

# 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.  
**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):** 1 746 176  
**Net Asset Value per share:** 0,954250

## DISTRIBUTORS

AEGON Magyarország Befektetési Jegy Forgalmazó Zrt.  
 BNP Paribas Magyarországi Fióktelepe  
 Citibank Europe plc Magyarországi Fióktelepe  
 Codex Értéktár és Értékpapír Zrt.  
 Commerzbank Zrt.  
 Concorde Értékpapír Zrt.  
 ERSTE Befektetési Zrt.  
 OTP Bank Nyrt.  
 Raiffeisen Bank Zrt.  
 UniCredit Bank Hungary Zrt.

## INVESTMENT POLICY OF THE FUND

The AEGON Hungary 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. 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 said that they don't feel experienced enough in the field of investment, so it is difficult for them to decide in which fund they should invest. The constantly changing market situation causes a big dilemma for the investors, bringing to mind questions of when and how they should re-allocate their portfolio. The AEGON EuroExpress Fund resolves these questions and it takes the responsibility for making the right investment decision for private investors, who can handle low/moderate risk and who are not too risk-averse. According to the opinion of the fund manager, our Fund is allowed to invest in any type of Hungarian/International bond or equity as well as in Hungarian/International currencies. The fund manager's financial leeway is very wide, even while paying maximal attention to legal compliance. 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-ratio. The Fund's benchmark is the base rate of the ECB (European Central Bank) which is effective on the first trading day of the year. The fund manager is allowed to hedge the foreign exchange risk entirely or partly by using currency futures. The Fund offers an excellent opportunity for investors who wish to invest on a euro basis, and would like to achieve much higher returns than the euro denominated bank deposits can offer, while the level of risk is moderately low.

## 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 31. 10. 2010.

Hungarian Government Bonds	28,72%
Hungarian T-bills	0,00%
Corporate Bonds	48,94%
Current account	6,34%
Government paper repo	0,00%
Deposit	0,00%
Equities	6,61%
Other Assets	9,39%
Total investment assets	100,00%
Net corrected leverage	19,36%
Derivative products	0,00%

## MARKET SUMMARY

Bond market had mixed performance in October. Expectations about the Fed's monetary easing shaped the market. The prospective liquidity enhancements had a positive impact on the prices of risky assets (the spreads narrowed), but as inflationary expectations increased, yields of government bonds in developed markets have also risen, so the price of corporate bonds were generally not able to increase significantly. The major stock market closed a good month. Hungarian assets in the portfolio moved in the opposite direction. The government is committed to next year's budget deficit (below 3%), which increased the price of euro-based bonds of the Fund via the country-specific spreads, which declined from 40 to 60. However the surcharges levied on the domestic stock market had negative effect. That is why we have cut our Hungarian equity exposure. The portfolio generated 0,71% yield in October.

## NET YIELD PERFORMANCE OF THE FUND:

Time horizon	12 months*	2009 year	2008 year
Net return of the Fund*	2,07%	10,85%	-16,05%
Benchmark performance**	-1,26%	2,50%	2,00%

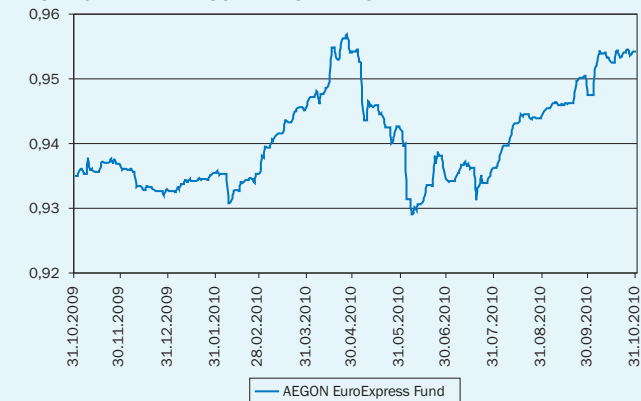
\* It shows the net performance of the fund until 31/10/10

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



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.