28.03.2024

OTP Föld Kincsei Származtatott Alap

Introduction (A series)

Name:	OTP Föld Kincsei Származtatott Alap (OTP Treasures of the Earth Derivative Fund)
Category:	Open end, public, global, commodity
Issuer:	OTP Alapkezelő Zrt. (OTP Fund Management)
Launch date:	04.02.2009

Portfolio managers

Ferenc Hosszú
CFA investment director

Zsolt Kovács
commodity analyst

Prizes I.

Prizes II.

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

In March, the majority of commodities behaved in line with our expectations, thus, we have taken steps to adjust our positions accordingly: (WTI) crude oil broke through the $80 price level and rose steadily during the month, driven by geopolitical risks alongside a steadily tightening market signalled by key indicators, therefore, we continue to maintain a significant long exposure. There was a slight pause in the rise in copper prices in the middle of the month, which we used to cover our shorts and buy again. Industrial metals could be supported in the months ahead by strengthening economic activity, an expected fall in inventories and increasingly encouraging macro data from China. Natural gas prices continued to fall and we have entered into some profit taking (short covering) here, but we believe the market could remain weak in the upcoming months. The upward trend of the precious metals market has not been broken, so we closed our previous short positions and entered a long position in silver. What we did not expect was that cocoa would add to its previous significant rise and start a parabolic surge. Although we have covered some of our short positions via stop-loss orders, the size of the price explosion has still resulted in a large loss and played a decisive role in the Fund's negative performance in March.

Annualized past performances

Annual returns*	1Y	3Y	5Y	10Y	From launch
Fund	14.66%	22.23%	15.66%	11.66%	9.16%

*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	9.39%	12.53%	24.53%	22.67%	19.05%
Sharpe	0.29	1.21	0.46	0.40	0.28
Max. drawdown	-5.48%	-10.82%	-37.95%	-37.95%	-37.95%

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Net asset value & price

	Currency	Amount
Net Asset Value*	HUF	79,503,131,636
Price**	HUF	3.777532

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

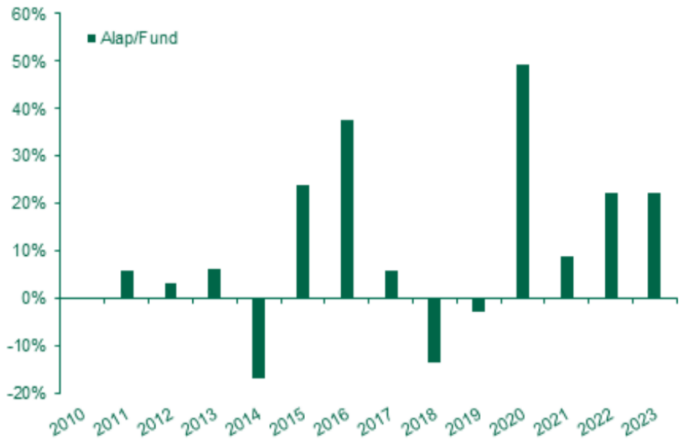
Risk level: Significant

Recommended investment term: 5 years

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%										
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%

Asset composition

Asset	Ratio
Deposits	72.5%
T-bills	0.0%
Government bonds	0.0%
Mortgage bonds	0.0%
Other bonds	4.5%
Equities	0.2%
Investment fund units	3.0%
Other	19.8%

Country composition

Country	Ratio
Cash	93.58%
Hungary	6.30%
Canada	0.11%
Russia	0.02%

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Portfolio

Positions above 10% of the NAV
COCOA SHORT, WTI CRUDE OIL LONG, COPPER LONG
Positions above 50% of the NAV
OTP Bank time deposit
Positions above 100% of the NAV
None

Assets above 10%

None

Factor short/long positions

Factor	Ratio
Commodity Future	39.38%
Financials	3.98%
Real Estate	2.26%
Materials	0.11%
Energy	0.02%

Negative=short, positive=long

Currency short/long positions

Currency	Ratio
Euro	6.82%
US Dollar	2.58%
Russian Ruble	0.02%
British Pound Sterling	0.00%
Canadian Dollar	-0.42%
Hungarian Forint	-9.00%

Negative=short, positive=long

Total net risk exposure*

187.95%

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

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.
Investment units	HU0000707633
Bloomberg	OTPTECA HB Equity

Disclaimer

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