

Aegon Alfa Total Return Investment Fund PLN 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: | HU0000708318 |
| Start: | 11/17/2009 |
| Currency: | PLN |
| Total Net Asset Value of the whole Fund: | 42,600,269,295 HUF |
| Net Asset Value of PLN series: | 74,379,262 PLN |
| Net Asset Value per unit: | 2.417995 PLN |

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 Towarzystwo Ubezpieczen na Zycie Spolka

NET PERFORMANCE OF THE SERIES

NET ASSET VALUE PER SHARE, 08/01/2019 - 07/31/2020



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.

RISK INDICATORS FOR THE LAST 12 MONTHS:

| | |
|---|------------|
| Annualized standard deviation of the fund's weekly yields: | 9.86 % |
| Annualized standard deviation of the benchmark's weekly yields: | 0.58 % |
| WAM (Weighted Average Maturity): | 8.02 years |
| WAL (Weighted Average Life): | 8.51 years |

INVESTMENT HORIZON:

Suggested minimum investment period:

| | | | | | | |
|--------------------------|--------------------------|-------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3 months | 6 months | 1 year | 2 years | 3 years | 4 years | 5 years |

Risk and Reward Profile:

| | | | | | | |
|--------------------------|--------------------------|-------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| very low | low | moderate | intermediate | significant | high | very high |

TOP 3 POSITIONS

| Asset | Type | Counterparty / issuer | Maturity |
|---|------------------|-----------------------------------|---------------|
| Magyar Fejlesztési Bank Zrt 2020/10 6,25% USD | interest-bearing | Magyar Fejlesztési Bank Zrt. (HU) | 2020. 10. 21. |
| Opus Securites átváltható kötvénye | interest-bearing | Opus Securites (LU) | 2099. 10. 31. |
| S&P500 EMINI FUT Sep20 (Ersle) Sell | derivatív | Ersle Bef. Hun (HU) | 2020. 09. 18. |

MARKET SUMMARY:

It appears that in Europe, the first wave of the corona virus has ended, but there are already signs that the second wave is about to start. EU Member States have opened their internal borders, but this situation can change at any time, depending on the infection rates. The situation in the United States is not as good. The states manage the epidemic independently, which resulted that, there are states where the number of new infections has already dropped to the European level, but there are also some, especially in the south-west where the infection rate is at new highs. U.S. lawmakers are also trying to adapt to this emergency situation, and have voted to extend the job retention program until August 8th. In addition, the Secretary of the Treasury is working on a proposal that would allow for another \$1,000 billion aid package. In Europe, Angela Merkel has softened the "thrifty four" to support the € 750 billion EU Reconstruction Fund. By the end of the month, the economic aid package and the € 1,074 billion European budget had been passed. The epidemic broke out in China first, so we can also say that they are also moving ahead of the rest of the world in economic recovery. This is shown by the better-than-expected June China Purchasing Managers' Index, with the manufacturing industry index at 50.9 and the service sector at 54.4, both data referring pre-pandemic times, a period of the official 6 percent economic growth. In Hungary, the MNB also reduced the key interest rate by 15 basis points at its July meeting to 60 bps. Based on the MNB's communication, we can say that the central bank fine-tuned its bond purchase program, and we can most likely say that we have reached the end of the interest rate cut cycle. The fund achieved a negative return in July. The fund continued to reduce its risk exposure in the market during the month by selling futures contracts, taking equity exposure down to 0% by the end of the month. The fund's equity portfolio has changed to a value-based cyclical portfolio. The fund has greatly increased its European and regional banking exposure, believing that the worst-case scenario has been priced in the bank sector. To hedge this exposure, the fund increased its SP500 and emerging market futures short positions. We believe that corona virus numbers are still very high, which will limit the economic recovery. The fund's foreign currency exposure is 100% hedged.

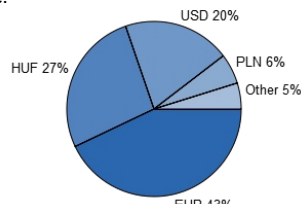
ASSET ALLOCATION OF THE FUND ON 07/31/2020

| Asset type | Weight |
|---|----------|
| Corporate bonds | 30.07 % |
| Hungarian equities | 20.45 % |
| Government bonds | 19.58 % |
| International equities | 8.70 % |
| Collective securities | 8.51 % |
| T-bills | 4.94 % |
| Receivables | 3.51 % |
| Current account | 2.56 % |
| Market value of open derivative positions | 2.08 % |
| Liabilities | -0.38 % |
| total | 100.00 % |
| Derivative products | 94.78 % |
| Net corrected leverage | 133.43 % |

Assets with over 10% weight

MF20 2020/10 6,25% USD (Magyar Fejlesztési Bank Zrt.)

Currency exposure:



NET YIELD PERFORMANCE OF THE SERIES:

| Interval | Yield of note | Benchmark yield |
|------------|---------------|-----------------|
| From start | 3.22 % | 2.17 % |
| 2019 | 8.56 % | 0.23 % |
| 2018 | -2.13 % | 0.31 % |
| 2017 | 4.29 % | 0.20 % |
| 2016 | 4.03 % | 1.22 % |
| 2015 | 4.63 % | 1.50 % |
| 2014 | 7.32 % | 3.31 % |
| 2013 | 9.75 % | 6.54 % |
| 2012 | 13.54 % | 7.01 % |
| 2011 | -2.88 % | 5.00 % |
| 2010 | -0.89 % | -1.22 % |