

Aegon Alfa Total Return Investment Fund USD 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:	HU0000715990
Start:	03/17/2016
Currency:	USD
Total Net Asset Value of the whole Fund:	60,548,069,098 HUF
Net Asset Value of USD series:	6,278,788 USD
Net Asset Value per unit:	1.089765 USD

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, indices 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

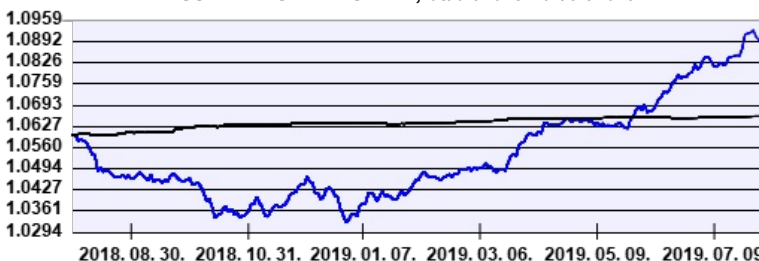
Aegon Magyarország Befektetési Alapkezelő Zrt., Budapest Hitel-és Fejlesztési Bank Zrt., CIB Bank Zrt., CONCORDE Értékpapír Zrt., Equilor Befektetési Zrt., Erste Befektetési Zrt., OTP Bank Nyrt., Raiffeisen Bank Zrt., Unicredit Bank Hungary Zrt.

NET YIELD PERFORMANCE OF THE SERIES:

Interval	Yield of note	Benchmark yield
From start	2.58 %	0.55 %
2018	-1.66 %	0.31 %
2017	3.93 %	0.20 %

NET PERFORMANCE OF THE SERIES

NET ASSET VALUE PER SHARE, 08/01/2018 - 07/31/2019



— Aegon Alfa Total Return Investment Fund USD 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:

July picked it up where June ended. The markets celebrated the truce between President Trump and Xi Jinping by making new all-time highs. The two leaders agreed to continue the trade negotiation on the highest government level. The most important news out from Europe is that Boris Johnson is the new prime minister of England. He is well known as a hardcore "hard-Brexit-er". It will be interesting to watch what will he do, because now he has to deliver what he promised during his campaign. In other words, he had better eat, what he cooked for himself. The macroeconomic picture is mixed. The U.S. data still shows a robust economy, while the Chinese and European data shows a slowing economy that is potentially heading into a recession. Probably that is why Mario Draghi said in his farewell speech that he would do whatever necessary to jump-start the European economy and all means will be justified. After the speech, the German 10 year government yield went to a new all-time low to -51bps. The fund had a positive month thanks to the overall market rally and the excellent stock picking. The fund's equity weight remained around 20%, which has not changed in the last few months. We dipped our hands in a few European bank positions but they were stopped out, when the falling yield curve started a selling wave in the banking sector. We also traded on OTP and TUPRAS stocks, but they were tactical in nature. We increased the duration of our Romanian bond position and hedged the RONHUF exposure. At the same time we sold our entire MOL bond position. We think that the Hungarian Forint is oversold at this point, so our hedging activity is greater than usual.

ASSET ALLOCATION OF THE FUND ON 07/31/2019

Asset type	Weight
Government bonds	36.31 %
Corporate bonds	27.43 %
International equities	11.36 %
Hungarian equities	10.66 %
Collective securities	6.17 %
T-bills	0.96 %
Mortgage debentures	0.69 %
Liabilities	-8.72 %
Receivables	8.31 %
Current account	7.28 %
Market value of open derivative positions	-0.44 %
total	100.00 %
Derivative products	75.48 %
Net corrected leverage	101.46 %

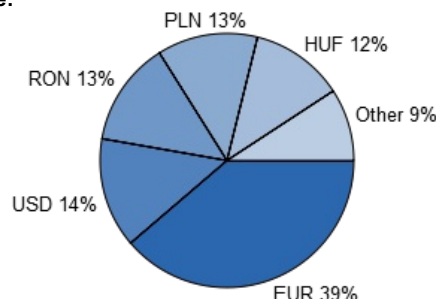
TOP 3 POSITIONS

Asset	Type	Counterparty / issuer	Maturity
ROMGB 2029/02/12 5%	interest-bearing	Román Állam (RO)	2029. 02. 12.
Opus Securities átváltható kötvénye	interest-bearing	Opus Securities (LU)	2099. 10. 31.
Magyar Fejlesztési Bank Zrt. 2020/10 6,25% USD interest-bearing	interest-bearing	Magyar Fejlesztési Bank Zrt. (HU)	2020. 10. 21.

Assets with over 10% weight

ROMGB 2029/02/12 5% (Román Állam)

Currency exposure:



RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields:	2.38 %
Annualized standard deviation of the benchmark's weekly yields:	0.17 %
WAM (Weighted Average Maturity):	9.76 years
WAL (Weighted Average Life):	10.06 years