

OTP EMDA Total Return Derivative Fund

Introduction (A series)

Name:	OTP EMDA Total Return Derivative Fund
Kind, type:	open-ended, public, total return
Name of fund manager:	OTP Fund Management
Start of the fund:	05/15/2008
ISIN	HU0000706361
Bloomberg	OTPEMDA HB Equity

Portfolio managers



András Büki,
CFA
Investment
director



Mátyás Sárvári
Portfolio
manager



Investment policy

The Fund aims to outperform the risk free local money market instruments by active management and volatility control. Its investment universe is primarily emerging market instruments and derivatives. If exceptional opportunities arise in other markets, it has the flexibility to invest globally in the full spectrum of investment vehicles. The Fund may have concentrated positions in emerging market currencies, bonds and equities from time to time, resulting in higher than average volatility. The Fund's advantage is an unconstrained approach to asset allocation, which enables the Fund to participate in challenging markets. The Fund may apply leverage and can take both long and short positions. The Fund follows a global macro investment strategy in the emerging market universe based on macro fundamental analysis aiming to identify long-term price misalignments combined with technical analysis applied for market timing.

Monthly Statement

Macro environment:

Global stock markets rebounded in October following a brief pause at the end of September. In the middle of the month, fears of a trade war caused a brief fluctuation, but as these subsided, US stock indices rose to their highest levels ever. The risk-seeking mood was supported by the Fed's renewed cycle of interest rate cuts, the apparent improvement in US-China government relations and (most importantly) the artificial intelligence craze. Our negative assessment of equities remains unchanged. There is a contradictory situation: more and more people are saying that there may be a bubble in the stock markets, but instead of exercising caution, they are increasing their exposure for fear of missing out on any further upward movements. Market concentration has continued to strengthen, with market-leading companies reaching a decade-long peak. The emergence of doubts surrounding the return on AI investments would significantly affect their share prices, which could put pressure on the entire market. These concerns have already had a serious impact on Meta during the current reporting season, and it will be worth keeping an eye on related news in the future. We have written before that blind investor behavior cannot continue forever, so we are maintaining our negative equity exposure in anticipation of a sobering episode.

Changes to the fund:

The Fund's price declined in October due to the underperformance of strategic positions. The Fund's net short position remained unchanged at around 11.3%. We opened a tactical short position in Nasdaq futures, which we closed out in the continuing market uptrend. Within our individual equity positions, we realized profits on Brazilian mining stock Vale. In contrast, we increased our European exposure by repurchasing WizzAir, TUI, Inpost, and Teamviewer. On the commodities front, we further increased our long position in wheat. We sold our lithium ETF, which had risen spectacularly this year, and took advantage of the manic rise to open a short position in silver. We sold the remaining 2050 Mexican inflation-linked bonds. The position performed well this year, but with the yield spread narrowing, we found it more appropriate to realize profits. The incumbent government performed better than expected in the Argentine elections, resulting in a significant rise in the market, which had been under pressure until then. Taking advantage of this, we sold the quasi-sovereign Buenos Aires bond maturing in 2037. On the currency front, we see the calm surrounding the forint as nearing exhaustion. We traded in a range in EURHUF during the month, resulting in a slight decrease in the HUF short level. We increased our long position in the Japanese yen and opened a short position in the dollar with EURUSD purchases. We found the underperformance of the Korean won to be a good entry point in light of the rise in the local stock market, and opened a short position in EURKRW. In addition, we traded within a range in the Norwegian krone, Mexican peso, and Australian dollar.

Net asset value & price

	Currency	Amount
Net Asset Value*	HUF	81 570 146 569
Price**	HUF	7,771446

*Total net asset value of the different investment fund series.

**Net asset value per unit.

Risk level:



Recommended investment time frame: 5 years

OTP EMDA Total Return Derivative Fund

Annualized past performances

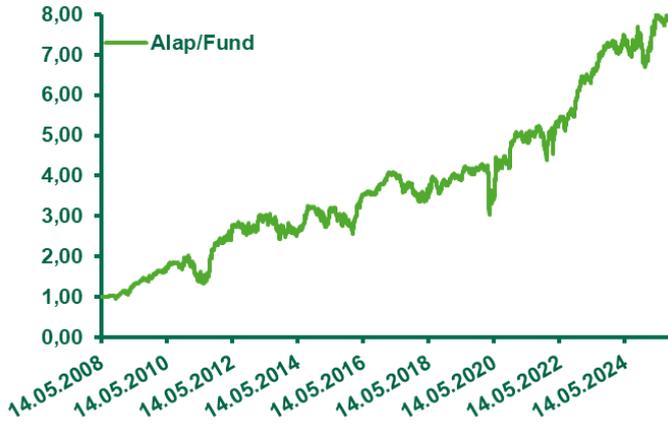
Annual returns*	1Y	3Y	5Y	10Y	From launch
Fund	3,11%	12,27%	13,03%	10,27%	12,45%

*Net returns based on net asset value. For periods longer than 1 year, net returns are annualized (compound interest, 1 year = 365 days).

Risk indicators

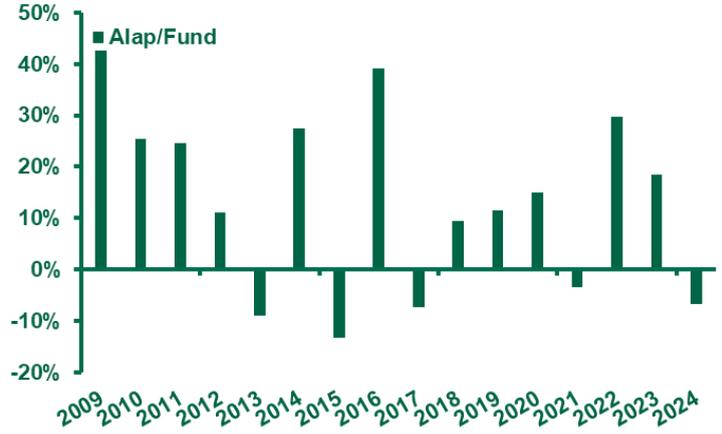
Risk indicators	1Y	3Y	5Y	10Y	From launch
Deviation	10,38%	9,12%	11,46%	13,45%	16,93%
Sharpe	-0,24	0,36	0,59	0,53	0,48
Max. drawdown	-11,22%	-12,93%	-16,10%	-29,60%	-35,01%

Performance chart



The chart shows the periode: from launch to last banking day of the month.

Calendar years performance



Monthly performance

Έν\Ηό Υ\Μ	1	2	3	4	5	6	7	8	9	10	11	12	Έτες Annual	
2025	3,89%	0,65%	6,68%	4,14%	-0,72%	-0,74%	-0,09%	1,93%	-1,97%	-0,61%				
2024	-0,94%	-1,26%	-0,82%	4,25%	-1,59%	-2,92%	-0,10%	0,46%	4,79%	1,17%	-8,45%	-0,83%	-6,68%	
2023	3,23%	0,10%	0,56%	-1,32%	2,96%	0,75%	5,64%	0,18%	3,53%	0,23%	-0,06%	1,42%	18,40%	
2022	6,48%	-1,39%	4,89%	1,95%	1,26%	-1,06%	-1,29%	4,92%	-0,11%	-1,12%	9,48%	2,99%	29,75%	
2021	1,46%	-0,26%	-2,41%	1,86%	-2,60%	3,88%	-0,06%	2,90%	1,27%	-4,28%	-5,59%	0,82%	-3,42%	
2020	-2,49%	-0,38%	-16,21%	3,11%	7,88%	6,96%	2,26%	3,08%	-1,60%	-2,37%	12,90%	3,89%	15,00%	
2019	4,05%	0,61%	-1,56%	-1,05%	4,40%	3,42%	-1,75%	-2,62%	0,29%	2,66%	-0,48%	3,30%	11,49%	
2018	-4,43%	6,04%	-4,09%	6,12%	1,82%	6,60%	-1,25%	-7,15%	0,77%	4,65%	-0,69%	1,72%	9,37%	
2017	3,78%	2,89%	-0,29%	-0,01%	-2,05%	-1,32%	-4,97%	0,08%	1,93%	0,21%	-6,32%	-1,10%	-7,38%	
2016	0,73%	8,85%	9,69%	7,06%	1,13%	0,76%	-0,43%	0,25%	-0,03%	4,30%	1,20%	0,61%	39,04%	
2015	-6,87%	1,04%	-7,89%	11,63%	1,99%	3,52%	-7,57%	1,19%	-7,49%	4,89%	-4,69%	-1,78%	-13,23%	

Total net risk exposure*

219,57%

*Risk indicator involving risk of derivative transactions. Figures above 100 indicate leverage, therefore the rate of the fund may vary beyond the market.

Assets above 10%

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Asset composition

Asset	Ratio
Deposits	42,8%
T-bills	9,3%
Government bonds	9,4%
Mortgage bonds	0,0%
Other bonds	3,0%
Equities	11,0%
Investment fund units	23,7%
Other	0,9%

Currency short/long positions

Currency	Ratio
Euro	61,23%
Brazilian Real	25,45%
Chilean Peso	9,17%
Japanese Yen	8,00%
Korean Won	2,83%
Russian Ruble	0,42%
Mexican Peso	-1,87%
US Dollar	-34,93%
Hungarian Forint	-70,96%
Other	0,67%

Negative=short, positive=long

Distribution

Distributor	OTP Bank Nyrt.
Distributing partners	Concorde Értékpapír Zrt., Raiffeisen Bank Zrt., Erste Befektetési Zrt., CIB Bank Zrt., SPB Befektetési Zrt., Equilor Befektetési Zrt., Unicredit Bank Hungary Zrt., MBH Befektetési Bank Zrt., MBH Bank Nyrt., Patria Finance Magyarországi Fióktelepe

Disclaimer

This document is a marketing issue. Past performances don't guarantee future performances. Calculations of past performances, returns, risk indicators, net asset value, price and composition of portfolio are based on the last banking day of the month. Sources of past performances: Bloomberg (benchmark) and OTP Alapkezelő (funds). No information, opinions or data in this document constitute either investment advice or contract proposal. For detailed information on the fund's investment policy and potential investment risks, please see the key information documents, official prospectus, and fund rules available at the fund's distribution place. Expenses related to the marketing of the investment fund (purchasing, holding, selling) are available in the fund rules and at the distribution sites. Website: otpalap.hu

Portfolio

Positions above 10% of the NAV

USD Short, ISHARES MSCI BRAZIL UCITS DE, S&P500 INDEX SHORT, NASDAQ 100 SHORT, Ing Bank time deposit, Erste Bank Hungary Zrt. time deposit

Positions above 50% of the NAV

EUR Long, HUF Short

Positions above 100% of the NAV

None