

AEGON International 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: 80% Merrill Lynch Global Government Bond Index II ex-Japan + 20% ZMAX Index
 ISIN code: HU0000702477
 Start: 1999.04.21
 Currency: HUF
 Total Net Asset Value of the Fund: 2,414,501,754 HUF
 Net Asset Value per unit: 1.530545 HUF

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.

DISTRIBUTORS

AEGON Magyarország Befektetési Jegy Forgalmazó Zrt., BNP-Paribas Magyarország Fióktelepe, Citibank Europe plc Magyarországi Fióktelepe, Codex Értéktár és Értékpapír Zrt., CONCORDE Értékpapír Zrt., Equilor Befektetési Zrt, Erste Befektetési Zrt., 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	10.09 %	6.45 %	3.56 %	7.24 %	-0.05 %	-2.05 %
Net benchmark	5.23 %	8.82 %	-1.83 %	13.29 %	-7.17 %	-3.79 %

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.

INVESTMENT HORIZON:

Suggested minimum investment period:

- 3 months
 1 year
 2 years
 3 years
 5 years

Risc Scale:

- very low

 moderate

 high

MARKET SUMMARY:

The political element of uncertainty of Greek default keeps investors sentiment in doubt during October, which causes loss to holders of periphery and Italian bonds. We do not see the right solution in the near future, so we avoid these bonds because of high risk. The fear of slow-down, stability of European financial and political instability force the new governor of ECB to cut the base rate with 25 bps. This is the first sign of loosing the strict Bundesbank heritage and starts of new area where monetary policy is more accommodative like US policy. This may lead us to European QE and weaker euro. The fund halved its HUF short against benchmark and hold further the remaining half.

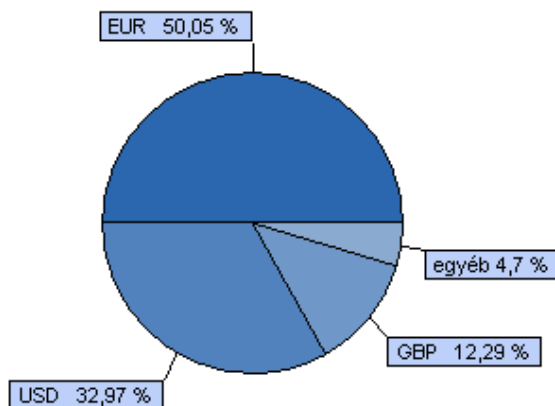
ASSET ALLOCATION OF THE FUND ON 10/31/2011

Asset type	Weight
treasury bonds	67.10 %
Corporate bonds	16.26 %
T-bills	4.10 %
Current account	9.33 %
Repos	2.17 %
Liabilities	-0.03 %
Market value of open derivative positions	-0.05 %
total	100,00 %
Derivative products	37.44 %
Net corrected leverage	105.61 %

TOP 5 POSITIONS

- USGB 2014/05 4,75%
- GEGB 2014/01 4,25%
- Telefonica EMIS 2016/04/01 5,496%
- XTALN 2016/11 5.80% USD
- SLOVEN4 18/03/22 4%

Currency exposure:



Bondy by tenor:

