

# 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 Magyarország Fióktelepe; Commerzbank Zrt.; Concorde Értékpapír Zrt.; OTP Bank Nyrt.  
**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):** 14 937 231 962  
**Net Asset Value per share:** 3.758663  
**Net Asset Value of the B series (EUR):** 365 183.67  
**Net Asset Value per share:** 3.491707

## The asset allocation of the Fund, 28.02.2010

Hungarian Government Bonds	0.35%
Hungarian T-bills	9.84%
Hungarian Equities	18.69%
International Equities	65.45%
Current account	4.23%
Government paper repo	2.01%
Other assets	-0.57%
Total investment assets	100.00%
Net corrected leverage	88.52%
Derivative products	0.00%

## Market Summary:

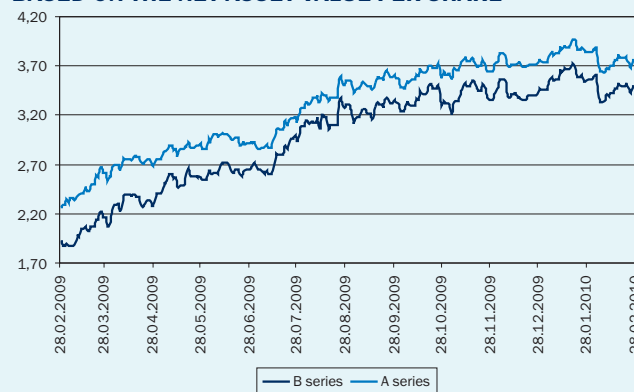
The MSCI AC World Index was up 1.1% in February. Last month USA (2.8%) outperformed the world, while Europe (-2.2%) and Emerging Markets (0.3%) underperformed, Japan (1.1%) and Asia Pacific (1.0%) were in line with the index. In CEE, following solid start of the year in January, equity markets gave up part of previous gains and erased 2.8% in February. In HUF terms, Hungarian equities declined (-2.6%) slightly but outperformed other regional markets with 2.8% and 3.2% loss for Prague and Warsaw respectively. Losses on CEE markets were triggered primarily by rising concerns over sovereign credit risk linked to Greek public finance struggles. Our current cautious investment view is expressed by the neutral, slightly underweight equity position compared to the benchmark level.

## 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 <sup>a</sup> HUF	65.52%	36.42%	-40.93%	20.99%	28.80%	35.42%
Net Return of the fund <sup>b</sup> EUR	81.66%	33.36%	-43.48%			
Benchmark performance*	66.16%	32.95%	-40.03%	8.80%	20.07%	34.00%

<sup>a</sup> It shows the net performance of the fund until 28/02/10; The Fund was launched on 16/03/98  
<sup>b</sup> It shows the net performance of the fund until 28/02/10; 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.

## 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 macroeconomic 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

Risk Scale

very low   
   
 moderate   
   
 high