

# AEGON ASIA

EQUITY FUND OF FUNDS

## GENERAL INFORMATION

**ISIN code:** HU-0000705272**ISIN code (B series):** HU-0000705934**Fund Manager:** AEGON Magyarország Befektetési Alapkezelő Zrt.**Custodian:** UniCredit Bank Hungary Zrt.**Main distributor:** AEGON Magyarország Befektetési Jegy Forgalmazó Zrt.**Distributors:** CIB Bank Zrt.; 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:** 11.05.2007**Currency:** HUF**Launch Date of the B series:** 29.10.2007**Currency:** EUR**Benchmark:** 100% MSCI Far East Index**Net Asset Value (HUF):** 1 947 607 124**Net Asset Value per share:** 0.704647**Net Asset Value of the B series (EUR):** 38515.030000**Net Asset Value per share:** 0.677389

## Investment Policy of the Fund:

We launched the Aegon Asia Equity Fund of Funds in order that our customers could profit from the Asian growth. The persistent profit growth of the Asian companies, the regions richness in liquidity and the appreciation of the Asian currencies are the key to the strong economical growth of the region, a growth that will probably be much more higher in the coming years than the European or American one. According to our opinion the long-term structural development secures the sustainable above average growth. Dissimilar to the previous economics cycles the region is less vulnerable because of its big foreign-exchange holdings and low indebtedness. The developing internal demand and the high liquidity could compensate a potential slowdown in the American economy. Most of the Asian equities offer a high dividend yield and the evaluation level of the firms is low compared with other regions. Certainly it is important to invest in such markets that have adequate evaluation levels. Our investment decisions are supported by a special investment-planning model, which is filled up with all the important macro economical indicators and the evaluation indicators of the companies. The MSCI Far East Index is the benchmark index of the fund. The fund's main goal is to over perform its benchmark by minimum 2%.

## Investment horizon:

Suggested minimum investment period



3 months



1 year



2 years



3 years



5 years

Risk Scale



very low



moderate



high

## Market Summary:

Asian equity markets' movement were pretty horrific year-to-date (NIKKEI -24%, Hang-Seng -38%, KOSPI -53%, Shanghai -58%, all in HUF, total return) and finally October has confirmed its reputation as one of the most punishing months for equity investors as well, with stocks suffering their worst monthly losses in 21 years in the US and their weakest ever in Japan. As the worst crisis since the 1930s forced co-ordinated central bank interest rate cuts and government

## The asset allocation of the Fund, 31.10.2008

Government paper repo	0.00%
International Equities	89.64%
Current account	3.57%
T-bills	0.00%
Other assets	6.79%
Total investment assets	100.00%
Net corrected leverage	89.64%
Derivative products	0.00%

backing for banks in many countries, the only haven for investors has been short-dated U.S. government bonds and cash. The euro's monthly performance against both the dollar and the yen was the weakest since the currency was created in 1999. Oil prices, meanwhile, suffered their worst monthly loss yet, as did most other commodities and low-rated US and European corporate bonds. Stocks and bonds in emerging markets such as Brazil, Russia, India and China came close to posting a record monthly loss in October, dashing hopes that such economies would avoid the global downturn. So recession will be with us until well into 2009, but the market is doing its best to discount much of the pain to come in our view. In terms of valuation the markets look very cheap, but in order to avoid value trap we use normalized earnings, which tell us today's trailing PE are back at early 1980 levels so we still think that the current turbulent market can provide good entry levels for long term investors that is way we intend to keep the current high level of equity position of the fund.

## NET Yield Performance of the Fund:

Time horizon	12 months*
Net return of the Fund <sup>a</sup> HUF	-40.47%
Net return of the Fund <sup>b</sup> EUR	-43.00%
Benchmark performance*	-42.85%

<sup>a</sup> It shows the net performance of the fund until 31/10/08  
The Fund was launched on 11/05/07

<sup>b</sup> It shows the net performance of the fund until 31/10/08  
The Fund was launched on 29/10/07

\* 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.