

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: 90% CECEXEUR Index + 10% ZMAX Index
Net Asset Value (HUF): 15 370 545 747
Net Asset Value per share: 3.734668
Net Asset Value of the B series (EUR): 293 130.10
Net Asset Value per share: 3.461090

The asset allocation of the Fund, 31.12.2009

Hungarian Government Bonds	0.34%
Hungarian T-bills	2.36%
Hungarian Equities	24.05%
International Equities	68.23%
Current account	3.52%
Government paper repo	2.98%
Other assets	-1.48%
Total investment assets	100.00%
Net corrected leverage	91.66%
Derivative products	0.00%

ber, too – this month's total turnover of USD 330 million was well below previous months' average. The Czech market, sliding down within its narrow range became even cheaper relative to prices on regional bourses. This time, the top performer was the energy sector with PKN's 9% advance and MOL climbing 6%. Smaller Polish banks' stocks closed the month with outstanding gains while electricity suppliers' and telecommunications securities moved just a little. Trading in December was largely driven by re-positioning and profit taking, so January might be exceptionally important for the further progress of prices. The Fund was over-weight in the energy, electricity supplier and pharma-sector, while being under-weight on the total banking sector. The 90% equity proportion supported the Fund's performance, while the CECE Extended index also provided better total returns – due to a favorable small/mid-cap stocks ratio – beating the CETOP index by 40 bps.

Investment Policy of the Fund:

The primary aspect of forming the composition of the fund is to optimize the aggregate exposure of the securities. Besides keeping an eye on the macro economical background, the fund manager uses fundamental analysis 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 applied the new investment policy since 8 January 2007. From 1998 to 2006, the Fund invested only in Hungarian stocks, and from 2007 it started investing in CEE stocks. The change occurred due to the falling number of liquid Hungarian stocks because of mergers and delistings. Investing in CEE stock also lowers the risk of the portfolio. After managing one of the best performing domestic equity funds, 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 90% CECEXEUR Index + 10% ZMAX Index. This amendment allows the Fund to use wider investment horizon both in the regional level and in the individual countries. The Fund has the possibility to make profit from such high potential countries like: Croatia, Romania and Slovenia. At the same time, the broadened investment horizon means better opportunities to diversify the entire portfolio by using midcap shares from the stock markets.

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 the Central-European region domestic equities performed the best this month, with the BUX rising 3.9% compared to the 3% advance of the WIG index. The Czech PX index under-performed in December as well, sliding 0,91% downwards. Trading volume dropped in Decem-

NET Yield Performance of the Fund:

Time Horizon	12 months	2009 year	2008 year	2007 year	2006 year	2005 year
Net Return of the fund ^a HUF	36.42%	36.42%	-40.93%	20.99%	28.80%	35.42%
Net Return of the fund ^b EUR	33.36%	33.36%	-43.48%			
Benchmark performance*	32.95%	32.95%	-40.03%	8.80%	20.07%	34.00%

^a It shows the net performance of the fund until 31/12/09; The Fund was launched on 16/03/98
^b It shows the net performance of the fund until 31/12/09; 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.