

# 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.; OTP Bank Nyrt.**Launch Date of the Fund:** 04/12/2008**Currency:** HUF**Benchmark:** 90% TR20I Index + 10% ZMAX Index**Net Asset Value (HUF):** 2 472 614 886**Net Asset Value per share:** 2.321074

## The asset allocation of the Fund, 31.07.2010

International Equities	89.10%
T-bills	6.40%
Hungarian Government Bonds	0.00%
Government paper repo	3.22%
Current account	0.33%
Other assets	0.95%
Total investment assets	100.00%
Derivative products	0.00%
Net corrected leverage	89.86%

## 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:

Developed market equities rallied 8%, while Emerging and Asian equities rebounded sharply in July, rising 8% and 7% respectively in the month in USD terms, but the Fund suffered from the stronger HUF cross rates, which decreased the gain of the underlying assets. Eq-

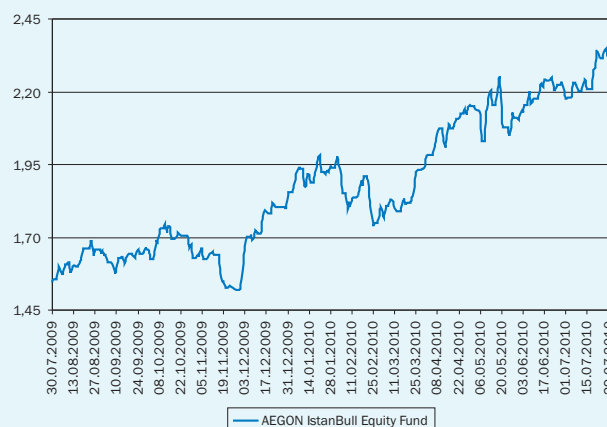
uity markets benefited from better-than-expected economic data from Europe and hopes of a shift in Chinese policy. Disappointing US economic data were offset by strong quarterly corporate earnings. Macro drivers of EM equities assisted performance: oil prices ticked up 4%, commodities rose 6%, the US dollar fell 5% and EMBI spreads tightened 50 bps. Turkish equities - gaining 9.32% in TRY (7.2% in HUF) - were benefiting from higher risk appetite once again. The Fund had an overweight exposure in financial stocks based on low relative valuation, high loan growth and strong momentum, but now it is trying to invest in smaller companies having strong EPS growth, low valuation.

## NET Yield Performance of the Fund:

Time horizon	12 months	2009 year
Net return of the Fund*	49.12%	77.63%
Benchmark performance**	48.15%	75.28%

\* It shows the net performance of the fund until 31/07/10  
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.