

AEGON Central European Equity Fund institutional 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:	12,866,226,914 HUF
Net Asset Value per unit:	3.517414 HUF

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.

DISTRIBUTORS

AEGON Magyarország Befektetési Jegy Forgalmazó Zrt.

NET YIELD PERFORMANCE OF THE FUND:

Time horizon	12 months
Investment note	-22.50 %
Net benchmark	-25.22 %

NET PERFORMANCE OF THE FUND

NET ASSET VALUE PER SHARE, 2011.06.01 - 2012.05.31



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.

INVESTMENT HORIZON:

Suggested minimum investment period:



Risc Scale:



MARKET SUMMARY:

Equities remained under pressure throughout May. The correction was fuelled by softening macro data published across the globe as well as a new set of European periphery yield jitters. Greece failed to form a new government following the political standoff of the parliamentary election held in May, which added to the cautious stance towards equities. Most of the major equity indices gave back the outstanding Q1 performance. European markets kept underperforming US equities, while the Euro was hit to 2-year low against the US Dollar as the periphery turmoil weighed on the markets. Crude oil was sold off due to the softer tone of the Iranian negotiations as well as the ongoing macro concerns. The second quarter fall of the regional markets accelerated in May as concerns over the European financial crises and global slowdown intensified again. Polish and Czech stock markets dropped by 10-10%, the Hungarian BUX plunged more than 15% in EUR terms. Cyclical underperformed again, NWR lost 26% on deteriorating sector outlook, while oil names dropped by 15% on average on the back of the falling crude oil price. The financial sector fell in-line with the benchmark index, within the sector the more volatile banks (Erste, OTP) underperformed the polish peers. Among defensive stocks, MTEL underperformed significantly on the rising concerns of the new Hungarian telco tax.

ASSET ALLOCATION OF THE FUND ON 05/31/2012

Asset type	Weight
International equities	77.87 %
Hungarian equities	16.62 %
T-bills	2.63 %
Collective securities	2.44 %
Liabilities	-13.34 %
Receivables	12.62 %
Current account	1.14 %
Repos	0.06 %
Market value of open derivative positions	-0.04 %
total	100,00 %
Derivative products	1.66 %
Net corrected leverage	99.97 %

TOP 5 POSITIONS

POWSZECHNY ZAKŁAD UBEZPIECZEN
PKO Bank
KGHM Polska SA
Bank Pekao SA
ERSTE BANK

Assets with over 10% weight

There is no such instrument in the portfolio

Stocks by countries:

