

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:	45,471,351,343 HUF
Net Asset Value of institutional series:	4,796,197,200 HUF
Net Asset Value per unit:	1.091327 HUF

INVESTMENT POLICY OF THE FUND:

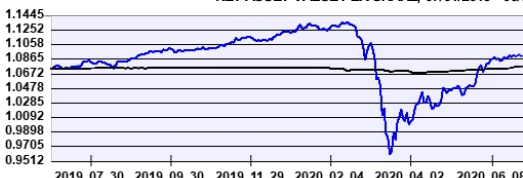
The aim of the fund is to achieve a substantial yield for investors by taking high risks and making active use of derivative positions. The fund is decidedly high-risk, particularly due to the derivative positions it takes. The fund is willing to buy or sell all available investment instruments - domestic 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, 07/01/2019 - 06/30/2020



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:

Just like last few months the corona virus was the focus of world's attention in June. The first wave of the epidemic appears to have subsided in Asia and Europe, while in the United States it depends on the state what stage it is at. This is a major problem for the economy. The US Federal Reserve is doing everything it can to ease the pressure on the economy, but it does not have unlimited power. The taboos are starting to fall, as the St. Louis Fed President has already admitted that even negative interest rates could be used to kick-start the economy. In Europe, the ECB is working feverishly to figure out how to get the economy back on track as soon as possible. The central bank has increased its bond-buying program to € 600 billion, compared to the expected € 500 billion, and its duration has been extended to at least the end of June 2021. More and more positive economic data is coming out of China. What may cast a shadow over the joy that nearly 80 new infections have been found in Beijing by Sunday, raising the possibility that the second wave of the virus has arrived. In Hungary, the MNB reduced the key interest rate by 15 basis points at its June meeting. The decision is incomprehensible to us, as EURHUF has finally stabilized around 340 and 15 basis points is insignificant for the economy. The MNB also indicated that a further decline in interest rates is expected. The forint did not take the news well, and weakened by almost 5% against the euro within a week. The fund achieved a positive return in June. The fund used June's market rally to reduce risk by selling futures contracts, bringing its equity exposure to 5%. By the end of the month, the fund was overweight in regional banks and value-based investments. The fund reduced its previous foreign currency hedge, which by the end of the month was above 30% against the forint.

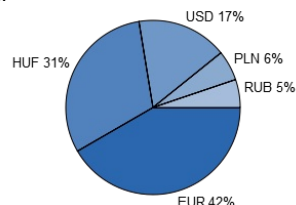
ASSET ALLOCATION OF THE FUND ON 06/30/2020

Asset type	Weight
Corporate bonds	29.84 %
Government bonds	19.61 %
Hungarian equities	14.49 %
T-bills	12.73 %
International equities	9.29 %
Collective securities	8.12 %
Current account	13.69 %
Liabilities	-9.41 %
Receivables	1.75 %
Market value of open derivative positions	-0.08 %
total	100.00 %
Derivative products	76.26 %
Net corrected leverage	126.25 %

Assets with over 10% weight

MFB 2020/10 6,25% USD (Magyar Fejlesztési Bank Zrt.)

Currency exposure:



NET YIELD PERFORMANCE OF THE SERIES:

Interval	Yield of note	Benchmark yield
From start	2.05 %	0.48 %
2019	8.26 %	0.23 %
2018	-2.67 %	0.31 %
2017	3.91 %	0.20 %

RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields:	9.47 %
Annualized standard deviation of the benchmark's weekly yields:	0.58 %
WAM (Weighted Average Maturity):	7.48 years
WAL (Weighted Average Life):	7.73 years

TOP 3 POSITIONS

Asset	Type	Counterparty / issuer	Maturity
Magyar Fejlesztési Bank Zrt. 2020/10 6,25% USD	interest-bearing	Magyar Fejlesztési Bank Zrt. (HU)	2020. 10. 21.
Opus Securites átváltható kötvénye	interest-bearing	Opus Securites (LU)	2099. 10. 31.
S&P500 EMINI FUT Sep20 (Erdő) Sell	derivatv	Erdő Bef. Hun (HU)	2020. 09. 18.