

OTP Climate Change Equity Fund

Introduction (A series)

Name:	OTP Climate Change Equity Fund
Kind, type:	open-ended, public, equity, ESG
Name of fund manager:	OTP Fund Management
Start of the fund:	01/09/2008
Benchmark:	70% MSCI ACWI IMI SDG 7 Affordable and Clean Energy Select + 25% MSCI EMU Climate Change ESG Select NETR EUR + 5% RMAX
ISIN	HU00000706239
Bloomberg	OTPCLMT HB Equity

Portfolio managers



Eszter Lokietek,
CFA
Senior portfolio
manager



Máté Kovács-
Kvotidián, CFA
Portfolio manager

Prizes



Investment policy

The Fund seeks to provide opportunity to benefit from the performance of the climate change industry with investing in the global equity markets. The fund manager believes that global climate change is a man-made phenomenon. He also believes that societies need to implement structural changes in many areas (energy production, consumption habits, etc.) to prevent the worsening of the situation. Policy responses from governments and bottom-up responses from societies can create opportunities for innovative companies along the road. A carbon-neutral future also present challenges for incumbent companies. This Fund aims to identify the winners and the losers of these structural changes.

Monthly statement

Macro Environment:

Stock markets closed October strongly, with the tech sector once again standing out among US indices (Nasdaq +4.8%). Positive US inflation trends, interest rate cuts in line with expectations, and a steady stream of news related to AI infrastructure and data centers gave clean energy companies a new boost (S&P Global Clean Energy Index +11.9%, Invesco Solar +12.5%), allowing them to close the month with significant gains. The nuclear energy story is not running out of steam either, as the US administration's determination to promote the technology is a strong tailwind. Among our exposures, uranium miner Cameco jumped on the news of a strategic agreement in which the US government makes strong commitments to boost the industry through investments and simplification of licensing processes.

Changes in the fund:

Thanks to the strong performance of renewable energy companies, the Fund's share price rose sharply in October. The Fund's solar energy exposures (Shoals, SMA Solar, Sunrun, Nexttracker) performed well, and wind energy companies also proved strong thanks to further improving margins (Nordex, Vestas). During the month, we sold Signify, a global lighting technology company, as we believed that the reporting season posed a risk to the company, which often underperforms at this time of year. We sold our overweight position in Plug Power, a green hydrogen producer and infrastructure developer, which doubled in October on a huge rally, and we felt it was reasonable to realize some of the profits on the position. We bought shares in Tomra, a Norwegian manufacturer and distributor of plastic bottle recycling machines, which we believe is poised for strong growth in the coming years thanks to European regulations and the correction caused by the uncertainty surrounding the French government also offered good entry points in Veralia, a glass bottle manufacturer that is at the bottom of its valuation range.

The OTP Climate Change Fund closed October with an 92.9% equity exposure.

OTP Climate Change Equity Fund

Net asset value & price

	Currency	Amount
Net Asset Value*	HUF	24 995 530 311
Price**	HUF	2,607399

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

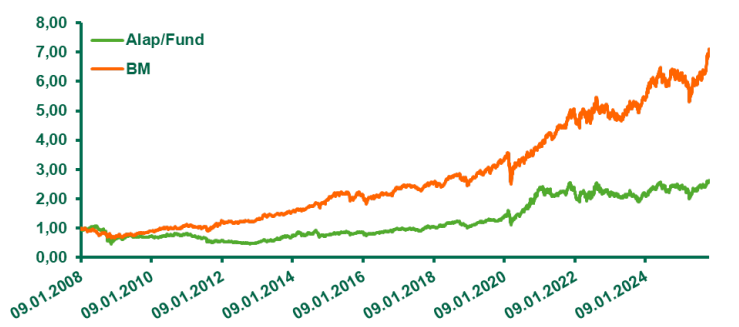
**Net asset value per unit

Annualized past performances

Annual returns*	1Y	3Y	5Y	10Y	From launch
Fund	7,59%	5,05%	7,04%	12,13%	5,52%
Benchmark	13,14%	11,15%	15,34%	12,71%	11,60%
Relative return	-5,54%	-6,10%	-8,29%	-0,57%	-6,08%

*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*

112,63%

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

Asset composition

Asset	Ratio
Deposits	3,6%
T-bills	0,0%
Government bonds	0,0%
Mortgage bonds	0,0%
Other bonds	1,7%
Equities	90,9%
Investment fund units	2,0%
Other	1,7%

Risk level:

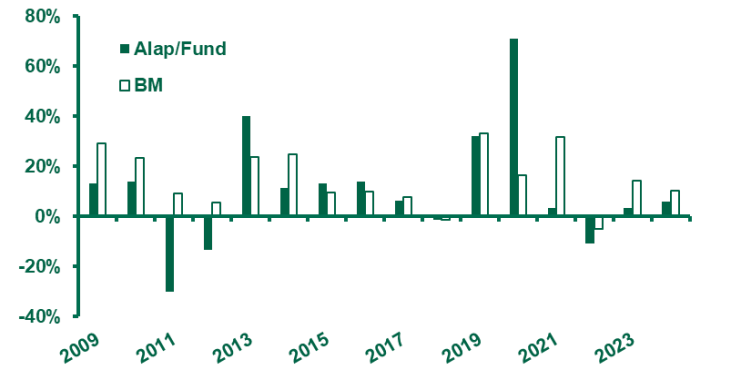


Recommended investment time frame: 5 years

Risk indicators

Risk indicators	1Y	3Y	5Y	10Y	From launch
Deviation	17,76%	17,69%	20,57%	19,46%	23,55%
Tracking error	7,41%	8,56%	12,11%	11,35%	15,55%
Information ratio	-0,75	-0,71	-0,68	-0,05	-0,39
Beta	0,9992	0,9604	0,9712	0,9433	0,9567
Alfa	-5,54%	-6,01%	-8,03%	-0,04%	-5,76%
Max. drawdown	-20,54%	-23,05%	-25,96%	-30,83%	-58,74%

Calendar years performance



Assets above 10%

None

Currency composition

Currency	Ratio
Euro	42,58%
US Dollar	20,61%
Hong Kong Dollar	7,82%
Danish Krone	6,90%
Canadian Dollar	6,76%
New Zealand Dollar	4,60%
Hungarian Forint	3,25%
Kazakhstani Tenge	2,17%
Korean Won	1,88%
Other	3,43%

OTP Climate Change Equity Fund

Country composition

Country	Ratio
United States	30,70%
France	11,47%
Denmark	6,90%
Germany	6,68%
China International	6,50%
Hungary	5,89%
Cash	5,45%
Canada	4,42%
Italy	4,17%
Other	17,80%

TOP 5 instruments

Nextracker
Schneider electric sa
First solar
Vestas
Prysmian

ESG classification of fund assets*

Developed market issuers	75,58%
AAA	21,63%
AA	26,15%
A	20,16%
BBB	6,79%
BB	0,85%
B	0,00%
CCC	0,00%
N/A	0,00%
Emerging market issuers	19,05%
AAA	0,00%
AA	6,44%
A	3,00%
BBB	0,00%
BB	0,00%
B	0,00%
CCC	0,00%
N/A	0,00%

*AAA is the best, CCC the worst

Industry composition

Industry	Ratio
Industrials	44,74%
Utilities	17,71%
Information Technology	15,58%
Cash	5,45%
Materials	4,88%
Energy	4,73%
Consumer Discretionary	4,21%
Other	2,70%

Committed ESG limit

ESG limit type	Limit	Rate
Developed market issuers AAA-BBB + Emerging market issuers AAA-BB	min. 70%	85,02%

ESG informations

ESG rate	85,02%
Overall ESG score	6,485028
Overall ESG rating	A
Average ESG Quartile	1,308071

OTP Climate Change Equity Fund

Distribution

Distributor	OTP Bank Nyrt.
Distributing partners	Concorde Értékpapír Zrt., Erste Befektetési Zrt., SPB Befektetési Zrt., Raiffeisen Bank Zrt., CIB Bank Zrt.

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