

Aegon Alfa Total Return Investment Fund CZK 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:	HU0000716006
Start:	03/17/2016
Currency:	CZK
Total Net Asset Value of the whole Fund:	78,634,175,222 HUF
Net Asset Value of CZK series:	305,645 CZK
Net Asset Value per unit:	1.018815 CZK

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

NET YIELD PERFORMANCE OF THE SERIES:

Interval	Yield of note	Benchmark yield
From start	1.29 %	0.89 %

NET PERFORMANCE OF THE SERIES

NET ASSET VALUE PER SHARE, 09/01/2016 - 08/31/2017



— Aegon Alfa Total Return Investment Fund CZK 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:	1.94 %
Annualized standard deviation of the benchmark's weekly yields:	0.15 %

INVESTMENT HORIZON:

Suggested minimum investment period:



Risk and Reward Profile:



MARKET SUMMARY:

Thanks to the better-than-expected macro data the main US equity indices bounced back after a weak start in August. While the European main equity indices finished slightly below their last month closing price, the BUX reached its absolute peak this month.

The British government seems to be more permissive in case of Brexit and is willing to pay 40 billion Euros to the EU budget, furthermore would accept the European Court's indirect jurisdiction in several cases after leaving the EU. Based on a survey in August, Macron's popularity is decreasing; more than 55 percent of the voters are not satisfied with his performance, while this number was just 43 percent in July.

August was a busy month in the United States. Donald Trump announced that an inquiry is started regarding the Chinese violation of intellectual property, the wall will be built on the Mexican border and no agreement will be reached in the NAFTA case (North American Free Trade Agreement). In addition, the president dissolved two advisory boards and dismissed his strategic senior advisor. It is still a question whether political consensus can be achieved in case of the tax reform and the debt limit. According to the minutes of the FED's summit, reduction of the balance sheet is about to start in September, but the decision-makers are still divided in the question of raising interest rate due to the fact that inflation is regarded in different ways. The North-Korean conflict increased in August because of the threat of a rocket attack against Guam; a new rocket was launched that hit the Pacific Ocean flying over Japan. As a result of the increasing geopolitical tension, investors become more risk-averse as a result, the price of gold reached a 10-month peak.

Along with gold, other precious metals price went up to in August: silver reached its June rate, platinum its March rate and palladium its 2001 rate.

The oil price deteriorated in August due to the higher-than-planned OPEC output, the profit realisation and the lack of the oil demand because of hurricane Harvey.

The Norwegian national Fund is about to raise its weight of the equities, from 60 to 70 percent, becoming one of the most significant market participants of the global equity market.

In August, before the flash reports, we increased the weight of the Hungarian and Polish papers and we opened a short position in oil, which we closed in the black. Some of the fund's positions are unhedged but the stabilization of foreign exchange rates has no longer removed part of the fund's performance this month; in the case of any USDHUF turn we expect an increase in the fund's return.

The company manages investments on behalf of its affiliates in the Aegon group as well as funds owned by other investors. From time to time this may give rise to a conflict of interest. At 2015.05.15. the company sold certain holdings in ANY on behalf of its affiliate and many of these securities were purchased on behalf of the fund. Under the terms of the Investment Funds Act and AIF regulations the potential conflict of interest should have been disclosed to fund investors. This did not happen due to an oversight at the time and Management wish to disclose it now. The transactions were at market price and the managers of the funds were satisfied that the investments were in line with the fund objectives and the interests of fund investors. The ANY holdings have contributed positively to fund performance since the transactions.

ASSET ALLOCATION OF THE FUND ON 08/31/2017

Asset type	Weight
Government bonds	36.77 %
T-bills	18.40 %
Corporate bonds	17.64 %
International equities	12.16 %
Hungarian equities	9.07 %
Collective securities	2.22 %
Mortgage debentures	2.10 %
Current account	3.96 %
Liabilities	-2.98 %
Receivables	0.63 %
Market value of open derivative positions total	0.03 %
Derivative products	18.71 %
Net corrected leverage	110.86 %

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:

