

OTP Western European Equity Fund

Introduction (A series)

Name:	OTP Western European Equity Fund
Kind, type:	open-ended, public, equity
Name of fund manager:	OTP Fund Management
Start of the fund:	12/29/2021
Benchmark:	90% MSCI EMU LC + 10% ICE BoFA 0-1 Year EUR Gov
ISIN	HU0000729025
Bloomberg	OTWSREA HB Equity

Portfolio managers



Attila Gajdács
Portfolio
manager



Zoltán Halas,
CFA
Investment
director



Ágnes Czákó,
CFA
Senior portfolio
manager



Investment policy

The fund provides an investment opportunity to benefit from the performance of the Western European Equity markets. The portfolio manager invests mainly in the European Monetary and Economic Union (primarily France, Germany, The Netherlands, Spain, Italy, Finland, Belgium, Ireland). The targeted average equity exposure is 90%.

Monthly statement

Macro environment:

By the end of October, nearly half of the companies had published their results for the third-quarter earnings season. Overall, after-tax earnings exceeded expectations, although analyst consensus had considered very low or even zero profit growth realistic in historical comparison. Following the reporting season, analysts still expect only around 1% aggregate profit growth for Q3 year-over-year. The banking sector once again stood out, with an average outperformance of around 5%, notably Deutsche Bank and ING Group, which achieved profits 13% and 8% higher, respectively. Energy sector companies also mostly delivered positive surprises, while real estate and construction-related firms disappointed. In France, several bank reports were poorly received by the market despite the French GDP growth being a significant positive surprise. However, negative sentiment arose as the French parliament discussed increasing taxes on corporate profits returned to shareholders, potentially taxing dividends and/or share buybacks above historical averages at a rate of up to 33%. These prospects pressured the French market overall, and since reducing the budget deficit is a key issue in French politics, the legislation may be adopted. Expectations for European real GDP growth in 2025 have returned close to early-year levels (1.3% vs. 1.4% at the start of the year), and based on purchasing manager indices, economic growth momentum even improved over the past month. Initial fears triggered by U.S. trade tariffs have thus essentially dissipated in the short term.

Changes in the fund:

During the month, we increased the overall equity exposure, partially closed the overweight in the banking sector, and reduced the underweight in automotive, construction, and technology. The Fund's total equity exposure is 103.9%.

Net asset value & price

	Currency	Amount
Net Asset Value*	Ft	21 591 466 995
Price**	Ft	1,265,441

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

**Net asset value per unit.

Risk level:



Recommended investment time frame: 5 years

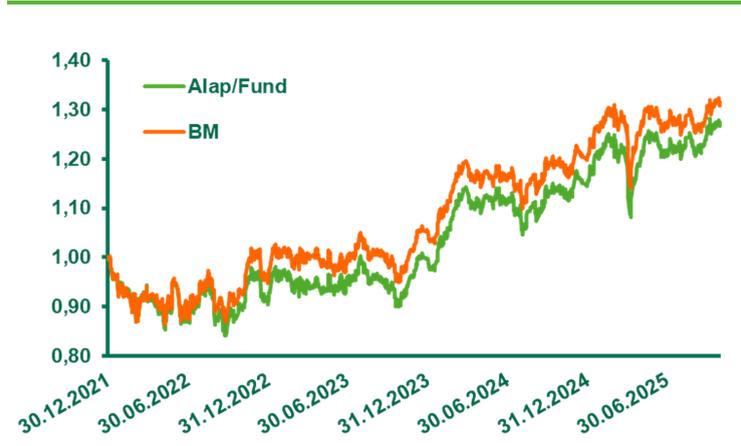
OTP Western European Equity Fund

Annualized past performances

Annual returns*	1Y	3Y	5Y	10Y	From launch
Fund	12,13%	11,74%	n.a	n.a	6,48%
Benchmark	10,50%	11,79%	n.a	n.a	7,30%
Relative return	1,63%	-0,05%	n.a	n.a	-0,81%

*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*

115,00%

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

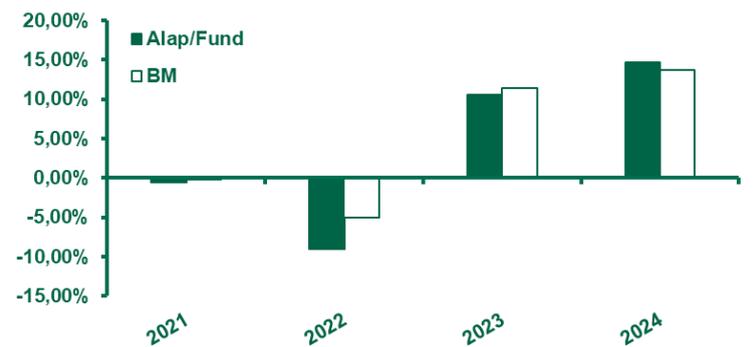
Currency composition

Currency	Ratio
Euro	97,95%
Danish Krone	1,04%
Swiss Franc	0,78%
US Dollar	0,18%
Hungarian Forint	0,04%
British Pound Sterling	0,02%

Risk indicators

Risk indicators	1Y	3Y	5Y	10Y	From launch
Deviation	14,61%	14,14%	n.a	n.a	16,47%
Tracking error	1,71%	2,02%	n.a	n.a	2,22%
Information ratio	0,95	-0,02	n.a	n.a	-0,37
Beta	1,0276	1,0287	n.a	n.a	1,0281
Alfa	1,41%	-0,31%	n.a	n.a	-0,97%
Max. drawdown	-13,58%	-13,58%	n.a	n.a	-15,90%

Calendar years performance



Assets above 10%

None

Country composition

Country	Ratio
France	27,00%
Germany	22,80%
Netherlands	11,63%
Cash	11,33%
Spain	11,21%
Italy	8,54%
Belgium	2,55%
Finland	2,51%
Denmark	1,04%
Other	1,39%

OTP Western European Equity Fund

Industry composition

Industry	Ratio
Financials	26,14%
Industrials	16,96%
Information Technology	12,25%
Cash	11,33%
Consumer Discretionary	10,20%
Health Care	6,43%
Utilities	5,78%
Consumer Staples	3,46%
Materials	2,66%
Other	4,78%

TOP 10 instruments

Instrument	Weight
ASML HOLDING NV (NL)	6,25%
SAP AG	4,04%
SIEMENS AG	3,27%
BANCO SANTANDER	2,90%
BANCO BILBAO VIZCAYA ARGENTA	2,80%
LVMH MOET HENNESSY LOUIS VUITTON	2,70%
ESSILORLUXOTTICA	2,43%
INTESA SANPAOLO	2,41%
SCHNEIDER ELECTRIC SA	2,40%
ALLIANZ SE	2,31%

Distribution

Distributor	OTP Bank Nyrt.
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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