

Aegon Alfa Total Return Investment Fund PLN series

GENERAL INFORMATION

Fund Manager:	AEGON Hungary Fund Manager Ltd.
Custodian:	Unicredit Bank Hungary Zrt.
Main distributor:	AEGON Hungary Fund Manager Ltd.
Benchmark composition:	100% RMAX Index
ISIN code:	HU0000708318
Start:	11/17/2009
Currency:	PLN
Total Net Asset Value of the whole Fund:	71,737,313,294 HUF
Net Asset Value of PLN series:	140,839,743 PLN
Net Asset Value per unit:	2.400094 PLN

INVESTMENT POLICY OF THE FUND:

The aim of the fund is to achieve a substantial yield for investors by taking high risks and making active use of derivative positions. The fund is decidedly high-risk, particularly due to the derivative positions it takes. The fund is willing to buy or sell all available investment instruments - domestic and foreign bonds, equities and other securities, indexes and currencies - provided it sees the opportunity to make substantial gains. In this respect the fund belongs in the category of opportunistic funds that pursue a multi-strategy investment approach. Within the multi-strategy approach pursued by the fund, 'global macro', 'long-short equity', 'convertible bond arbitrage' and 'managed futures'-type transactions dominate. In terms of asset class, the fund's investments can be divided into three main groups: it takes on extra risk in the bond, currency and equity markets, and in these markets it is prepared to take up both long and short positions within the maximum limits permitted by law, which currently allow double leverage for funds of this type. In its investment decision-making mechanism the fund assesses fundamental, pricing, technical and behavioural/psychological factors. The fund management company, exercising all due care, based on its own judgement and decisions, and while observing the relevant legal provisions and the limitations stipulated in the Fund Documentation, determines the means of utilising the fund's resources, and the weights of the various investments within the portfolio, with a view to ensuring that the fund - in line with our expectations with regard to future risks and returns - achieves its objective in the long term. To ensure liquidity the fund aims to hold government securities issued by the State Debt Management Centre (ÁKK) on behalf of the State of Hungary.

DISTRIBUTORS

Aegon Towarzystwo Ubezpieczeń na Życie Spółka

NET YIELD PERFORMANCE OF THE SERIES:

Interval	Yield of note	Benchmark yield
From start	4.70 %	3.11 %
2016	4.03 %	1.22 %
2015	4.63 %	1.50 %
2014	7.32 %	3.31 %
2013	9.75 %	6.54 %
2012	13.54 %	7.01 %
2011	-2.88 %	5.00 %
2010	-0.89 %	-1.22 %

NET PERFORMANCE OF THE SERIES

NET ASSET VALUE PER SHARE, 02/01/2016 - 01/31/2017



— Aegon Alfa Total Return Investment Fund PLN series — Benchmark

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.

RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields: 1.70 %
Annualized standard deviation of the benchmark's weekly yields: 0.28 %

MARKET SUMMARY:

Positive momentum of main equity indices stopped as Donald Trump has brought some actions in the markets, which oscillated within a narrow range in the beginning of the month. Even though Dow Jones index has surpassed the magical 20,000 level in January, the index was not able to maintain this level due to uncertainties around the economic policy of the new US government. The Trump administration had an unfavorable effect on the Japanese and the European equities too, which closed the month in the red. After the inauguration ceremony, Trump got down to work by dumping the Trans-Pacific Partnership (TPP) and easing requirements on infrastructure investments. The US government started its protectionist rhetoric in January since it made the question of import tariff and the renegotiation of trade deals its top priorities. Meanwhile, plans on relaxation of regulations and tax reductions were hardly mentioned which investor did not appreciate. Additionally, British PM Theresa May's speech on a "clean" Brexit did not help market mood. May still visualized the future of UK outside the single market but at the same time hopes to have a new free trade deal with the EU. The unsuccessful meeting of European finance ministers on the Greek debt-relief measures also had a detrimental effect on the performance of European markets. Dollar gave back all of its growth from the previous month in January because of the vanishing "Trump trade" positions and the US president's break with the "strong dollar" policy. As a result of the weaker dollar, industrial and precious metals' prices were rising during the month.

The fund raised its German and US bond short positions during the month, believing in increasing yields in the future. Because of the uncertainties caused by Trump's initial actions, equities weight was cut in the portfolio. However, we still expect equities to rise in the future; we especially believe in the overperformance of Romanian and Polish markets.

ASSET ALLOCATION OF THE FUND ON 01/31/2017

Asset type	Weight
Government bonds	31.98 %
Corporate bonds	21.96 %
International equities	16.05 %
T-bills	10.24 %
Collective securities	9.23 %
Hungarian equities	5.92 %
Mortgage debentures	0.22 %
Current account	4.35 %
Liabilities	-0.53 %
Receivables	0.31 %
Market value of open derivative positions	0.26 %
total	100.00 %
Derivative products	55.30 %
Net corrected leverage	104.46 %

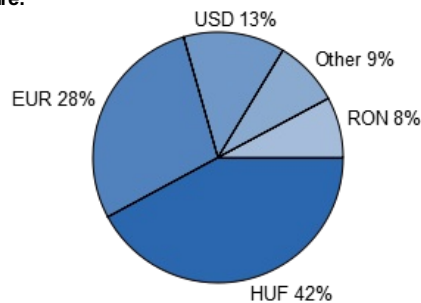
TOP 3 POSITIONS

2017C (Államadósság Kezelő Központ Zrt.)
MFB 2020/10 6,25% USD (Magyar Fejlesztési Bank Zrt.)
Lyxor UCITS ETF Daily Double Short Bund (EUR)

Assets with over 10% weight

There is no such instrument in the portfolio

Currency exposure:



INVESTMENT HORIZON:

Suggested minimum investment period:



Risk and Reward Profile:

