AEGON EUROEXPRESS

FUND

GENERAL INFORMATION

ISIN code: HU-0000706114
Bloomberg code: AEGEUEX HB Equity
Fund Manager: AEGON Magyarország Befektetési Alapkezelő Zrt.
Custodian: UniCredit Bank Hungary Zrt.
Main distributor: AEGON Magyarország Befektetési Jegy Forgalmazó Zrt.
Distributors: ERSTE Befektetési Zrt.; Raiffeisen Bank Zrt.; BNP Paribas Magyarországi Fióktelepe; Commerzbank Zrt.; Concorde Értékpapír Zrt.
Launch Date of the Fund: 12.12.2007
Currency: EUR
Benchmark: The main rate of the ECB (European Central Bank) on the first trading day of the year.
Net Asset Value (EUR): 1 698 560
Net Asset Value per share: 0.933314

Investment Policy of the Fund:

The AEGON Fund Management Co. created Hungary's first EUR denominated total return fund, the AEGON EuroExpress Fund. The fund acts as "long-only", so it can only take long positions, but it is not allowed to take uncovered short positions to profit from the dropping prices. We launched this fund because a lot of our clients pointed out, that they don't feel experienced enough in the field of investment, so it is pretty hard for them to decide in which fund they should invest into. The constantly changing market situation generates also a big dilemma for the investors: when and how should they reallocate their portfolio? The AEGON EuroExpress Fund easies these needs, and takes the responsibility for taking the right investment decision for those private investors who can get familiar with low/moderate risk, and who are not too risk-averse. According to the opinion of the fund manager, our Fund is allowed to invest into any kind of Hungarian/International bond or equity and it can invest into currencies as well. The fund manager's financial leeway is very wide – certainly by paying maximal attention to the compliance with the law. The aim of the fund is to provide its investors with a good yield at low/moderate volatility. In other words: the Fund targets a high Sharpe-rate. The Funds benchmark is the main rate of the ECB (European Central Bank), which was effective on the first trading day of the year. The fund manager is allowed to hedge entirely, or partly the foreign exchange risk by using currency futures.

Investment horizon:

Suggested minimum investment period

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

Risc Scale

☐	☐	■	☐	☐
very low		moderate		high

Market Summary:

In September the stock rally continued, the MSCI World Index surged 4.02% in US Dollars.
In HUF the gain is smaller since the Hungarian currency was able to strengthen ca. 1.25% against the Euro. The best performing markets continue to be the riskier ones, which also show bigger growth or improving tendencies, like the BRIC countries, the BUX and junk-bonds. October is generally a month of bad news, past months' momentum will probably not be able to last until the end of the year and a correction – if just a small one – might occur in the near future. The source of risk is, for one part, fundamental, since stocks could be overbought and prices reflect the prospect of a significant recovery and economic expansion (ca. 4% GDP growth). If this does not happen, or if its structure is not focused enough on consumption (not sustainable), a broad disillusionment might be triggered. The other source could be macro. We consider unemployment and the housing market as a primary hazard. The (consistently) high rate of unemployment weighs on consumption, while the tax incentive, which supports residential real estate and is given to US citizens, who buy their first home, runs out at the end of November. The Fund has a pro-active approach for investment planning and tries to focus on the upcoming year in the last Q of 2009, since a bigger revision of the portfolio will take place. The benchmark of 2010 will be most probably 1%, which is although not as high, but won't be easy to beat significantly. The highest yearly return (1.75%) for instance has the Irish government bond in the 2 years category, while the Polish government EUR debt papers make only 2.37% until their maturity. Bonds of a stable companies could make only 1% more on that duration. To achieve higher return, bigger risk has to be taken: longer gilt-edged securities, corporate bonds (firms with higher debt ratio), shares could be part of the portfolio. We underline that, this is a global phenomenon, each investor are concerned, even though not necessarily directly. The Fund as having medium risk, will find a healthy balance between the risk and return. Due to the difficult situation on the (longer) government debt security market, we might take positions on other markets, investing into shares of defensive companies with high dividends, or into longer bonds typically on the 3-5 years time horizon.

The asset allocation of the Fund, 30.09.2009

Hungarian Government Bonds	9.01%
Hungarian T-bills	34.17%
Corporate Bonds	45.70%
Current account	5.19%
Government paper repo	0.00%
Deposit	0.00%
Equities	0.00%
Other Assets	5.94%
Total investment assets	100.00%
Net corrected leverage	14.12%
Derivative products	5.70%

NET Yield Performance of the Fund:

Time horizon	12 months*	2008 year
Net return of the Fund*	–4.28%	–16.05%
Benchmark performance**	0.48%	2.00%

* It shows the net performance of the fund until 30/09/09
The Fund was launched on 12/12/07
** The net return of the benchmark index.

THE NET PERFORMANCE OF THE FUND BASED ON THE NET ASSET VALUE PER SHARE