

AEGON RUSSIA

EQUITY FUND

GENERAL INFORMATION

ISIN code: HU-0000707401

Fund Manager: AEGON Magyarország Befektetési Alapkezelő Zrt.

Custodian: UniCredit Bank Hungary Zrt.

Main distributor: AEGON Magyarország Befektetési Jegy Forgalmazó Zrt.

Distributors: ERSTE Befektetési Zrt.; Raiffeisen Bank Zrt.; Concorde Értékpapír Zrt.

Launch Date of the Fund: 04/12/2008

Currency: HUF

Benchmark: 80% RTSI\$ Index (calculated in HUF) + 20% ZMAX

Net Asset Value (HUF): 477 848 381

Net Asset Value per share: 0.955498

Investment Policy of the Fund:

The AEGON Russia Equity Fund primarily targets the stock exchange-traded shares of companies that maintain an active presence in Russia or the other CIS states, or which generate a substantial proportion of their revenues in these countries. The Fund predominantly invests in equities, but its portfolio also contains Hungarian bonds and discount treasury bills, currencies and money-market products, to ensure the Fund's liquidity. The equity investments are usually denominated in foreign currency; however the fund may hedge some or all of the currency risk arising from these liabilities by concluding forward or option transactions. Although the Russian and CIS market promises a high potential return, the value of investments may display a marked degree of fluctuation in the short term, and therefore it is advisable to treat the Fund as a long-term investment. The Fund Manager primarily bases its investment decisions on its own fundamental analyses, but it also makes use of the information and analyses provided by other investment service providers, banks and independent research companies, in the interests of reducing risks and maximising returns. The Fund's benchmark: 80% RTSI\$ index calculated in forint + 20% ZMAX index.

Investment horizon:

Suggested minimum investment period



3 months



1 year



2 years



3 years



5 years

Risc Scale



very low



moderate



high

Market Summary:

In December of 2008 the international equity markets declined in HUF, as for example the MSCI World Index lost -3.5% in HUF. However there have been positive divergences in the markets since 21st of November when the rejection of the bailout plan of the US automakers coincided with a market low. Mr. Madoff stopped that Santa-rally as his Ponzi-scheme helped disappear many millions (or bil-

The asset allocation of the Fund, 31.12.2008

International Equities	78.91%
T-bills	0.00%
Hungarian Government Bonds	0.00%
Government paper repo	20.97%
Current account	0.12%
Other assets	0.00%
Total investment assets	100.00%
Derivative products	0.00%
Net corrected leverage	78.91%

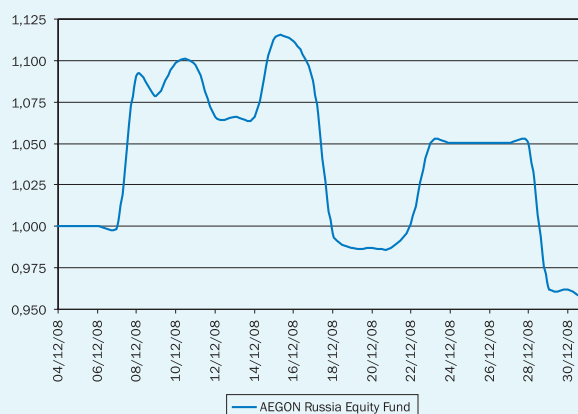
lions) of USD from investors' pockets. Even major banks had exposure to Mr. Madoff's advisory activity. We strongly believe that the launch date of the Fund was pretty good, and it offers an excellent entry point to the Russian equity market for long-term investors. Oil prices are very low compared to the ones a year ago, and the Russian equities heavily depend on this factor. The Russian equity market closed 2008 with more than 70% loss, so we are pretty optimistic for the short term, but the market will stay very volatile. Mid- and long-term prices heavily depend on the economic stimulus packages of China and the ones of the developed countries. The American real estate market is also a key factor for the future.

NET Yield Performance of the Fund:

Time horizon	From the Start
Net return of the Fund*	-4.45%
Benchmark performance**	-1.59%

* It shows the net performance of the fund until 31/12/08
The Fund was launched on 04/12/08
** 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.