

Aegon Alfa Total Return Investment Fund R 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:	HU0000712286
Start:	07/16/2013
Currency:	HUF
Total Net Asset Value of the whole Fund:	59,458,891,763 HUF
Net Asset Value of R series:	1,455,477,360 HUF
Net Asset Value per unit:	1.340339 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

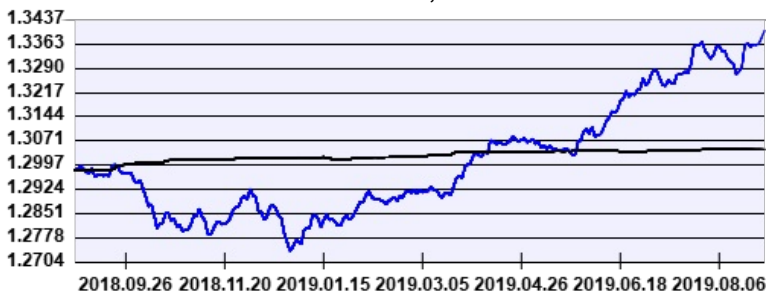
Raiffeisen Bank Zrt.

NET YIELD PERFORMANCE OF THE FUND:

Interval	Yield of note	Benchmark yield
From start	4.90 %	1.47 %
2018	-2.38 %	0.31 %
2017	3.70 %	0.20 %
2016	4.71 %	1.22 %
2015	4.90 %	1.50 %
2014	7.56 %	3.31 %

NET PERFORMANCE OF THE FUND

NET ASSET VALUE PER SHARE, 09/01/2018 - 08/31/2019



— Aegon Alfa Total Return Investment Fund R 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: 2.24 %
Annualized standard deviation of the benchmark's weekly yields: 0.16 %

MARKET SUMMARY:

Donald Trump, the president of the United States in his love me-love me not game august got the latter one. As Xi Jinping was his best friend in July, he became his worst enemy by August. Lately, it is very hard to follow the U.S. president's controversial reasoning, and his inconsistent thinking has an impact on the financial markets. In the last month, there were 2 days when the S&P 500 index fell more than 1%, and 2 days when it fell by more than 2%. It's a miracle that the index closed down the month by only 1,82%. We don't know what the president's true intention is, but it's not helping the investors.

The trade war has multiple aspects. Analysts thought that Trump wants to force the FED to cut rates, and using the trade war as a tool to achieve this goal. But the FED resisted the political pressure, and cut the Fed Fund Rate by only 25bp. Moreover, Jay Powell the chairman of the FED, declared that the only the change in economic data will force the central bank to change its interest rate policy. So far the FED thinks that this is only a mid-cycle slowdown which doesn't justify more rate cuts at this time. Trump didn't like what he heard, and his next tweet he stated that he doesn't know who is the greater enemy of the U.S.: Xi the Chinese president or Powell FED president. The fund had a positive performance in August, Despite the sell off the global markets caused by the renewed trade war between the U.S. and China. We used the bond market rally that developed during this period to sell our RGB position to realize the profits, and at the same time we decreased the duration on the fund's remaining bond positions. We decreased the HUF hedge against the PLN, EUR and the USD until the middle of the month, and we realized these profits by the end of the month. We used the sell off in August to buy those stocks that has a high dividend yield. Because of this, we increased the equity weight in the fund, but we still have a defensive stance.

ASSET ALLOCATION OF THE FUND ON 08/31/2019

Asset type	Weight
Government bonds	30.55 %
Corporate bonds	26.49 %
International equities	17.60 %
Hungarian equities	12.93 %
Collective securities	6.59 %
T-bills	2.62 %
Mortgage debentures	0.71 %
Current account	3.84 %
Liabilities	-1.47 %
Receivables	1.16 %
Market value of open derivative positions	-1.01 %
total	100,00 %
Derivative products	66.40 %
Net corrected leverage	101.05 %

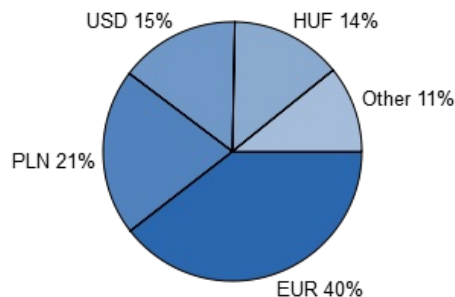
TOP 3 POSITIONS

POLGB 2022/04/25 2,25%
Opus Securities átváltható kötvénye
Magyar Fejlesztési Bank Zrt. 2020/10 6,25% USD

Assets with over 10% weight

There is no such instrument in the portfolio

Currency exposure:



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