

# Aegon Alfa Total Return Investment Fund institutional 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:	HU0000715974
Start:	03/08/2016
Currency:	HUF
Total Net Asset Value of the whole Fund:	77,494,554,763 HUF
Net Asset Value of institutional series:	9,964,802,232 HUF
Net Asset Value per unit:	1.047609 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

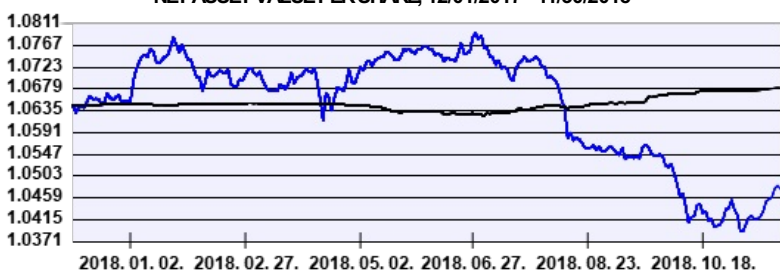
Aegon Magyarország Befektetési Alapkezelő Zrt., Raiffeisen Bank Zrt., Unicredit Bank Hungary Zrt.

## NET YIELD PERFORMANCE OF THE SERIES:

Interval	Yield of note	Benchmark yield
From start	1.72 %	0.60 %
2017	3.91 %	0.20 %

## NET PERFORMANCE OF THE SERIES

NET ASSET VALUE PER SHARE, 12/01/2017 - 11/30/2018



— Aegon Alfa Total Return Investment Fund institutional 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: 2.33 %  
Annualized standard deviation of the benchmark's weekly yields: 0.20 %

## INVESTMENT HORIZON:

Suggested minimum investment period:

3 months  6 months  1 year  2 years  3 years  4 years  5 years

Risk and Reward Profile:

very low  low  moderate  intermediate  significant  high  very high

## MARKET SUMMARY:

In November, main equity indices closed in the positive territory and the emerging markets managed to outperform the developed market equities for the first time since March, while Hungarian stocks were able to achieve higher returns than their regional counterparts.

However, oil price suffered its worst month of the past 10 years. The biggest problem for oil is the slowing demand in parallel with the explosion of shale production in the US, thus the investors are afraid of sudden over-supply.

At the end of the month, Jerome Powell gave the last boost for the equities with his announcement, according to his statement they are close to achieving the neutral interest rate, which gave momentum for the equity asset class.

In early November, the US midterm election was in the limelight of the markets, the result was the same that the consensus expected. The Democrats regained the House of Representatives for the first time in eight years but the majority of Republicans remained in the Senate.

At the end of the month, all the attention was paid to the G20 summit, eminently to the Trump-Xi meeting. The talks between the two leaders ended with a ceasefire, which resulted in a 90-day intensive reconciliation period to resolve the conflict between them and the introduction of new tariffs in January has been also postponed. The markets were pleased to see the trade war fears softened, which also helped the stocks' performance.

Some good news emerged in Europe as well, the Italian government showed willingness to compromise in the question of the budget deficit, according to the news the next year's budget deficit can be reduced to 2%.

In addition, we have received significant impulses in connection with Brexit last month. On the one hand, the text of the agreement on the Brexit conditionality system was completed and the EU and Britain agreed on the framework for coexistence after Brexit. However, the parliamentary vote on the first Brexit law will be on December 11 but according to consensus, the British Parliament will not go through the agreement.

The fund closed in the positive territory last month. During November, we continued to increase our long position on the emerging market, as well as investments were made in the American and German markets. We started to build more liquid positions, thus we started moving through indices instead of individual stocks. Taking advantage of the strengthening of the bond market, we reduced the weight of 10-year Hungarian government bonds, and we realized profit on some of our equity investments in Hungary.

## ASSET ALLOCATION OF THE FUND ON 11/30/2018

Asset type	Weight
Government bonds	49.00 %
Corporate bonds	25.37 %
T-bills	8.56 %
Hungarian equities	7.36 %
International equities	3.47 %
Collective securities	1.76 %
Mortgage debentures	0.76 %
Receivables	3.43 %
Current account	2.08 %
Liabilities	-1.62 %
Market value of open derivative positions	-0.17 %
total	100.00 %
Derivative products	50.64 %
Net corrected leverage	107.38 %

## 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:

