

# AEGON CENTRAL EUROPEAN

EQUITY FUND

## GENERAL INFORMATION

**ISIN code:** HU-0000702501  
**ISIN code (B series):** HU-0000705926  
**Fund Manager:** AEGON Magyarország Befektetési Alapkezelő Zrt.  
**Custodian:** CITIBANK Rt.  
**Main distributor:** Concorde Értékpapír Zrt.  
**Distributors:** CIB Bank Zrt.; Citibank 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:** 16.03.1998  
**Currency:** HUF  
**Launch Date of the B series:** 26.10.2007  
**Currency:** EUR  
**Benchmark:** 80% CETOP 20 + 20% ZMAX  
**Net Asset Value (HUF):** 8 479 622 892  
**Net Asset Value per share:** 4.417504  
**Net Asset Value of the B series (EUR):** 79 724.36  
**Net Asset Value per share:** 4.796027

## The asset allocation of the Fund, 31.07.2008

Hungarian Equities	42.72%
Hungarian T-bills	3.01%
Hungarian Government Bonds	12.35%
International Equities	38.03%
Government paper repo	0.00%
Current account	2.19%
Other assets	1.69%
Total investment assets	100.00%
Derivative products	0.00%
Net corrected leverage	83.38%

keep shares in the portfolio of the fund, since this is an equity fund, but there are times when we keep as few stocks as it's possible. The equity exposure of the fund was even below 65% in May, but we started to increase it at the end of June, and reached 75%. There was rally in the equity markets in July so we increased the equity exposure of the fund above 80%. The long term outlook is still not good, but we think that the market is a bit too pessimistic, and it could come to a relief of the market in the summer. The following securities had the biggest weight in the Fund: OTP (the cheapest CEE bank paper), Mtelekom (offers very tempting dividends), the Erste Bank (very undervalued), TPSA and PKN.

## Investment Policy of the Fund:

The primary aspect by forming the composition of the fund is to optimise the aggregate exposure of the securities. Besides keeping an eye on the macro economical background, the fund manager uses fundamental analyses to build a well-balanced long-term equity investment portfolio. The fund manager applies widespread diversification to minimize the risk of the portfolio, and periodically also uses derivative instruments to hedge. The AEGON Domestic Equity Fund changed its name at the end of December 2006 to AEGON Central European Equity Fund. The fund uses the new investment policy form 8 January 2007. From 1998 to 2006 the Fund invested only in Hungarian stocks, and from 2007 it started investing in CEE stocks. The reason of the change was the falling number of liquid Hungarian stocks due to mergers and delistings. Investing in CEE stock also lowers the risk of the portfolio. After managing one of the best performing domestic equity funds, we hope that we will reach similar outstanding performance in the future by investing in the CEE market. Certainly the fund changed its benchmark also from 80% RAX + 20% RMAX to 80% CETOP20 + 20% ZMAX.

## Investment horizon:

Suggested minimum investment period

3 months   
  1 year   
  2 years   
 3 years   
 5 years

Risk Scale

very low   
 moderate   
 high

## Market Summary:

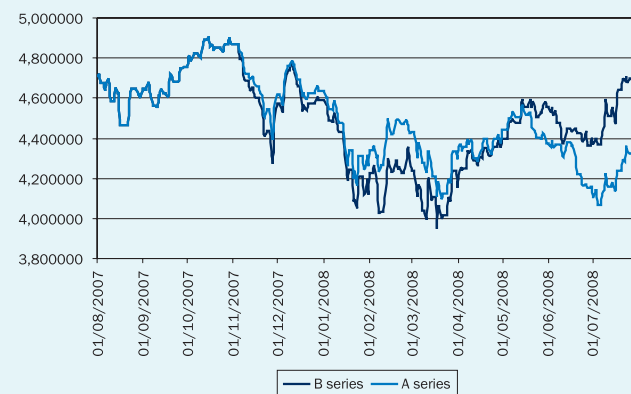
The AEGON Central European Equity Fund performs very well against its competitors and against its benchmark too, but these facts aren't enough to bring smiles back to the investors' faces. There were terrible price drops in the past months in the equity markets and the Central & Eastern Europe Region suffered as well. We decreased the equity exposure of the Fund in January, then we increased it in March and we decreased it again in May. Thanks to the dynamic stock strategy we use, we could ease the equity market shocks. Certainly we still had to

## NET Yield Performance of the Fund:

Time Horizon	3 months	12 months	2007 year	2006 year	2005 year	2004 year	2003 year	From the Start
Net Return of the fund <sup>a</sup> HUF		-7.00%	20.99%	28.80%	35.42%	41.14%	23.99%	
Net Return of the fund <sup>b</sup> EUR	9.03%							-1.45%
Benchmark performance*	-3.06%	-11.96%	8.80%	20.07%	34.00%	34.50%	6.99%	-14.81%

<sup>a</sup> It shows the net performance of the fund until 31/07/08; The Fund was launched on 16/03/98  
<sup>b</sup> It shows the net performance of the fund until 31/07/08; The Fund was launched on 26/10/07  
 \* 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.