

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:	58,910,474,624 HUF
Net Asset Value of institutional series:	9,568,623,415 HUF
Net Asset Value per unit:	1.100539 HUF

INVESTMENT POLICY OF THE FUND:

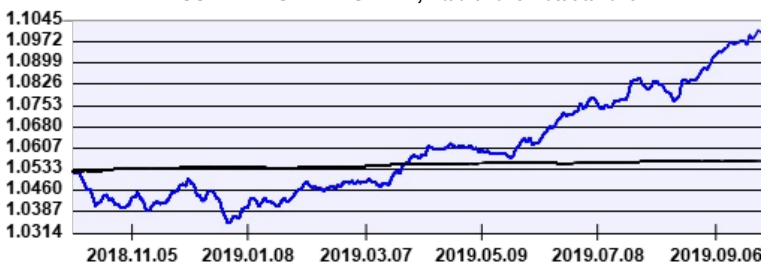
The aim of the fund is to achieve a substantial yield for investors by taking high risks and making active use of derivative positions. The fund is decidedly high-risk, particularly due to the derivative positions it takes. The fund is willing to buy or sell all available investment instruments - domestic and foreign bonds, equities and other securities, 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., Raiffeisen Bank Zrt., Unicredit Bank Hungary Zrt.

NET PERFORMANCE OF THE SERIES

NET ASSET VALUE PER SHARE, 10/01/2018 - 09/30/2019



— 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:	2.29 %
Annualized standard deviation of the benchmark's weekly yields:	0.12 %
WAM (Weighted Average Maturity):	8.46 years
WAL (Weighted Average Life):	8.58 years

TOP 3 POSITIONS

Asset	Type	Counterparty / issuer	Maturity
POLGB 2022/04/25 2,25%	interest-bearing	Lengyel Állam (PL)	2022.04.25
Opus Securities átváltható kötvénye	interest-bearing	Opus Securities (LU)	2099.10.31
Magyar Fejlesztési Bank Zrt. 2020/10 6,25% USD	interest-bearing	Magyar Fejlesztési Bank Zrt (HU)	2020.10.21

MARKET SUMMARY:

The U.S. Federal Reserve Bank cut its benchmark rate by 25 basis point in September, and based on future data it may cut even more. It's mentionable, that the board was very divided about the rate cut. They were divided almost evenly, but 2 governors wanted to raise the rates. The 10 year yield sunk to a 3 year low, and the 30 year yield fell below 2%, which is the lowest ever recorded. The ECB also cut rates from -40 basis points to -50, and they restarted the asset purchase program in the amount of 20 billion euros per month. When the news came out the EURUSD cross rate went below 1,10 which was a 2 year low. In Hungary, the national bank kept the benchmark yield at 0,9% and raised the interbank liquidity amount to 100 billion HUF for the next quarter. This didn't bode well for the forint, the EURHUF rate went above 336, which was a new all time high. The fund performed well in September, but we decreased risk by the end of the month both market and individual equity level. The fund realized profits by selling its European bank and Raiffeisen positions. At the end of the month the fund bought gold as a hedge. During the month the fund fully hedged its HUF exposure.

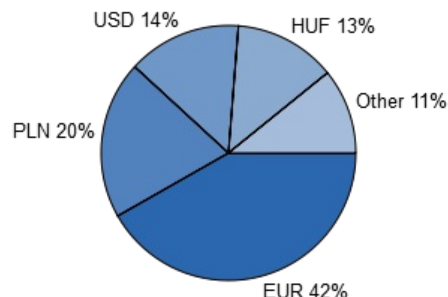
ASSET ALLOCATION OF THE FUND ON 09/30/2019

Asset type	Weight
Government bonds	31.37 %
Corporate bonds	24.83 %
International equities	16.85 %
Hungarian equities	14.75 %
Collective securities	6.73 %
Current account	6.31 %
Liabilities	-5.03 %
Receivables	4.74 %
Market value of open derivative positions	-0.53 %
total	100,00 %
Derivative products	75.88 %
Net corrected leverage	102.35 %

Assets with over 10% weight

There is no such instrument in the portfolio

Currency exposure:



NET YIELD PERFORMANCE OF THE SERIES:

Interval	Yield of note	Benchmark yield
From start	2.73 %	0.52 %
2018	-2.67 %	0.31 %
2017	3.91 %	0.20 %

INVESTMENT HORIZON:

Suggested minimum investment period:

<input type="checkbox"/> 3 months	<input type="checkbox"/> 6 months	<input checked="" type="checkbox"/> 1 year	<input type="checkbox"/> 2 years	<input type="checkbox"/> 3 years	<input type="checkbox"/> 4 years	<input type="checkbox"/> 5 years
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Risk and Reward Profile:

<input type="checkbox"/> very low	<input type="checkbox"/> low	<input checked="" type="checkbox"/> moderate	<input type="checkbox"/> intermediate	<input type="checkbox"/> significant	<input type="checkbox"/> high	<input type="checkbox"/> very high
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