

# AEGON EUROEXPRESS

FUND

## GENERAL INFORMATION

**ISIN code:** HU-0000706114

**Fund Manager:** AEGON Magyarország Befektetési Alapkezelő Zrt.

**Custodian:** UniCredit Bank Hungary Zrt.

**Main distributor:** AEGON Magyarország Befektetési Jegy Forgalmazó Zrt.

**Distributors:** Raiffeisen Bank Zrt.; BNP Paribas Magyarországi Fióktelepe; Commerzbank Zrt.; Concorde Értékpapír Zrt.

**Launch Date of the Fund:** 12.12.2007

**Currency:** EUR

**Benchmark:** The main rate of the ECB (European Central Bank) on the first trading day of the year.

**Net Asset Value (EUR):** 1 807 566

**Net Asset Value per share:** 0.872722

## The asset allocation of the Fund, 31.10.2008

Hungarian Government Bonds	18.81%
Hungarian T-bills	0.00%
Corporate Bonds	20.63%
Current account	31.60%
Government paper repo	0.00%
Deposit	0.00%
Equities	24.01%
Other Assets	4.96%
Total investment assets	100.00%
Net corrected leverage	30.02%
Derivative products	16.55%

## Investment Policy of the Fund:

The AEGON Fund Management Co. created Hungary's first EUR denominated total return fund, the AEGON EuroExpress Fund. The fund acts as "long-only", so it can only take long positions, but it is not allowed to take uncovered short positions to profit from the dropping prices. We launched this fund because a lot of our clients pointed out, that they don't feel experienced enough in the field of investment, so it is pretty hard for them to decide in which fund they should invest into. The constantly changing market situation generates also a big dilemma for the investors: when and how should they reallocate their portfolio? The AEGON EuroExpress Fund eases these needs, and takes the responsibility for taking the right investment decision for those private investors who can get familiar with low/moderate risk, and who are not too risk-averse. According to the opinion of the fund manager, our Fund is allowed to invest into any kind of Hungarian/International bond or equity and it can invest into currencies as well. The fund manager's financial leeway is very wide - certainly by paying maximal attention to the compliance with the law. The aim of the fund is to provide its investors with a good yield at low/moderate volatility. In other words: the Fund targets a high Sharpe-rate. The Funds benchmark is the main rate of the ECB (European Central Bank), which was effective on the first trading day of the year. The fund manager is allowed to hedge entirely, or partly the foreign exchange risk by using currency futures.

## 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 collapse which had started in September continued in the recent month. We saw real panic all over the place: equities, corporate bonds, credit spreads or oil - investors have been fleeing all risky asset classes. No hesitation. (By the way the significant part of the Hungarian speculators have been wiped out.) In the equity market the consolidation - still taking place - has brought significant volatility and high volume. It is risky to put on pa-

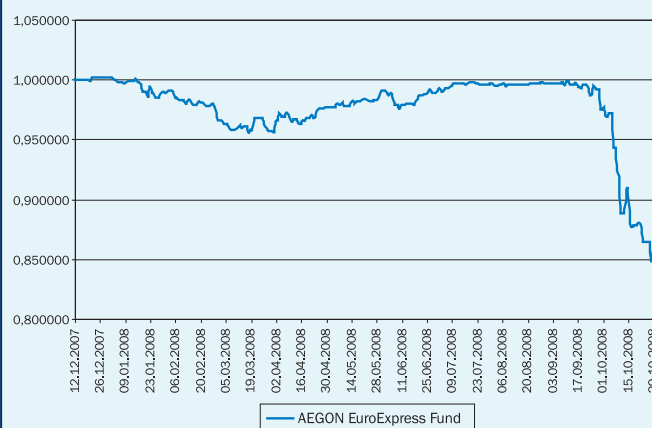
per but we may have seen a short term bottom because the market can not fall further for a while as the margin calls and the liquidations are finished. All in all there had been only one precedent similar to this in the last 80 years regarding volatility and market capitulation. The regional currencies weakened significantly against the euro. The fund suffered losses on those equity investments it had bought earlier, however this exposure is mild, it is between 20 and 25 percent. The fund has ample liquidity. The present diversified equity portfolio will remain here as the likelihood of a substantial rebound has increased largely but if the behaviour of the markets does not justify this, then we will sell them off in order to save the capital of the fund.

## NET Yield Performance of the Fund:

Time horizon	3 months	From the Start*
Net return of the Fund*	-12.42%	-12.73%
Benchmark performance**	0.50%	1.77%

\* It shows the net performance of the fund until 31/10/08  
The Fund was launched on 12/12/07  
\*\* 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.