

Aegon Alfa Total Return Investment Fund HUF 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:	HU0000703970
Start:	02/10/2006
Currency:	HUF
Total Net Asset Value of the whole Fund:	38,578,965,016 HUF
Net Asset Value of HUF series:	24,472,402,844 HUF
Net Asset Value per unit:	2.434633 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

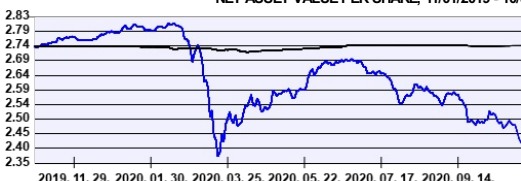
Aegon Magyarország Befektetési Alapkezelő Zrt., Budapest Hitel-és Fejlesztési Bank Zrt., CIB Bank Zrt., Commerzbank Zrt., CONCORDE Értékpapír Zrt., Equilor Befektetési Zrt., Erste Befektetési Zrt., KBC Securities Magyarországi Fióktelepe, MKB Bank Zrt., OTP Bank Nyrt., Raiffeisen Bank Zrt., SPB Befektetési Zrt., Takarékbank Zrt., Unicredit Bank Hungary Zrt.

NET YIELD PERFORMANCE OF THE SERIES:

Interval	Yield of note	Benchmark yield
From start	6.23 %	4.32 %
2019	7.38 %	0.23 %
2018	-3.58 %	0.31 %
2017	3.08 %	0.20 %
2016	4.08 %	1.22 %
2015	4.27 %	1.50 %
2014	6.81 %	3.31 %
2013	9.57 %	5.71 %
2012	15.05 %	8.52 %
2011	-2.73 %	5.17 %
2010	5.87 %	5.53 %

NET PERFORMANCE OF THE SERIES

NET ASSET VALUE PER SHARE, 11/01/2019 - 10/31/2020



— Aegon Alfa Total Return Investment Fund HUF 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:	10.65 %
Annualized standard deviation of the benchmark's weekly yields:	0.59 %
WAM (Weighted Average Maturity):	8.14 years
WAL (Weighted Average Life):	8.29 years

TOP 3 POSITIONS

Asset	Type	Counterparty / issuer	Maturity
EURO STOXX BANK Dec20 Buy	derivativ	Erste Bef. Hun (HU)	2020. 12. 18.
S&P500 EMINI FUT Dec20 (Erste) Sell	derivativ	Erste Bef. Hun (HU)	2020. 12. 18.
Opus Securites átváltható kötvénye	interest-bearing	Opus Securites (LU)	2099. 10. 31.

MARKET SUMMARY:

The corona virus continued to spread uncontrollably in October, reaching even the top of the political leadership. As it turned out, U.S. President Donald Trump and his immediate family were also infected with the virus. New cases are already higher than they were in the spring, and the mortality rate is also rising proportionally. It seems that "virus fatigue" is starting to take hold in the population and austerity is no longer taken as seriously as it was in the spring. The result may be that certain sectors of the economy will have to be shut down again. The only solution would be to produce the vaccine as soon as possible, but even in a best case scenario, this is not expected until next spring. U.S. economic data improved in October. The September ISM non-manufacturing index was better than expected, projecting an improvement in service sector, despite the still raging pandemic situation. Further improvement of the economy depends on whether the next economic rescue package is approved by U.S. lawmakers. Europe is suffering from wave 2 of the epidemic the same way as the U.S. In Germany, the hospitality and entertainment industry will be closed down in November, while in France, due to the much faster-than-expected spread of the epidemic, French President Macron has decided to certain closures in the economy, but unlike in the spring left the schools open. The Chinese economy grew 4.9 percent year-over-year in the third quarter, massively outperforming other regions, although analysts expected more, at 5.2 percent. Industrial production in September grew by 6.9 percent and retail sales by 3.3 percent in September from a year earlier, they were both higher than expected. The PMI value of the Caixin / Markit service sector in September came in strong at 54.8, showing economic expansion. For now, it seems that the Chinese economy has already overcome the economic difficulties caused by the virus and started to grow again. The corona virus is also spreading uncontrollably in Hungary. Nothing has been utilized from the previously announced economic stimulus package, and the forint shows very well the vulnerability of the economy. Although the domestic currency has not weakened against regional currencies, it is very close to the March low against the euro. The fund achieved a negative return in October. During the month, we increased the risk level from 20% to 30% by closing the emerging market short positions. We think that the Chinese economy is very strong, the second wave of the coronavirus not present in the country, and at the same time, emerging markets have begun to outperform. However, we keep the SP 500 shorts, because we believe that this market is still very overvalued and the second wave of the virus in the developed world is only just beginning to unfold. 20% of the fund still has exposure to European banks and 20% to the CEE region. The bank exposure is mainly in the Greek, Polish and Hungarian sectors, but we also hold other European banks. The other 20% of the fund holds CEE positions that we believe are extremely underpriced. As a hedge, we hold 10% SP 500 index short position because we believe that developed markets are very overpriced. The average P / E ratio of these markets is 21, which is extremely high based on the past. Therefore, the fund is positioned so that we have long positions in the sectors that we consider to be undervalued and short positions in the sectors that are overvalued. In our opinion, the forint has weakened too much too fast, and the EUR/HUF exchange rate may strengthen up to 350 against the euro in the near future.

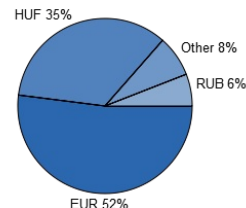
ASSET ALLOCATION OF THE FUND ON 10/31/2020

Asset type	Weight
Hungarian equities	25.14 %
Corporate bonds	24.03 %
Government bonds	14.13 %
Collective securities	9.89 %
International equities	7.39 %
T-bills	3.40 %
Current account	15.92 %
Receivables	0.99 %
Liabilities	-0.31 %
Market value of open derivative positions	-0.57 %
total	100.00 %
Derivative products	83.39 %
Net corrected leverage	129.28 %

Assets with over 10% weight

There is no such instrument in the portfolio

Currency exposure:



INVESTMENT HORIZON:

Suggested minimum investment period:



Risk and Reward Profile:

