

# 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 whole Fund:	13,059,168,786 HUF
Net Asset Value of institutional series:	4,600,569,366 HUF
Net Asset Value per unit:	4.001117 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	-1.92 %
Net benchmark	-5.89 %

## NET PERFORMANCE OF THE FUND

NET ASSET VALUE PER SHARE, 2011.11.01 - 2012.10.31



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:

At the beginning of October the Q3 2012 earnings season started in America. The results were below even revised expectations. During the month investors focused on the problem of the American fiscal cliff. If the automatic fiscal policy takes effect from 2013 (tax increases, spending cuts) it may cause recession. Improvement in the solution of the problem might be expected after the elections. The investors followed a go-slow policy during the month.

In October the Czech (2%) and the Hungarian market (4%) rose, while WIG20 Index dropped 2,3% in EUR terms. The Polish telco sector underperformed significantly the WIG20 Index. Due to the almost 70 % dividend cut TPSA fell by 27% during the month. The best performing sector was the real estate sector and in terms of individual stocks LPP performed the best. The cause of the outstanding performance was that LPP reported very good sales figures, which resulted in another record high quarter.

## ASSET ALLOCATION OF THE FUND ON 10/31/2012

Asset type	Weight
International equities	80.48 %
Hungarian equities	14.93 %
Collective securities	2.78 %
Receivables	1.29 %
Repos	0.32 %
Current account	0.31 %
Liabilities	-0.09 %
total	100,00 %
Derivative products	0.00 %
Net corrected leverage	99.90 %

## TOP 5 POSITIONS

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

## Assets with over 10% weight

PKO Bank

## Stocks by countries:

