected leverage	20.01%
Derivative products	0.00%

MARKET SUMMARY

Domestic bond market went down by 5% in November. Thanks to our defensive positioning, our Fund has lost only 4,5% from its value, over-performing the benchmark. Many factors contributed to the 130 points increase of yields in the last month. Concerns about the euro zone came to surface again on international level, and the Irish rescue plan was only able to relieve the markets for short term. Global selling pressure reached the Hungarian bond market at a very vulnerable stage, as the government's economic policy did not receive warm welcome nor abroad either internally, because it has targeted the institutions of long term economic stability (HNB, Pension Funds). The Hungarian National Bank has increased the base rate by 25bp for a big surprise of the most market player, so the price effect of the measurement pushed the yield curve even higher. Bond market participant, especially foreign investors had relative risky positions and the valuation of the market was not favorable either. Although our bonds seem appealing at the current levels, the negative outlook for Hungary cast shadow on the fundamentals. Grading Hungary's debt papers to junk category could start severe selling pressure from abroad and it would have adverse effect on the upcoming EUR bond issuance.

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*	2,78%	11,72%	2,47%	4,56%	7,06%	8,43%
Benchmark performance**	1,35%	13,84%	1,80%	4,92%	5,43%	7,45%

* It shows the net performance of the fund until 30/11/10
 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.