

## OTP Fundman Equity Fund

### Introduction (A series)

Name:	OTP Fundman Equity Fund
Kind, type:	open-ended, public, equity
Name of fund manager:	OTP Fund Management
Start of the fund:	06/11/2014
Benchmark:	30% CETOP EUR + 25% MSCI EMU Net Total Return USD + 25% MSCI Emerging Net Total Return USD + 10% MSCI World Net Total Return USD + 10% RMAX
ISIN	HU0000713714
Bloomberg	OTPEHUF HB Equity

### Portfolio managers



Levente Boér,  
CFA  
Investment  
director



Eszter Lokietek,  
CFA  
Senior  
portfolio  
manager



Máté Kovács-  
Kvotidián, CFA  
Portfolio  
manager



Olivér Csáti  
Portfolio  
manager

### Investment policy

The Fund aims to generate outperformance compared to a global stock index in the recommended minimum holding period. As the focus is on stock selection, the equity exposure is typically between 90%-100% depending on the number of attractively priced companies found and the level of the fund managers' conviction. The Fund invests in equities with a value investing approach. There is no restriction regarding the geography or sector of the investments, but the investment universe has an EMEA regional bias. The Fund tends to find value in under-researched mid-sized companies.

### Monthly statement

#### Macro environment:

Stock markets closed October strongly, with the technology sector once again standing out among US indices (Nasdaq +4.8%), but Europe (Stoxx 50 +2.4%) and the region (CETOP +6.3%) also rose during the month. The technology sector's outstanding momentum was sustained by continuous news of new AI infrastructure investments, but at the same time, there are growing questions about value creation and market concentration has also increased. Global sentiment was boosted by the shift in US-China communications towards a more constructive direction, which also materialized in a trade agreement on rare earth exports. US inflation trends also provided a positive surprise, while labor market data was "adequately" weak, prompting the Fed to cut interest rates by a further 25 basis points, although Powell's statement that a December rate cut was by no means guaranteed dampened spirits.

#### Changes in the fund:

The Fund closed the month on a high note, with strong performance from its oil drilling exposures, South Korea's Samsung (+24%), technology exposures such as Intel (+19%) and one of our old regional favorites, At&S (+43%), where good news related to the sector catalyzed a strong positive turnaround. Among the Fund's regional exposures, Polish retail companies (Zabka, CCC), Turkey's Vestel, and airline Wizz Air were weak. CCC was shaken by a short attack, and after an attack reminiscent of last year's action against LPP, the stock suddenly fell sharply. The report questioned the reliability of the company's figures and alleged that it was artificially inflating its growth figures through a franchise partner. The company quickly refuted the allegations in a press conference, which helped the share price, but uncertainty about growth continues to hang over investors. A new addition to the portfolio is a company engaged in plastic bottle recycling. We believe that the European regulatory environment is creating the conditions for growth in the coming years, but in the short term this is being delayed, and as a result the company has corrected sharply since its report. We also bought Alior Bank, a Polish bank with excellent valuations that is trading at a significant discount to the banking sector as a whole, has a strong dividend yield, and is a potential acquisition target, which also represents a takeover option in the investment story. At the end of October, the proportion of assets providing equity exposure in the Fund was 97,8%.

### Net asset value & price

	Currency	Amount
Net Asset Value*	HUF	50 084 408 871
Price**	HUF	1,828175

\*Total net asset value of the different investment fund series.  
\*\*Net asset value per unit.

### Risk level:



Recommended investment time frame: 5 years

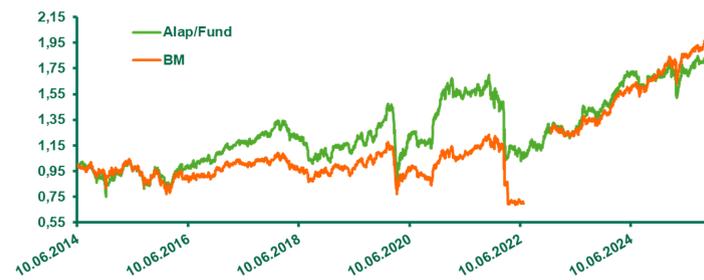
## OTP Fundman Equity Fund

### Annualized past performances

Annual returns*	1Y	3Y	5Y	10Y	From launch
Fund	9,73%	17,66%	10,18%	7,08%	5,43%
Benchmark	20,09%	n.a	n.a	n.a	n.a
Relative return	-10,36%	n.a	n.a	n.a	n.a

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

### Performance chart



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

### Total net risk exposure\*

101,15%

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

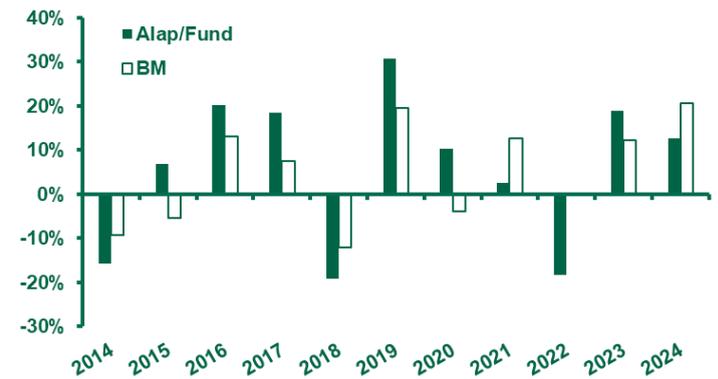
### Currency composition

Currency	Ratio
Euro	37,07%
Polish Zloty	14,12%
Hungarian Forint	10,37%
Turkish Lira	6,99%
US Dollar	6,51%
Kazakhstani Tenge	6,46%
Hong Kong Dollar	6,19%
South African Rand	2,37%
New Romanian Leu	1,78%
Other	8,12%

### Risk indicators

Risk indicators	1Y	3Y	5Y	10Y	From launch
Deviation	14,18%	13,61%	18,13%	17,53%	17,54%
Tracking error	7,39%	n.a.	n.a.	n.a.	n.a.
Information ratio	-1,40	n.a.	n.a.	n.a.	n.a.
Beta	0,9968	n.a.	n.a.	n.a.	n.a.
Alfa	-10,31%	n.a.	n.a.	n.a.	n.a.
Max. drawdown	-15,67%	-15,67%	-39,33%	-40,73%	-40,73%

### Calendar years performance



### Assets above 10%

None

### TOP 5 holdings

Inpost	Polish	parcel lockers	3,59%
Halyk	Kazakh	bank	2,91%
At&S	Austrian	PCB, IC producer	2,66%
Naspers*Prosus	South-African	online retail, e-commerce	2,51%
Kaspi	Kazakh	bank, fintech	2,48%

## OTP Fundman Equity Fund

### Country composition

Country	Ratio
Poland	14,25%
Germany	9,81%
Austria	8,26%
Fund/ETF	8,02%
France	7,23%
Turkey	6,97%
Hungary	6,89%
Netherlands	6,76%
Kazakhstan	6,46%
Other	25,36%

### Industry composition

Industry	Ratio
Consumer Discretionary	23,71%
Financials	18,98%
Industrials	18,31%
Information Technology	11,22%
Energy	7,77%
Real Estate	4,01%
Consumer Staples	2,08%
Communication Services	2,01%
Materials	1,65%
Other	10,25%

### TOP 10 instruments

Instrument	Weight
ISHARES CORE EM IMI ACC	4,06%
INPOST SA	3,59%
HALYK SAVINGS BANK-GDR REG S	2,91%
AUSTRIA TECHNOLOGIE	2,66%
JSC KASPI.KZ GDR-ADR	2,48%
RENAULT SA	2,42%
PEKAO	2,22%
OTP TÖRZS (100)	2,21%
NASPERS LTD-N SHS SPON ADR	2,18%
WIZZ AIR HOLDINGS PLC	2,15%

### Distribution

Distributor	OTP Bank Nyrt.
Distributing partners	Concorde Értékpapír Zrt., Erste Befektetési Zrt., Unicredit Bank Hungary Zrt., MBH Befektetési Bank Zrt., MBH Bank Nyrt.

### 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](http://otpalap.hu)