

AEGON DOMESTIC

BOND FUND

GENERAL INFORMATION

ISIN code: HU-0000702493
Bloomberg kód: AEGDOME HB Equity
Fund Manager: AEGON Magyarország Befektetési Alapkezelő Zrt.
Custodian: Citibank Europe plc Magyarországi Fióktelepe
Main distributor: AEGON Magyarország Befektetési Jegy Forgalmazó Zrt.
Launch Date of the Fund: 16.03.1998
Currency: HUF
Benchmark: 100% MAX Index
Net Asset Value (HUF): 58 177 382 525
Net Asset Value per share: 3.273977

DISTRIBUTORS

AEGON Magyarország Befektetési Jegy Forgalmazó Zrt.
 BNP Paribas Magyarországi Fióktelepe
 CIB 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.
 Magyar Takarékszövetkezeti Bank Zrt.
 UniCredit Bank Hungary Zrt.

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.

INVESTMENT HORIZON:

Suggested minimum investment period



3 months



1 year



2 years



3 years



5 years

Risk Scale



very low



moderate



high

THE ASSET ALLOCATION OF THE FUND 28. 02. 2011.

Hungarian T-bills	0.36%
Hungarian Government Bonds	99.39%
Other assets	0.18%
Government paper repo	0.99%
Current account	0.10%
Liabilities	0.03%
Receivables	1.06%
Total investment assets	100.00%
Net corrected leverage	101.03%
Derivative products	0.00%

MARKET SUMMARY

The market was struggling in both directions in the first half February, then towards the end of the month the balance tilted in favor of the buyers. The yield of the 10-year benchmark bond oscillated around 7.45% for weeks with relatively high volumes trading on the market. Short maturities priced the likelihood of the base rate staying unchanged for the rest of the year. Given the absence of extreme valuation, the market was driven by expectations regarding the government's structural reforms. The market was resilient to international shocks due to the light positioning of investors, which continues to be the case. Further support came from coupon flow worth 250 bn HUF in total last month, providing ammo for bond purchases. In the near future the reception of the Széll Kálmán plan by the EU and its implementation will be key in changing investors' assessment of Hungary's fundamentals, leaving the market with a potential for a favorable reprising of default risk. Our fund outperformed both its peers and its benchmark, having returned nearly 1% on a monthly basis.

NET YIELD PERFORMANCE OF THE FUND:

Time horizon	12 months	2010 year	2009 year	2008 year	2007 year	2006 year
Net return of the Fund*	7,13%	6,34%	11,72%	2,47%	4,56%	7,06%
Benchmark performance**	5,80%	4,79%	13,84%	1,80%	4,92%	5,43%

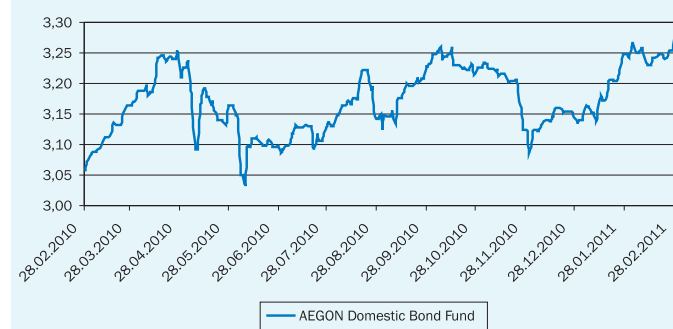
* It shows the net performance of the fund until 28/02/11

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.