otp Fund Management

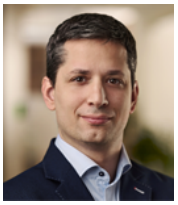
# OTP Treasures of Earth Total Return Derivative Fund

## Introduction (A series)

| | |
|---|---|
| Name: | OTP Treasures of Earth Total Return Derivative Fund |
| Kind, type: | open-ended, public, commodity, total return |
| Name of fund manager: | OTP Fund Management |
| Start of the fund: | 02/04/2009 |
| ISIN | HU0000707633 |
| Bloomberg | OTPTECA HB Equity |

## Portfolio managers

Ferenc Hosszú
Investent director



Zsolt Kovács
Portfolio manager

## Prizes

## Investment policy

The Fund is an actively managed commodity fund. It aims to find undervalued and niche segments in the commodities space. The fund manager trades crude oil, natural gas, precious metals, PGMs, agricultural products, industrial metals in both long and short directions and also invests in commodity-linked companies (e.g. companies aim to reduce their carbon emission, mining, commodity trading and green energy companies, etc.). The Fund often takes large positions in the most liquid and tradeable instruments with altogether maximum 2 times leverage in commodities and with keeping the average risk exposure around 150%. Given the high volatility and extreme moves on the commodity markets, the fund manager believes that very active trading and sometimes a contrarian approach can lead to positive returns. Investment decisions are based on a mixture of fundamental and technical tools.

## Monthly story

The unfavourable environment for commodity markets in July continued in early August. This was largely driven by a correction in other risk asset markets, which was triggered by the massive closing of carry-trade positions on the back of weak US labour market data, taking advantage of the interest rate differential between the dollar and the Japanese yen. Most commodities were also further pressured by weak fundamentals: in oil, the surprising lack of strength in Chinese demand and more robust than expected global supply could not be offset by higher demand in the summer season. In any case, there was no major collapse, but rather a narrow sideways movement. We maintained our long exposure until the last week of the month, when we went short. In copper, we turned short earlier as we believe that weak Chinese macro data and high apparent inventory levels will put pressure on the industrial metals quotation in the coming period. Our world view on precious metals has not changed: although gold still looks very strong, we think this is partly driven by dollar weakness in the short term, which could turn around and bring a downside in the gold price. Silver looks even more weak in the short term, so we are short here too. We see some upside potential in highly oversold grains as September futures expire, so we are thinking of buying here. The autumn period ahead is typically associated with large market movements, and we will be looking to profit from this with increased risk exposure and more active trading than usual. These may also increase the volatility of the Fund.

## Net asset value & price

| | Currency | Amount |
|---|---|---|
| Net Asset Value* | HUF | 83,875,375,307 |
| Price** | HUF | 3.654886 |

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

## Risk level:

| 1 | 2 | 3 | 4 | **5** | 6 | 7 |
|---|---|---|---|---|---|---|

Recommended investment time frame: 5 years

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# OTP Treasures of Earth Total Return Derivative Fund

## Annualized past performances

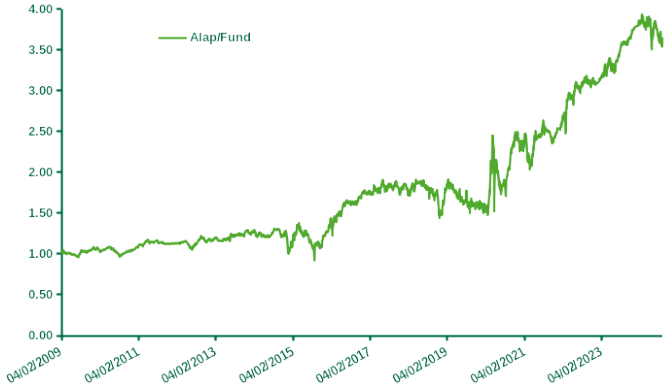
| Annual returns* | 1Y | 3Y | 5Y | 10Y | From launch |
|---|---|---|---|---|---|
| Fund | 1.31% | 13.24% | 18.39% | 10.89% | 8.67% |

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

## Risk indicators

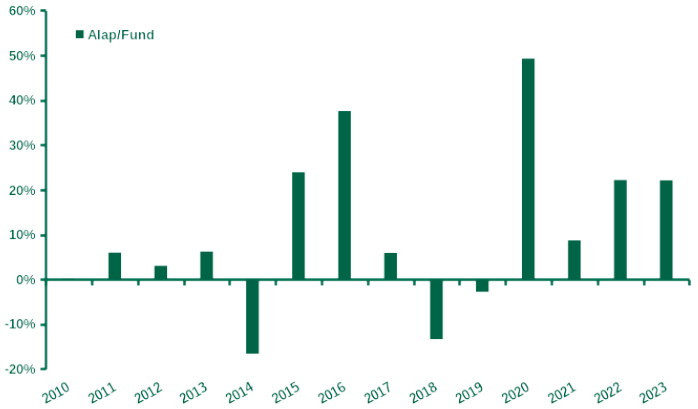
| Risk indicators | 1Y | 3Y | 5Y | 10Y | From launch |
|---|---|---|---|---|---|
| Deviation | 11.66% | 12.09% | 24.00% | 22.83% | 18.97% |
| Sharpe | -0.60 | 0.43 | 0.56 | 0.36 | 0.25 |
| Max. drawdown | -10.91% | -10.91% | -37.95% | -37.95% | -37.95% |

## Performance chart




The chart shows the periode: from launch to last banking day of the month.

## Calendar years performance




## Monthly performance

| Év\Hó Y\M | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | Éves Annual |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2024 | 1.19% | 1.56% | -2.98% | 2.93% | -3.92% | 1.72% | -3.25% | -0.59% | | | | | |
| 2023 | 2.66% | 2.91% | 0.55% | 2.02% | -4.36% | 4.94% | 4.63% | 2.21% | -0.53% | 1.37% | 2.95% | 1.17% | 22.16% |
| 2022 | 5.74% | -6.56% | 18.29% | -0.70% | 3.53% | -0.38% | 1.97% | 0.78% | 0.37% | -1.96% | 1.02% | -0.06% | 22.23% |
| 2021 | 1.46% | -8.17% | -4.85% | 10.24% | 6.35% | 1.39% | 6.20% | -3.63% | -1.35% | -3.50% | 2.95% | 2.87% | 8.74% |
| 2020 | -0.20% | 3.83% | 33.77% | -1.70% | -7.32% | -9.46% | 4.05% | 9.60% | 12.36% | 6.94% | -1.60% | -3.15% | 49.30% |
| 2019 | 15.30% | -1.54% | -0.07% | -4.47% | -2.24% | -2.74% | 1.90% | -6.95% | 0.75% | -1.41% | -0.51% | 0.63% | -2.84% |
| 2018 | -5.16% | 3.82% | -3.44% | 6.40% | -0.23% | -1.87% | -0.68% | -1.46% | -5.48% | 3.41% | -15.97% | 8.78% | -13.39% |
| 2017 | 0.29% | -1.99% | 3.57% | 1.26% | 5.26% | -4.54% | 1.70% | -1.31% | 2.50% | -4.15% | 0.90% | 2.75% | 5.90% |
| 2016 | 12.97% | 0.96% | 0.83% | 2.79% | 7.93% | 1.43% | -2.13% | -0.37% | 1.01% | 4.82% | 2.25% | 0.71% | 37.58% |
| 2015 | 11.97% | 8.59% | 10.25% | -10.22% | 1.85% | -2.76% | -9.35% | 1.82% | 0.04% | -4.01% | 12.79% | 4.00% | 23.94% |
| 2014 | 4.44% | -4.95% | 2.34% | -1.23% | -1.44% | -0.04% | 5.09% | 1.40% | -1.64% | -5.07% | 0.69% | -15.84% | -16.65% |

## Total net risk exposure*

| |
|---|
| 249.50% |

*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 Treasures of Earth Total Return Derivative Fund

## Asset composition

| Asset | Ratio |
|---|---|
| Deposits | 74.0% |
| T-bills | 9.5% |
| Government bonds | 0.0% |
| Mortgage bonds | 0.0% |
| Other bonds | 2.8% |
| Equities | 0.1% |
| Investment fund units | 2.3% |
| Other | 11.1% |

## Country composition

| Country | Ratio |
|---|---|
| Hungary | 83.03% |
| Cash | 16.52% |
| Romania | 0.37% |
| Canada | 0.07% |
| Russia | 0.01% |

## Portfolio

| |
|---|
| Positions above 10% of the NAV |
| GOLD SHORT, COPPER SHORT, WTI CRUDE OIL SHORT, SILVER SHORT |
| Positions above 50% of the NAV |
| OTP Bank time deposit |
| Positions above 100% of the NAV |
| None |

## Factor short/long positions

| Factor | Ratio |
|---|---|
| Financials | 12.36% |
| Real Estate | 2.33% |
| Materials | 0.07% |
| Energy | 0.01% |
| Commodity Future | -120.17% |

Negative=short, positive=long

## Currency short/long positions

| Currency | Ratio |
|---|---|
| Euro | 6.69% |
| Russian Ruble | 0.02% |
| British Pound Sterling | 0.00% |
| Canadian Dollar | -0.42% |
| US Dollar | -1.18% |
| Hungarian Forint | -5.12% |

Negative=short, positive=long

## Distribution

| | |
|---|---|
| Distributor | OTP Bank Nyrt. |
| Distributing partners | Concorde Értékpapír Zrt., Raiffeisen Bank Zrt., Erste Befektetési Zrt., CIB Bank Zrt., SPB Befektetési Zrt., Equilor Befektetési Zrt., UniCredit Bank Hungary Zrt., MBH Befektetési Bank Zrt., MBH Bank Nyrt. |

## 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