

AEGON CENTRAL EUROPEAN

EQUITY FUND

GENERAL INFORMATION

ISIN code: HU-0000702501
Bloomberg code: AEGDEIN HB Equity
ISIN code (B series): HU-0000705926
Bloomberg code (B series): AEGDEIB HB Equity
Fund Manager: AEGON Magyarország Befektetési Alapkezelő Zrt.
Custodian: Citibank Europe plc Magyarországi fióktelepe
Main distributor: AEGON Magyarország Befektetési Jegy Forgalmazó Zrt.
Distributors: CIB Bank Zrt.; Citibank Europe plc Magyarországi Fióktelepe; 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: 16.03.1998
Currency: HUF
Launch Date of the B series: 26.10.2007
Currency: EUR
Benchmark: 80% CETOP 20 + 20% ZMAX
Net Asset Value (HUF): 4 698 979 485
Net Asset Value per share: 3.278232
Net Asset Value of the B series (EUR): 145 138.28
Net Asset Value per share: 3.088377

Investment Policy of the Fund:

The primary aspect by forming the composition of the fund is to optimise the aggregate exposure of the securities. Besides keeping and eye on the macro economical background, the fund manager uses fundamental analyses to build a well-balanced long-term equity investment portfolio. The fund manager applies widespread diversification to minimize the risk of the portfolio, and periodically also uses derivative instruments to hedge. The AEGON Domestic Equity Fund changed its name at the end of December 2006 to AEGON Central European Equity Fund. The fund uses the new investment policy form 8 January 2007. From 1998 to 2006 the Fund invested only in Hungarian stocks, and from 2007 it started investing in CEE stocks. The reason of the change was the falling number of liquid Hungarian stocks due mergers and delistings. Investing in CEE stock also lowers the risk of the portfolio. After managing one of the best performing domestic equity fund, we hope that we will reach similar outstanding performance in the future by investing in the CEE market. Certainly the fund changed its benchmark also from 80% RAX + 20% RMAX to 80% CETOP20 + 20% ZMAX.

Investment horizon:

Suggested minimum investment period



Risc Scale



Market Summary:

The MSCI AC World Index rallied 8.7% in July and is now up 16.9% YTD and 54.1% from the March lows. Asia Pac ex-Japan (+12.0%) and Emerging Markets (+10.9%) were the best performing regions in July while Japan (+4.2%) and the USA (+7.4%) lagged. Europe returned +10.4% during the month to slightly outperform the global index. The best performing developed markets during the month were from Europe (Sweden, Netherlands, Spain) and Asia (Singapore, Hong Kong). Within Emerging Markets, the smaller markets performed best (Poland, Indonesia). Of the four BRIC countries only China outperformed: Brazil (+8.4%), Russia (+7.3%), India (+8.6%), and China (+10.8%). In CEE, Polish market (+22.5%) outperformed its peer group (Czech +17.7%, Hungary +12.8%) in HUF terms.

The asset allocation of the Fund, 31.07.2009

Hungarian Equities	23.04%
Hungarian T-bills	8.31%
Hungarian Government Bonds	1.57%
Hungarian Corporate Bonds	0.00%
International Equities	54.48%
Government paper repo	4.11%
Current account	3.92%
Other assets	4.57%
Total investment assets	100.00%
Derivative products	0.00%
Net corrected leverage	78.57%

The gradual thawing of the Hungarian government bond market and the sovereign € 1bn Eurobond issues in July signal that risk aversion towards Hungary is slowly dispersing. In Czech Republic the economic backdrop remains difficult as export growth has fallen sharply and this is unlikely to be offset by domestic demand. The relatively benign Polish macro backdrop supports the banking sector and the combination of off-shore and local buying could push up not only banks but the entire market.

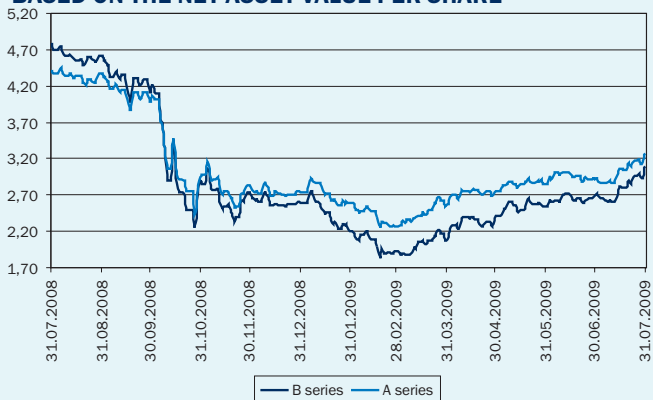
We expect the equity markets of Central Europe to remain closely correlated to the US market and we therefore expect range trading to dominate the CE markets for the next two or three months, investor sentiment towards emerging European markets has improved in recent weeks in-line with global equity sentiment showing sings of euphoria which can be a contrarian indicator at least in short term.

NET Yield Performance of the Fund:

Time Horizon	12 months	2008 year	2007 year	2006 year	2005 year	2004 year
Net Return of the fund ^a HUF	-25.79%	-40.93%	20.99%	28.80%	35.42%	41.14%
Net Return of the fund ^b EUR	-35.61%	-43.48%				
Benchmark performance*	-22.54%	-40.03%	8.80%	20.07%	34.00%	34.50%

^a It shows the net performance of the fund until 31/07/09; The Fund was launched on 16/03/98
^b It shows the net performance of the fund until 31/07/09; The Fund was launched on 26/10/07
 * 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.