

Aegon Alfa Total Return Investment Fund HUF series

GENERAL INFORMATION

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|--|---------------------------------|
| 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: | HU00000703970 |
| Start: | 02/10/2006 |
| Currency: | HUF |
| Total Net Asset Value of the whole Fund: | 86,034,270,845 HUF |
| Net Asset Value of HUF series: | 60,197,316,991 HUF |
| Net Asset Value per unit: | 2.705625 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 (ÁKK) on behalf of the State of Hungary.

DISTRIBUTORS

Aegon Magyarország Befektetési Alapkezelő Zrt., Budapest Hitel-és Fejlesztési Bank Zrt., CIB Bank Zrt., Codex Tőzsdéügynökség és Értéktár Zrt., Commerzbank Zrt., CONCORDE Értékpapír Zrt., Equilor Befektetési Zrt., Erste Befektetési Zrt., KBC Securities Magyarországi Fióktelepe, 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 | 8.43 % | 5.12 % |
| 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 % |
| 2009 | 16.55 % | 10.79 % |
| 2008 | 18.82 % | 8.45 % |

NET PERFORMANCE OF THE SERIES

NET ASSET VALUE PER SHARE, 06/01/2017 - 05/31/2018



----- 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.

INVESTMENT HORIZON:

Suggested minimum investment period:



Risk and Reward Profile:



MARKET SUMMARY:

However, the US equity market managed to rise in May, the European and Regional equity indices suffered a fall. The Dollar was able to strengthen significantly against the Euro, thus the EURUSD cross reached the 1.151 rate. At the beginning of the month, the US currency was boosted by the record high US export data, while the European geopolitical tension and the widening US-German yield gap have put pressure on the Euro, after the 10-year US government yield hit a 7-year-high and reached the 3.1 level. Last month, the fears of some vulnerable emerging markets' currency crisis came to the light. In May, the Argentine peso weakened by more than 20 percent in one week compared to the Dollar. At the beginning of the month, the foreign exchange intervention did not bring the expected result, thus the local central bank had to raise the base rate to 40% to reduce the pressure on the Argentine currency. Moreover, the Argentine President Macri had to request for an IMF help to save the Peso. Similar situation took place in Turkey in May, the Turkish Lira fell to a new absolute low against the Dollar, which only the local central bank was able to curb somewhat by an extra 300 basis point interest rates raise. The fears of the emerging market currencies also reached Hungary, thus the Forint has weakened over the 320 limit against the Euro, which has not been seen since June 2016.

In Europe, the Italian political tensions were in the limelight. At the end of the month, State-President Mattarella did not endorse Giuseppe Conte's Financial Minister nominee, the euro-skeptic Paolo Savona, in response to this, the League and the Five Star Movement have gave back the mandate of the government formation. Investors were afraid that Italy will leave the Eurozone, thus the Italian 10-year government yield has jumped to levels not seen since 2014.

Overseas, Trump's politics was a real roller coaster. In May, the US president declared that the US will officially quit the nuclear agreement with Iran, which the European countries are trying to maintain. Variable news came on the US-China trade war front as well, in the middle of the month we could hear some news about a cease-fire but by the end of the month, another tariff increase was announced. Similar situation took place in connection with the US-North-Korean summit (planned on June 12), the US president firstly resigned the meeting but by the end of the month, some good news emerged about this issue.

Oil price hit a new 3.5-year high in May, after the market participants worried about a significant downturn in Iran's oil supply, but the end of the month, the investors realized profit before the OPEC/Russian production negotiation.

Utilizing the weakening of the Forint, we closed our short Forint position against the Euro, Dollar and Regional currencies. Moreover, we realized profit on our long US, Russian and some Regional equity exposure. Currently, emerging market short position is held in the fund, while in May, we increased our exposure in two regional bank. Unfortunately, we had to stop out our long Turkish equity positions last month. Regarding the fund's risk level, we are currently below the long-term average but we are constantly looking for the right entry points.

ASSET ALLOCATION OF THE FUND ON 05/31/2018

| Asset type | Weight |
|---|----------|
| Government bonds | 43.19 % |
| T-bills | 18.99 % |
| Corporate bonds | 17.96 % |
| Hungarian equities | 8.46 % |
| International equities | 6.27 % |
| Collective securities | 1.94 % |
| Mortgage debentures | 0.72 % |
| Liabilities | -14.02 % |
| Receivables | 11.52 % |
| Current account | 4.57 % |
| Market value of open derivative positions | 0.39 % |
| total | 100.00 % |
| Derivative products | 51.54 % |
| Net corrected leverage | 110.01 % |

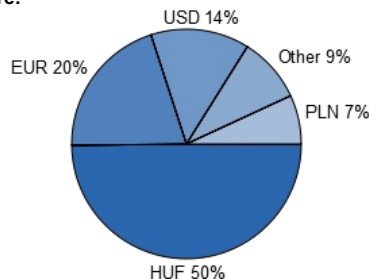
TOP 3 POSITIONS

D181227 (Államadósság Kezelő Központ Zrt.)
2021A (Államadósság Kezelő Központ Zrt.)
MFB 2020/10 6,25% USD (Magyar Fejlesztési Bank Zrt.)

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: 1.74 %
Annualized standard deviation of the benchmark's weekly yields: 0.10 %