

OTP New Europe Total Return Derivatives Fund

Introduction (A series)

Name:	OTP New Europe Derivative Fund
Kind, type:	open-ended, public, total return
Name of fund manager:	OTP Fund Management
Start of the fund:	11/14/2007
ISIN	HU0000705827
Bloomberg	OTPNEUR HB Equity

Portfolio managers



Levente Boér,
CFA
Investment
director



Máté Kovács-
Kvotidián, CFA
Portfolio
manager



Eszter Lokietek,
CFA
Senior
portfolio
manager



Olivér Csáti
Portfolio
manager



Investment policy

The Fund aims to outperform the risk free rate on the recommended investment horizon while keeping risk at a low level. It has a value based investment strategy and invests mainly in the equity and fixed income markets. It does not have any regional and sectorial constraints, but has an EMEA regional bias where the fund management team has the most expertise. The Fund also holds short positions and aims to generate positive return under all market conditions. The diversified portfolio and the low average position size help to maintain the risk and the price volatility at a moderate level.

Monthly statement

Macro environment:

Developed equity markets rose 2.8% in dollar terms in October, helped by trade negotiations between the US and China, lower-than-expected inflation data, and mostly positive US corporate earnings surprises. Renewed enthusiasm for artificial intelligence further supported growth stocks, while interest rate-sensitive sectors struggled. Asian markets were also buoyant, with most stock markets rising significantly, helped by factors similar to those driving the US market rally. In Europe, the MSCI Europe rose 2.6% and the CETOP Index rose 6.3% in euro terms, with good corporate reports and global risk appetite also helping these markets. There may be increasing demand from global investors for diversification away from the US market. At the end of the month, as expected, the US Federal Reserve cut interest rates by 25 basis points, but Chairman Powell warned that further rate cuts in December were not certain. This statement contributed to further dollar buying, which strengthened by 1.5% against the euro in October. The forint remained stable, strengthening against the euro but weakening against the dollar. Yields fell moderately both overseas and in Europe, resulting in a slight rise in bond markets.

Changes in the fund:

The Fund's price rose in October. We increased the weighting of equities, and within that, our exposure to China. As part of this, we purchased an actively managed Asian fund that offers diversified exposure to the region, and we also acquired a brokerage firm called Up Fintech, which is growing rapidly and competitively meeting stock market demand. We have built a position in Wienerberger, a building materials company that could be an important supplier of finished building materials, such as bricks, pipes, and tiles, for the reconstruction of Ukraine, and we currently believe that the option of peace is not priced into the share price. Until peace is achieved, we can hold a well-managed asset that pays a stable dividend. We bought Swedish company Ericsson, a telecommunications company similar to Nokia, on a short-term basis after the latter entered into a partnership with Nvidia, which also invested USD 1 billion in the company. Nokia was extremely buoyant on this news, so we expected Ericsson, which is strongly correlated with it, to rise somewhat, which it did, and we sold the stock at a 5% gain the next day. The Fund's equity weighting was 36.3% at the end of October, to which we added a 6.1% hedge, resulting in a total net equity exposure of 30.2%.

Net asset value & price

	Currency	Amount
Net Asset Value*	HUF	41 865 321 458
Price**	HUF	2,576835

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

**Net asset value per unit.

Risk level:



Recommended investment time frame: 4 years

OTP New Europe Derivative Fund

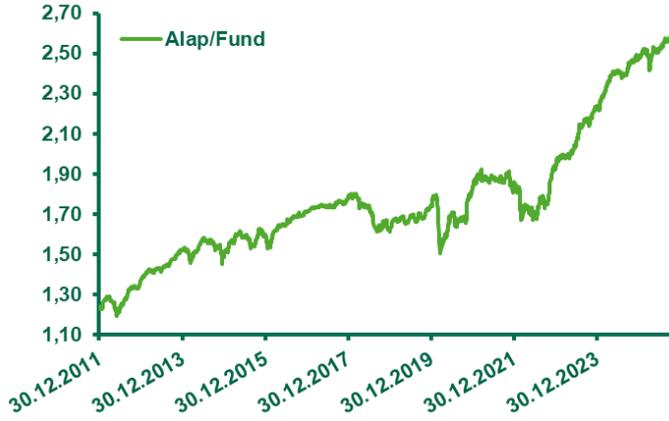
Annualized past performances

Annual returns*	1Y	3Y	5Y	10Y	From launch**
Fund	4,85%	13,43%	9,21%	4,90%	5,47%

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

**From the new strategy: 30.12.2011.

Performance chart

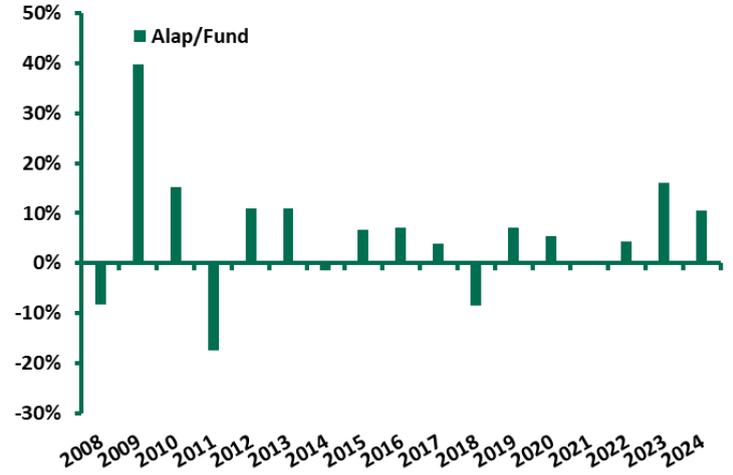


The chart shows the periode: from the new strategy 30.12.2011 to last banking day of the month.

Risk indicators

Risk indicators	1Y	3Y	5Y	10Y	From launch**
Deviation	3,78%	4,01%	5,77%	5,55%	5,34%
Sharpe	-0,20	1,12	0,52	0,31	0,38
Max. drawdown	-4,39%	-4,39%	-13,18%	-16,59%	-16,59%

Calendar years performance



Monthly performance

Év\Hó Y\M	1	2	3	4	5	6	7	8	9	10	11	12	Éves Annual
2025	1,28%	0,38%	-1,36%	0,34%	0,88%	0,13%	1,05%	1,17%	-0,27%	0,54%			
2024	1,03%	1,80%	1,99%	1,59%	0,72%	0,13%	0,13%	-0,47%	1,18%	1,34%	0,29%	0,35%	10,51%
2023	2,33%	0,49%	0,35%	0,30%	0,27%	2,48%	4,54%	0,31%	1,36%	-1,34%	2,55%	1,53%	16,13%
2022	-0,81%	-5,84%	0,48%	-0,05%	0,06%	-2,84%	2,86%	2,26%	-1,96%	1,69%	7,70%	1,36%	4,37%
2021	0,65%	1,29%	0,00%	0,11%	-0,62%	0,71%	-0,21%	0,58%	-0,57%	0,59%	-2,25%	0,27%	0,49%
2020	1,91%	-4,50%	-8,72%	3,41%	2,17%	3,96%	-3,50%	1,42%	0,57%	-0,90%	7,45%	3,11%	5,46%
2019	2,75%	0,15%	-0,16%	0,77%	-1,68%	1,58%	1,03%	-1,80%	2,03%	-1,26%	2,78%	0,89%	7,15%
2018	1,21%	0,30%	-1,59%	-1,30%	-0,43%	0,02%	-2,19%	-4,83%	1,38%	0,11%	1,29%	-2,58%	-8,46%
2017	0,80%	0,16%	0,44%	0,44%	-0,09%	-0,31%	0,15%	0,27%	1,01%	0,25%	-0,49%	1,16%	3,86%
2016	-2,19%	1,03%	2,89%	1,41%	0,09%	0,22%	0,84%	1,20%	0,26%	0,87%	-0,59%	0,93%	7,11%
2015	0,89%	3,11%	0,32%	2,13%	0,39%	-0,72%	-0,56%	-1,79%	-0,69%	3,59%	0,91%	-0,94%	6,68%

Total net risk exposure*

169,74%

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

Assets above 10%

None

OTP New Europe Derivative Fund

Asset composition

Asset	Ratio
Deposits	25,3%
T-bills	13,6%
Government bonds	15,6%
Mortgage bonds	0,0%
Other bonds	5,8%
Equities	32,7%
Investment fund units	9,2%
Other	-2,1%

Portfolio

Positions above 10% of the NAV

EUR Long *, HUF Short *, OTP Bank time deposit

Positions above 50% of the NAV

None

Positions above 100% of the NAV

None

*The unhedged currency exposure of the underlying equity positions.

Currency short/long positions

Currency	Ratio
Euro	16,22%
Turkish Lira	5,93%
Polish Zloty	3,21%
Kazakhstani Tenge	2,31%
Hong Kong Dollar	2,09%
Chinese Yuan	0,94%
New Romanian Leu	-2,38%
US Dollar	-3,17%
Hungarian Forint	-26,33%
Other	1,18%

Negative=short, positive=long

Country composition

Country	Ratio
Cash	23,97%
Hungary	22,90%
France	10,24%
Turkey	5,93%
Fund/ETF	4,74%
Germany	4,69%
United States	4,38%
Poland	4,16%
Netherlands	3,07%
Other	15,91%

Factor short/long positions

Factor	Ratio
Financials	16,88%
Consumer Discretionary	9,46%
Industrials	8,24%
Real Estate	7,25%
Energy	4,21%
Information Technology	3,36%
Materials	1,21%
Communication Services	0,90%
Health Care	0,12%
Consumer Staples	0,03%
Utilities	-0,68%

Negative=short, positive=long

OTP New Europe Derivative Fund

Distribution

Distributor	OTP Bank Nyrt.
Distributing partners	Concorde Értékpapír Zrt., Raiffeisen Bank Zrt., Erste Befektetési Zrt., MBH Bank Nyrt., MBH Befektetési Zrt., SPB Befektetési Zrt., Equilor Befektetési Zrt., Unicredit Bank Hungary Zrt., Patria Finance Magyarországi Fióktelepe

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