

## OTP EUR Short Bond Fund (OTP Euró Rövid Kötvény Alap) Key Information Document



This document provides you with key investor information on this particular investment product. This document is not for marketing purposes. Disclosure of information is required by law to help you understand the nature of the product, its risks, costs and the profit/loss that might be generated by using it, as well as compare the product with other products.

### OTP EUR Short Bond Fund (OTP Euró Rövid Kötvény Alap)

As of 27.02.2024, the Fund is managed as an investment fund harmonised in accordance with the UCITS Directive.

(Series "A" Fund Units, ISIN code: HU0000702162 Currency: EUR)

<b>Fund Manager:</b> OTP Fund Management Ltd., a member of the OTP Group <b>Website:</b> <a href="https://www.otpbank.hu/otpalapkezeslo/hu/fooldal">https://www.otpbank.hu/otpalapkezeslo/hu/fooldal</a>	With regard to this Key Information Document, OTP Fund Management Ltd. is supervised by the Magyar Nemzeti Bank (the National Bank of Hungary, <a href="http://www.mnb.hu">www.mnb.hu</a> ). OTP Fund Management Ltd. is an investment fund management company authorised in Hungary and supervised by the Magyar Nemzeti Bank. The Fund is a fund harmonised under UCITS Directive (UCITS), authorised in Hungary and supervised by the Magyar Nemzeti Bank.
<b>More information:</b> <a href="mailto:levelek@otpalap.hu">levelek@otpalap.hu</a> or +36-1-412-8300 (on working days, between 8.00 a.m. and 4.00 p.m.)	
<b>Document dated:</b> 14 June 2024 <b>Effective date of the document:</b> 28 June 2024	

#### **NB! You are about to purchase a complex product which may be difficult to understand**

The Fund is recommended to our risk-averse customers for investing their available disposable funds. This Fund may not be suitable for investors wishing to withdraw their money from the Fund within 1 year.

#### What kind of a product is this?

**Type of the Fund:** A public open-ended investment fund harmonised in accordance with the UCITS Directive, established for an indefinite term.

**Maturity:** The fund has been set up for an indefinite term. The decision for the opening of a procedure for the dissolution of the Fund lies with the Fund Manager or the Supervisory Authority. It is mandatory to open proceedings in the cases listed in Section 75(2)(a)-(e) of the Collective Investments Act.

**LEI Code:** 529900F4WPT5K6LU1M38

**Depository of the Fund:** UniCredit Bank Hungary Zrt.

**Benchmark Index:** 80% ICE BofaML 0-1Y All Euro Gov (EAAS)+20% ICE BofaML 1-3Y All Euro Gov (E1AS). The Fund is not index-tracking, the composition of the benchmark index is used by the Fund Manager for investment decision-making and for measuring the performance of the Fund. Deviation from the benchmark index is not restricted. The make-up and performance of the fund may significantly, or even completely, deviate from its reference index in an upward or downward direction in the short or long term. The Fund does not pay any yield from the capital gain; instead, it reinvests the sum in its entirety. Returns can be measured by the change in the net asset value of fund units.

**Investment objectives:** The purpose of the Fund is to offer flexible investment products for investors with funds available for at least 12 months. The Fund Manager integrates sustainability risks and their management in the Fund's investment decision-making processes; accordingly, the Fund is in line with Article 6 of the SFDR Regulation. The Fund does not aim to promote environmental and/or social characteristics (does not fall within the scope of Article 8(1) of the SFDR Regulation) or make sustainable investments (does not fall within the scope of Article 9(1), (2) and (3) of the SFDR Regulation). The Fund is actively managed.

**Main categories of eligible financial instruments that are the object of investment:** government securities and securities guaranteed by the state, bank deposits, repurchase and reverse repurchase transactions, buy/sell transactions, sale/repurchase transactions, securities lending and borrowing, mortgage bonds and other secured bonds, other debt securities, financial market instruments, structured bonds, fund units and other collective investment securities issued by other investment funds, other bond type securities issued abroad, foreign currencies, and derivative instruments.

**Targeted retail investors:** The Fund is intended for retail investors who wish to hold the product for the recommended investment period, can bear possible losses due to market movements (loss tolerance is low) during or at the end of the agreed period, have low risk tolerance and limited knowledge and/or experience about this or similar products. The Fund Units issued by the Fund can be purchased in Hungary by resident and non-resident natural and legal persons – except US citizens – provided that they comply with the rules defined in the terms and conditions of the offering.

Subject to a legal obligation, this document, the Fund's Prospectus, the Fund Management Policy and periodic reports, as well as extraordinary disclosures, the Fund's announcements, and information on payments to investors are published free of charge in Hungarian on publication sites; i.e. on the website of the Fund Manager acting on behalf of the Fund, the Fund's product page ([https://www.otpbank.hu/otpalapkezeslo/hu/A\\_Euro](https://www.otpbank.hu/otpalapkezeslo/hu/A_Euro)) under "Letöltések" (Downloads) and under "Közlemények" (Notice) (<https://www.otpbank.hu/otpalapkezeslo/hu/Aktualis/Kozlemenyek/2024>).

**Trade in the Fund Units:** Fund units are traded on an ongoing basis. You may redeem your Fund Units during continuous trading before the end of the recommended investment term under the terms and conditions specified in the prevailing Announcements published by the various Distributors. Fund units can be purchased and redeemed on any trading day during the business hours of points of sale. In the case of the purchase or redemption of Fund Units the Trading Settlement Day shall be the day of the conclusion of the contract which is also the Trading Payment Day. (T-Day settlement).

#### What are the risks associated with the product and what can I get in exchange?



The risk indicator assumes that you will hold the product for 1 year.

The aggregate risk ratio indicates the level of the risks associated with the Fund in comparison with other products. It shows the probability of the Fund generating a financial loss as a consequence of market movements or because OTP Fund Management Ltd. cannot make payments because of insolvency. This product is classified as 2 out of 7 classes, which is a low risk class. This indicator classifies the potential losses from future performance as low. Poor market conditions are not at all likely to affect OTP Fund Management Ltd's ability to pay you. A detailed explanation of the risks associated with the fund is included in Chapter 26 of the Fund Management Policy. The actual risk may vary materially if you sell the fund units before the end of the recommended investment period and you may even receive a smaller amount. The Fund's Fund Units are denominated in a currency other than the official currency of the Member State in which they are offered, thus the return expressed in the official currency of the Member State in which they are offered may differ depending on exchange rate fluctuations. This risk is not taken into account by the above indicator. **Please note that the past return and performance of the Fund do not guarantee its future performance and return. The risk factor indicated does not necessarily remain the same and may change over time. Not even the lowest risk investments are altogether risk-free.** This product provides no protection from any negative future change in market performance therefore investors might lose part or, in extreme cases, the whole of their investments.

#### Performance scenarios:

This table shows the amounts you can receive at the end of the recommended holding period if you invest, for example, an amount of EUR 10,000.

Scenarios		1 year (recommended holding period)
<b>Stress scenario</b>	The amount you may receive net of the costs (in EUR)	9,698
	Average annual return	-3.02%
<b>Unfavourable scenario</b> <i>This scenario type refers to an investment made between 09/2021 and 09/2022</i>	The amount you may receive net of the costs (in EUR)	9,698
	Average annual return	-3.02%
<b>Moderate scenario</b> <i>This scenario type refers to an investment made between 05/2016 and 05/2017</i>	The amount you may receive net of the costs (in EUR)	9,996
	Average annual return	-0.04%
<b>Favourable scenarios</b> <i>This scenario type refers to an investment made between 10/2022 and 10/2023</i>	The amount you may receive net of the costs (in EUR)	10,441
	Average annual return	4.41%

The Fund does not have a minimum guaranteed return and you may lose some or all of your investment. The above scenarios show you how your investment may perform. This is what you can compare with other products' scenarios. The scenarios presented above are estimates of the expected future performance of your investment based on past events; they are not precise indicators. The amount you will receive in return will depend on the performance of the markets and the length of the holding period. The stress scenario shows the amount you might receive in extreme market circumstances without factoring in the possibility of the issuer's inability to pay. The adverse, moderate and favourable scenarios presented are illustrations using the Fund's worst, average and best performance over the past 10 years. The future evolution of markets could be very different. The above figures include all of the product's own costs, but they do not include those you pay to your advisor or distributor. The above figures also do not take into account your personal taxation circumstances, which may also affect the amount you receive.

#### What if OTP Fund Management cannot pay you?

The fund is a special pool of assets that is separate from the assets of the company managing the fund. Therefore, there is no default risk associated with the management company (e.g. if it becomes insolvent). In Hungary, fund managers operate under a strict capital adequacy regime. Nevertheless, if OTP Fund Management Ltd. were to become insolvent, this event would not jeopardise the repayment of Investors' savings. Liability for the loss of the Fund's financial assets placed in deposit shall lie with the Depository in case they are lost – in the cases specified in the relevant pieces of legislation – by the Depository or a third person engaged in deposit management. Where the financial instruments held in custody are lost, the Depository shall return financial instruments of identical type or the corresponding amount to the Fund without undue delay. The Depository of the Fund shall be a member of the Investor Protection Fund (BEVA). For details of the terms and limits of the BEVA Investor Guarantee Scheme, please visit <https://bva.hu/hu/>.

#### What costs are incurred?

**The person advising you on or selling you the product may also charge other costs. In this case they inform you about such costs, and how they impact your investment.**

The reduction in yield (RIY) shows the impact of the total cost you will pay on the yield you may earn. The total cost includes the one-off, the current and the auxiliary costs alike.

The amounts shown here are the cumulative costs of the product itself, calculated for two different holding periods. They also include any sanctions for early exit. The figures are based on an assumed investment of EUR 10,000. The figures are estimated on the basis of the moderate performance scenario and may change over time.

#### Changes in costs over time

The table shows the amounts that are used from your investment to cover different types of costs. These amounts depend on how much you invest, how long you hold the product and how well it performs. The amounts shown here are illustrations based on an investment example and different possible investment periods. We have assumed that you will get back the amount invested in the first year (0% annual return). For the other holding periods, the product was assumed to perform according to the moderate scenario.

Changes in costs over time	If you redeem your investment (after 1 year)
Total cost	EUR 50.89
Annual cost impact*	0.51%

\* This illustrates how costs reduce your return each year over the holding period. It shows, for example, that if you exit after the recommended holding period, your average annual return is expected to be [0.47]% before costs and [-0.04]% after costs.

### Composition of the costs

The following table shows the yearly impacts of the various types of costs on the possible return on your investment at the end of the recommended holding period. The meaning of each of the different cost categories is also indicated in the table.

One-off costs on entry or exit		If you redeem after the recommended retention period
Entry fees	The Fund Manager does not charge entry fee.	
	According to the Fund Management Policy: - in case of the Principal Distributor the purchase commission is maximum EUR 10. - in case of the Co-Distributors the purchase commission is maximum 5% of the invested amount. The person selling the product will inform you of the actual charge.	EUR 10 EUR 500
Exit fees	The Fund Manager does not charge exit fee.	
	According to the Fund Management Policy: - in case of the Principal Distributor the redemption commission is maximum EUR 10. - in case of the Co-Distributors the redemption commission is maximum 5% of the redemption amount. The person selling the product will inform you of the actual charge.	EUR 10 EUR 500
<b>Current costs [each year]</b>		
Management fees and other administrative or operating expenses	The cost of fund management, distribution, auditing, custodian, accounting fees, etc. is 0.39% of the annual value of your investment, which is an estimated value for 2024. <i>(The impact of the costs we charge each year for managing your investments)</i>	EUR 39
Transaction costs	Portfolio transaction costs estimated for 2024 0.12% <i>(The impact of the costs of our buying and selling the underlying investments for the product).</i>	EUR 12
<b>Additional costs incurred under specified conditions</b>		
Performance fees [and surplus funds]	No performance fee is payable for this product.	

The above costs are based on historical data and may change over time.

### How long should I hold the product and how can I access my money earlier?

The investment term recommended by the Fund Manager: 1 year The recommended holding period is determined taking into account the risk rating of the fund and the composition of the underlying portfolio. You may redeem your Fund Units during continuous trading before the end of the recommended investment term under the terms and conditions specified in the prevailing Announcements published by the various Distributors. The actual risk or performance profile may differ significantly if you redeem the product before the end of the recommended holding period.

### How can I file a complaint?

Complaints concerning actions of the person who informed you about, or sold you, a product may be submitted to that particular person (e.g. your intermediary).

Complaints regarding a product or the actions of its manufacturer can be filed:

**In person or via an authorised representative** at the Fund Manager's registered office (1026 Budapest, Riadó u. 1-3.) or by phone at +36-1-412-8300 between 08:00 a.m. and 4:00 p.m. on all working days.

**As a written complaint** by mail to the mailing address of OTP Fund Management Ltd.: 1026 Budapest, Riadó u. 1-3., via email to: [panasz@otpalapkezelo.hu](mailto:panasz@otpalapkezelo.hu); or by fax (+36-1-412-8399), nonstop (24/7).

### Further important details

Subject to a legal obligation, this document, the Prospectus and Fund Management Policy, the daily net asset value data, the annual and the semi-annual reports as well as the official announcements are accessible free of charge in Hungarian at the points of sale, the Fund Manager's head office, on the Fund Manager's website ([www.otpalap.hu](http://www.otpalap.hu)) on OTP Bank Plc's – as principal distributor – website ([www.otpbank.hu](http://www.otpbank.hu)) and on the MNB's website (<https://kozvetetelek.mnb.hu>).

The "A" series was launched in 2001.

The performance of the series since its launch (but no more than the past 10 years) for the given fund is available in the **Return and risk** menu of the fund:

[https://www.otpbank.hu/otpalapkezelo/hu/A\\_Euro](https://www.otpbank.hu/otpalapkezelo/hu/A_Euro)

Availability of the Fund's performance scenario calculations published monthly:

[https://www.otpbank.hu/otpalapkezelo/hu/Befektetesi\\_alapok/Teljesitmeny\\_forgatokonyvek](https://www.otpbank.hu/otpalapkezelo/hu/Befektetesi_alapok/Teljesitmeny_forgatokonyvek)

**Past performance is not a reliable indicator of future performance. Markets may undergo extreme changes over time.** The annual yields of the Fund are calculated in EUR for the series "A" Fund Units. In calculating the yields, the Fund Manager considered current fees charged to the Fund; one-off entry and exit fees, however, are excluded.