

# 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: | 53,781,020,935 HUF                             |
| Net Asset Value per unit:          | 3.366099 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 | 4.34 %    | 6.34 %    | 11.72 %   | 2.47 %    | 4.56 %    | 7.06 %    |
| Net benchmark   | 3.06 %    | 4.70 %    | 13.57 %   | 0.96 %    | 4.41 %    | 5.44 %    |

## NET PERFORMANCE OF THE FUND

NET ASSET VALUE PER SHARE, 2010.11.01 - 2011.10.31



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.

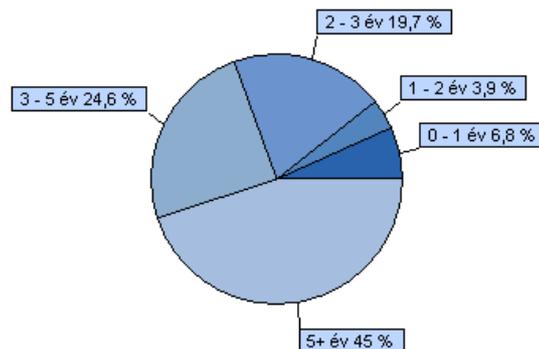
## MARKET SUMMARY:

Global risk assets staged a rally in October after macro and company level data came in better than expected as sentiment had deteriorated sharply in the previous two months. The bold action plan announced after the EU summit toward the end of the month improved confidence further. Our fund posted a return above 1% and also outperformed its benchmark by 18bps due to active position-taking. While global developments were supportive of the Hungarian market, local headlines did not help at all. The government's unorthodox policies (most importantly the out-of-market mortgage repayment scheme), the risk of a rating agency downgrade and the large eurobond rollover that the Hungarian government is facing next year left investors cautious and skeptical of Hungary's debt sustainability.

## ASSET ALLOCATION OF THE FUND ON 10/31/2011

| Asset type                                | Weight   |
|---|----------|
| treasury bonds                            | 87.82 %  |
| T-bills                                   | 4.52 %   |
| Corporate bonds                           | 3.03 %   |
| Mortgage debentures                       | 0.18 %   |
| Receivables                               | 5.03 %   |
| Liabilities                               | -0.23 %  |
| Current account                           | 0.04 %   |
| Market value of open derivative positions | -0.13 %  |
| total                                     | 100,00 % |
| Derivative products                       | 9.32 %   |
| Net corrected leverage                    | 100.26 % |

## Bondy by tenor:



## INVESTMENT HORIZON:

Suggested minimum investment period:



Risc Scale:

