

Aegon Alfa Total Return Investment Fund R 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:	HU0000712286
Start:	07/16/2013
Currency:	HUF
Total Net Asset Value of the whole Fund:	74,607,224,956 HUF
Net Asset Value of R series:	2,525,638,755 HUF
Net Asset Value per unit:	1.285265 HUF

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

Raiffeisen Bank Zrt.

NET YIELD PERFORMANCE OF THE SERIES:

Interval	Yield of note	Benchmark yield
From start	6.85 %	2.22 %
2016	4.71 %	1.22 %
2015	4.90 %	1.50 %
2014	7.56 %	3.31 %

NET PERFORMANCE OF THE SERIES

NET ASSET VALUE PER SHARE, 05/01/2016 - 04/30/2017



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:



Risk and Reward Profile:



MARKET SUMMARY:

Main equity indices finished slightly above their last month closing prices in April thanks to the result of the French presidential election and the announcement of Trump's tax reform. In the beginning of April investors built defensive portfolios as several risks kept market participants in suspense. Intensifying North Korean and Syrian tensions, decaying US-Russian relationship, uncertainties around the timeline of Trump's tax plan and the precarious outcome of the French election made investors cautious. By the end of the month equity indices bounced back as US tax reform was unveiled and the result of the first round of the French election was favorable. Also, strong macro environment and better-than-expected corporate earnings supported the market increase. At the end of April Trump announced the main points of the long-awaited tax plan, which was welcomed by the market. However, many members of the Congress oppose against the plan as it is not clear how the government wants to raise revenues to avoid mounting debt. Centrist Emmanuel Macron and far-right populist Marine Le Pen advanced into the second round of the French presidential election, where polls suggest that Macron is the clear favorite. For this reason, European cyclical stocks surged in April, in which the financial sector was the top performing industry, as besides the improving economic growth, political risks also decrease in the region. British PM Theresa May called for a snap general election in Great Britain that will take place in June. As a consequence, the pound appreciated dramatically. Analysts believe that British government will have more room for manoeuvre in the Brexit negotiations. Due to the appreciation of pound, stock prices of export companies in the basic material sector have plunged, negatively affecting the whole British stock market. As a result of increasing geopolitical tensions, investors bought oil in the beginning of the month, but oil prices finished below their last month closing values because of rising US oil supplies.

Net equity weight was reduced in April since the fund took profit from several equity positions and opened European and German short positions near the French presidential election as we believed that the effect of a negative outcome would have been more significant than a positive one. However, just before the election the weight of short positions was cut by half because of more favorable outlook. Apart from that Turkish short positions and exposure of MOL were decreased.

ASSET ALLOCATION OF THE FUND ON 04/30/2017

Asset type	Weight
Government bonds	30.89 %
Corporate bonds	19.31 %
International equities	17.10 %
T-bills	14.41 %
Hungarian equities	6.33 %
Collective securities	2.89 %
Mortgage debentures	2.20 %
Current account	5.86 %
Liabilities	-3.13 %
Deposit	2.67 %
Receivables	0.95 %
Market value of open derivative positions	0.54 %
total	100,00 %
Derivative products	57.41 %
Net corrected leverage	111.85 %

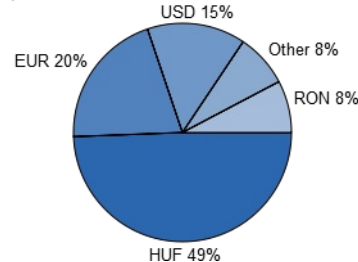
TOP 3 POSITIONS

2017C (Államadósság Kezelő Központ Zrt.)
MFB 2020/10 6,25% USD (Magyar Fejlesztési Bank Zrt.)
Fondul RO

Assets with over 10% weight

There is no such instrument in the portfolio

Currency exposure:



RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields: 1.57 %
Annualized standard deviation of the benchmark's weekly yields: 0.19 %