

OTP Central European Equity Fund

Introduction (A series)

The name of the fund:	OTP Central European Equity Fund
Kind, type:	open-ended, public, equity
Name of fund manager:	OTP Fund Management
Start of the fund:	12/21/2005
Benchmark:	90% CETOP 5/10/40 Index (Bloomberg CETUC) + 10% ICE BoFA 0-1 Year EUR Gov Index (Bloomberg EGOA Index)
ISIN:	HU0000703855
Bloomberg:	OTPCEEQ HB Equity

Portfolio managers



Ágnes Czakó,
CFA
Senior portfolio manager



Zoltán Halas,
CFA
Investment director



Tamás Szujó,
CFA
Portfolio manager

Prizes



Investment policy

The Fund is dedicated to Central and Eastern European equities, but also may invest in other mainly Western European and other developed countries. The Fund invests in stocks of companies operating across diversified sectors. The fund managers employ an active strategy based on fundamental analysis but from time to time also use short-term market opportunities, also taking into consideration the fund managers' macro-economic views. The Fund may hedge its currency risks with forward currency positions and also can take short futures positions to limit its beta risk. While the equity exposure of the Fund can range between 60% and 150%, its target average exposure is 90%.

Monthly statement

Macro Environment:

October once again delivered strong performance across regional equity markets—both in absolute and relative terms. We observed outstanding returns in the Hungarian BUX index, which rose by 8.54% in local currency, while the Polish WIG20 gained 5.78%, the Czech PX advanced 2.84%, and the Romanian BET climbed 5.53%. Cyclical sectors dominating regional indices generally performed well, with banks and oil & gas stocks both moving higher. In the latter case, quarterly reports and strong performance in the refining segment also supported sentiment. Within the Polish retail universe, we saw excitement at the individual company level. An analyst firm published a report on CCC, accusing the company of artificially inflating its sales figures. The share price reacted with a sharp drop but later recovered. On the Hungarian market, among blue chips, OTP Bank's share price rose the most, gaining 11.85%, while among smaller-cap stocks, 4IG soared (+54.4%) on acquisition news. Regional retail consumption—after strong performance in recent periods—showed a mixed picture. While Polish data indicated accelerating consumption, with a 7.1% real annual increase, Romanian data revealed a notable 2.1% decline. In the latter case, VAT hikes and austerity measures may have played a role. On the inflation front, significant changes were seen only in Romania, where the annual price level growth reached 10.1%, largely due to base effects. Analysts slightly revised downward their GDP growth forecasts for Romania and Hungary for 2026, while Czech figures were adjusted upward following recent strong data. Thus, expectations for next year stand at 1.9% for Romania, and at 3.3%, 2.2%, and 2.5% for Poland, Czech Republic, and Hungary, respectively. During the month, the Polish central bank implemented a 25 basis point rate cut.

Changes in the Fund:

We built positions in the Polish telecommunications sector and increased the weight of the Polish banking sector. Additionally, we purchased more shares of AT&S and Pepco, while closing our Raiffeisen Bank position with significant profit. The Fund closed the month with 99% equity exposure. Polish and Austrian equities remain overweight in the Fund, while Croatian, Romanian, and Czech equities are underweight.

Net asset value & price

	Currency	Amount
Net Asset Value*	HUF	41 050 376 130
Price**	EUR	2,730528

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

**Net asset value per unit.

Risk level:



Recommended investment time frame: 5 years

OTP Central European Equity Fund

Annualized past performances

Annual returns*	1Y	3Y	5Y	10Y	From launch
Fund	41,35%	28,84%	19,09%	10,23%	5,18%
Benchmark	43,34%	29,96%	21,29%	9,33%	3,99%
Relative return	-1,99%	-1,12%	-2,20%	0,90%	1,19%

*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*

103,14%

*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
Polish Zloty	49,31%
Euro	20,70%
Hungarian Forint	15,24%
Czech Koruna	7,66%
New Romanian Leu	7,09%
British Pound Sterling	0,00%
US Dollar	0,00%

Risk indicators

Risk indicators	1Y	3Y	5Y	10Y	From launch
Deviation	16,02%	13,77%	15,70%	15,41%	18,76%
Tracking error	4,00%	3,37%	6,73%	6,21%	5,41%
Information ratio	-0,50	-0,33	-0,33	0,15	0,22
Beta	0,9971	1,0144	0,8949	0,9096	0,9701
Alfa	-1,88%	-1,51%	-0,10%	1,70%	1,28%
Max. drawdown	-12,30%	-12,30%	-35,20%	-38,04%	-64,13%

Calendar years performance



Assets above 10%

None

Country composition

Country	Ratio
Poland	51,22%
Hungary	15,58%
Austria	11,02%
Czech Republic	7,66%
Romania	7,09%
Slovenia	6,25%
France	1,57%
Portugal	0,78%
Netherlands	0,57%
Other	-1,73%

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Industry composition

Industry	Ratio
Financials	49,23%
Energy	14,52%
Consumer Discretionary	10,67%
Health Care	5,60%
Consumer Staples	4,78%
Utilities	4,44%
Materials	4,15%
Communication Services	2,75%
Industrials	1,95%
Other	1,91%

TOP 10 instruments

Instrument	Weight
OTP BANK PLC	9,71%
PKN	8,91%
PKO BANK	8,88%
ERSTE BANK STAMM	8,19%
PZU SA - 0.1	4,39%
PEKAO	4,33%
KGHM	4,14%
LPP SA	4,06%
ALLEGRO.EU SA	3,58%
CEZ	3,48%

Distribution

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