

AEGON CENTRAL EUROPEAN

BOND FUND

GENERAL INFORMATION

ISIN code: HU-0000705256
Bloomberg code: AEGEMMA HB Equity
Fund Manager: AEGON Magyarország Befektetési Alapkezelő Zrt.
Custodian: UniCredit Bank Hungary Zrt.
Main distributor: AEGON Magyarország Befektetési Jegy Forgalmazó Zrt.
Launch Date of the Fund: 2007.05.11
Currency: HUF
Benchmark: 50% EFFAS Poland Liquid All > 1YR Index + 30% EFFAS Hungary Liquid All > 1YR Index + 20% EFFAS Czech Republic Liquid All > 1 YR Index
Net Asset Value (HUF): 506 164 562
Net Asset Value per share: 1.119841

DISTRIBUTORS

AEGON Magyarország Befektetési Jegy Forgalmazó Zrt.
 BNP Paribas Magyarországi Fióktelepe
 CIB Bank Zrt.
 Codex Értéktár és Értékpapír Zrt.
 Commerzbank Zrt.
 Concorde Értékpapír Zrt.
 Equilor Befektetési Zrt.
 ERSTE Befektetési Zrt.
 Raiffeisen Bank Zrt.
 Magyar Takarékszövetkezeti Bank Zrt.
 UniCredit Bank Hungary Zrt.

INVESTMENT POLICY OF THE FUND

The AEGON Hungary Fund Management Co. launched the AEGON Central-European Bond Fund, so that potential investors could profit from those countries' bond markets which offer high-yields. Although these countries are developing ones, their macroeconomic background is stable and they are on a growth path. The anticipatory yield of the Fund is higher than the yield of a domestic bond fund, but the risk is also a bit bigger. A high yield, or "junk bond" is a bond issued by a country or a company that is considered to have higher credit risks. The credit rating of a high yield bond is considered "speculative grade", or below "investment grade". This means that the chance of default with high yield bonds is higher than for other bonds. Their higher credit risk means that "junk bond" yields are higher than bonds of better credit quality. Studies have demonstrated that portfolios of high yield bonds have higher returns than other bond portfolios, suggesting that the higher yields more than compensate for their additional default risk. The investment possibilities of the Fund are very wide, so the portfolio manager has a widespread financial leeway to build up an optimal portfolio. We target the utmost yield by taking the lowest risk. By taking investment decisions we use fundamental and technical analysis, and we certainly keep an eye on the market sentiment. Our investment decisions are supported by a special investment-planning model, which contains important macroeconomic data and indicators, like the anticipated level of inflation in these countries, their GDP growth, their credit ratings and so on. The portfolio manager generates a so-called risk - yield map, by focusing on the anticipated macroeconomic environment, the anticipated yield curve, and the above-mentioned model. Ultimately, the map demonstrates which risk-yield pairs are considered to be safe and offer relatively high yields at the same time.

INVESTMENT HORIZON:

Suggested minimum investment period

☐ 3 months
☒ 1 year
☐ 2 years
☐ 3 years
☐ 5 years
 Risk Scale
☐ very low
☐
☒ moderate
☐
☐ high

THE ASSET ALLOCATION OF THE FUND

30. 06. 2011.

Hungarian T-bills	0.00%
Hungarian Government Bonds	19.18%
International Bonds	78.53%
Other assets	0.00%
Government paper repo	0.00%
Current account	2.42%
Liabilities	0.00%
Receivables	0.13%
Total investment assets	100.00%
Net corrected leverage	100.12%
Derivative products	3.94%

MARKET SUMMARY

The immediate threat of a Greek default and the soft patch in the US economy resulted in a marked deterioration in global risk appetite, which was also felt in bond markets of the CEE region.

The HUF continues to outperform regional currencies, which is detrimental to the fund's performance. Money market liquidity is abundant in the CEE-3, therefore short dated instruments trade at low yields but the bond markets are strong. CEE bond markets remain a defensive investment in our view. Our fund's unit price could roughly hold its starting levels but unfortunately it couldn't increase its value during last month.

NET YIELD PERFORMANCE OF THE FUND:

Time horizon	12 months*	2010 year	2009 year	2008 year
Net return of the Fund*	3.61%	11.80%	16.47%	-16.10%
Benchmark performance**	2.71%	12.03%	26.35%	-3.70%

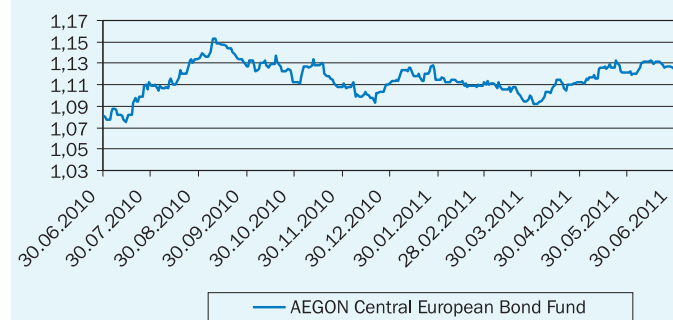
* It shows the net performance of the fund until 30/06/11

The Fund was launched on 11/05/07

** 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.