

Aegon Alfa Total Return Investment Fund CZK 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: | HU0000716006 |
| Start: | 03/17/2016 |
| Currency: | CZK |
| Total Net Asset Value of the whole Fund: | 71,110,524,732 HUF |
| Net Asset Value of CZK series: | 296,243 CZK |
| Net Asset Value per unit: | 0.987475 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 | -0.44 % | 0.57 % |
| 2018 | -3.69 % | 0.31 % |
| 2017 | 2.30 % | 0.20 % |

NET PERFORMANCE OF THE SERIES

NET ASSET VALUE PER SHARE, 02/01/2018 - 01/31/2019



— 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.

INVESTMENT HORIZON:

Suggested minimum investment period:



Risk and Reward Profile:



MARKET SUMMARY:

After the record fall in December, the beginning of the year on stock markets has been favourable for the equity prices. Both developed and emerging markets could increase their value. The Emerging market index and America also showed a 9% rise in the first month of the year, while in US dollar terms, Hungarian equities could also rise by 6%. The rise was mainly due to the decline in the Fed's rate hike and the easing of the US-China trade war. In addition, the longest government shutdown in America's history has ended, after Donald Trump has announced that he will sign a budget for three weeks for government agencies. However, the President continues to insist on building the wall on the Mexican border, if no agreement can be reached, another shutdown may come and even a state of emergency can be announced. The oil price also managed to rebound this year thanks to the declining stocks, easing in trade war and turmoil in Venezuela. Europe is still under pressure because of the uncertainty surrounding Brexit. In mid-January, the Brexit draft was voted down by the British Parliament as expected, while Plan B for further steps (planned by the Prime Minister) was voted on 30th January. Although, after the vote, several Representatives of the Union have indicated that they do not support the proposals. Though Theresa May rejects another referendum, some sources suggest that there is already a draft that would offer three versions for the British population: no-deal, May plan or stay. In our opinion, the postponement of 2-years deadline of Article 50 is the most likely scenario, but uncertainty increases the likelihood of a hard-Brexit output. We think that hard-Brexit is not priced in at all, thus such a negative scenario can bring serious sellers to the market but the convergence of the parties and any agreement may reduce pressure on the British and European equities. In December global equities suffered from flow capitulation, equity funds recorded their largest 2 weeks outflow of USD 30bn since 2008. We treated that record outflow as a contrarian buy signal, thus in early January, we opened a tactical long position in the emerging market. In addition, we increased our exposure in the telecom sector and a significant position in Romanian bonds was also built, this exposure was covered and the cover was closed at 67 level of RONHUF.

ASSET ALLOCATION OF THE FUND ON 01/31/2019

| Asset type | Weight |
|---|----------|
| Government bonds | 50.09 % |
| Corporate bonds | 29.22 % |
| Hungarian equities | 9.34 % |
| International equities | 4.84 % |
| Collective securities | 2.83 % |
| Mortgage debentures | 0.60 % |
| T-bills | 0.15 % |
| Current account | 3.61 % |
| Liabilities | -1.65 % |
| Market value of open derivative positions | 0.59 % |
| Receivables | 0.41 % |
| total | 100.00 % |
| Derivative products | 48.94 % |
| Net corrected leverage | 106.29 % |

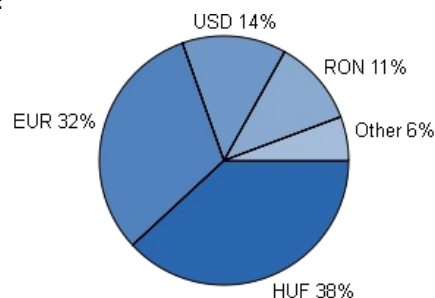
TOP 3 POSITIONS

| Asset | Type | Counterparty / issuer | Maturity |
|-------------------------------------|------------------|---------------------------------------|---------------|
| 2021C | interest-bearing | Államadósság Kezelő Központ Zrt. (HU) | 2021. 04. 21. |
| Opus Securities átváltható kötvénye | interest-bearing | Opus Securities (LU) | 2099. 10. 31. |
| Magyar Államkőtvény 2021/A | interest-bearing | Államadósság Kezelő Központ Zrt. (HU) | 2021. 06. 23. |

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: | 2.51 % |
| Annualized standard deviation of the benchmark's weekly yields: | 0.20 % |
| WAM (Weighted Average Maturity): | 7.83 years |
| WAL (Weighted Average Life): | 8.25 years |