

OTP Central European Equity Fund

Introduction (A series)

Name:	OTP Central European Equity Fund
Kind, type:	open-ended, public, equity
Name of fund manager:	OTP Fund Management
Start of the fund:	12/21/2005
Benchmark:	90% CETOP 5/10/40 Index (Bloomberg: CETUC Index) + 10% MSCI Eurozone 1M-1Y Select Government Bond Index (Bloomberg: MF755433 Index)
ISIN	HU00000703855
Bloomberg	OTPCEEQ HB Equity

Portfolio managers



Ágnes Czakó,
CFA
Senior portfolio manager



Zoltán Halas,
CFA
Investment director



Tamás Szujó,
CFA
Portfolio manager

Prizes



Investment policy

The Fund is dedicated to Central and Eastern European equities, but also may invest in other mainly Western European and other developed countries. The Fund invests in stocks of companies operating across diversified sectors. The fund managers employ an active strategy based on fundamental analysis but from time to time also use short-term market opportunities, also taking into consideration the fund managers' macro-economic views. The Fund may hedge its currency risks with forward currency positions and also can take short futures positions to limit its beta risk. While the equity exposure of the Fund can range between 60% and 150%, its target average exposure is 90%.

Monthly statement

Macro Environment:

In May, we saw further impressive gains in Central and Eastern European equity markets, with the CETOP index covering the region rising by 6.2%. The increase was broad-based: on a total return basis, the Romanian BET index delivered the strongest performance (+7% in local currency), followed closely by Poland (WIG20 +6.4%) and Austria (ATX +6.4%). The Czech market (PX index) was held back by the relative underperformance of its banking stocks and a nearly 5% correction in the defense company Czechoslovak Group, although the index still managed a 2.5% gain. After its strong performance this year, Hungary's BUX index took a short pause, rising by 0.6%. Banking stocks performed well both across Europe and in the region, while oil and gas stocks showed mixed movements. In Poland, CD Projekt declined by more than 15% after announcements that key game releases would be delayed. By contrast, KGHM rose by 15.4% supported by favorable movements in copper prices. In Hungary, Magyar Telekom gained 13.8% (including dividends), supported by strong shareholder returns, continued sector optimism, and an analyst upgrade. OTP Bank rose by 2.8%, Richter gained 1.8%, while MOL declined by 6.8%. From a macro perspective, the picture was mixed. Energy-related price pressures are visible in some areas, but remain manageable: Poland's producer price index rose to 1.9% instead of the expected -0.1%. Meanwhile, Poland's preliminary CPI was 3.1%, below both expectations and the 2025 average, while Hungarian inflation came in at 2.1%, also below expectations. Hungary's Prime Minister held successful negotiations regarding EU fund disbursements, which could support growth prospects. Romania's government crisis remained unresolved in May, while growth expectations were cut sharply to 0.2%. Regional central banks did not implement rate cuts during the month.

Changes in the Fund:

During the month, we slightly increased the fund's equity exposure from around 100% to close to 102%. Risk exposure was partly increased via index futures, while we added positions in VIG, Erste, LPP, and KGHM shares. We took profits on Zabka and reduced underweights in Romanian oil and gas stocks.

OTP Central European Equity Fund

Net asset value & price

	Currency	Amount
Net Asset Value*	HUF	69,286,376,734
Price**	EUR	3,408390

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

**Net asset value per unit.

Risk level:



Recommended investment time frame: 5 years

Annualized past performances

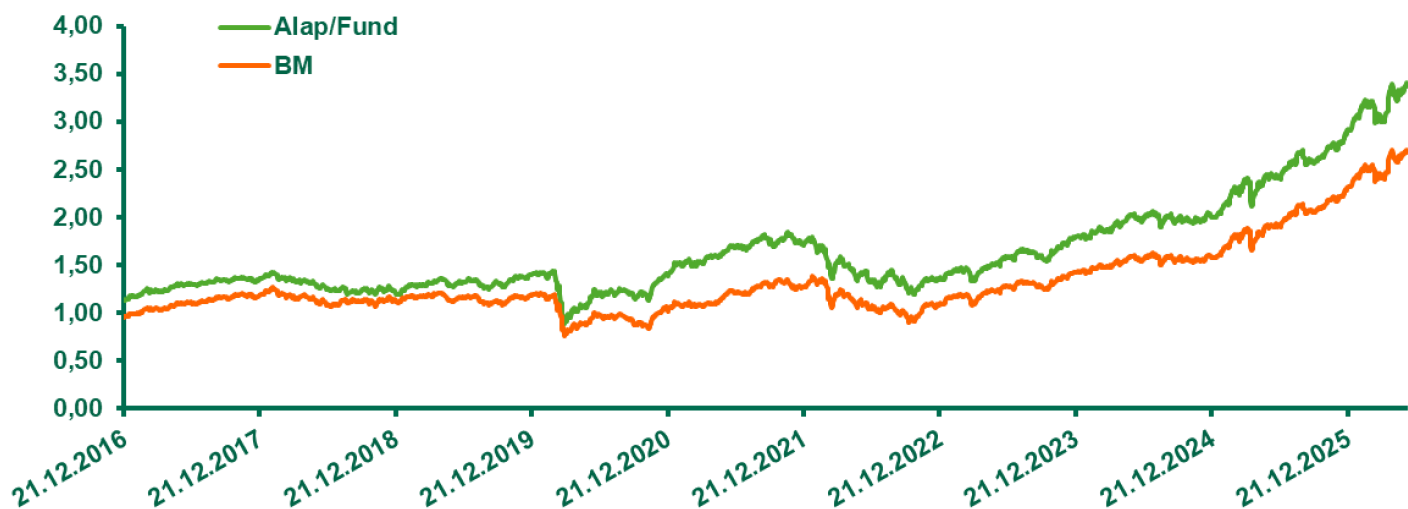
Annual returns*	1Y	3Y	5Y	10Y	From launch
Fund	40,43%	31,72%	15,53%	12,75%	6,18%
Benchmark	41,71%	30,61%	17,50%	11,88%	4,97%
Relative return	-1,28%	1,11%	-1,97%	0,87%	1,21%

*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	14,83%	14,27%	16,05%	15,64%	18,71%
Tracking error	3,26%	3,14%	6,21%	6,21%	5,36%
Information ratio	-0,39	0,35	-0,32	0,14	0,23
Beta	1,0655	1,0384	0,9292	0,9220	0,9720
Alfa	-3,89%	0,04%	-0,85%	1,75%	1,32%
Max. drawdown	-7,50%	-12,30%	-35,20%	-38,04%	-64,13%

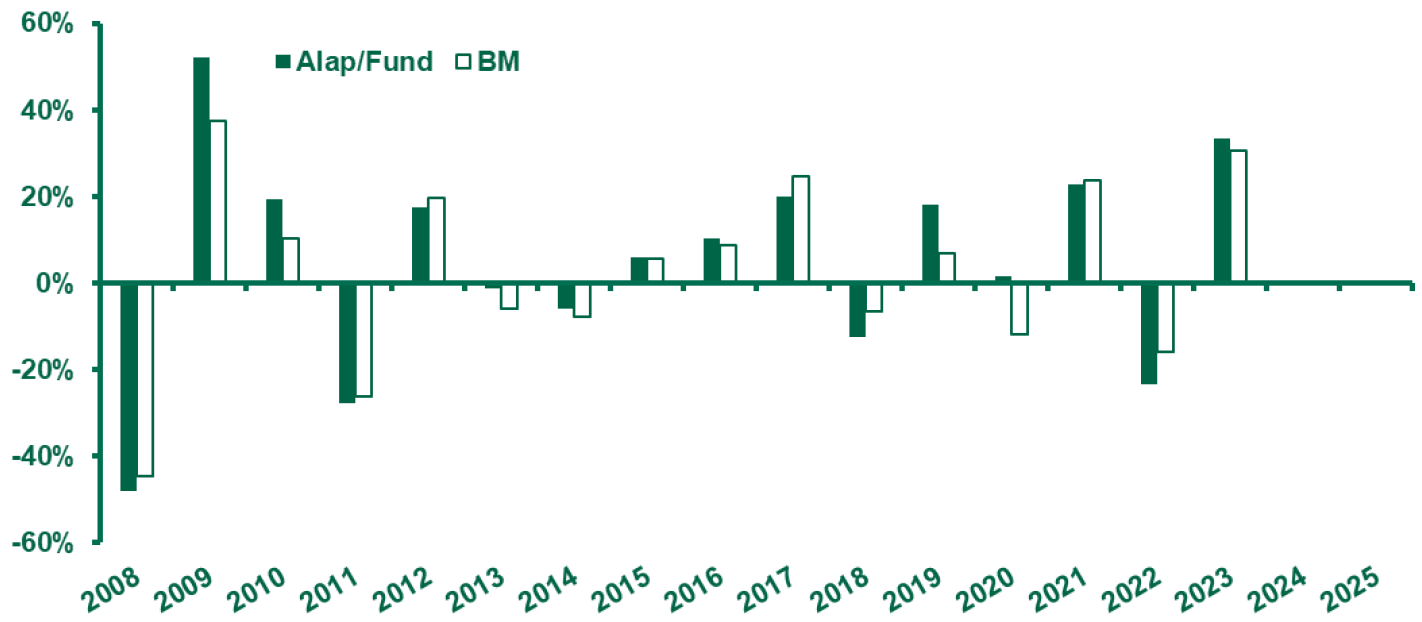
Performance chart



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

OTP Central European Equity Fund

Calendar years performance



Total net risk exposure*

109,29%

*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
Polish Zloty	37,65%
Euro	30,49%
Hungarian Forint	16,17%
New Romanian Leu	10,09%
Czech Koruna	5,59%
British Pound Sterling	0,00%

Industry composition

Industry	Ratio
Financials	48,88%
Energy	15,82%
Consumer Discretionary	8,45%
Health Care	7,22%
Materials	4,54%
Utilities	4,25%
Communication Services	3,82%
Consumer Staples	2,58%
Industrials	1,88%
Other	2,55%

Assets above 10%

None

Country composition

Country	Ratio
Poland	43,27%
Hungary	18,63%
Austria	11,34%
Romania	10,57%
Slovenia	6,29%
Czech Republic	5,59%
Greece	4,33%
Croatia	0,37%
Portugal	0,34%
Other	-0,73%

TOP 10 instruments

Instrument	Weight
OTP BANK PLC	9,01%
PKO BANK	8,00%
PKN	7,71%
ERSTE BANK STAMM	6,79%
KGHM	4,54%
PEKAO	4,15%
LPP SA	3,85%
RICHTER - 100	3,73%
ALLEGRO.EU SA	3,59%
KRKA	3,49%

OTP Central European Equity Fund

Distribution

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

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. The risk category was calculated using historical performance data and may not be a reliable indicator of the fund's future risk profile. The fund's risk category is not guaranteed to remain fixed. For more information on risk indicators, please visit our website at otpalap.hu. Please see the Key Investor Information Document for more information. Website: otpalap.hu