

Aegon Alfa Total 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:	71,663,968,715 HUF
Net Asset Value of institutional series:	5,433,797,624 HUF
Net Asset Value per unit:	1.011897 HUF

INVESTMENT POLICY OF THE FUND:

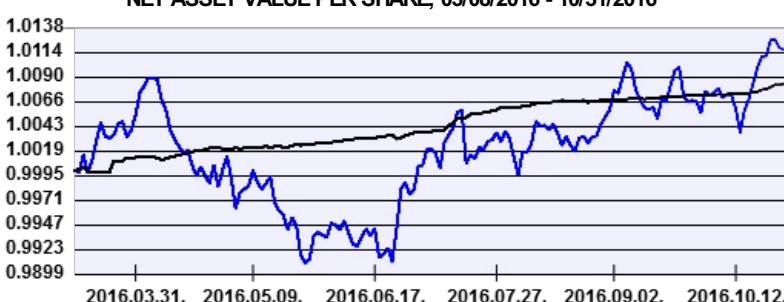
The aim of the fund is to achieve a substantial yield for investors by taking high risks and making active use of derivative positions. The fund is decidedly high-risk, particularly due to the derivative positions it takes. The fund is willing to buy or sell all available investment instruments - domestic 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., Unicredit Bank Hungary Zrt.

NET PERFORMANCE OF THE FUND

NET ASSET VALUE PER SHARE, 03/08/2016 - 10/31/2016



— Aegon Alfa Total Return Investment Fund institutional 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.

RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields:	1.46 %
Annualized standard deviation of the benchmark's weekly yields:	0.18 %

INVESTMENT HORIZON:

Suggested minimum investment period:



Risk and Reward Profile:



MARKET SUMMARY:

Equities did not close strongly in October as except for the Japanese market, main equity indices lost from their value. The increasing fear of FED rate hike and the risk aversion caused by the US presidential election did not support equities. The banking sector was the best performing industry in October as a result of rising interest rates and better-than-expected corporate earnings. The probability of FED rate hike in December escalated during the month and because of that USD was strong compared to major currencies in October. European Central Bank postponed its decision about the future of its QE program due to the fact that decision makers want to wait for the result of FED meeting in December. GBP was punished during the month since it seems like British government pursues a "hard Brexit", which means that Britons will not only leave EU, but also EU's single market in exchange for regaining better control of their immigration policy. Investors started to accommodate themselves to US presidential election at the end of the month by decreasing their risky assets. According to polls, Hillary Clinton has better chances to win the election, which would be a more pleasant outcome for equity markets. After starting strong, oil prices fell from their one-year highs thanks to OPEC, which backed out from its oil freezing agreement, and the strong USD. As a result, oil ended up in the negative territory in October.

The fund started to decrease risks by the end of the month because of the US election. Equity positions were reduced, especially European banks and emerging markets exposure. At the same time the fund held its HUF long bets during the month.

ASSET ALLOCATION OF THE FUND ON 10/31/2016

Asset type	Weight
Government bonds	32.74 %
Corporate bonds	21.62 %
T-bills	16.75 %
International equities	10.10 %
Collective securities	6.93 %
Hungarian equities	6.64 %
Mortgage debentures	0.21 %
Current account	5.92 %
Liabilities	-2.73 %
Receivables	2.22 %
Market value of open derivative positions	-0.18 %
total	100.00 %
Derivative products	48.49 %
Net corrected leverage	101.13 %

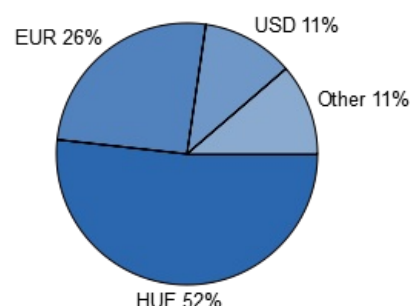
TOP 3 POSITIONS

D161228 (Államadósság Kezelő Központ Zrt.)
2017C (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:



NET YIELD PERFORMANCE OF THE FUND:

Interval	Yield of note	Benchmark yield
From start	1.19 %	0.84 %
1 month	0.63 %	0.11 %
3 months	0.81 %	0.23 %
6 months	1.05 %	0.63 %