

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): 1 487 616

Net Asset Value per share: 0.841320

The asset allocation of the Fund, 31.12.2008

Hungarian Government Bonds	48.60%
Hungarian T-bills	0.00%
Corporate Bonds	25.11%
Current account	17.87%
Government paper repo	0.00%
Deposit	0.00%
Equities	6.14%
Other Assets	2.28%
Total investment assets	100.00%
Net corrected leverage	17.32%
Derivative products	26.66%

We also have 25 percent corporate bond exposure. We think the probabilities of defaults regarding these instruments are low for several reasons as short duration, strategic industry, stable operation, and asset-backed type. However we have one bit more risky bond in our fund (approximately 2.3 percent of the net asset value), that issuer is – in our judgement – too big to fail, and also the bond is at distressed level (meaning high yield too). There is approx. 5 percent equity exposure through a very liquid major ETF (exchange traded fund), which can be sold in a second if it is necessary. All in all half of the portfolio is placed in liquid securities. If you take a look at the interest rates paid by banks on EUR and USD deposits the returns are only marginal, so the Fund targets return above these levels and its benchmark. We also hope that in 2009 we can give a real alternative for the investors. We would like to offer a shelter for risk-averse investors, but also an investment opportunity with a tempting yield potential.

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



Risk Scale



Market Summary:

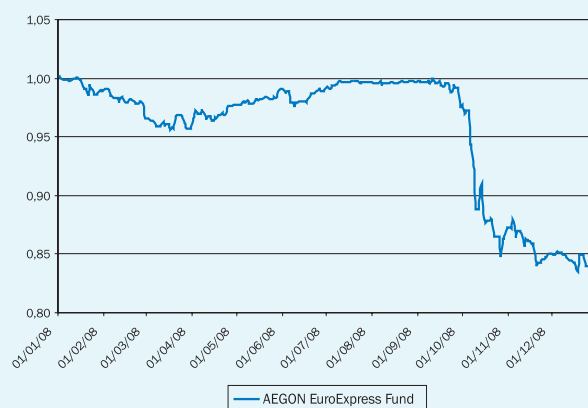
The 2008 performance of the Fund is not satisfying, however it didn't lower so drastically as all the other asset classes did during the year. 2008 was everything except the year of happiness. The main reason behind the losses was the equity exposure of the Fund and the credit deterioration on (long duration) corporate bonds. Let's have a look at the portfolio's composition: At the moment we invested 80 percent of the Fund, the rest is in cash. We keep half of the money in government bonds and hedging our currency exposure. These bonds will mature in 1 or 2 years so the risks taken are manageable (think of the IMF support) while the hedged currency risk has resulted in big profits during the last 6 months. Hedging can remain important as regional (CEE) currencies are showing a new depreciating trend against former appreciating trajectories.

NET Yield Performance of the Fund:

Time horizon	12 months
Net return of the Fund*	-16.05%
Benchmark performance**	2.00%

* It shows the net performance of the fund until 31/12/08
 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.