

# AEGON DOMESTIC

BOND FUND

## GENERAL INFORMATION

**ISIN code:** HU-0000702493

**Fund Manager:** AEGON Magyarország Befektetési Alapkezelő Zrt.

**Custodian:** CITIBANK Rt.

**Main distributor:** Concorde Értékpapír Zrt.

**Distributors:** CIB Bank Zrt.; Citibank Zrt.; 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.; AEGON Magyarország Befektetési Jegy Forgalmazó Zrt.

**Launch Date of the Fund:** 16.03.1998

**Currency:** HUF

**Benchmark:** 100% MAX Composite

**Net Asset Value (HUF):** 8 985 338 429

**Net Asset Value per share:** 2,611889

## The asset allocation of the Fund, 31.08.2008

Hungarian Government Bonds	90.91%
Hungarian T-bills	0.00%
Current account	0.04%
Government paper repo	9.05%
Total investment assets	100.00%
Net corrected leverage	22.28%
Derivative products	0.00%

## 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. By choosing a security one of the important factors is that the security should be liquid. Thanks 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

Risc Scale

very low
  moderate
  high

## Market Summary:

The massive rally, which started in the previous months, slightly stopped in August and the NAVPU also dropped a bit. However the fundamentals are unchanged. The undervalued domes-

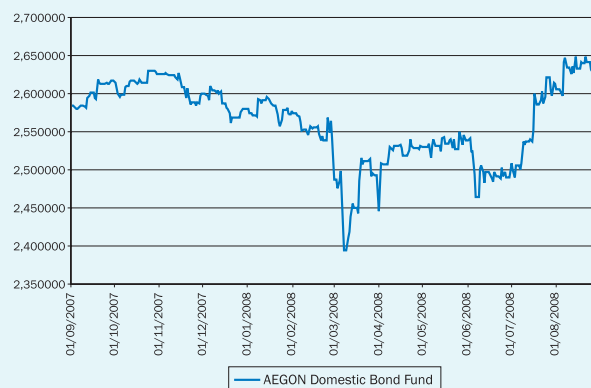
tic bond market is pretty tempting to the foreign investors, since the NBH sent a signal to the market that the rate hike cycle is ended. The real interest is in the longer securities, which could get extremely gainful for the Fund once again, since the duration of the portfolio is much longer than the duration of its benchmark. We do expect further yield drops in the future, so the Fund offers a very competitive investment possibility!

## NET Yield Performance of the Fund:

Time horizon	12 months	2007 year	2006 year	2005 year	2004 year	2003 year
Net return of the Fund*	1.08%	4.56%	7.06%	8.43%	13.07%	1.19%
Benchmark performance**	1.70%	4.92%	5.43%	7.45%	12.10%	-0.10%

\* It shows the net performance of the fund until 31/08/08  
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.