

# 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:	86,584,178,608 HUF
Net Asset Value of PLN series:	134,767,146 PLN
Net Asset Value per unit:	2.497712 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	4.53 %	2.70 %
2017	4.29 %	0.20 %
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, 04/01/2017 - 03/31/2018



— 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: 1.67 %

Annualized standard deviation of the benchmark's weekly yields: 0.08 %

## INVESTMENT HORIZON:

Suggested minimum investment period:



Risk and Reward Profile:



## MARKET SUMMARY:

The markets in March were characterised by high volatility, although the main equity indices managed to rebound in the first part of the month, but they lost momentum and closed slightly below their last month's closing prices. The negative sentiment induced by the Facebook's data-spying scandal spread to the whole technology sector, thus the investors sold the papers with high pricing that was catalysed further by the fact that Trump targeted Amazon, it resulted an all-time drop among the FANG (Facebook, Amazon, Netflix, Google) papers.

In March, the markets were focused mostly on the case of the "trade-war", after Donald Trump had signed the tariff order on steel and aluminium imports. Furthermore, 60 billion Dollar tariff was imposed on Chinese goods, while China answered with retaliatory tariffs worth 3 billion dollars against US.

In the middle of the month, favourable American labour market data were published, it reflected to a strong economic growth, and there was not a big pressure on the wages, which had a positive effect on the equity market, thus the Nasdaq index managed to close at a new all-time high level.

In line with the expectations, the FED raised the base rate by 25 basis points, while the FOMC members still predict 3 interest rate hikes this year. The Euro managed to strengthen slightly against the Dollar in March, thus the EURUSD rate closed at 1.23 level.

Main changes were taken place among the American President's members, in the first part of the month, Gary Cohn, the Top Economic Advisor, announced his resignation (maybe due to the import tariffs), while Rex Tillerson, the Minister of Foreign Affairs, was fired by Trump.

In Europe, Parliamentary Elections were held in Italy but none of the Parties managed to gain absolute majority, while Five Star Movement won the most votes. Russia also went through presidential elections, just as expected Putin won with 76% of the votes, thus he remains the President for the oncoming 6 years. Tension escalated in Europe, when Theresa May accused Russia of being behind the poison attack, which caused diplomats expels in the Western-World, thus affected negatively the Russian assets.

Good news came from North-Korea in March, when Kim Jong-Un decided on giving up nuclear weapons, and held a historical non-official meeting in Beijing, furthermore he is believed to meet Trump.

Crude oil price managed to climb in March thanks to the declining of the outputs in Venezuela, meanwhile the API (American Petroleum Institute) predicted also a decrease in supply and the investors also priced the abandon of the Iranian nuclear deal.

The fund maintains a defensive structure, while the fund's net equity exposure is currently below 10%. In March, we held a Turkish, Emerging market and Polish short positions, but after the correction, we started to buy some regional equities as well. In addition, we purchased regional short-term government bonds, and we continue to hold positions for weakening forint and strengthening Dollar.

## ASSET ALLOCATION OF THE FUND ON 03/31/2018

Asset type	Weight
Government bonds	41.87 %
T-bills	19.89 %
Corporate bonds	18.12 %
Hungarian equities	8.78 %
International equities	5.92 %
Collective securities	1.81 %
Mortgage debentures	0.71 %
Current account	3.98 %
Liabilities	-1.31 %
Market value of open derivative positions	0.12 %
Receivables	0.10 %
total	100.00 %
Derivative products	25.51 %
Net corrected leverage	109.60 %

## TOP 3 POSITIONS

D181121 (Államadósság Kezelő Központ Zrt.)  
D181227 (Államadósság Kezelő Központ Zrt.)  
2021A (Államadósság Kezelő Központ Zrt.)

## Assets with over 10% weight

There is no such instrument in the portfolio

## Currency exposure:

