

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.

Distributors: CIB Bank Zrt.; Citibank Europe plc Magyarországi Fióktelepe; Codex Értéktár és Értékpapír Zrt.; Equilor Befektetési Zrt.; ERSTE Befektetési Zrt.; UniCredit Bank Hungary Zrt.; Raiffeisen Bank Zrt.; Magyar Takarékszövetkezeti Bank Zrt.; BNP Paribas Magyarországi Fióktelepe; Commerzbank Zrt.; Concorde Értékpapír Zrt.; OTP Bank Nyrt.

Launch Date of the Fund: 16.03.1998

Currency: HUF

Benchmark: 100% MAX Index

Net Asset Value (HUF): 60 722 412 080

Net Asset Value per share: 3.056074

The asset allocation of the Fund, 28.02.2010

Hungarian Government Bonds	94.30%
Hungarian T-bills	4.37%
Current account	0.01%
Government paper repo	2.21%
Other assets	-0.88%
Total investment assets	100.00%
Net corrected leverage	23.45%
Derivative products	0.00%

strengthening of bonds at the second part of the month. We do not consider the Hungarian debt securities to be overvalued, there are not tensions on the markets, and the yields are stable too. It is worth to make advantage that the longer maturities have higher yields, than the shorter ones or the bank deposits. One of the major threat on the Hungarian government markets is the existence of worldwide fear from government defaults, meaning that the countries won't be able to pay back their debts. As a result of this, pulling the break of budget spending gets closer in time, parallel the growth potential decrease. The parliamentary election and turbulence around this year's budget could cause temporal losses of bond investors.

NET Yield Performance of the Fund:

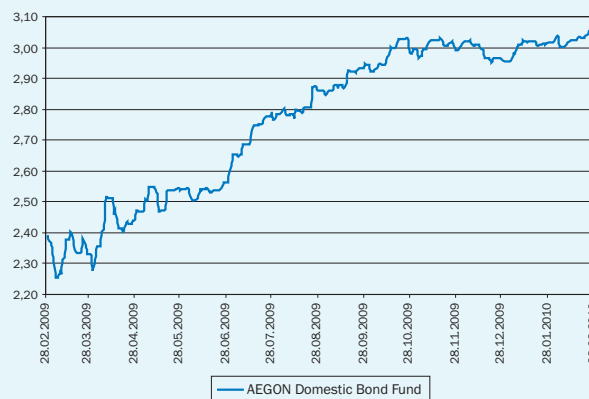
Time horizon	12 months	2009 year	2008 year	2007 year	2006 year	2005 year
Net return of the Fund*	27.91%	11.72%	2.47%	4.56%	7.06%	8.43%
Benchmark performance**	25.26%	13.84%	1.80%	4.92%	5.43%	7.45%

* It shows the net performance of the fund until 28/02/10

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.

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



Risc Scale



Market Summary:

The performance of the Fund was demonstrative (more than 1%) in February, however the volatility increased at the first part of the month, the prices roughly remained stable. Government default risks meaningfully increased after the Greek crisis, which has had bad influence on the domestic bond market as well, despite the fact that the Hungarian macro outlooks have remained favorable. An important change is that we see increasing demand of the foreign investor for our bonds at the last two months, in an environment, where both the domestic and foreign market participants keep less than neutral exposure and this means that offers only pop up at low yield levels. As a result of this we could see substantial