

Aegon Alfa Total Return Investment Fund EUR 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:	HU0000715982
Start:	03/17/2016
Currency:	EUR
Total Net Asset Value of the whole Fund:	78,372,008,286 HUF
Net Asset Value of EUR series:	4,689,727 EUR
Net Asset Value per unit:	1.022742 EUR

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 Magyarország Befektetési Alapkezelő Zrt., CIB Bank Zrt., CONCORDE Értékpapír Zrt., Equilor Befektetési Zrt, Erste Befektetési Zrt., Raiffeisen Bank Zrt., SPB Befektetési Zrt., Unicredit Bank Hungary Zrt.

NET YIELD PERFORMANCE OF THE SERIES:

Interval	Yield of note	Benchmark yield
From start	1.65 %	0.92 %

NET PERFORMANCE OF THE SERIES

NET ASSET VALUE PER SHARE, 08/01/2016 - 07/31/2017



— Aegon Alfa Total Return Investment Fund EUR 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.

INVESTMENT HORIZON:

Suggested minimum investment period:



Risk and Reward Profile:



MARKET SUMMARY:

The American stock market reached an absolute peak in July, for example the Nasdaq and the DJIA indices. However, Merrill Lynch shares the opinion of the technical analyst of JP Morgan that the culmination of the market can be followed by a selling wave in summer or in autumn.

At the beginning of July, the EU-Japan free trade agreement was announced that abolish 99 percent of the duties and many trade barriers between the two countries. In the first half of the month, the German 10-year bond yield passed the 0.5 percent rate which led to a selling wave on other bond and equity markets. In Great Britain, the British currency passed through the 1.31 level for the first time since Brexit which was due to the optimism about the exit negotiations and the slump of the dollar.

Overseas, the dollar weakened further and reached a two year low against the euro. After the FED meeting in July, two main questions remained: the schedule of the decrease of the balance sheet and the decline of the inflation. According to the WSJ, the FED will not increase the base rate until December. Based on a recent survey, the picture about Trump has further worsened thanks to the "Russian scandal" and the infighting within the Republican Party. In accordance with Trump's previous conviction, the USA had an opposite view of climate protection than the other 19 countries on the G20 summit.

The rebound of the oil price that has started in last month continued in July. The oil moved near the 8-week peak, approaching 50 dollars. Beside the weak dollar, the possible culmination of the American production, the export limitation of Saudi and the situation of Venezuela can be important in terms of supply.

In July, we closed our European long equity positions and half of the short position of the 10-year German Treasury Bond. At the beginning of July, long oil position was opened that we closed at the end of the month. Furthermore, we entered into long Brazilian position in July.

ASSET ALLOCATION OF THE FUND ON 07/31/2017

Asset type	Weight
Government bonds	34.27 %
T-bills	22.09 %
Corporate bonds	17.64 %
International equities	12.53 %
Hungarian equities	9.58 %
Collective securities	2.78 %
Mortgage debentures	2.09 %
Liabilities	-4.11 %
Current account	2.69 %
Receivables	0.26 %
Market value of open derivative positions	0.17 %
total	100.00 %
Derivative products	20.25 %
Net corrected leverage	104.55 %

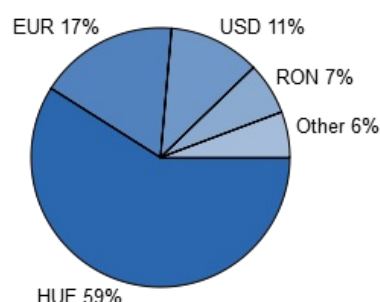
TOP 3 POSITIONS

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: 1.69 %
Annualized standard deviation of the benchmark's weekly yields: 0.15 %