

# Aegon Alfa Absolute 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:	40,260,352,189 HUF
Net Asset Value of HUF series:	23,570,023,180 HUF
Net Asset Value per unit:	2.904089 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 (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 Nyrt., 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	7.34 %	4.24 %
2020	0.96 %	0.41 %
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 %

## NET PERFORMANCE OF THE SERIES

NET ASSET VALUE PER SHARE, 02/29/2020 - 02/28/2021



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:	12.41 %
Annualized standard deviation of the benchmark's weekly yields:	0.48 %
WAM (Weighted Average Maturity):	8.23 years
WAL (Weighted Average Life):	8.47 years

## TOP 3 POSITIONS

Asset	Type	Counterparty / issuer	Maturity
Opus Securities átváltható kötvénye	interest-bearing	Opus Securities (LU)	2099. 10. 31.
Graphisoft Park SE	share	Graphisoft N. V. (HU)	
S&P500 EMINI FUT Mar21 (Erste) Sell	derivatív	Erste Bef. Hun (HU)	2021. 03. 19.

## MARKET SUMMARY:

The fear overwhelmed the stock markets in late February as 5-10-30 year US bond yields hit new highs. What caused the problem was, that not only nominal but also real interest rates rose, which could later be a problem for the economy. The U.S. Federal Reserve has previously communicated that they don't mind if long-term interest rates go up, they monitor short-term ones and make decisions based on it. If interest rates continue to rise, the Fed will have to decide whether, it will keep its promise that it will not raise the benchmark rate for the next 2 years or it will introduce a yield curve control. The European economy is mixed. The Eurozone Services Sector Purchasing Managers' Index fell from 54.4 to 44.7, marking a contraction for the sixth month in a row. In contrast, the manufacturing PMI jumped from 54.8 to 57.7, which has not seen such a high reading since February 2018. The composite indicator, formed by the weighting of the two, climbed back from 47.8 to 48.1, yet it is still the fifth month below the crucial 50 mark. Although China's and other Asian countries' economies may already be behind the coronavirus-induced crisis, China's macro data has begun to weaken. The Caixin Manufacturing PMI, which measures the output of smaller firms and exporters, fell to 51.5 from 53.5 in the previous month, and the index measuring the service sector also fell from 55.7 to 52.4. Although the economies of the Far Eastern countries have been much less affected by the epidemic, booming world trade remains an important factor for them and they will therefore have to wait for the spread of the epidemic to subside in the developed countries. The coronavirus continues to spread in Hungary without control. Although the spread seemed to be slowing down in early February, it unfortunately gained new momentum by the end of the month. Nothing has yet materialized from the previously announced economic stimulus package, and unfortunately more and more small businesses, especially those interested in hospitality, are closing permanently. The forint depreciated by 1.5% against the euro during the month. The fund achieved a positive return in February. We believe the economies are in a pre-recovery period, but much of that has already been priced in the stock markets, and in light of that, we reduced risk in the fund in February. The equity weight was reduced from the previous 25-30% to 15% by the end of the month with the sale of SP futures contracts. If the indices go to a new high, we close these short positions. The fund assets are mainly consist of Hungarian shares or those that will be able to benefit from the reopening and still have a "Covid discount" on them. During the month, we took profit in MTEL, Richter, Ali Baba and Melia. We reduced the raw material exposure by approx. 1/3 by taking profits in the oil and silver positions. At the beginning of the month, we opened US bond shorts, half of which were closed by the end of the month due to profit realization.

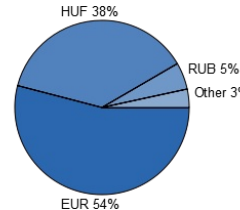
## ASSET ALLOCATION OF THE FUND ON 02/28/2021

Asset type	Weight
Government bonds	27.38 %
Corporate bonds	17.63 %
Hungarian equities	17.62 %
International equities	12.07 %
Collective securities	9.64 %
T-bills	7.62 %
Current account	9.43 %
Liabilities	-1.21 %
Receivables	0.25 %
Market value of open derivative positions	-0.42 %
total	100.00 %
Derivative products	74.01 %
Net corrected leverage	129.70 %

## Assets with over 10% weight

There is no such instrument in the portfolio

## Currency exposure:



## 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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Befektetési Alapkezelő