

# AEGON Domestic Bond Fund

## GENERAL INFORMATION

Fund Manager:	AEGON Hungary Fund Manager Ltd.
Custodian:	Citibank Europe plc Magyarországi Fióktelepe
Main distributor:	AEGON Hungary Befektetési Jegy Forgalmazó Zrt.
Benchmark composition:	100% MAX Index
ISIN code:	HU0000702493
Start:	1998.03.16
Currency:	HUF
Total Net Asset Value of the Fund:	55,665,062,116 HUF
Net Asset Value per unit:	3.389184 HUF

## 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.

## DISTRIBUTORS

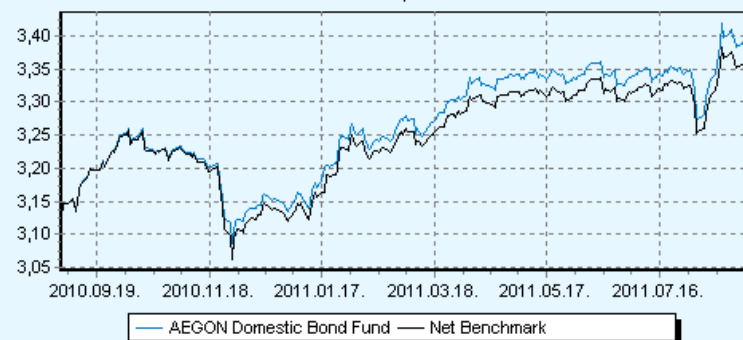
AEGON Magyarország Befektetési Jegy Forgalmazó Zrt.  
 BNP-Paribas Magyarországi Fióktelepe  
 CIB Közép-Európai Nemzetközi Bank Zrt.  
 Citibank Europe plc Magyarországi Fióktelepe  
 Codex Értéktár és Értékpapír Zrt.  
 Commerzbank Zrt.  
 CONCORDE Értékpapír Zrt.  
 Equilor Befektetési Zrt  
 Erste Befektetési Zrt.  
 OTP Bank Nyrt.  
 Raiffeisen Bank Zrt.  
 Takarékbank Zrt  
 Unicredit Bank Hungary Zrt.

## NET YIELD PERFORMANCE OF THE FUND:

Time horizon	12 months	2010 year	2009 year	2008 year	2007 year	2006 year
Investment note	8.51 %	6.34 %	11.72 %	2.47 %	4.56 %	7.06 %
Net benchmark	7.54 %	4.70 %	13.57 %	0.96 %	4.41 %	5.44 %

## NET PERFORMANCE OF THE FUND

NET ASSET VALUE PER SHARE, 2010.09.01 - 2011.08.31



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 HORIZON:

Suggested minimum investment period:

3 months   
  1 year   
  2 years   
  3 years   
  5 years

Risc Scale:

very low   
    
  moderate   
    
  high

## MARKET SUMMARY:

In spite of the panic sentiment and crashing stock markets the fund advanced by 1.5% in the last month, outperforming both the peer group and the benchmark (the latter by 27 bps). In this period domestic macro had no significant role in shaping market events as the market was totally driven by international sentiment. The world economy has been struggling with structural headwinds for years because of the high debt level of households, governments and banks. The resulting financial fragility may be the reason for the extreme repricing of the future growth outlook by global equity markets, only partly justified by fundamentals in our view. Despite the risk off/crisis on mode, investors wary of currency debasement in developed markets reallocate funds into the emerging markets including Hungary. These flows provided support for emerging FX and local currency bonds, traditionally considered to be risky assets, even the midst of risk aversion.

## ASSET ALLOCATION OF THE FUND ON 08/31/2011

Asset type	Weight
treasury bonds	88.12 %
T-bills	11.43 %
Mortgage debentures	0.19 %
Repos	0.34 %
Current account	0.24 %
Liabilities	-0.16 %
Market value of open derivative positions	-0.16 %
total	100,00 %
Derivative products	11.18 %
Net corrected leverage	100.15 %

## Bondy by tenor:

