

# 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.; 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):** 14 393 947 947  
**Net Asset Value per share:** 4.238697  
**Net Asset Value of the B series (EUR):** 1 379 407.96  
**Net Asset Value per share:** 3.836271

## The asset allocation of the Fund, 30.09.2010

Hungarian Government Bonds	0.49%
Hungarian T-bills	0.00%
Hungarian Equities	18.45%
International Equities	70.89%
Current account	5.74%
Government paper repo	0.00%
Other assets	4.43%
Total investment assets	100.00%
Net corrected leverage	92.23%
Derivative products	0.00%

best, rising by 4.5%, while the Czech market was the laggard, with a performance of -2%. The Polish market was essentially driven by good performance from the banks; PKO, and, thanks to the acquisition announcement, BZW, significantly outperformed their sector peers, while the price of OTP, still very cheap compared to these other banks, also rose, after nearly a month of flat performance. Among the Hungarian stocks, small caps were the main drivers this time, with RFV gaining 40% and Pannergy nearly 25%, while Rába rose more than 10%. The fund's outperformance extended further over the last month, partly due to the excellent performance of its strategic investments, and partly due to the exploiting of the relative mispricings in the sector.

## Investment Policy of the Fund:

The Fund invests in equities issued by corporations of the Central-and-Eastern European region (primarily Hungary, Poland, The Czech Republic, Slovakia, secondly Lithuania, Estonia, Latvia, former Yugoslavian Republics, Romania, Bulgaria, Albania, Ukraine). The primary aspect in forming the Fund's portfolio is to optimize aggregate exposure of the securities. To minimize risk the fund manager selects the securities to be included in the portfolio with utmost care. Analyses concerning the securities' risk criteria are carried out and decisions are underpinned by thorough calculations. During the selection the liquidity of a given security plays an important role. The fund manager applies widespread diversification to handle the risk each security implies (in the given equity markets risk is further diversified by expanding mid-cap exposure) and periodically uses derivatives for hedging to further minimize risk. To ensure the accurate level of liquidity the Fund intends to hold Hungarian Government securities issued by the Hungarian Public Debt Management Agency and distributed within the framework of the primary government security distribution system. However, according to legal regulation the proportion of equities within the portfolio may be as high as 100%. The Fund's benchmark consist of 90% CECEXEUR Index + 10% ZMAX Index.

## Investment horizon:

Suggested minimum investment period



3 months



1 year



2 years



3 years



5 years

Risk Scale



very low



moderate



high

## Market Summary:

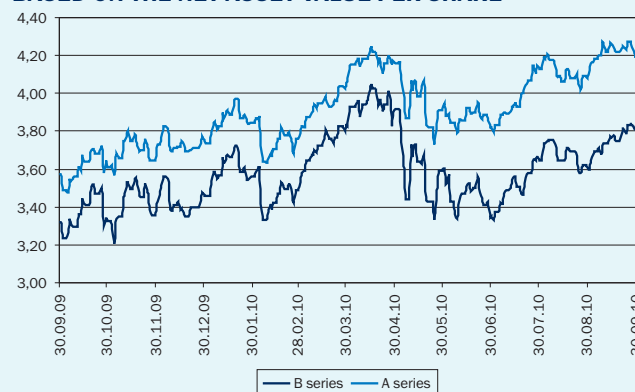
The global equity markets rose substantially in September, largely on the back of the Fed's announcement that more quantitative easing would be necessary, which - similarly to the measures implemented so far - could further stoke the share markets. Of the markets of the region, the Polish stock market performed the

## 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	18.40%	36.42%	-40.93%	20.99%	28.80%	35.42%
Net Return of the fund <sup>b</sup> EUR	15.43%	33.36%	-43.48%			
Benchmark performance*	13.52%	32.95%	-40.03%	8.80%	20.07%	34.00%

<sup>a</sup> It shows the net performance of the fund until 30/09/10; The Fund was launched on 16/03/98  
<sup>b</sup> It shows the net performance of the fund until 30/09/10; 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.