

AEGON INTERNATIONAL

BOND FUND

GENERAL INFORMATION

ISIN code: HU-0000702477
Bloomberg code: AEGINBI HB Equity
Fund Manager: AEGON Magyarország Befektetési Alapkezelő Zrt.
Custodian: Citibank Europe plc Magyarországi fióktelepe
Launch Date of the Fund: 21.04.1999
Currency: HUF
Benchmark: 80% Merrill Lynch Global Government Bond Index II ex-Japan + 20% ZMAX Index
Net Asset Value (HUF): 2 976 060 308
Net Asset Value per share: 1,390315

DISTRIBUTORS

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

INVESTMENT POLICY OF THE FUND

According to the purpose of the fund manager, the Fund mainly invests in government debt securities of OECD countries. By paying maximum attention to legal compliance, it keeps a minimum of 15% of the portfolio in liquid assets. Besides the legal regulations the fund manager focuses on safety and the principles of ultimate diversification. On the grounds of this investment policy the fund is only allowed to buy publicly issued, investment-grade, listed securities.

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 31. 10. 2010.

Hungarian T-bills	13,40%
Hungarian Government Bonds	0,00%
International Bonds	81,82%
Government paper repo	3,82%
Other assets	4,40%
Current account	-3,44%
Total investment assets	100,00%
Net corrected leverage	62,23%
Derivative products	42,44%

MARKET SUMMARY

October was full with excitement on the international bond markets. Slowing economic growth, low economic activity rate and high unemployment, these are signs that the recovery does not have stable base. The FED is ready to start open market operations again in a fear of deflation and slowing economy. The FED will keep the financing costs low by its bond purchases and it will supply the economy with fresh capital for spending and consumption. This all might stimulate the economy on the long term however it will pose inflation risk from a bigger perspective. That is why the Fund will not take risky long position against the benchmark. Thanks to this strategy, the Fund over-performed by 26bp in October. HUF appreciation caused negative yield in the last 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*	5,19%	3,56%	7,24%	-0,05%	-2,05%	10,52%
Benchmark performance*	8,01%	-1,94%	13,82%	-5,66%	-4,07%	7,89%

* It shows the net performance of the fund until 31/10/10
 The Fund was launched on 21/04/99
 ** 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.