

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): 7 128 847 493

Net Asset Value per share: 2.643371

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

Risc Scale

very low
 moderate
 high

Market Summary:

In December the serious yield lowering tendency went on, yields fell into one-digit region. According to this the AEGON Domestic Bond Fund closed 2008 with 2.47% gain. This performance made our Fund to one of the best performing bond fund in Hungary, and it also overperformed its net benchmark, the MAX Composite index. According to the issue plans of the ÁKK the demand and supply bal-

The asset allocation of the Fund, 31.12.2008

Hungarian Government Bonds	99.10%
Hungarian T-bills	0.00%
Current account	0.17%
Government paper repo	0.95%
Other assets	-0.22%
Total investment assets	100.00%
Net corrected leverage	22.38%
Derivative products	0.00%

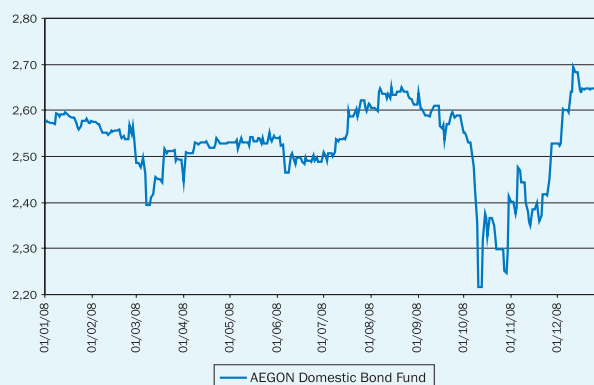
ance will get much better on the bond market in 2009, but the foreign investors will not come back for the time being. The positive sentiment was supported by the calmed down market situation, the yield drops in the region and the constantly lowering inflation and main rate level in Hungary. We strongly believe that the above-mentioned situation will go on in the future, so we keep the longer duration. According to our opinion the Hungarian government bonds still offer a great investment opportunity in the future.

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*	2.47%	4.56%	7.06%	8.43%	13.07%	1.19%
Benchmark performance**	1.08%	4.92%	5.43%	7.45%	12.10%	-0.10%

* It shows the net performance of the fund until 31/12/08
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.