

# AEGON VALUE

DERIVATIVE FUND

## GENERAL INFORMATION

**ISIN code:** HU-0000703988

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

**Custodian:** UniCredit Bank Hungary Zrt.

**Main distributor:** Concorde Értékpapír 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.; AEGON Magyarország Befektetési Jegy Forgalmazó Zrt.

**Launch Date of the Fund:** 13/02/06

**Currency:** HUF

**Benchmark:** 100% RMAX

**Net Asset Value (HUF):** 2 622 513 494

**Net Asset Value per share:** 1.181070

## The asset allocation of the Fund, 30.06.2008

Hungarian Government Bonds	36.24%
Corporate Bonds	1.85%
Hungarian Equities	7.59%
International Equities	39.93%
Hungarian T-bills	0.00%
Government paper repo	0.00%
Current account	10.11%
Other assets	4.29%
Total investment assets	100.00%
Net corrected leverage	196.06%
Derivative products	165.28%

## Investment Policy of the Fund:

The goal of the fund is to buy investment assets that are very undervalued according to various economical/market factors. The fund concentrates on so called distressed assets that became rather cheap because of some explosion of psychological panic in the markets. The Fund is allowed to take long positions and open uncovered short positions on such assets that became extraordinary expensive in market euphoria. The position taking in very over/undervalued assets is usually unprofitable in short-term, but on the other hand it could get very rewarding in long-term. The fund doesn't use stop-loss orders, since it hasn't got a commercial approach, so the volatility of the NAVPU can get pretty high. To lower the volatility, the portfolio manager pays big attention to the size, mix and correlation of the positions. The investment policy of the fund isn't trend following, but it is contrarian. A contrarian believes that certain crowd behavior among investors can lead to exploitable mispricings in securities markets. For example, widespread pessimism about a stock can drive a price so low that it overstates the company's risks, and understates its prospects for returning to profitability. Identifying and purchasing such distressed stocks, and selling them after the company recovers, can lead to above-average gains. Similarly, widespread optimism can result in unjustifiably high valuations that will eventually lead to drops, when those high expectations don't pan out. Avoiding investments in over-hyped investments reduces the risk of such drops. These general principles can apply whether the investment in question is an individual stock, an industry sector, or an entire market or asset class. The Fund mainly invests into equities, bonds, money market indexes, commodities, currencies, but the investment possibilities of the fund are extremely wide, and it can invest into any kind of capital market instrument. The fund is allowed to use leverage by investing into derivatives and futures. Leverage has the potential to enlarge profits or losses by the same magnitude. The greater the amount of leverage on capital you apply, the higher the risk that you will assume. The fund's benchmark index is the RMAX index. The main goal of the portfolio manager is to over perform the benchmark yearly by 5%–10%.

## Investment horizon:

Suggested minimum investment period

3 months
  1 year
  2 years
  3 years
  5 years

Risk Scale

very low
  moderate
  high

## Market Summary:

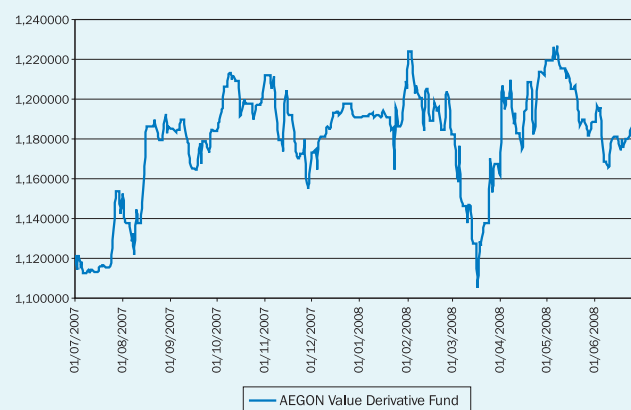
The AEGON Value Derivative Fund is in a difficult situation henceforward, since the pressure didn't ease on those securities that we keep in the Fund's portfolio (distressed assets). This was counterweighted by the fact that we opened short positions on major indexes. Unfortunately the Hungarian yield curve rose sharply in June, and this fact worsened our bond investments. At the end of the month we held 45% of the portfolio in shares, and we also had some short positions in the major European stock indexes. We kept a significant part of the portfolio in Hungarian government securities and swap positions.

## NET Yield Performance of the Fund:

Time horizon	3 months	From the Start*
Net return of the Fund*	1.60%	7.25%
Benchmark performance**	1.75%	5.47%

\* It shows the net performance of the fund until 30/06/08  
The Fund was launched on 13/02/06  
\*\* 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.