

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
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): 14 085 721 834
Net Asset Value per share: 4,240879
Net Asset Value of the B series (EUR): 1 263 514,62
Net Asset Value per share: 3,889293

DISTRIBUTORS

	A SERIES	B SERIES
AEGON Magyarország Befektetési Jegy Forgalmazó Zrt.	✓	✓
BNP Paribas Magyarországi Fióktelepe	✓	
CIB Bank Zrt.	✓	
Citibank Europe plc Magyarországi Fióktelepe	✓	✓
Codex Értéktár és Értékpapír Zrt.	✓	✓
Commerzbank Zrt.	✓	
Concorde Értékpapír Zrt.	✓	✓
Equilor Befektetési Zrt.	✓	
ERSTE Befektetési Zrt.	✓	
OTP Bank Nyrt.	✓	✓
Raiffeisen Bank Zrt.	✓	✓
Magyar Takarékszövetkezeti Bank Zrt.	✓	
UniCredit Bank Hungary Zrt.	✓	

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

Risc Scale



very low



moderate



high

THE ASSET ALLOCATION OF THE FUND

31. 10. 2010.

Hungarian Government Bonds	1,63%
Hungarian T-bills	0,00%
Hungarian Equities	17,34%
International Equities	80,08%
Current account	0,83%
Government paper repo	0,13%
Other assets	-0,01%
Total investment assets	100,00%
Net corrected leverage	97,97%
Derivative products	0,00%

MARKET SUMMARY

After equities have broken out from their trading range, they continued to gain, thanks to the liquidity enhancement of FED in October. Risky investments performed well, inflationary pressure increased, which can be easily seen on gaining commodity prices, over performing developed regions, and on yield increase of longer developed bonds. The best performer (2%) was the Czech market in the region after lagging behind in the past, while the domestic market underperformed (-0,4), although this has been compensated by appreciating HUF. Banking sector has strengthened stragglers like the Polish BRE or the range traded OTP closed the month with a gain of 10%. Next to the banking sector, the commodity sector was also able to close the month in the positive territory, while the oil sector has stagnated. MTEL provided the worst performance among the telecom companies in October, as the severe extra taxes has negative effect on the dividend policy. Next to FED measurements, regional readings might have major influence on the markets and the quarterly reporting period will also start soon.

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	17,54%	36,42%	-40,93%	20,99%	28,80%	35,42%
Net return of the Fund ^b EUR	17,03%	33,36%	-43,48%	-	-	-
Benchmark performance*	13,02%	32,95%	-40,03%	8,80%	20,07%	34,00%

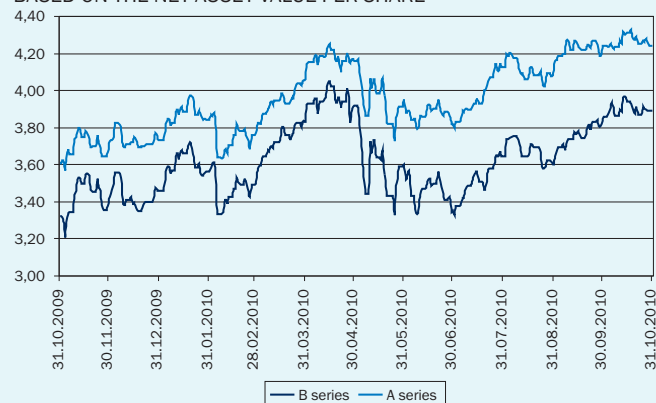
^a It shows the net performance of the fund until 31/10/10
The Fund was launched on 16/03/98

^b It shows the net performance of the fund until 31/10/10
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.