

AEGON RUSSIA

EQUITY FUND

GENERAL INFORMATION

ISIN code: HU-0000707401

Bloomberg code: AEGRUEQ HB Equity

Fund Manager: AEGON Magyarország Befektetési Alapkezelő Zrt.

Custodian: UniCredit Bank Hungary Zrt.

Main distributor: AEGON Magyarország Befektetési Jegy Forgalmazó Zrt.

Distributors: ERSTE Befektetési Zrt.; Raiffeisen Bank Zrt.; Commerzbank Zrt.; Concorde Értékpapír Zrt.; UniCredit Bank Hungary Zrt.; OTP Bank Nyrt.

Launch Date of the Fund: 04.12.2008

Currency: HUF

Benchmark: 90% RXEUR Index (calculated in HUF) + 10% ZMAX Index

Net Asset Value (HUF): 9 113 211 521

Net Asset Value per share: 1.960676

The asset allocation of the Fund, 31.05.2010

International Equities	91.93%
T-bills	4.36%
Hungarian Government Bonds	0.00%
Government paper repo	3.41%
Current account	0.35%
Other assets	-0.05%
Total investment assets	100.00%
Derivative products	3.87%
Net corrected leverage	98.40%

too. From \$86 the oil went back under 70 dollars at the beginning of the month, subsequently it rose back to \$74 at the end of the month. Risk appetite declined as the surge in Russian CDS spreads clearly showed (from 145 to 217), which is unprecedented since October last year. Russian dedicated funds suffered substantial capital outflow, hence the fund's asset decreased to \$9.78 billion USD. The result of the price correction is that the Russian equities have become once again a very cheap. The forward P/E dropped to 6.6, which represents 42% discount to the average for emerging markets, compared with the 30% at beginning of the year. The current levels might be an attractive entry point this volatile market, however the cheap cyclical sectors remains a major risk.

Investment Policy of the Fund:

The AEGON Russia Equity Fund primarily targets the stock exchange-traded shares of companies that maintain an active presence in Russia or the other CIS states, or which generate a substantial proportion of their revenues in these countries. The Fund predominantly invests in equities, but its portfolio also contains Hungarian bonds and discount treasury bills, currencies and money-market products, to ensure the Fund's liquidity. The equity investments are usually denominated in foreign currency; however the fund may hedge some or all of the currency risk arising from these liabilities by concluding forward or option transactions. Although the Russian and CIS market promises a high potential return, the value of investments may display a marked degree of fluctuation in the short term, and therefore it is advisable to treat the Fund as a long-term investment. The Fund Management primarily bases its investment decisions on its own fundamental analyses, but it also makes use of the information and analyses provided by other investment service providers, banks and independent research companies, in the interests of reducing risks and maximising returns. The Fund's benchmark: 90% RXEUR 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

Market Summary:

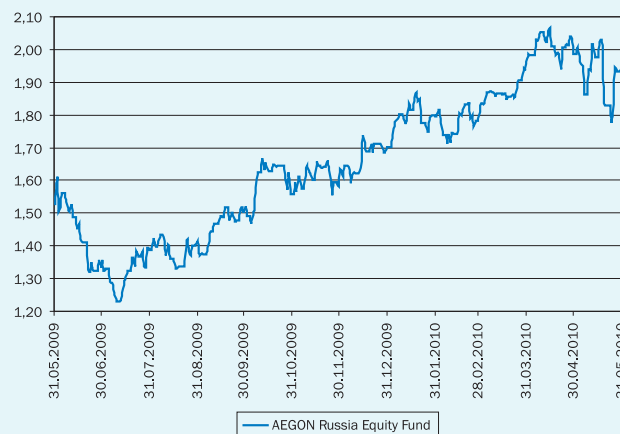
There was a sharp correction on the Russian stock market in parallel with the global stock markets and Russian indices fell by 11.50% in dollar. The euro weakened significantly as the effects of European sovereign crisis repercussion and the price of crude oil became very volatile

NET Yield Performance of the Fund:

Time horizon	12 months	2009 year
Net return of the Fund*	28.37%	78.23%
Benchmark performance**	38.20%	100.30%

* It shows the net performance of the fund until 31/05/10
The Fund was launched on 04/12/08
** 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.