

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:	54,640,435,950 HUF
Net Asset Value of USD series:	6,896,943 USD
Net Asset Value per unit:	1.135836 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, 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., 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 PERFORMANCE OF THE SERIES

NET ASSET VALUE PER SHARE, 01/01/2019 - 12/31/2019



— 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:



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:

There were big changes in December on both sides of the pond. In England it became final that they will leave the EU, and in the U.S. President Trump hit a friendlier tone with the Chinese, he will not escalate the trade war, and will not implement new tariffs. In its usual December meeting, FED president Jay Powell announced that he would raise rates only if he sees a permanent rise in inflation. Based on the macroeconomic numbers, the U.S. economy is steadily growing, the factory orders grew by 0,3% and the weekly unemployment rate is at a 7 months low. The Eurozone economy is not as bright. The industrial output and PMI numbers do not show an optimistic future yet. Lagarde, the new ECB president announced in her first press conference, that she thinks that the euro economy needs more supportive action from the central bank, as long as inflation remains at these levels. The largest economy in Asia beginning to recover from its slowdown. The Chinese Caixin index went to a seven months high. But because of the swine flu, the YoY inflation reached 4,5% in November, which was higher than expected, and overall it was a lot higher than October's 3,8%. In Hungary the central bank didn't change its leading interest rate. The HUF is trying to consolidate at around the 330 EURHUF level. The fund had a positive month in December. During the month when the Romanian yields jumped to 5% the fund bought hedged Romanian government bonds, and when the HUF strengthened the hedge was reduced by 4%. Also, during the HUF strengthening all but the ruble currency exposures were hedged to 30%. The stake in gold that was sold in November was bought back in December. 100% of the Atrium stake was sold last month. The exposure in the regional oil, bank and insurance sectors was increased in December.

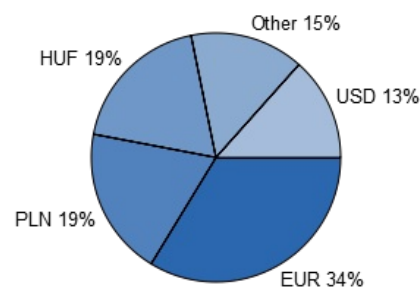
ASSET ALLOCATION OF THE FUND ON 12/31/2019

Asset type	Weight
Government bonds	27.93 %
Corporate bonds	26.90 %
Hungarian equities	20.11 %
International equities	12.20 %
Collective securities	6.33 %
T-bills	3.40 %
Current account	3.01 %
Receivables	0.50 %
Liabilities	-0.48 %
Market value of open derivative positions total	0.11 %
Derivative products	45.48 %
Net corrected leverage	102.65 %

Assets with over 10% weight

POLGB 2022/04/25 2,25% (Lengyel Állam)

Currency exposure:



NET YIELD PERFORMANCE OF THE SERIES:

Interval	Yield of note	Benchmark yield
From start	3.42 %	0.50 %
2019	9.74 %	0.23 %
2018	-1.66 %	0.31 %
2017	3.93 %	0.20 %

RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields:	1.78 %
Annualized standard deviation of the benchmark's weekly yields:	0.10 %
WAM (Weighted Average Maturity):	8.89 years
WAL (Weighted Average Life):	9.12 years