

# 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:	85,839,724,651 HUF
Net Asset Value of R series:	2,483,204,449 HUF
Net Asset Value per unit:	1.307754 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	6.20 %	1.91 %
2017	3.70 %	0.20 %
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, 01/01/2017 - 12/31/2017



---- Aegon Alfa Total Return Investment Fund R 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: 1.40 %

Annualized standard deviation of the benchmark's weekly yields: 0.09 %

## INVESTMENT HORIZON:

Suggested minimum investment period:



Risk and Reward Profile:



## MARKET SUMMARY:

Overseas, the good sentiment continued on the stock exchanges in the last month of the year, thus the American main equity indices closed 2017 around their absolute peak prices. On the European market the picture was mixed, the markets of the Region could rise in the last month but the Western-European indices plunged somewhat in December. Overall, the equity markets closed a positive year, the emerging market index could rise by more than 34%, while the developed market index could also increase their value by more than 20%.

The Dollar has weakened against the Euro in the last month of the year, even the successful voting of the tax reform could not help to the US currency, and thus the exchange rate broke through the crucial 1.2 level.

The US Dollar weakened by more than 14% against the Euro in 2017, the change in the Euro-Dollar trend was one of the most important trends in the foreign exchange market over the past year.

December was a busy month in the United States, in the first half of the month Donald Trump announced that he would like to acknowledge Jerusalem as the capital of Israel. In addition, in line with the expectations the FED increased the interest rate by 25 basis points, and the US tax reform has been voted successfully, it is the first significant political success of Donald Trump. In Europe, the Catalan situation continued to strain after the independence supporters gained an absolute majority in the parliamentary elections with 70 mandates. According to the news, the Italian parliamentary elections will be on March 4, this has led to a drop in the Italian assets. Based on a recent survey, 51% of the British people would vote for staying and only 41% would leave the EU. However, there was some good news in the European continent, the national debt of Portugal and Ireland has been upgraded, thus instead of BB+ Portugal has a rate BBB, which is already an investment category.

Oil prices also increased in the last month of the year and hit above 60 dollars per barrel due to the steadily declining oil supply. The price of the natural gas also rebounded this month, because a colder weather is waited in January in the United States.

The Fund also gained good performance in the last month of the year but the strengthening of the Forint against the US dollar affected the fund's performance negatively because of the unhedged positions. We think that the market conditions are favorable to a stock market rally at the beginning of the year, so the weight of the equities in the fund is above their long-term target weight. In December, long German, Emerging market and Chinese consumer sector exposure was held in the fund.

## ASSET ALLOCATION OF THE FUND ON 12/31/2017

Asset type	Weight
Government bonds	38.69 %
T-bills	16.38 %
Corporate bonds	15.79 %
International equities	12.59 %
Hungarian equities	8.90 %
Collective securities	3.11 %
Mortgage debentures	1.91 %
Deposit	2.04 %
Liabilities	-1.48 %
Current account	1.34 %
Receivables	0.41 %
Market value of open derivative positions	0.34 %
total	100.00 %
Derivative products	35.67 %
Net corrected leverage	107.94 %

## TOP 3 POSITIONS

PLGB 2022/04/25 2,25% (Lengyel Állam)  
D181121 (Államadósság Kezelő Központ Zrt.)  
2021A (Államadósság Kezelő Központ Zrt.)

## Assets with over 10% weight

There is no such instrument in the portfolio

## Currency exposure:

