

# AEGON Central European Equity Fund, I series

## GENERAL INFORMATION

Fund Manager:	AEGON Hungary Fund Manager Ltd.
Custodian:	Citibank Europe plc Magyarországi Fióktelepe
Main distributor:	AEGON Hungary Befektetési Jegy Forgalmazó Zrt.
Benchmark composition:	95% CECEXEUR Index + 5% ZMAX Index
ISIN code:	HU0000709530
Start:	2011.01.11
Currency:	HUF
Total Net Asset Value of the Fund:	7 394 251 909 HUF
Net Asset Value per unit:	4,424045 HUF

## DISTRIBUTORS

AEGON Magyarország Befektetési Jegy Forgalmazó Zrt.

## INVESTMENT POLICY OF THE FUND:

The Fund invests in equities issued by corporations of the Central European region (primarily Hungary, Poland, The Czech Republic, Romania, Slovenia, Croatia, secondly Austria, Russia, Turkey), but the Fund can also invest in emerging or developed regions' equities and other collective securities as well. The primary aspect in forming the Fund's portfolio is to optimize aggregate exposure of the securities. To minimize risk the fund manager selects the securities to be included in the portfolio with utmost care. Analyses concerning the securities' risk criteria are carried out and decisions are underpinned by thorough calculations. During the selection the liquidity of a given security plays an important role. The fund manager applies widespread diversification to handle the risk each security implies (in the given equity markets risk is further diversified by expanding mid-cap exposure) and periodically uses derivatives for hedging to further minimize risk. To ensure the accurate level of liquidity the Fund intends to hold Hungarian Government securities issued by the Hungarian Public Debt Management Agency and distributed within the framework of the primary government security distribution system. However, according to legal regulation the proportion of equities within the portfolio may be as high as 100%. The Fund's benchmark consist of 95% CECEXEUR Index + 5% ZMAX Index.

## INVESTMENT HORIZON:

Suggested minimum investment period:



Risc Scale:



## ASSET ALLOCATION OF THE FUND ON 07/31/2011

asset type	weight
International equities	80,68 %
Hungarian equities	15,66 %
other assets	0,36 %
Receivables	3,22 %
Liabilities	-1,71 %
Current account	1,50 %
Repos	0,25 %
total	100,00 %
Derivative products	0,00 %
Net corrected leverage	100,00 %

## MARKET SUMMARY:

In July, investors focused on the US and European debt problems and the deteriorating growth prospects of the global economy. Global manufacturing PMIs dropped again, indicating further slowdown of the major economies.

Q2 earnings season was relatively strong in the US as 80% of the companies beat their expectations, while in the EU reporting season is likely to come in far weaker than the last five quarters. Rotation toward defensive asset classes continued in July - gold reached new high, CHF strength below 1.15 against EUR and defensive sectors outperformed cyclicals again.

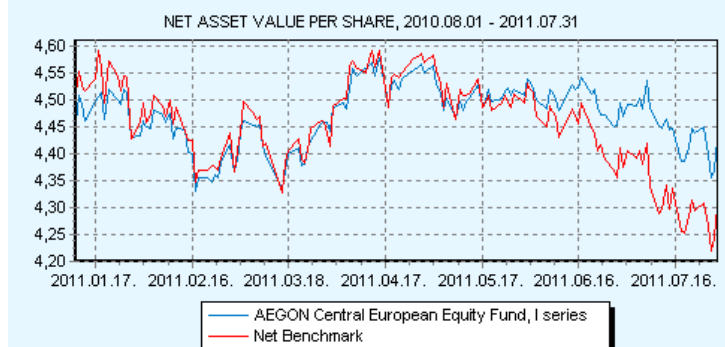
Hungary was the worst performer in the region, BUX declined 4.8% in HUF terms, while the regional average was -2,3%. OTP dropped by 8.6% due to the strengthening of the CHF versus the HUF, MOL was down 3.8% on rising concerns about the stake in INA.

Polish peers also closed in negative territory, Lotos and PKN fell by 15% and 10% respectively. Polish banks performed broadly in-line with the market, while the telecom sector outperformed. We decided to maintain our defensive sector allocation, with preferring telco and utility stocks.

## NET YIELD PERFORMANCE OF THE FUND:

Time horizon	1 month	3 months	6 months	from start
Investment note	-1,02 %	-2,76 %	-0,19 %	-0,78 %
Net benchmark	-1,73 %	-5,86 %	-3,50 %	-4,70 %

## NET PERFORMANCE OF THE FUND



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.