

AEGON DOMESTIC

BOND FUND

GENERAL INFORMATION

ISIN code: HU-0000702493

Fund Manager: AEGON Magyarország Befektetési Alapkezelő Zrt.

Custodian: CITIBANK Rt.

Main distributor: AEGON Magyarország Befektetési Jegy Forgalmazó Zrt.

Distributors: CIB Bank Zrt.; Citibank Zrt.; Codex Értéktár és Értékpapír Zrt.; Equilor Befektetési Zrt.; ERSTE Befektetési Zrt.; Uni-Credit Bank Hungary Zrt.; Raiffeisen Bank Zrt.; Magyar Takarékszövetkezeti Bank Zrt.; BNP Paribas Magyarországi Fióktelepe; Commerzbank Zrt.; Concorde Értékpapír Zrt.

Launch Date of the Fund: 16.03.1998

Currency: HUF

Benchmark: 100% MAX Composite

Net Asset Value (HUF): 7 042 105 625

Net Asset Value per share: 2.400761

The asset allocation of the Fund, 31.10.2008

Hungarian Government Bonds	100.40%
Hungarian T-bills	0.19%
Current account	0.00%
Other assets	-0.60%
Total investment assets	100.00%
Net corrected leverage	24.35%
Derivative products	0.00%

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. By choosing a security one of the important factors is that the security should be liquid. Thanks 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

Market Summary:

The performance of the AEGON Domestic Bond Fund worsened against September, since the yield level of the Hungarian government papers rose dramatically. The YTD return of the

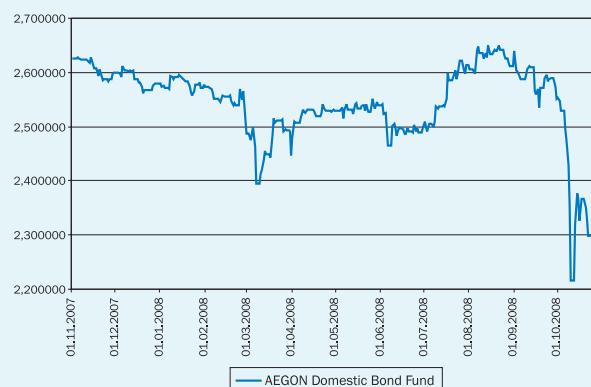
fund is -6,5%, which is alarming low, but with this performance our fund is the second best performing long bond fund in the country. We modified the mix of the portfolio, which was an aggressive barbell structure. It turned out that the structure was very efficient, we only kept securities with lower durations than 1 year and securities with 15 years duration. We see very good entry point in the Hungarian bond market on a risk-reward basis.

NET Yield Performance of the Fund:

Time horizon	12 months	2007 year	2006 year	2005 year	2004 year	2003 year
Net return of the Fund*	-8.55%	4.56%	7.06%	8.43%	13.07%	1.19%
Benchmark performance**	-6.30%	4.92%	5.43%	7.45%	12.10%	-0.10%

* It shows the net performance of the fund until 31/10/08
 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.