

OTP Turkish Equity Fund

Introduction (A series)

Name:	OTP Turkish Equity Fund
Kind, type:	open-ended, public, equity
Name of fund manager:	OTP Fund Management
Start of the fund:	08/09/2010
Benchmark:	5% ZMAX + 95% Dow Jones Turkey Titans 20 TRY
ISIN	HU0000709001
Bloomberg	OTPTKEA HB Equity

Portfolio managers



Levente Boér
Investment director



Máté Kovács-Kvotidián
Portfolio manager



Eszter Lokietek
Senior portfolio manager



Prizes



Investment policy

The fund seeks to provide opportunity to benefit from the performance of the Turkish equity markets with its actively managed portfolio.

Monthly statement

Macro environment:

After a difficult April, the Turkish stock market stabilised in May, with a further interest rate hike (overnight to 49%) again showing the central bank's determination to contain inflation and keep the weakening of the lira to a tolerable level. The high interest rate environment is a natural drag on economic growth, so companies are not in an easy position and this has also weighed on quarterly results. By mid-month, the strong measures reversed the flow of funds, with foreign investors becoming net buyers in both the equity and bond markets and the central bank starting to rebuild the reserves it had spent to protect the lira. Favourable conditions (a strong central bank and economic policy, falling inflation, well-managed companies and valuations) could underpin a strong Turkish recovery, the only big question mark remains the authoritarian domestic policy that is keeping a significant proportion of foreign investors away.

Changes in the fund:

The Turkish market closed May slightly up in lira and slightly down in forint, with the banking index up and industrial companies down. We believe that the conditions are favourable and that if the political scene is calm, equities could start to rise, and we have left the Fund's overweight position unchanged. We slightly increased the weight of one of the largest benchmark members, KOC Holding. This almost 100-year-old, well-managed and prudent holding owns mostly export companies (some estimates suggest that 7-8% of all Turkish exports come from its subsidiaries) - including the Tupras oil refinery, automotive companies (Tofas, Ford, Otokar), the household appliance maker Arcelik, which is well known in Europe, and a 25% stake in the Yapi Kredi bank. The holding's capitalisation typically swings at a discount to the value of its listed subsidiaries. When this discount widens, we increase our exposure to it, as we did this month.

The OTP Turkish Equity Fund starts June with a 96% equity weighting.

Net asset value & price

	Currency	Amount
Net Asset Value*	HUF	9 226 188 592
Price**	HUF	1,116 933

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

Risk level:



Recommended investment time frame: 5 years

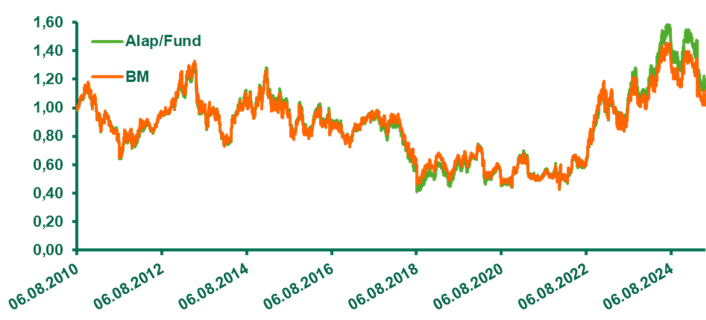
OTP Turkish Equity Fund

Annualized past performances

Annual returns*	1Y	3Y	5Y	10Y	From launch
Fund	-25,76%	21,71%	15,89%	0,51%	0,75%
Benchmark	-26,77%	16,95%	12,96%	-0,09%	0,13%
Relative return	1,01%	4,77%	2,92%	0,60%	0,62%

*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*

100,12%

*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
Turkish Lira	98,46%
Hungarian Forint	0,80%
Euro	0,74%

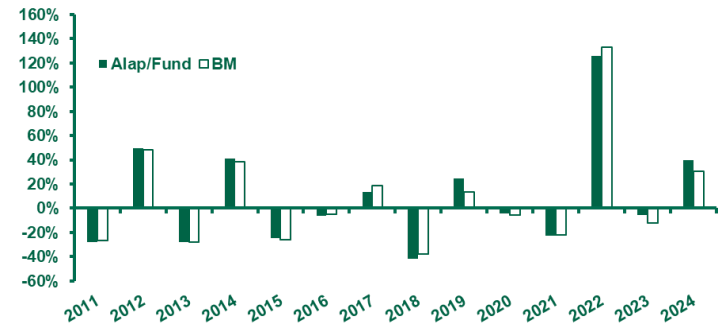
Industry composition

Industry	Ratio
Industrials	30,77%
Financials	27,92%
Consumer Staples	8,57%
Consumer Discretionary	8,15%
Materials	5,76%
Information Technology	5,42%
Energy	4,23%
Communication Services	3,87%
Real Estate	1,33%
Other	3,98%

Risk indicators

Risk indicators	1Y	3Y	5Y	10Y	From launch
Deviation	28,85%	32,32%	35,86%	33,04%	30,91%
Tracking error	3,05%	5,22%	5,44%	5,01%	4,54%
Information ratio	0,33	0,91	0,54	0,12	0,14
Beta	0,9922	0,9521	0,9842	1,0132	1,0070
Alfa	0,76%	5,15%	3,04%	0,64%	0,64%
Max. drawdown	-29,44%	-29,44%	-39,16%	-61,59%	-68,05%

Calendar years performance



Assets above 10%

None

Country composition

Country	Ratio
Turkey	98,36%
Cash	1,13%
Italy	0,51%

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Distribution

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