

# Aegon Alfa Absolute 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:	41,646,643,191 HUF
Net Asset Value of institutional series:	4,630,655,427 HUF
Net Asset Value per unit:	1.137179 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

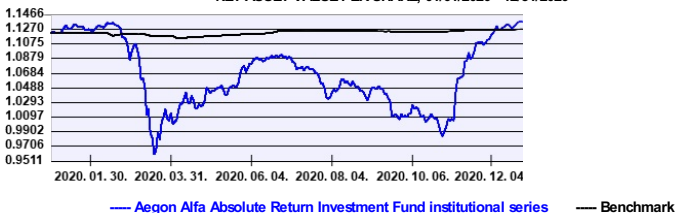
Aegon Magyarország Befektetési Alapkezelő Zrt., Raiffeisen Bank Zrt., Unicredit Bank Hungary Zrt.

## NET YIELD PERFORMANCE OF THE SERIES:

Interval	Yield of note	Benchmark yield
From start	2.71 %	0.47 %
2020	1.29 %	0.41 %
2019	8.26 %	0.23 %
2018	-2.67 %	0.31 %
2017	3.91 %	0.20 %

## NET PERFORMANCE OF THE SERIES

### NET ASSET VALUE PER SHARE, 01/01/2020 - 12/31/2020



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:



## TOP 3 POSITIONS

Asset	Type	Counterparty / issuer	Maturity
Opus Securities átváltható kötvénye	interest-bearing	Opus Securites (LU)	2099. 10. 31.
Graphisoft Park SE	share	Graphisoft N. V. (HU)	
2023C	interest-bearing	Államadósság Kezelő Központ Zrt. (HU)	2023. 08. 23.

## MARKET SUMMARY:

In December, the Covid-19 vaccine has finally arrived, giving a big boost to the markets. The vaccine will be of great help to the world's economies, and now it is a possibility that in the summer of 2021, the economies could reach the levels where they were before the virus broke out. U.S. stock markets continued to rise on vaccine news. The Dow Jones was able to stay above the psychologically important 30,000 level, the Russel 2000 has also reached a new all-time high, and broken through the 2000 level. Capital markets are already confident that the world's economies will recover by next summer, so fresh capital has not only gone into the growth sectors, but value-based investments have become very popular too. Because of this, the best performing index has been the Russel 2000 in the last 2 months. At the December Fed meeting, the US Federal Reserve changed only one thing in its monetary policy announcement: \$ 120 billion a month in bond purchases will be maintained until significant progress is made on inflation and on unemployment, while longer-term bond purchases were not mentioned. The European economy is mixed. Although the expectations of the German ZEW Institute's economic sub-index sentiment jumped from 39 to 55 in November, exceeding the expected value of 46, the German consumer sentiment index came in at -7.3 in December, compared to the revised -6.8- by reading. The Brexit has been finalized on Christmas Day, so the uncertainty has disappeared, and this could also have a positive effect on the future performance of the European economy. The economies of China and other Asian countries may already be thru the pandemic, at least macroeconomic data suggest so. The Caixin / Markit Chinese Manufacturing Purchasing Managers' Index was higher than expected at 54.9 in November, the highest number in a decade. A similar indicator for South Korea was 52.9, a level not seen since 2011. Looking back to 2020, we can say that the Asian countries, but mainly China, that have managed the epidemic the best, and this is reflected in the economic data. The corona virus continues to spread uncontrollably in Hungary. Nothing has been implemented from the previously announced economic stimulus package, and the Hungarian forint shows the vulnerability of the economy as well. The forint gave back all its gains from the beginning of the month, and by the end of the year it had fallen to an 8-week low against the euro. The fund achieved a positive return in December. Over the past month, we have drastically cut back on the fund's risk profile, taking advantage of the year-end optimism in the markets. We sold the regional equity and the European bank exposure, except for the Greek papers, which we just reduced in half. We are of the opinion that the Greek banking sector is still underpriced. Thus, the equity weight now approximately is at 20%, which consist of mainly value-based investments. As for the markets, we are of the opinion that a lot of potentially good things have already been priced in, so the stock markets have become vulnerable to any kind of negative news. Regarding the forint, we believe that it is still cheap against the euro, and a level of around 350 would rather reflect the fair value.

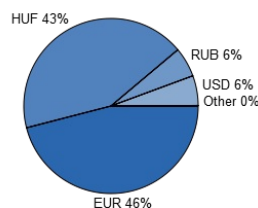
## ASSET ALLOCATION OF THE FUND ON 12/31/2020

Asset type	Weight
Government bonds	28.39 %
Hungarian equities	18.77 %
Corporate bonds	17.28 %
Collective securities	9.15 %
T-bills	6.94 %
International equities	3.72 %
Current account	16.50 %
Liabilities	-0.22 %
Receivables	0.12 %
Market value of open derivative positions	-0.63 %
total	100.00 %
Derivative products	45.47 %
Net corrected leverage	102.00 %

## Assets with over 10% weight

There is no such instrument in the portfolio

## Currency exposure:



## RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields:	12.46 %
Annualized standard deviation of the benchmark's weekly yields:	0.60 %
WAM (Weighted Average Maturity):	8.36 years
WAL (Weighted Average Life):	8.69 years