

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 whole Fund:	50,003,525,899 HUF
Net Asset Value of HUF series:	50,003,525,899 HUF
Net Asset Value per unit:	3.906670 HUF

INVESTMENT POLICY OF THE FUND:

Only Hungarian Government Securities, debt securities guaranteed by the Hungarian state, corporate bonds, mortgage backed securities, 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

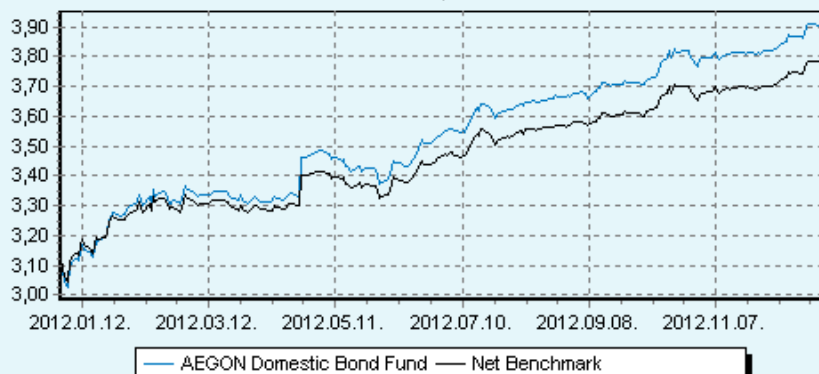
AEGON Magyarország Befektetési Jegy Forgalmazó Zrt., BNP-Paribas Magyarországi Fióktelepe, CIB Közép-Európai Nemzetközi Bank Zrt., Citibank Europe plc Magyarországi Fióktelepe, Codex Értéktár és Értékpapír Zrt., Commerzbank Zrt., CONCORDE Értékpapír Zrt., Equilor Befektetési Zrt, Erste Befektetési Zrt.,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

NET YIELD PERFORMANCE OF THE FUND:

Time horizon	12 months 2011 year	2010 year	2009 year	2008 year	2007 year
Investment note	23.83 %	0.46 %	6.34 %	11.72 %	2.47 %
Net benchmark	19.95 %	0.02 %	4.70 %	13.57 %	0.96 %

NET PERFORMANCE OF THE FUND

NET ASSET VALUE PER SHARE, 2012.01.01 - 2012.12.31



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:

The free fall in local yields continued in the last month of 2012. While yields at the front end moved lower by about 40 bps, those at the longer sank by as much as 70 bps, close to the lowest levels in the history of the market. The sharp fall in yields was accompanied by a weaker HUF against both major and emerging market currencies. Such a decoupling had been rare in the past and remained temporary. Given the upcoming changes at the helm of the central bank we conclude that the market started pricing in what is expected to be an unorthodox monetary policy beyond March. Our view is that this factor will continue to shape the local bond market in the near future.

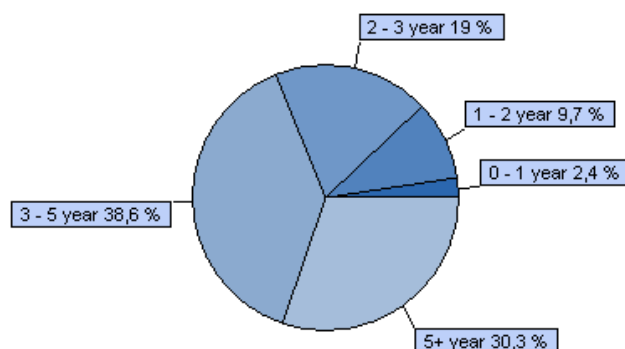
ASSET ALLOCATION OF THE FUND ON 12/31/2012

Asset type	Weight
Government bonds	90.41 %
Corporate bonds	7.46 %
T-bills	1.83 %
Current account	0.35 %
Liabilities	-0.29 %
Market value of open derivative positions	-0.02 %
total	100,00 %
Derivative products	16.04 %
Net corrected leverage	100.01 %

Assets with over 10% weight

2017B (Államadósság Kezelő Központ Zrt.)
 2019A (Államadósság Kezelő Központ Zrt.)
 2017A (Államadósság Kezelő Központ Zrt.)

Bondy by tenor:



INVESTMENT HORIZON:

Suggested minimum investment period:



3 months



1 year



2 years



3 years



5 years

Risc Scale:



low



average



high