

AEGON ISTANBULL

EQUITY FUND

GENERAL INFORMATION

ISIN code: HU-0000707419
Bloomberg code: AEGISEQ HB Equity
Fund Manager: AEGON Magyarország Befektetési Alapkezelő Zrt.
Custodian: Citibank Europe plc Magyarországi Fióktelepe
Main distributor: AEGON Magyarország Befektetési Jegy Forgalmazó Zrt.
Distributors: ERSTE Befektetési Zrt.; Raiffeisen Bank Zrt.; Commerzbank Zrt.; Concorde Értékpapír Zrt.; UniCredit Bank Hungary Zrt.
Launch Date of the Fund: 04/12/2008
Currency: HUF
Benchmark: 90% TR20I Index + 10% ZMAX Index
Net Asset Value (HUF): 1 302 289 530
Net Asset Value per share: 1.856436

Investment Policy of the Fund:

The AEGON Istanbul Equity Fund primarily targets the stock exchange-traded shares of companies that maintain an active presence in Turkey, or generate a substantial proportion of their revenues in the Turkish market. The Fund predominantly invests in equities, but its portfolio also contains Hungarian bonds and discount treasury bills, currencies and money-market products, to ensure the Fund's liquidity. The equity investments are usually denominated in foreign currency; however the fund may hedge some or all of the currency risk arising from these liabilities by concluding forward or option transactions. Although the Turkish market promises a high potential return, the value of investments may display a marked degree of fluctuation in the short term, and therefore it is advisable to treat the Fund as a long-term investment. The Fund Management primarily bases its investment decisions on its own fundamental analyses, but it also makes use of the information and analyses provided by other investment service providers, banks and independent research companies, in the interests of reducing risks and maximising returns. The fund's benchmark: 90% TR20I Index + 10% ZMAX Index.

Investment horizon:

Suggested minimum investment period



3 months



1 year



2 years



3 years



5 years

Risk Scale



very low



moderate



high

Market Summary:

The MSCI AC World Index was up 2.0% in December and 31.5% for the calendar year 2009. Emerging Markets (+3.8%) not only led market performance for the month but also for the calendar year 2009 (Emerging markets 74.5%). Turkish equities were among the best performers climbing 92% in 2009 (+16.4% in December), since the fire sale of the investors and the rapid decline of the Turkish economy created heavily oversold market conditions, which provided solid entry levels for investors with a long term investment

The asset allocation of the Fund, 31.12.2009

International Equities	94.25%
T-bills	2.35%
Hungarian Government Bonds	0.00%
Government paper repo	3.10%
Current account	0.02%
Other assets	0.29%
Total investment assets	100.00%
Derivative products	0.00%
Net corrected leverage	94.49%

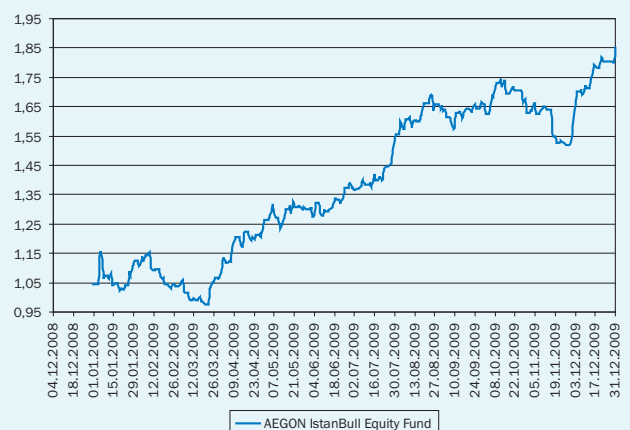
horizon. The economic recovery in Turkey has been very impressive due to the extensive global stimulus packages and healthy Turkish banking system, which avoided any subprime exposure. The fund benefited from a benchmark change (was effective from mid November, when the neutral equity level was raised to 90%) and an overweight position was held during the last month of the year. Our short-term outlook is constructive given this decade begins with policy makers implicitly targeting asset price reflation, equities underowned by retail, pension funds & hedge funds, corporate balance sheets in excellent shape and fixed income markets on the back-foot: all very equity-positive. All in all, January should see a risk rally caused by lack of issuance, new year fund inflows (one of the cheapest market is Turkey), a sell-off in fixed income, and expectations of a new year rally.

NET Yield Performance of the Fund:

Time horizon	12 months	From the Start
Net return of the Fund*	77.63%	77.63%
Benchmark performance**	75.28%	75.28%

* It shows the net performance of the fund until 31/12/09
 The Fund was launched on 04/12/08
 ** 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.