

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
Investment
director



Máté Kovács-
Kvotidián
Portfolio
manager



Eszter Lokietek
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:

International investors experienced enough news flow and market shocks for a year during March. Automotive manufacturers and suppliers were the hardest hit sector as a result of Trump's tariff announcements, but the EU in general was also in the crosshairs alongside Canada. The February election has given Germany a new chance to shake off the stagnation of recent years, with budget deficits and debt levels allowing for a package of military and infrastructure investment, complemented by tax cuts. Thus, the rotation from the US market, which is overweight in investors' portfolios and trading on higher valuation, towards an improving growth path, a strengthening euro and a more supportive central bank environment has continued. The fate of Ukraine remains in question, with Trump able to put a 30-day near-ceasefire proposal on the table, as well as a deal that is not favourable to the EU and Ukraine in exchange for existing and additional support. Bond yields at CEE and in Europe rose on the back of looser fiscal policy, while in the US they were little changed. In Turkey, a leading opposition politician was arrested on corruption charges, to which the market reacted strongly, but the finance minister and central bank governor took the necessary steps to restore investor confidence.

Changes in the fund:

The ceasefire was enough to get the regional equity market performing well again, among our Polish exposures we increased our position in parcel machine operator Inpost, which has conquered Western European markets and posted strong quarterly numbers, but investors were spooked by increased competition in the domestic market. We were also buyers of auto parts wholesaler Autopartner, which fell to a favourable level, while it continues to maintain good volume growth, the industry is consolidating and foreign expansion could give a further boost to earnings at the end of the year. We participated in CCC's accelerated bookbuilding, where we got shares in the ambitious growth company at a 9% discount. The new share issue raised EUR 325mn in fresh capital from investors, which will be used to buy out Modivo's minority shareholders. We realised a profit on a part of our Greek retail Jumbo exposure, which has been growing steadily and has a high dividend yield, continuing our successful track record of band trading, but we saw it as good to wait for a more better entry point from the shoreline. We reduced risk in the turbulence in the Turkish market by selling our short-dated Turkish government bond, which had previously benefited from a high lira-dollar interest rate spread. However, we bought one of the largest index constituents, Sabanci Holding, which has diversified exposure (banking, energy, construction), but is trading at a significant discount to the stock market value of its subsidiaries, which we consider unjustified. We have sold our relatively strong US Treasury bond, but our other bonds have performed negatively in the European yield rally. We continue to maintain our view that it makes sense to reduce the portfolio's risk in the shadow of punitive tariffs, which we achieve primarily by buying equity index short futures and actively managed put options on the DAX and S&P500 indices. For the latter, we were able to increase the protection at a good pace in March.

Net asset value & price

	Currency	Amount
Net Asset Value*	HUF	37 944 848 613
Price**	HUF	2,480175

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

Risk level:



Recommended investment time frame: 4 years

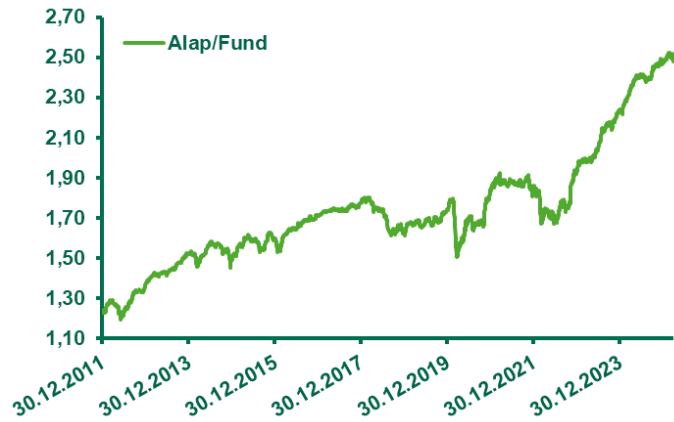
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Annualized past performances

Annual returns*	1Y	3Y	5Y	10Y	From launch**
Fund	5,65%	12,70%	9,89%	4,73%	5,41%

*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

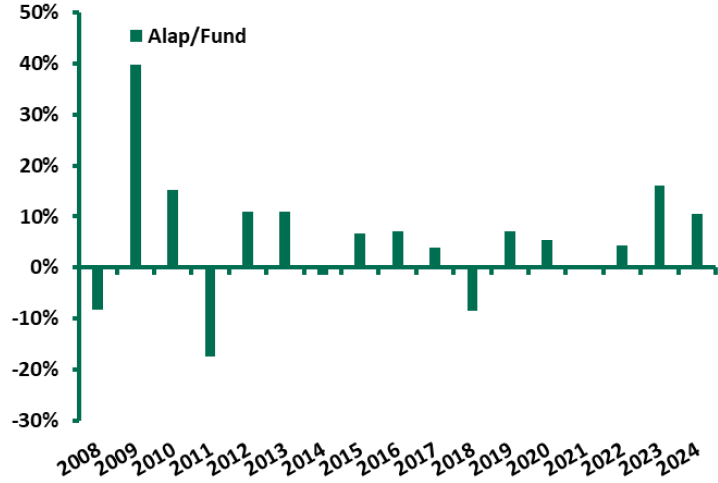


The chart shows the periode: from the new strategy 30.12.2011 to last banking day of the month.

Risk indicators

Risk indicators	1Y	3Y	5Y	10Y	From launch**
Deviation	3,26%	4,68%	6,13%	5,58%	5,39%
Sharpe	-0,14	0,79	0,71	0,33	0,39
Max. drawdown	-1,77%	-4,47%	-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%										
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*

153,22%

*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

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Asset composition

Asset	Ratio
Deposits	44,8%
T-bills	11,0%
Government bonds	6,2%
Mortgage bonds	0,0%
Other bonds	8,0%
Equities	23,5%
Investment fund units	8,8%
Other	-2,4%

Portfolio

Positions above 10% of the NAV
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	9,35%
Turkish Lira	3,68%
Kazakhstani Tenge	3,06%
Hong Kong Dollar	1,58%
Polish Zloty	0,98%
Czech Koruna	0,67%
South African Rand	0,50%
Chinese Yuan	0,47%
Hungarian Forint	-20,83%
Other	0,54%

Negative=short, positive=long

Country composition

Country	Ratio
Cash	43,80%
Hungary	20,14%
Romania	4,15%
Turkey	3,68%
Poland	3,48%
United States	3,15%
Kazakhstan	3,06%
Austria	3,01%
Fund/ETF	2,91%
Other	12,62%

Factor short/long positions

Factor	Ratio
Financials	18,25%
Real Estate	7,58%
Consumer Discretionary	7,53%
Industrials	3,59%
Energy	3,49%
Information Technology	2,60%
Communication Services	0,88%
Materials	0,78%
Health Care	0,14%
Consumer Staples	0,02%
Utilities	-0,66%
Equity Index Future	-2,66%

Negative=short, positive=long

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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 Magyarország Fióktelepe

Disclaimer

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