

Aegon Alfa Total Return Investment Fund EUR series

GENERAL INFORMATION

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|--|---------------------------------|
| 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: | 79,414,021,458 HUF |
| Net Asset Value of EUR series: | 9,885,002 EUR |
| Net Asset Value per unit: | 0.991015 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., Budapest Hitel-és Fejlesztési Bank Zrt., CIB Bank Zrt., CONCORDE Értékpapír Zrt., Equilor Befektetési Zrt, Erste Befektetési Zrt., Raiffeisen Bank Zrt., Unicredit Bank Hungary Zrt.

NET YIELD PERFORMANCE OF THE SERIES:

| Interval | Yield of note | Benchmark yield |
|------------|---------------|-----------------|
| From start | -0.34 % | 0.61 % |
| 2017 | 2.70 % | 0.20 % |

NET PERFORMANCE OF THE SERIES

NET ASSET VALUE PER SHARE, 11/01/2017 - 10/31/2018

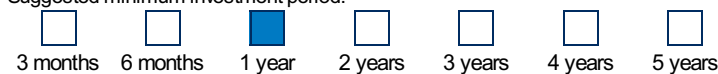


— Aegon Alfa Total Return Investment Fund EUR series — Benchmark

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:

At the beginning of October, America and Canada managed to come to an agreement about the NAFTA which even gave a positive boost to the market thus the American main equity indices managed to hit a new absolute peak. However, in the middle of the month, the deteriorating technical picture, rising US yields, weak new home sales data and fears of slowing down global growth triggered significant drops in the markets that had not been seen since February. The fall was suffered mainly by the market leader equities thus significant profit taking were made in the US technology sector where these papers has not reported such a fall in a single day since August 2011. The Chinese spying case also caused tension in the markets; according to the news Chinese spies have placed chips in the assets of more than 30 companies (including US agencies) which allows secret access to internal networks. This has further intensified the tension between America and China and we believe that this case may have further negative impacts on the future. In addition, according to Bloomberg's information, Trump plans to impose tariff on Chinese good worth \$257 billion, if they can not reach a common agreement at the meeting with the Chinese President, Xi Jinping in November. This statement was attributed by the market to the negotiating style of the US president and to the midterm elections in 6th of November but by the end of the month, the US President spoke of the negotiations in high terms.

European stocks also fell sharply last month, partly because of the global stock market correction and on the other hand, the further rise in Italian yield spreads and the growing fears of Brexit put pressure on the markets. The Euro also weakened against the dollar last month; at the end of October, the EURUSD pair fell down to the level of 1.13.

The oil price also closed in the red last month; although, at the beginning of October, it was still close to 4 years highs but by the end of the month it fell by more than 15%. The fall has been attributed to the profit takings, possible growth in Saudi production, the negative impact on the oil demand caused by the trade war and the news that America has granted a temporary, 180-day exemption from the sale ban to eight buyers (8 countries) of Iranian oil. In October, we had to sell our positions in the European banking sector, the emerging market and the German equity market but the Emerging market and German positions were re-opened at the end of the month in line with the downturn in market turbulence. Additionally, we increased the weight of the Hungarian shares during the month which was selectively sold at the end of the month and we also bought 3-years Hungarian government bonds. In terms of currency positions, the Dollar was hedged against the Euro.

ASSET ALLOCATION OF THE FUND ON 10/31/2018

| Asset type | Weight |
|---|----------|
| Government bonds | 49.71 % |
| Corporate bonds | 24.69 % |
| Hungarian equities | 8.49 % |
| T-bills | 7.73 % |
| International equities | 3.77 % |
| Collective securities | 1.86 % |
| Mortgage debentures | 0.74 % |
| Current account | 3.74 % |
| Liabilities | -3.67 % |
| Receivables | 2.98 % |
| Market value of open derivative positions | -0.03 % |
| total | 100.00 % |
| Derivative products | 45.18 % |
| Net corrected leverage | 103.80 % |

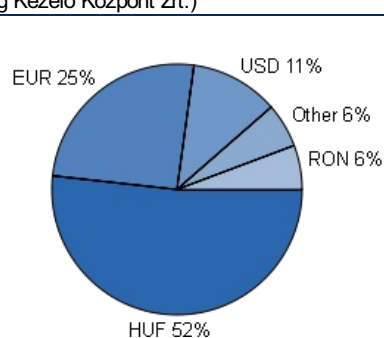
TOP 3 POSITIONS

2021C (Államadósság Kezelő Központ Zrt.)
2021A (Államadósság Kezelő Központ Zrt.)
MFB 2020/10 6,25% USD (Magyar Fejlesztési Bank Zrt.)

Assets with over 10% weight

2021C (Államadósság Kezelő Központ Zrt.)

Currency exposure:



RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields: 2.31 %
Annualized standard deviation of the benchmark's weekly yields: 0.19 %