

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:	42,628,051,583 HUF
Net Asset Value of institutional series:	4,754,082,884 HUF
Net Asset Value per unit:	1.042838 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 (AKK) 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, 09/01/2019 - 08/31/2020



— 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:	9.91 %
Annualized standard deviation of the benchmark's weekly yields:	0.58 %
WAM (Weighted Average Maturity):	8.20 years
WAL (Weighted Average Life):	8.74 years

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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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 (Ersle) Sell	derivatv	Ersle Bef. Hun (HU)	2020. 09. 18.

MARKET SUMMARY:

The second wave of the coronavirus has reached Europe, and based on the numbers, it looks more severe than the first wave. It has been made clear that there will not be the same level of closures as in the spring, but if the numbers skyrocket, partial shut downs can be expected. Numbers are also starting to decline in America, but it is not known how the start of school year will affect the spread of the epidemic. The new economic bailout package has still not been adopted in the U.S., and it seems that the agreement between Democrats and Republicans can only be forced by a major stock market crash. U.S. macro data show an improving trend, but it should be noted that the numbers are improving from very low levels. The real state of the economy will not be clear for another 2-3 months. The president of the US Federal Reserve said at his usual annual Jackson Hole meeting that there are no plans to raise interest rates for a long time to come, even if inflation starts to rise. European economic data also show an improving trend, with the two most important indicators, the manufacturing purchasing index and the service activity index, exceeding 50, indicating an expansion. The German ZEW index also paints a positive outlook as it jumped from 59.3 to 71.5 in August. The big question for the coming months is how much the second wave of the epidemic will slow down European economies. In China, it is already believed that the virus has been defeated, as photos can already be seen of Chinese people having pool parties without any means of protection in the province from which the virus has spread world wide. Chinese economic data, like US and European data, show an improving trend. Both exports and economic output continued to grow in August, while retail sales declined. This suggests that the Chinese people are also afraid of another wave and are not spending as they used to. In Hungary, the MNB did not change the key interest rate level at its August meeting. After strengthening in July, the forint started to weaken again against the euro. The fund achieved a positive return in August. By the end of month, the fund had a net equity stake of 20%. The fund increased the weight in its regional and Eurozone banking exposure, and as a hedge sold SP500 and emerging market futures contracts. The fund's equity portfolio has become cyclical, and value-based. The fund actively traded in the foreign exchange market through the EUR-HUF cross rate. Closed the hedges around the 345 level, and reopened it at 353. We also traded actively on the USD-HUF market, and by the end of the month we had established a 5% short position against the forint. In addition, the fund opened a 5% short position against the Russian ruble.

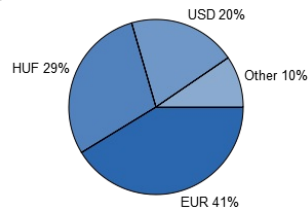
ASSET ALLOCATION OF THE FUND ON 08/31/2020

Asset type	Weight
Corporate bonds	30.85 %
Hungarian equities	24.00 %
Government bonds	18.78 %
Collective securities	8.67 %
International equities	8.34 %
T-bills	3.38 %
Current account	3.77 %
Receivables	2.32 %
Liabilities	-0.94 %
Market value of open derivative positions	0.85 %
total	100.00 %
Derivative products	101.64 %
Net corrected leverage	140.53 %

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	0.94 %	0.46 %
2019	8.26 %	0.23 %
2018	-2.67 %	0.31 %
2017	3.91 %	0.20 %