AEGON

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:	49,537,046,227 HUF
Net Asset Value of HUF series:	49,537,046,227 HUF
Net Asset Value per unit:	3.713819 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.
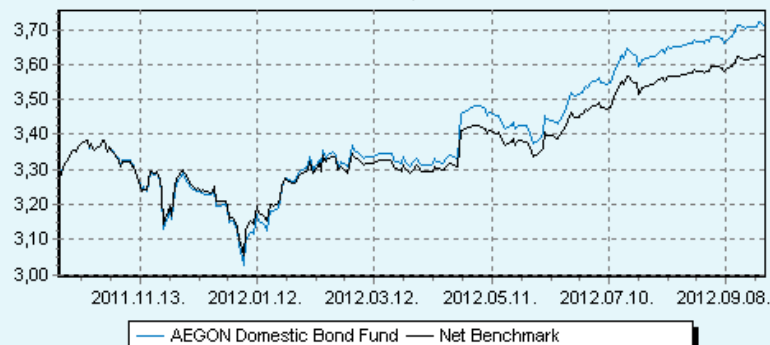
DISTRIBUTORS

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	11.55 %	0.46 %	6.34 %	11.72 %	2.47 %	4.56 %
Net benchmark	8.85 %	0.02 %	4.70 %	13.57 %	0.96 %	4.41 %

NET PERFORMANCE OF THE FUND

NET ASSET VALUE PER SHARE, 2011.10.01 - 2012.09.30

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:

Risk markets reacted very positively to the ECB's open-ended commitment to buy eurozone government debt in potentially unlimited volumes. Market sentiment gained additional boost after the announcement of the Fed on QE3. With tail risks mitigated by central bank policies to a great extent, the general environment was highly supportive of emerging market assets, including the Hungarian markets. These drivers, coupled with the EURHUF interest rate differential rising to a 3-year high stabilised the HUF at relatively strong levels, dragging also yields on local bonds lower. The government made little headway in the process of striking a deal with the IMF but the market is ready to give them time for now. The MPC followed up on the August rate cut by delivering another 25bps easing, and so brought the base rate to 6.5%. Given that the executive members of the MPC opposed the move and the statement was seen as short of arguments justifying a cut, many observers detrimental to policy credibility with potential implications for the longer-term.
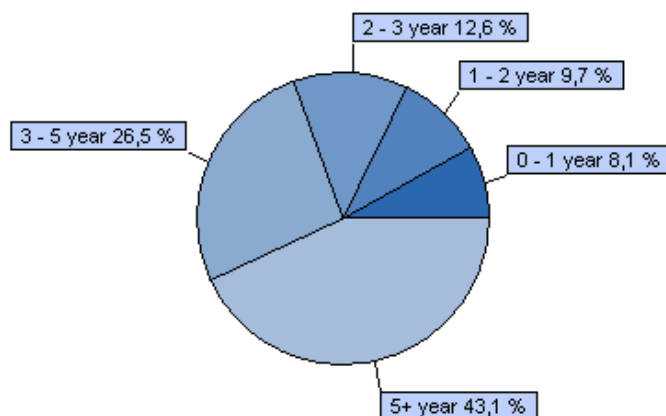
ASSET ALLOCATION OF THE FUND ON 09/30/2012

Asset type	Weight
treasury bonds	84.43 %
T-bills	7.61 %
Corporate bonds	6.82 %
Receivables	1.08 %
Current account	0.28 %
Liabilities	-0.21 %
Repos	0.08 %
Market value of open derivative positions	-0.12 %
total	100,00 %
Derivative products	14.63 %
Net corrected leverage	100.11 %

Assets with over 10% weight
2017B (Államadósság Kezelő Központ Zrt.)
2017A (Államadósság Kezelő Központ Zrt.)
2019A (Államadósság Kezelő Központ Zrt.)

Bondy by tenor:

- 2 - 3 year 12,6 %
- 1 - 2 year 9,7 %
- 3 - 5 year 26,5 %
- 0 - 1 year 8,1 %
- 5+ year 43,1 %

INVESTMENT HORIZON:

Suggested minimum investment period:

☐	■	☐	☐	☐
3 months	1 year	2 years	3 years	5 years

Risc Scale:

☐	☐	■	☐	☐
very low		moderate		high

AEGON : Befektetési Alapkezelő