

OTP Quality Derivative Equity Fund

Introduction (A series)

The name of the fund:	OTP Quality Derivative Equity Fund
Kind, type:	open-ended, public, equity
Name of fund manager:	OTP Fund Management
Start of the fund:	08/28/1997
Benchmark:	90% CETOP Index + 10% RMAX
ISIN:	HU0000702907
Bloomberg:	OTPOEE HB Equity

Portfolio managers



Ágnes Czakó,
CFA
Senior
portfolio
manager



Zoltán Halas,
CFA
Investment
director



Attila Gajdács
Portfolio
manager



Tamás Szujó,
CFA
Portfolio
manager



Prizes



Investment policy

The fund is an actively managed portfolio consisting of primarily equities, and to a lesser extent bonds and money market assets. The fund provides an investment opportunity to benefit from the performance of the Central & Eastern European Equity markets. The portfolio manager invests mainly in Central and Eastern Europe (Hungary, Poland, Czech Republic, Romania). The targeted average equity exposure is 85%. The fund employs a value investing approach.

Monthly statement

Macro environment

Despite somewhat lower liquidity, all regional markets posted strong gains during October. Following the minor correction in September, the Hungarian market topped the regional podium with an 8.5% performance measured in HUF. This rise was primarily supported by the surge of two major blue chips—OTP Bank and MOL—both gaining around 10%, alongside the rally of several smaller stocks. In Poland, commodity-linked stocks led the advance, while the banking sector also rebounded thanks to strong loan issuance volumes and improved sentiment. The weakest link in the Polish WIG20 index was shoe retailer CCC, which, similar to the LPP case a year and a half ago, was targeted by a short-selling research firm, causing a 15–20% drop in its share price. Among regional markets, the Czech Republic saw the most moderate increase. Early October marked parliamentary elections, won by billionaire Andrej Babiš's party with a larger-than-expected majority. October focused on coalition-building, while actual governance is expected to begin in mid-December. Market reaction post-election was subdued. One point of interest is the fate of CEZ, a major utility company with significant weight in regional indices. Babiš's program proposed nationalization, which would involve buying out small investors. However, due to the substantial cost implications, it remains uncertain how this could be implemented. As for economic activity, improving consumer and industrial sentiment in the Czech Republic offset declines in construction and retail sectors.

Changes in the Fund

During the month, we increased the Fund's equity exposure to 107%. Among regional stocks, we raised the weight of the Polish banking sector and Slovenia's Nova Ljubljanska Banka. We realized profits on our Raiffeisen Bank position. We closed our underweight positions in KGHM (copper mining) and Allegro. Additionally, we further increased exposure to AT&S (microelectronics) and Polish retailer Pepco. In the defense sector, we replaced our exposure with a European banking index and began building positions in other developed market indices.

Net asset value & price

	Currency	Amount
Net Asset Value*	HUF	117 951 225 138
Price**	HUF	8,756516

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

Risk level:



Recommended investment time frame: 5 years

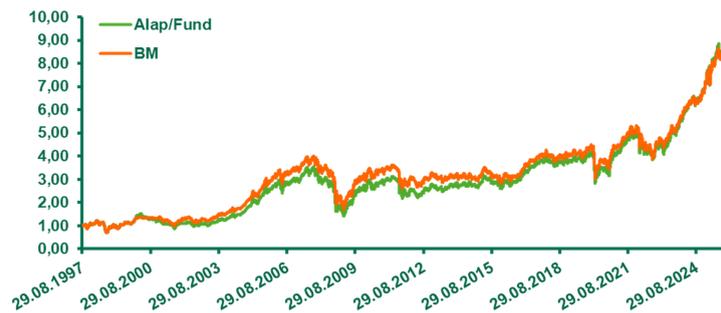
OTP Quality Derivative Equity Fund

Annualized past performances

Annual returns*	1Y	3Y	5Y	10Y	From launch
Fund	35,85%	29,06%	22,68%	11,99%	8,00%
Benchmark	34,14%	27,61%	20,16%	10,82%	7,95%
Relative return	1,70%	1,45%	2,51%	1,18%	0,06%

*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*

109,83%

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

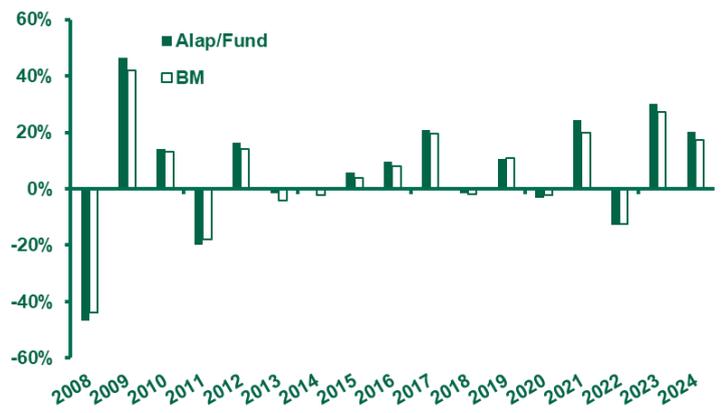
Asset composition

Asset	Ratio
Deposits	0,3%
T-bills	0,0%
Government bonds	3,0%
Mortgage bonds	0,0%
Other bonds	0,4%
Equities	97,7%
Investment fund units	0,5%
Other	-1,9%

Risk indicators

Risk indicators	1Y	3Y	5Y	10Y	From launch
Deviation	15,54%	13,10%	15,08%	14,38%	17,57%
Tracking error	2,92%	2,74%	2,87%	2,91%	7,47%
Information ratio	0,58	0,53	0,87	0,40	0,01
Beta	1,0094	0,9912	0,9856	0,9586	0,9106
Alfa	1,43%	1,62%	2,72%	1,49%	0,16%
Max. drawdown	-10,59%	-10,59%	-25,27%	-32,57%	-60,09%

Calendar years performance



Assets above 10%

OTP TÖRZS (100)
ERSTE BANK STAMM

Country composition

Country	Ratio
Poland	44,58%
Hungary	18,84%
Austria	13,07%
Czech Republic	9,75%
Slovenia	5,64%
Romania	5,01%
France	3,00%
Portugal	0,85%
Netherlands	0,65%
Other	-1,37%

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Industry composition

Industry	Ratio
Financials	53,22%
Energy	12,39%
Utilities	6,86%
Consumer Discretionary	6,45%
Health Care	5,97%
Consumer Staples	4,94%
Materials	3,70%
Communication Services	1,97%
Industrials	1,73%
Other	2,76%

Currency composition

Currency	Ratio
Polish Zloty	44,90%
Euro	24,38%
Hungarian Forint	15,61%
Czech Koruna	9,75%
New Romanian Leu	5,08%
US Dollar	0,29%
Canadian Dollar	0,00%

TOP 5 instruments

OTP Bank
ERSTE Bank
PKO Bank
PKN Orlen
Pekao

Distribution

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

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