

# Aegon Alfa Absolute Return Investment Fund CZK 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:                               | HU0000716006                    |
| Start:                                   | 03/17/2016                      |
| Currency:                                | CZK                             |
| Total Net Asset Value of the whole Fund: | 40,560,731,108 HUF              |
| Net Asset Value of CZK series:           | 329,984 CZK                     |
| Net Asset Value per unit:                | 1.099948 CZK                    |

## 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

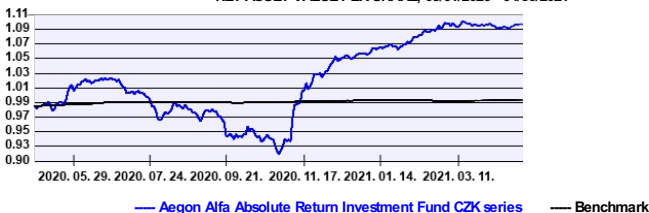
Patria Finance, a.s.

## NET YIELD PERFORMANCE OF THE SERIES:

| Interval   | Yield of note | Benchmark yield |
|------------|---------------|-----------------|
| From start | 1.88 %        | 0.45 %          |
| 2020       | -0.29 %       | 0.41 %          |
| 2019       | 8.35 %        | 0.23 %          |
| 2018       | -3.69 %       | 0.31 %          |
| 2017       | 2.30 %        | 0.20 %          |

## NET PERFORMANCE OF THE SERIES

NET ASSET VALUE PER SHARE, 05/01/2020 - 04/30/2021



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:      | 8.71 %     |
| Annualized standard deviation of the benchmark's weekly yields: | 0.28 %     |
| WAM (Weighted Average Maturity):                                | 1.41 years |
| WAL (Weighted Average Life):                                    | 1.60 years |

## TOP 3 POSITIONS

| Asset                     | Type             | Counterparty / issuer                | Maturity      |
|---------------------------|------------------|--------------------------------------|---------------|
| Graphisoft Park SE        | share            | Graphisoft N. V. (HU)                |               |
| Magyar Államkötvény 2023C | interest-bearing | Államadósság Kezelő Központ Zrt (HU) | 2023. 08. 23. |
| MOL Nyrt. részvény demat  | share            | MOL Nyrt (HU)                        |               |

## MARKET SUMMARY:

In April, systematic vaccination against Covid-19 continued in the developed world. Vaccine companies have started to ramp up vaccine production, so it is probably safe to say that by the end of May or early June, those in the developed world who ask for the vaccine will get it. The most spectacular progress has been made in the United States, where more than 35% of the population has already been vaccinated, and since mid-April there have been no restrictions on vaccination, so anyone of any age can get the vaccine. In Europe, vaccine availability varies by country. In Hungary, everyone who has applied can now get the vaccine, while in Germany the same is expected by the end of June. If the vaccination schedule continues at this rate, there is a chance for the developed world to see a "normal" summer season unfold. The the major indices hit new all-time highs, thanks to the lower US yields. At the moment there is a so-called "goldie lock" scenario, which means that interest rates are higher than before but not high enough to hurt stock markets and at the same time the economy is growing. Economic forecasts remain positive and although there is already a noticeable inflation in the economy, but not high enough to cause serious damage to companies. There is finally some good news about the corona virus in Hungary. Although the mortality rate is still very high, one of the worst in the world on a population basis, but the vaccination rate is one of the best. The government has ordered a reduction in restrictions, and restaurants have been allowed to open, albeit with some restrictions. This positive change is reflected in the forint exchange rate. It moved in a relatively narrow range, closing the month near the 360 level. The fund achieved a positive return in April. The equity weight remained unchanged at 30%, but the Hungarian weight was increased. We believe that Hungarian valuation is very low compared to developed and emerging markets, but at the same time the Hungarian growth potential is much higher. Hungarian vaccination coverage is one of the best in Europe and we believe this will be reflected in Hungarian economic activity. Two thirds of the fund's investments remain unchanged in the CEE region, with one third concentrated in European re-openings. In addition, we have realized profits in Vonovia. We expect a strengthening of the forint in the coming period and therefore all currency exposures are hedged.

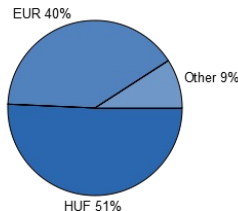
## ASSET ALLOCATION OF THE FUND ON 04/30/2021

| Asset type                                | Weight   |
|---|----------|
| Government bonds                          | 23.48 %  |
| Hungarian equities                        | 22.22 %  |
| Corporate bonds                           | 10.60 %  |
| T-bills                                   | 9.49 %   |
| Collective securities                     | 8.65 %   |
| International equities                    | 7.60 %   |
| Current account                           | 20.61 %  |
| Liabilities                               | -3.33 %  |
| Receivables                               | 1.05 %   |
| Market value of open derivative positions | -0.37 %  |
| total                                     | 100.00 % |
| Derivative products                       | 49.63 %  |
| Net corrected leverage                    | 104.66 % |

## 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:

