

# 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):** 16 761 789 728  
**Net Asset Value per share:** 3.607938  
**Net Asset Value of the B series (EUR):** 351 449,62  
**Net Asset Value per share:** 3.323275

## 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

3 months   
  1 year   
  2 years   
 3 years   
 5 years

Risk Scale

very low   
   
 moderate   
   
 high

## Market Summary:

In October polish equities made the biggest progress, rising 2.5% accounted in EUR, adversely to the Hungarian BUX index which slid -0.62% and the Czech PX index - with bad performance the month earlier - which dropped nearly 6.3%. In the case of the latter, the average daily trading volume retreated significantly, as well, while on the other two bourses it was roughly the same as last month's turnover. Except the PX, each index managed to achieve a new yearly high, although at the end of the month, with the correction on global markets a drop in stock prices coupled high trading vol-

## The asset allocation of the Fund, 31.10.2009

Hungarian Equities	16.18%
Hungarian T-bills	25.95%
Hungarian Government Bonds	0.31%
Hungarian Corporate Bonds	0.00%
International Equities	54.93%
Government paper repo	10.27%
Current account	2.74%
Other assets	-10.37%
Total investment assets	100.00%
Derivative products	0.00%
Net corrected leverage	73.75%

ume occurred. Among the securities of the Fund, the Czech CETV performed worst (-22.75%) after the CEO of the company reported prospects significantly weaker than the analysts' consensus. Securities of the polish copper producer KGHM advanced the most, due to the - once again - increasing copper prices. In the banking sector, polish banks performed best, while in the telecommunications sector TPSA's stocks (9.3%) - behind the market for while - managed to catch up and over-perform competing firms within the sector. If the correction of the end of October is set out to continue, corporate fundamentals might become less significant and once again, focus will shift to global investor sentiment. In this case, the discount on the Czech stocks is to be seen somewhat lower, while the Hungarian and polish markets - both having higher beta values - have dropped lower.

## 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 <sup>a</sup> HUF	21.36%	-40.93%	20.99%	28.80%	35.42%	41.14%
Net Return of the fund <sup>b</sup> EUR	16.28%	-43.48%				
Benchmark performance*	17.24%	-40.03%	8.80%	20.07%	34.00%	34.50%

<sup>a</sup> It shows the net performance of the fund until 31/10/09; The Fund was launched on 16/03/98  
<sup>b</sup> It shows the net performance of the fund until 31/10/09; 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.