

AEGON CENTRAL EUROPEAN

BOND FUND

GENERAL INFORMATION

ISIN code: HU-0000705256
Bloomberg code: AEGEMMA HB Equity
Fund Manager: AEGON Magyarország Befektetési Alapkezelő Zrt.
Custodian: UniCredit Bank Hungary Zrt.
Main distributor: AEGON Magyarország Befektetési Jegy Forgalmazó Zrt.
Distributors: CIB Bank Zrt.; Codex Értéktár és Értékpapír Zrt.; Equilor Befektetési Zrt.; ERSTE Befektetési Zrt.; UniCredit Bank Hungary Zrt.; Raiffeisen Bank Zrt.; Magyar Takarékszövetkezeti Bank Zrt.; BNP Paribas Magyarországi Fióktelepe; Commerzbank Zrt.; Concorde Értékpapír Zrt.
Launch Date of the Fund: 11.05.2007
Currency: HUF
Benchmark: 50% EFFAS Poland Liquid All > 1YR Index + 30% EFFAS Hungary Liquid All > 1YR Index + 20% EFFAS Czech Republic Liquid All > 1 YR Index
Net Asset Value (HUF): 375 556 720
Net Asset Value per share: 1.038191

The asset allocation of the Fund, 28.02.2010

Hungarian T-bills	0.00%
Hungarian Government Bonds	21.83%
International Bonds	78.33%
Government paper repo	0.00%
Current account	0.57%
Other assets	-0.01%
Total investment assets	100.00%
Net corrected leverage	46.20%
Derivative products	7.21%

low yields. Many market practioner's have expected worsening conditions on the bond markets at the emerging so at the developed region, as the high level of public debts could have increased the pressure in supply. Our country was exception from this, at the outset. The increasing demand of foreign investor has overcame this problem in Poland, that is why this factor did not let to feel it's influence. Although the Checz market lagged behind in January, but it rebounded in February, because the investors believe, that the Checz emission will mainly focus on foreign exchange denominated securities. Raise of base rates does not seem to be a threat in case of the "Visegrad" countries in this year any more. Although our Greek bond exposure generated profit on coupons, profit on prices could not be achieved, because the end of the Greek crisis can not be predicted. We expect early resolution of the situation and foresee bright future for the regional bond markets on the short term, as the base rates could remain low and market tension might start easing.

Investment Policy of the Fund:

The AEGON Hungary Fund Management Co. launched the AEGON Central-European Bond Fund, so that potential investors could profit from those countries' bond markets which offer high-yields. Although these countries are developing ones, their macroeconomic background is stable and they are on a growth path. The anticipatory yield of the Fund is higher than the yield of a domestic bond fund, but the risk is also a bit bigger. A high yield, or "junk bond" is a bond issued by a country or a company that is considered to have higher credit risks. The credit rating of a high yield bond is considered "speculative grade", or below "investment grade". This means that the chance of default with high yield bonds is higher than for other bonds. Their higher credit risk means that "junk bond" yields are higher than bonds of better credit quality. Studies have demonstrated that portfolios of high yield bonds have higher returns than other bond portfolios, suggesting that the higher yields more than compensate for their additional default risk. The investment possibilities of the Fund are very wide, so the portfolio manager has a widespread financial leeway to build up an optimal portfolio. We target the utmost yield by taking the lowest risk. By taking investment decisions we use fundamental and technical analysis, and we certainly keep an eye on the market sentiment. Our investment decisions are supported by a special investment-planning model, which contains important macroeconomical data and indicators, like the anticipated level of inflation in these countries, their GDP growth, their credit ratings and so on. The portfolio manager generates a so-called risk – yield map, by focusing on the anticipated macroeconomic environment, the anticipated yield curve, and the above-mentioned model. Ultimately, the map demonstrates which risk-yield pairs are considered to be safe and offer relatively high yields at the same time.

Investment horizon:

Suggested minimum investment period



3 months



1 year



2 years



3 years



5 years

Risc Scale



very low



moderate



high

Market Summary:

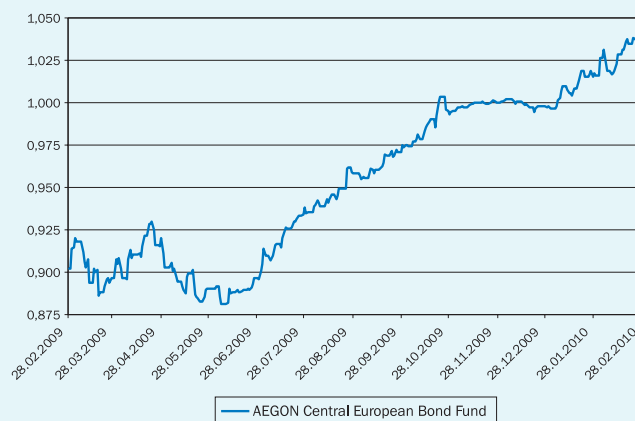
The Central-Eastern European bond markets showed stable and good performance in February despite of the already worldwide

NET Yield Performance of the Fund:

Time horizon	12 months*	2009 year	2008 year
Net return of the Fund*	15.07%	16.47%	-16.10%
Benchmark performance**	7.25%	26.35%	-3.70%

* It shows the net performance of the fund until 28/02/10
 The Fund was launched on 11/05/07
 ** 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.