



OTP Central European Equity Fund

Annual Report for the business year ended 31 December 2023

Financial year: from 1 January 2023
to 31 December 2023

Fund Manager:
Registered office:

OTP Fund Management Ltd.
H-1026 Budapest, Riadó u. 1–3.

Depositary:
Registered office:

UniCredit Bank Zrt.
H-1054 Budapest, Szabadság tér 5-6.

OTP Central European Equity Fund

I. Balance sheet

figures in HUF thousands

	Description	Previous year 31 December 2022	Reference year 31 December 2023
a.	b.	c.	d.
01.	A. Fixed assets	0	0
02.	I. Securities	0	0
03.	1. Securities	0	0
04.	2. Valuation difference of securities	0	0
05.	a) from interests and dividends	0	0
06.	b) other	0	0
07.	II. Long-term bank deposits	0	0
08.	B. Current assets	8,459,543	12,230,488
09.	I. Receivables	131,784	1,481
10.	1. Receivables	131,784	3,474
11.	2. Impairment of receivables (-)	0	-1,993
12.	3. Valuation difference of receivables in foreign currency	0	0
13.	4. Valuation difference of forint receivables	0	0
14.	II. Securities	7,437,619	11,288,448
15.	1. Securities	7,268,646	9,592,433
16.	2. Valuation difference of securities	168,973	1,696,015
17.	a) from interests and dividends	0	0
18.	b) other	168,973	1,696,015
19.	III. Cash and cash equivalents	890,140	940,559
20.	1. Cash and cash equivalents	890,140	940,559
21.	2. Valuation difference of foreign currency, FX deposits	0	0
22.	C. Prepayments and accrued income	25	24
23.	1. Accrued and deferred assets	25	24
24.	2. Impairment of prepayments and accrued income (-)	0	0
25.	D. Valuation difference of derivative transactions	-32,162	0
26.	TOTAL ASSETS:	8,427,406	12,230,512
27.	E. Equity	8,337,362	12,181,498
28.	I. Start-up capital	6,157,103	6,724,791
29.	1. Nominal value of investment units issued	11,327,414	15,927,353
30.	2. Repurchased investment units at nominal value (-)	-5,170,311	-9,202,562
31.	II. Change in capital (capital gain)	2,180,259	5,456,707
32.	1.a) Valuation difference of repurchased investment units upon cancellation	-818,224	-3,457,268
33.	1.b) Valuation difference of investment units sold	3,141,430	6,226,868
34.	2. Revaluation reserve	136,811	1,696,015
35.	3. P&L of previous years	672,330	-279,758
36.	4. P&L for the reference year	-952,088	1,270,850
37.	F. Provisions	0	0
38.	G. Liabilities	90,044	21,683
39.	I. Long-term liabilities	0	0
40.	II. Current liabilities	90,044	21,683
41.	III. Valuation difference of liabilities denominated in foreign currency	0	0
42.	H. Accruals and deferred income	0	27,331
43.	TOTAL LIABILITIES:	8,427,406	12,230,512

II. Profit and loss account

figures in HUF thousands

	Description	Previous year 01.01.2022 – 31.12.2022	Reference year 01.01.2023 – 31.12.2023
a.	b.	c.	d.
01.	I. Income from financial transactions	2,868,516	3,028,387
02.	II. Expenses on financial transactions	3,628,708	1,534,370
03.	III. Other income	0	0
04.	IV. Operating expenses	187,366	216,615
05.	V. Other expenditures	4,530	6,552
06.	VI. Yields paid, payable	0	0
07.	VII. P&L for the reference year (I - II + III - IV - V - VI)	-952,088	1,270,850

Dated: BUDAPEST, 29 April 2024

György István Eder
Chief Executive Officer
OTP Fund Management Ltd.

Annual report – OTP Central European Equity Fund

Information note:

1. Name of the Fund: OTP Central European Equity Fund
2. Number (registration number) and date of the supervisory registration of the Fund: 1111-166, 21 December 2015
3. Type of Fund: public
4. Fund scheme: open-end securities investment fund
5. Term of Fund: from 21 December 2015 for an indefinite term.
6. Business year of the Fund: 01.01.2023 – 31.12.2023
7. Harmonisation of the Fund: in accordance with the UCITS Directive
8. Balance sheet prepared on: 29 April 2024
9. Fund Manager: OTP Fund Management Ltd. (registered office: H-1026 Budapest, Riadó u. 1–3.)
10. Depository: UniCredit Bank Zrt. head office: 1054 Budapest, Szabadság tér 5–6.
11. Principal Distributor: OTP Bank Plc. head office: 1051 Budapest, Nádor u. 16.
12. The person authorised to represent the Fund is György István Éder, living at 2100 Gödöllő, Pipacs utca 17. The person responsible for directing and managing tasks falling within the scope of bookkeeping services is Zoltán Mihály Garamvölgyi, address: H-2000 Szentendre, Körte köz 7., chartered accountant licence number: MK 129785.
13. The Fund is subject to mandatory audit. Name of the auditor: Ernst & Young Könyvvizsgáló Kft. registered office: H-1132 Budapest, Váci út 20. The person responsible for the audit is Zsuzsanna Nagyváradiné Szépfalvi, Chamber of Auditors registration number: 005313.
14. The gross audit fee of the Fund for the 2023 business year (including 27% VAT) is HUF 1,476,000.

Further information about the Fund is available on the Fund Manager's website at

<https://www.otpbank.hu/otpalapkezeslo/hu/fooldal>

Main features of the accounting policy and the accounting principles applied

The accounting policy of the Fund is based on Act XVI of 2014 on Collective Investment Trusts and their Managers and on the Amendment of Financial Regulations (“Collective Investments Act”), Act C of 2000 on Accounting (“Accounting Act”), Government Decree No. 215/2000 (XII. 11.) on the special provisions regarding the annual reporting and book-keeping obligations of investment funds (“Government Decree”) and on other applicable regulations.

The Fund Manager maintains detailed analytical records of the assets and liabilities of the Fund.

The valuation and accounting rules of assets and liabilities were developed in accordance with the provisions of Section 7 of the Government Decree.

Valuation and recognition of securities

- In accordance with the provisions of the Government Decree, securities are recognised at net acquisition cost. Upon the sale of securities, the book value of the sale is determined by using the FIFO method.

- The valuation frequency of securities complies with that prescribed by the Collective Investments Act, the Government Decree and the Fund’s Prospectus at market value.

- In accordance with the provisions of the Government Decree, the pro rata interests and dividends due for the securities in the reference year are recognised as the valuation difference of the securities.

Valuation and recognition of derivatives

The market value of derivatives is the expected gain or loss on the transaction in the future; still open derivative contracts – as positions – can be resold at that value. Derivative contracts are valued based on generally accepted valuation methods for individual transaction types (typically, their valuation is determined based on the values of actual or estimated future cash flows arising from the contract, discounted to the present [DCF model]).

The Fund recognises the option premium paid on option contracts as they incurred, among the expenses of financial transactions; it does not exercise the option of accruals afforded by Section 9/B(12) of the Government Decree.

Receivables and liabilities denominated in foreign currencies

The market value of receivables and liabilities denominated in foreign currencies and the market value of currency holdings and currency deposits is determined with the application of the Magyar Nemzeti Bank’s official exchange rate as at the valuation date.

Intangible assets and tangible assets

The Fund has no intangible assets or tangible assets.

Explanation of specific balance sheet items:

Assets:

Securities are shown in Row 15 of the balance sheet at acquisition cost; within that, interest-bearing securities are recognised at net acquisition cost (without accumulated interest). Row 17 shows the accumulated interest on securities held at the accounting date at the end of the reference year, and Row 18 shows the difference between the (net) market value at the accounting date and the (net) acquisition cost. The valuation differences recognised are indicated in a separate table for each series of the securities.

Liabilities:

Start-up capital presents the nominal value of the Fund Units in circulation. Row 28 shows the cumulated number of Fund Units issued and redeemed from the first trading day. The accumulated result of previous years and the result of the reference year are shown in Rows 35 and 36, respectively. Unrealised capital gain and pro rata interests on the securities and other assets of the portfolio are shown in Row 34, while the capital gain/loss realised from the sale of Fund Units are shown in Rows 32 and 33.

Explanation of specific profit and loss account items:

P&L from financial transactions amounted to HUF 1,494,017,000, which is the difference between the income of HUF 3,028,387,000 and the expenses of HUF 1,534,370,000. Factoring in operating expenses at HUF 216,615,000 and other expenditures at HUF 6,552,000, the profit amounts to HUF 1,270,850,000.

Operating expenses are detailed in Table II of the liquidity report, in which the “financially realised” column contains the part of 2023 costs that was paid by the maturity date. Any Fund-related expenses not included in the above table (e.g. distribution fee, advertising costs) are borne, in accordance with the Prospectus, by the Fund Manager.

Annual report – OTP Central European Equity Fund

III. Statement of Assets and Liabilities

figures in HUF thousands

Asset item, type of securities	Opening balance of the period 01.01.2023	Closing balance of the period 31.12.2023	Distribution (%)		
Cash holdings – bank account balances					
Bank	Fixing period				
OTP Bank Plc. HUF	current account	82,996	240,922	1.97%	
OTP Bank Plc. EUR	current account	515,177	685,846	5.61%	
OTP Bank Plc. USD	current account	214,457	536	0.00%	
OTP Bank Plc. PLN	current account	76,864	9,448	0.08%	
OTP Bank Plc. CZK	current account	77	543	0.00%	
OTP Bank Plc. GBP	current account	85	75	0.00%	
OTP Bank Plc. DKK	current account	19	88	0.00%	
OTP Bank Plc. CHF	current account	444	3,017	0.02%	
OTP Bank Plc. SEK	current account	12	38	0.00%	
OTP Bank Plc. NOK	current account	9	26	0.00%	
OTP Bank Plc. RON	current account	0	20	0.00%	
Total bank account balances:		890,140	940,559	7.68%	
Transferable securities					
Name of securities	Maturity	Listed securities	OTC securities	Listed securities	OTC securities
Discount Treasury Bills:		0		293,168	2.40%
D240124	21.06.2023– 24.01.2024	0		224,113	1.83%
D240320	16.08.2023– 20.03.2024	0		30,352	0.25%
D240626	28.06.2023– 26.06.2024	0		825	0.01%
D241030	02.11.2023– 30.10.2024	0		37,878	0.31%
Domestic stocks:		2,175,959		3,010,808	24.62%
ALTEO		151,881		135,269	1.11%
ANY SECURITY PRINTING NYRT		0		19,796	0.16%
CIG PANNÓNIA		14,790		18,426	0.15%
DELTA TECHNOLOGIES		1,016		983	0.01%
MAGYAR TELEKOM		102,632		206,476	1.69%
MASTERPLAST		66,778		45,451	0.37%
MOL RT		472,227		639,561	5.23%
OPUS		19,352		62,648	0.51%
OTP TÖRZS (100)		675,692		1,195,807	9.78%
RICHTER - 100		659,543		664,151	5.43%
WABERER'S INTERNATIONAL ZRT		12,048		22,240	0.18%
Foreign stocks:		5,261,660		7,984,472	65.29%
11 BIT STUDIOS SA		16,768		15,860	0.13%
AAK AB		79,503		0	0.00%
ABB LTD-REG		42,203		0	0.00%
ACCELLERON INDUSTRIES LTD		1,442		0	0.00%
ADEVINTA ASA		5,494		0	0.00%
AIR LIQUIDE SA		77,529		0	0.00%
AIXTRON SE		69,961		0	0.00%
ALIOR BANK SA		2,533		93,193	0.76%
ALLEGRO.EU SA		140,828		348,266	2.85%
ALPHA SERVICES AND HOLDINGS		27,331		0	0.00%
AMREST HOLDINGS SE		28,800		40,400	0.33%
ASML HOLDING NV		51,420		0	0.00%
ASSECO POLAND SA		43,375		45,050	0.37%
ATLANTIC SAPPHIRE ASA		3,069		0	0.00%
AUSTRIA TECHNOLOGIE		77,399		130,168	1.06%
BANK ST PETERSBURG PJSC		226		366	0.00%
BAWAG GROUP AG		83,975		0	0.00%
BE SEMICONDUCTOR		68,526		0	0.00%
BENEFIT SYSTEMS SA		25,591		69,186	0.57%
BLOOM ENERGY CORP- A		11,694		0	0.00%
CAIRO MEZZ PLC		302		0	0.00%
CCC S.A.		5,345		0	0.00%
CD PROJEKT SA		0		106,309	0.87%
CEZ		264,268		506,793	4.14%
COLT CZ GROUP SE		0		59,183	0.48%
DELIVERY HERO SE		15,235		0	0.00%

Annual report – OTP Central European Equity Fund

III. Statement of Assets and Liabilities continued

figures in HUF thousands

Asset item, type of securities	Opening balance of the period 01.01.2023	Closing balance of the period 31.12.2023	Distribution (%)
DINO POLSKA SA	280,375	342,854	2.80%
DIPLOMA PLC	114,805	0	0.00%
ENPHASE ENERGY INC	79,135	0	0.00%
EPAM SYSTEMS INC	15,391	0	0.00%
ERSTE BANK STAMM	586,406	783,114	6.40%
ESSILORLUXOTTICA	65,759	0	0.00%
EVOLUTION AB	19,973	0	0.00%
GALAXY COSMOS MEZZ PLC	250	0	0.00%
GEK TERNA HLDG REAL ESTATE	78,345	0	0.00%
GRUPA KETY	0	100,680	0.82%
GRUPA PRACUJ SA	16,459	25,737	0.21%
HELLENIC PETROLEUM SA	44,049	0	0.00%
HYDRAULIC MACHINE - GDR REG S	15	23	0.00%
INFINEON TECHNOLOGIES AG	28,448	0	0.00%
INPOST SA	85,012	76,461	0.63%
JASTRZEBSKA SPOLKA WEGLOWA S	0	29,973	0.25%
KGHM	101,615	246,405	2.01%
KOMERCNI	284,117	711,182	5.81%
KRUK SA	0	117,587	0.96%
LOGITECH INTERNATIONAL SW	40,843	0	0.00%
LPP SA	0	242,312	1.98%
LVMH MOET HENNESSY LOUIS VUITTON	55,786	0	0.00%
MBANK SA	0	94,203	0.77%
MINESTO AB	3,857	0	0.00%
MO-BRUK J MOKRZYCKI LTD	12,208	0	0.00%
MONETA MONEY BANK AS	161,284	547,233	4.47%
MOTOR OIL (HELLAS) SA	216,572	0	0.00%
MYTILINEOS	212,950	0	0.00%
NATIONAL BANK OF GREECE SA NEW	74,986	0	0.00%
NWR	3	3	0.00%
OBUV ROSSII PISC	25	10	0.00%
OMV PETROM SA	67,260	87,531	0.72%
ORANGE POLSKA SA	0	64,498	0.53%
PEKAO	0	590,813	4.83%
PEPCO GROUP LTD	87,904	56,550	0.46%
PETRA DIAMONDS LTD NEW	2,776	0	0.00%
PGE	61,843	80,416	0.66%
PKN	482,669	496,113	4.06%
PKO BANK	69,802	691,107	5.65%
PRYSMIAN SPA	49,886	0	0.00%
PZU SA - 0.1	0	387,366	3.17%
RAIFFEISEN INTERN BH	0	56,100	0.46%
RHI MAGNESITA NV	24,662	0	0.00%
SANTANDER BANK POLSKA SA	27,276	223,458	1.83%
SEA LTD-ADR	14,073	0	0.00%
SHOP APOTHEKE EUROPE NV	2,383	0	0.00%
SHOPER SA	25,280	34,149	0.28%
SHOPIFY INC - CLASS A	7,824	0	0.00%
SIMEC ATLANTIS ENERGY LTD	720	804	0.01%
ST MICROELECTRONICS	30,705	0	0.00%
STS HOLDING SA	89,264	0	0.00%
TALLINK GRUPP AS	29,550	37,356	0.31%
TAURON PE	36,904	0	0.00%
TERNA ENERGY SA	43,274	0	0.00%
UNIQA INSURANCE GROUP AG	45,218	0	0.00%
VALAMAR RIVIERA	66,968	0	0.00%
VERALLIA	80,201	0	0.00%
VIENNA INSURANCE GROUP AG (EUR)	158,337	413,264	3.38%
WOLTERS KLUWER	1,135	0	0.00%
ZAVAROVALNICA TRIGLAV DD	33,679	32,396	0.27%
ZUR ROSE GROUP AG	582	0	0.00%
Total transferable securities:	7,437,619	11,288,448	92.31%

Annual report – OTP Central European Equity Fund

III. Statement of Assets and Liabilities continued

figures in HUF thousands

Asset item, type of securities	Opening balance of the period 01.01.2023	Closing balance of the period 31.12.2023	Distribution (%)
Other assets			
Receivables	131,784	1,481	0.01%
Prepayments and accrued income	25	24	0.00%
Valuation difference of derivative transactions	-32,162	0	0.00%
Total other assets:	99,647	1,505	0.01%
TOTAL ASSETS:	8,427,406	12,230,512	100.00%
Liabilities			
1. Loans outstanding:	0	0	0.00%
2. Other liabilities and deferred expenses:			
Remuneration of Fund Manager	14,050	12,516	25.54%
Depository's charges	843	1,170	2.39%
Other items recognised as costs	1,769	2,473	5.04%
Other – non-cost-based – liabilities	73,382	5,524	11.27%
3. Provisions:	0	0	0.00%
4. Other accruals and deferred income:	0	27,331	55.76%
Total liabilities:	90,044	49,014	100.00%
NET ASSET VALUE:	8,337,362	12,181,498	

IV. Number of Fund Units in circulation

Number of Fund Units in circulation:	15,383,144	17,568,292
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V. Net asset value per Fund Unit (EUR/Unit):

	31.12.2022	31.12.2023
Based on this document:	1.354105	1.811432
Based on the officially published net asset value:	1.342429	1.718605 *

* The Fund contains several series of units issued. The above information shows total portfolio value (net asset value and number of Fund Units in circulation) and weighted average value (net asset value per Fund Unit). The information is detailed further in Section VI.

The reason for the minor difference is the fact that the officially published net asset value per Fund Unit was determined in accordance with the provisions of the Fund Management Policy, while the value shown in this document was calculated in accordance with the provisions of the Accounting Act and the Government Decree.

The "Disclosed Net Asset Value" presented below shows the net asset value calculated on 03.01.2024 as at the value date of 02.01.2024 (day T), calculated with stock as at business day T-1 (29.12.2023), using the exchange rate for day T and interest accrued on current accounts up to calendar day T-1, while all data in the annual report are as at 31.12.2023.

	HUF thousands	
	Disclosed Net Asset Value	Annual report
Long-term bank deposits	0	0
Receivables	3,805	1,481
Securities	11,291,871	11,288,448
Cash and cash equivalents	929,225	940,559
Prepayments and accrued income	0	24
Valuation difference of derivatives	0	0
Total assets	12,224,901	12,230,512
Liabilities	16,639	21,683
Accruals and deferred income		27,331
Net asset value / Equity	12,208,262	12,181,498

Annual report – OTP Central European Equity Fund

VI. Composition of the Fund's securities portfolio

Description	01.01.2023	Distribution (%)	31.12.2023	Distribution (%)
a) transferable securities admitted to official stock exchange trading:	7,437,619	88.25%	11,288,448	92.31%
b) transferable securities traded in another regulated market:	0	0.00%	0	0.00%
<i>including:</i>				
c) recently issued transferable securities:	0	0.00%	293,168	2.40%
d) other transferable securities:	0	0.00%	0	0.00%
e) debt securities:	0	0.00%	293,168	2.40%

Description of changes in the composition of the portfolio in the reference period

For an itemised breakdown of each change in the portfolio composition, see Section III.

VII. Changes in the Fund's assets

Description	Business year ended 31 December 2022	Business year ended 31 December 2023
a) income from investments:	-760,192	1,494,017
b) other income:	0	0
c) management charges (remuneration of Fund Manager):	-151,709	-188,335
d) depositary's charges:	-8,684	-12,013
e) other charges and taxes:		
consignment fee:	-16,990	-7,806
bank charges:	-910	-1,030
supervisory fee:	-2,929	-3,546
other costs and expenses:	-10,674	-10,437
f) net income:	-952,088	1,270,850
g) distributed income (yield paid):	0	0
reinvested income:	-952,088	1,270,850
h) changes in capital account:	2,551,285	1,014,082
i) appreciation and depreciation of investments:	-712,401	1,559,204
j) any other changes affecting the assets and liabilities of the investment fund: (*)	0	0

*No such items were incurred in the reference period and in the previous period.

Annual report – OTP Central European Equity Fund

VIII. Comparative table covering net asset values and net asset values per Fund Unit

Number and net asset value of Fund Units in circulation:

	Return achieved in an annual breakdown	Number of Fund Units in circulation	Net asset value on the accounting date (HUF)	Net asset value per unit (EUR/unit)
31 December 2019	18.35%	4,730,376	2,204,942,593	1.410275
31 December 2020	3.43%	7,152,179	3,809,357,335	1.458699
31 December 2021	20.63%	11,475,061	7,450,565,361	1.759575
31 December 2022	-23.04%	15,383,144	8,337,362,319	1.354105
31 JAN 2023		15,430,098		1.386148
28 FEB 2023		14,546,555		1.378761
31 MAR 2023		14,382,399		1.325565
28 APR 2023		14,381,338		1.373992
31 MAY 2023		14,322,321		1.375958
30 JUN 2023		14,676,873		1.462456
31 JULY 2023		14,708,621		1.592985
31 AUG 2023		6,008,959		1.542804
29 SEP 2023		6,060,420		1.525138
31 OCT 2023		6,240,187		1.587915
30 NOV 2023		6,140,894		1.641876
31 December 2023	33.77%	17,568,292	12,181,498,065	1.811432

The annual return of the OTP Central European Equity Fund for 2023 less the expenses incurred by the Fund amounted to 33.77%

Monthly change in the number of Fund Units issued by the Fund:

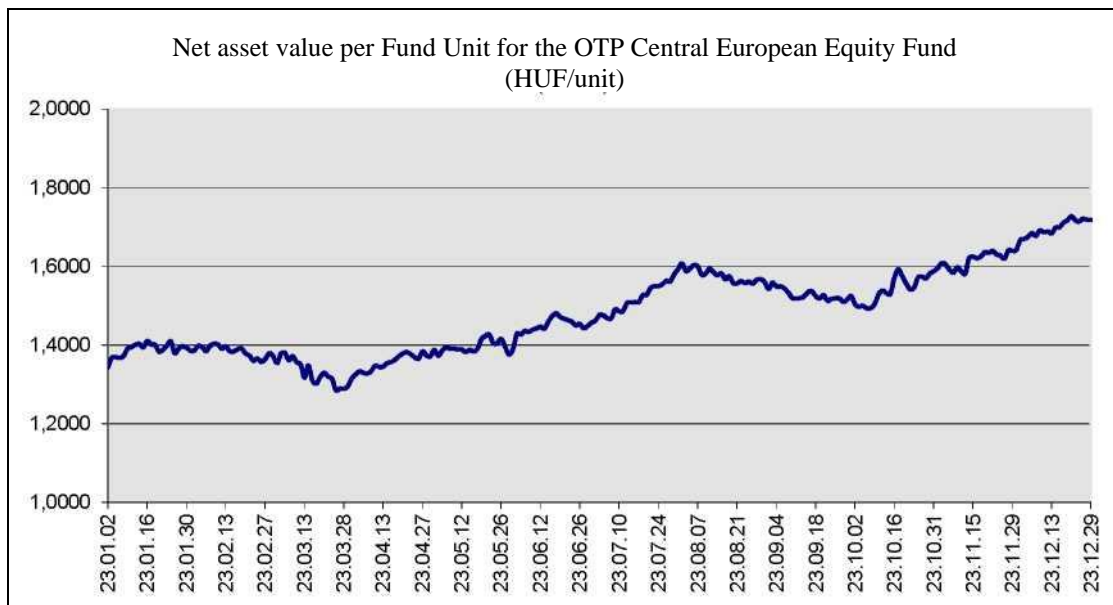
Series "A" (nominal value EUR 1)	Fund Units issued (number of Units)	Redemptions (number of Units)
January 2023	56,126	9,172
February 2023	221,047	1,104,590
March 2023	56,003	220,159
April 2023	13,927	14,988
May 2023	48,062	107,079
June 2023	411,438	56,886
July 2023	114,266	82,518
August 2023	34,811	8,734,473
September 2023	104,801	53,340
October 2023	256,169	76,402
November 2023	224,802	324,095
December 2023	302,244	235,595
Total:	1,843,696	11,019,297

Annual report – OTP Central European Equity Fund

Series "B" (nominal value HUF 1)	Fund Units issued (number of Units)	Redemptions (number of Units)
January 2023	11,228,454	283,777
February 2023	3,070,352	3,052,264
March 2023	445,667	523,777
April 2023	1,358,792	473,625
May 2023	330,991	263,220
June 2023	4,736,621	641,968
July 2023	15,292,229	1,619,859
August 2023	19,405,327	10,460,528
September 2023	811,819	0
October 2023	6,548,105	415,353
November 2023	11,402,892	3,133,409
December 2023	42,848,847	19,089,072
Total:	117,480,096	39,956,852

Series "I" (nominal value EUR 1)	Fund Units issued (number of Units)	Redemptions (number of Units)
January 2023	1,034,270	0
February 2023	770,739	0
April 2023	449,681	0
May 2023	353,567	0
August 2023	8,549,965	0
Total:	11,158,222	0

The Fund did not pay yields in the reporting period.



IX. Derivative transactions and the resulting commitments

Derivative transactions and the resulting commitments are presented in Section XV detailing the valuation difference of securities.

X. Changes in the Fund Manager's operations, major factors impacting the investment policy

Internal policies for the Fund Manager's operation were developed – or amended – in accordance with the provisions of the Collective Investments Act and other applicable regulations. At the same time, there was no major change in the Fund Manager's operation during the reference period.

The activities performed by the Fund Manager and further details of its operation are available at https://www.otpbank.hu/OTP_ALAPKEZELO/hu/bemutatkozas.jsp

The Fund's Prospectus and the Fund Management Policy were also developed or amended in accordance with the provisions of the Collective Investments Act and other applicable regulations.

There was no major change in the investment policy, also detailed in this context, that may affect the operation of the Fund.

XI. Remuneration paid by the Fund Manager to persons whose actions have a material impact on the Fund Manager as a whole and on the risk profile of the Fund:

Total remuneration paid by the Fund Manager in 2023:

HUF thousands

Description	Amount
Fixed remuneration	1,154,746
Variable remuneration	1,098,395
Total	2,253,141

Total remuneration paid in 2023 to persons who have a material impact on the Fund's risk profile:

HUF thousands

Description	Managing directors	Other employees	Total
Number of beneficiaries	5	20	25
Surplus funds	0	4,711	4,711
Total remuneration *	353,020	517,145	870,165

*The above figures include the total remuneration paid by the Fund Manager (not just the part relevant to the given Fund)

XII. Information on Risk Management

a) assets subject to special arrangements arising from their illiquid nature:

Neither during the reference period nor in the previous period did the Fund's portfolio contain any assets that were subject to special arrangements arising from their illiquid nature.

b) Liquidity management arrangements

Neither during the reference period nor in the previous period did the Fund Manager conclude a contractual arrangement on behalf of the Fund for managing liquidity regarding the Fund's portfolio.

Essentially, the Fund Manager holds the Fund's liquidity – observing the limits defined in the Fund Management Policy – in liquid Hungarian government securities maturing within one year and in breakable time deposits.

As part of liquidity management, in order to reduce transaction costs the Fund Manager checks the funds with liquidity surplus and liquidity deficit, and concludes purchase and sale transactions at market price between the funds to the debit and to the credit of the Hungarian government securities holdings of the funds. Consequently, in the first round, liquidity management transactions are conducted – primarily using discount treasury bills – between the funds managed by the Fund Manager. If the funds still have a net exposure after the above transactions, the Fund Manager conducts further transactions in the context of liquidity management with external partners, at market price.

c) current risk profile of the Fund and the risk management systems employed by the Fund Manager to manage those risks

Information on the Fund’s risk profile is available in Chapter “The risk profile of the Fund” of the Prospectus, Chapter “Presentation of risk factors” of the Fund Management Policy, and the Sections entitled “Return and risk profile” and “Significant risk factors” of the Key Investor Information Document.

The Company’s liquidity policy was developed in accordance with Articles 46–48 of Commission Delegated Regulation (EU) No. 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision (“AIFM Regulation”).

The Company’s liquidity policy was developed in accordance with Section 24 of Government Decree No. 79/2014 (III. 14.) on the structural organisation, conflict of interest, conduct of business and risk management requirements of UCITS managers (“Government Decree No. 79/2014”).

XIII. Changes in the level of leverage

	31.12.2022	31.12.2023	Change 2023/2022
Leverage *	EUR 310,056,790	EUR 31,822,275	-89.7366%

* The leverage was calculated in accordance with Articles 6–11 of the AIFM Regulation.

XIV. Miscellaneous information

a) Fund assets which have become illiquid

Neither in the reference period nor during the previous period did the Fund Manager segregate assets that have become illiquid as per the Collective Investments Act in relation to the Fund.

b) Acquisition of controlling influence by the Fund over non-listed companies

Neither in the reference period nor during the previous period did the Fund acquire controlling influence over a non-listed company.

Annual report – OTP Central European Equity Fund

XV. Valuation difference of securities – details; derivative transactions and the resulting commitments

figures in HUF thousands

Security description	maturity	Acquisition cost	Valuation difference		Market value
			from interests and dividends	from other market perception	
Discount Treasury Bills:		283,288	0	9,880	293,168
D240124	21.06.2023 - 24.01.2024	215,114	0	8,999	224,113
D240320	16.08.2023 - 20.03.2024	30,185	0	167	30,352
D240626	28.06.2023 - 26.06.2024	791	0	34	825
D241030	02.11.2023 - 30.10.2024	37,198	0	680	37,878
Domestic stocks:		2,656,526	0	354,282	3,010,808
ALTEO		81,730	0	53,539	135,269
ANY SECURITY PRINTING NYRT		17,808	0	1,988	19,796
CIG PANNÓNIA		24,362	0	-5,936	18,426
DELTA TECHNOLOGIES		4,062	0	-3,079	983
MAGYAR TELEKOM		104,921	0	101,555	206,476
MASTERPLAST		74,387	0	-28,936	45,451
MOL RT		646,245	0	-6,684	639,561
OPUS		39,644	0	23,004	62,648
OTP TÖRZS (100)		1,062,319	0	133,488	1,195,807
RICHTER - 100		592,121	0	72,030	664,151
WABERER'S INTERNATIONAL ZRT		8,927	0	13,313	22,240
Foreign stocks:		6,652,619	0	1,331,853	7,984,472
11 BIT STUDIOS SA		9,822	0	6,038	15,860
ALIOR BANK SA		49,994	0	43,199	93,193
ALLEGRO.EU SA		305,619	0	42,647	348,266
AMREST HOLDINGS SE		30,267	0	10,133	40,400
ASSECO POLAND SA		44,714	0	336	45,050
AUSTRIA TECHNOLOGIE		143,133	0	-12,965	130,168
BANK ST PETERSBURG PJSC		3,062	0	-2,696	366
BENEFIT SYSTEMS SA		23,524	0	45,662	69,186
CD PROJEKT SA		132,275	0	-25,966	106,309
CEZ		473,462	0	33,331	506,793
COLT CZ GROUP SE		62,486	0	-3,303	59,183
DINO POLSKA SA		230,723	0	112,131	342,854
ERSTE BANK STAMM		684,764	0	98,350	783,114
GRUPA KETY		73,418	0	27,262	100,680
GRUPA PRACUJ SA		28,175	0	-2,438	25,737
HYDRAULIC MACHINE - GDR REG S		9,721	0	-9,698	23
INPOST SA		47,292	0	29,169	76,461
JASTRZEBSKA SPOLKA WEGLOWA S		35,144	0	-5,171	29,973
KGHM		254,859	0	-8,454	246,405
KOMERCNI		711,825	0	-643	711,182
KRUK SA		99,208	0	18,379	117,587
LPP SA		144,003	0	98,309	242,312
MBANK SA		55,027	0	39,176	94,203
MONETA MONEY BANK AS		482,045	0	65,188	547,233
NWR		3,363	0	-3,360	3
OBUV ROSSII PJSC		7,822	0	-7,812	10
OMV PETROM SA		70,962	0	16,569	87,531
ORANGE POLSKA SA		61,413	0	3,085	64,498
PEKAO		370,664	0	220,149	590,813
PEPCO GROUP LTD		87,715	0	-31,165	56,550
PGE		67,471	0	12,945	80,416
PKN		423,157	0	72,956	496,113

Annual report – OTP Central European Equity Fund

XV. Valuation difference of securities – details; derivative transactions and the resulting commitments – continued

figures in HUF thousands

Security description	maturity	Acquisition cost	Valuation difference		Market value
			from interests and dividends	from other market perception	
PKO BANK		436,188	0	254,919	691,107
PZU SA - 0.1		284,944	0	102,422	387,366
RAIFFEISEN INTERN BH		43,443	0	12,657	56,100
SANTANDER BANK POLSKA SA		140,884	0	82,574	223,458
SHOPER SA		55,894	0	-21,745	34,149
SIMEC ATLANTIS ENERGY LTD		10,364	0	-9,560	804
TALLINK GRUPP AS		37,512	0	-156	37,356
VIENNA INSURANCE GROUP AG (EUR)		390,519	0	22,745	413,264
ZAVAROVANICA TRIGLAV DD		25,742	0	6,654	32,396
TOTAL:		9,592,433	0	1,696,015	11,288,448

Foreign exchange forward transactions:

	figures in HUF thousands	contract value of forward transaction					discounted market value of forward transaction				
		FX 1		FX 2		P/L	FX 1 value in HUF		FX 2 value in HUF		P/L
as at 31.12.2022:	USD/EUR	-3,797	3,760	-1,422,072	1,502,952	80,880					
	USD/EUR	-996	1,000	-373,154	399,721	26,567					
	EUR/USD	-4,760	4,680	-1,902,674	1,753,003	-149,671					
	EUR/CZK	-2,500	61,401	-996,380	1,005,385	9,005					
	Total:					-33,219					

XVI. Securities financing and total return swaps:

There were no securities financing transactions or total return swaps in the Fund during the reference period.

XVII. Notes to the balance sheet and the profit and loss statement

Changes in shareholders' equity

figures in HUF thousands

Description	Opening balance	Increase	Decrease	Closing balance
Change in start-up capital:	6,157,103	4,599,939	-4,032,251	6,724,791
Deduction of the change in capital gain:				
Fund Unit distribution margin:	2,323,206	3,085,438	-2,639,044	2,769,600
Valuation difference:	136,811	1,696,015	-136,811	1,696,015
Retained earnings:	672,330	0	-952,088	-279,758
Income for the reference year:	-952,088	1,270,850	952,088	1,270,850
Total capital gain:	2,180,259	6,052,303	-2,775,855	5,456,707
Total shareholders' equity:	8,337,362	10,652,242	-6,808,106	12,181,498

Liquidity Report

I. Composition of loans outstanding

Time of borrowing	Creditor	Credit amount	Maturity date	Amount in arrears
-	-	-	-	-

II. Composition of costs

figures in HUF

Description of cost item	Costs for 2022	Financially realised in 2022	Costs for 2023	Financially realised in 2023
Fund management fees	151,708,780	137,658,707	188,334,516	175,818,105
Depositary's charges	8,683,596	7,840,476	12,013,310	10,843,908
Consignment fee	16,989,785	16,989,785	7,806,218	7,806,218
Bank charges	909,560	909,560	1,029,501	1,029,501
Supervisory fee	2,929,000	2,214,000	3,546,000	2,549,000
Auditor's fee	1,054,250	0	1,475,893	0
Miscellaneous	5,090,539	5,090,539	2,409,273	2,409,273
Total:	187,365,510	170,703,067	216,614,711	200,456,005

* Amount of the management fee for 2023:
as shown below:

HUF 188,334,516, which includes the management success fee

Series:	Net asset value per series 29.12.2023 (NAV):	Success fee:	Success fee as a percentage of NAV:
Series "A":	HUF 4,239,783,779	HUF 0	0.00%
Series "B": *	HUF 167,218,645	HUF 506,141	0.30%
Series "I":	HUF 7,773,928,146	HUF 26,825,345	0.35%
Total:	HUF 12,180,930,570	HUF 27,331,486	, which is included

in the accounts under "accruals and deferred income".

* Series "I" data in the currency of issue of the series, in euro:

Series "I":	EUR 20,309,128	EUR 70,080	0.35%
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XVIII. Cash flow statement

figures in HUF thousands

	01.01.2022– 31.12.2022	01.01.2023– 31.12.2023
I. Operating cash flow	-2,549,361	-365,342
1. Income for the reference year (excluding yields received)	-1,166,517	852,461
3. Loss in value recognised/reversed	0	0
4. Valuation difference recognised	-712,401	1,559,204
5. Difference between the allocation and utilisation of provisions	0	0
7. Invested securities sold	-1,380,872	-1,307,077
8. Variation in fixed assets	0	0
9.1. Variation in receivables	14,914	130,303
9.2. Variation in the valuation difference of securities	683,807	-1,527,042
10. Variation in short-term liabilities	-22,385	-68,361
11. Variation in long-term liabilities	0	0
12. Variation in accrued and deferred assets	5,499	1
13. Variation in accruals and deferred income	0	27,331
Variation in derivative transactions	28,594	-32,162
II. Variation in cash flow from investments	863,979	-598,321
17. Securities purchased -	-23,689,535	-13,654,764
18. Securities sold, redeemed +	24,339,085	12,638,054
19. Yields received +	214,429	418,389
III. Variation in cash flow from financial transactions	2,551,285	1,014,082
20. Issuance of Fund Units +	3,646,714	7,685,377
22. Repurchase of Fund Units -	-1,095,429	-6,671,295
23. Return paid on investment units -	0	0
IV. Variation in liquid assets	865,903	50,419
Opening value of liquid assets	24,237	890,140
Closing value of liquid assets	890,140	940,559

Comments:

1. Sub-items are numbered in accordance with Annex 4 to the Government Decree.
2. Row 9, “Variation in current assets” was further broken down.
3. Another sub-item “Variation in derivative transactions” was added without a sequence number.
4. Receivables/liabilities existing at the expiration date were settled after the accounting date.

XIX. Portfolio Report for Securities Fund

Master data:

Name of the Fund:	OTP Central European Equity Fund	
Registration number of the Fund:	1111-166	
Fund Manager:	OTP Fund Management Ltd.	
Depository:	UniCredit Bank Zrt.	
Type of net asset value calculation:	T	EUR

T-day:	31.12.2023
Shareholders' equity:	31,823,758
NAV per investment unit:	1.811432
Number of items:	17,568,292

Definition of T-day net asset value:

figures in HUF thousands

I. LIABILITIES

Amount %

	Maturity	0	0.00
I/1. Loans outstanding:			
I/2. Other liabilities and deferred expenses:		21,683	44.24
Remuneration of Fund Manager		12,516	25.54
Depository's charges		1,170	2.39
Other items recognised as costs		2,473	5.04
Other – non-cost-based – liabilities		5,524	11.27
I/3. Provisions:		0	0.00
I/4. Other accruals and deferred income:		27,331	55.76
Total liabilities:		49,014	100.0

II. ASSETS

Amount %

II/1. Current account, cash (total):			940,559	7.69	
II/2. Other receivables:			1,481	0.01	
II/3. Time deposits (total):	Bank	Currency	Maturity	0	0.00
II/3.1. Bank deposits fixed for less than 3 months:			0	0.00	
II/4. Securities (total):		Currency	Nominal value in foreign currency	11,288,448	92.30
II/4.1. Government bonds (total):			293,168	2.40	
II/4.1.2. Treasury bills (total):			293,168	2.40	
D240124 discount treasury bill		HUF	228,180	224,113	1.83
D240320 discount treasury bill		HUF	31,200	30,352	0.25
D240626 discount treasury bill		HUF	850	825	0.01
D241030 discount treasury bill		HUF	40,000	37,878	0.31
II/4.3. Shares (total):			10,995,280	89.90	
II/4.3.1. Listed (total):			3,010,808	24.62	
ALTEO share		HUF	593	135,269	1.11
ANY SECURITY PRINTING NYRT share		HUF	779	19,796	0.16
CIG PANNÓNIA share		HUF	2,068	18,426	0.15
DELTA TECHNOLOGIES share		HUF	22	983	0.01
MAGYAR TELEKOM share		HUF	30,275	206,476	1.69
MASTERPLAST share		HUF	1,748	45,451	0.37
MOL RT share		HUF	28,289	639,561	5.23
OPUS share		HUF	4,100	62,648	0.51
OTP TÖRZS (100) share		HUF	7,568	1,195,807	9.78
RICHTER - 100 share		HUF	7,590	664,151	5.43
WABERER'S INTERNATIONAL ZRT share		HUF	2	22,240	0.18
II/4.3.2. Foreign shares (total):			7,984,472	65.28	
11 BIT STUDIOS SA share		PLN	33	15,860	0.13
ALIOR BANK SA share		PLN	138,660	93,193	0.76
ALLEGRO.EU SA share		PLN	1,187	348,266	2.85
AMREST HOLDINGS SE share		PLN	1,725	40,400	0.33

XIX. Portfolio Report for Securities Fund

ASSECO POLAND SA share	PLN	7,000	45,050	0.37
AUSTRIA TECHNOLOGIE share	EUR	12,930	130,168	1.06
BANK ST PETERSBURG PJSC share	RUB	11,730	366	0.00
BENEFIT SYSTEMS SA share	PLN	403	69,186	0.57
CD PROJEKT SA share	PLN	10,500	106,309	0.87
CEZ share	CZK	3,415,600	506,793	4.14
COLT CZ GROUP SE share	CZK	7,200	59,183	0.48
DINO POLSKA SA share	PLN	845	342,854	2.80
ERSTE BANK STAMM share	EUR	55,700	783,114	6.40
GRUPA KETY share	PLN	1,535	100,680	0.82
GRUPA PRACUJ SA share	PLN	4,715	25,737	0.21
HYDRAULIC MACHINE - GDR REG S share	USD	12	23	0.00
INPOST SA share	EUR	160	76,461	0.63
JASTRZEBSKA SPOLKA WEGLOWA S share	PLN	40,500	29,973	0.25
KGHM share	PLN	22,810	246,405	2.01
KOMERCNI share	CZK	6,341,200	711,182	5.81
KRUK SA share	PLN	2,800	117,587	0.96
LPP SA share	PLN	340	242,312	1.98
MBANK SA share	PLN	2,000	94,203	0.77
MONETA MONEY BANK AS share	CZK	377,681	547,233	4.47
NWR share	GBP	4,000	3	0.00
OBUV ROSSII PJSC share	RUB	1,436,000	10	0.00
OMV PETROM SA share	RON	198 000	87,531	0.72
ORANGE POLSKA SA share	PLN	90,000	64,498	0.53
PEKAO share	PLN	44,135	590,813	4.83
PEPCO GROUP LTD share	PLN	24,648	56,550	0.46
PGE share	PLN	1,052,550	80,416	0.66
PKN share	PLN	86,032	496,113	4.06
PKO BANK share	PLN	156,000	691,107	5.65
PZU SA - 0.1 share	PLN	9,308	387,366	3.17
RAIFFEISEN INTER BH share	EUR	7,850	56,100	0.46
SANTANDER BANK POLSKA SA share	PLN	51,820	223,458	1.83
SHOPER SA share	PLN	11,754	34,149	0.28
SIMEC ATLANTIS ENERGY LTD share	GBP	117,852	804	0.01
TALLINK GRUPP AS share	EUR	66,475	37,356	0.31
VIENNA INSURANCE GROUP AG (EUR) share	EUR	40,741	413,264	3.38
ZAVAROVANICA TRIGLAV DD share	EUR	2,439	32,396	0.26
II/5. Prepayments and accrued income (total):			24	0.00
Total assets:			12,230,512	100.00

Note: the nominal value of securities issued in Hungarian forints is expressed in HUF thousands.

Dated: BUDAPEST, 29 April 2024

György István Eder
Chief Executive Officer
OTP Fund Management Ltd.

OTP Central European Equity Fund

Declaration of the Issuer:

As representatives of OTP Fund Management Ltd. (registered office: 1026 Budapest, Riadó utca 1-3.; company registration number: 01-10-043959, tax number: 11766199-4-41, hereinafter: “Fund Manager”), a company performing the Fund’s management tasks and engaged, *inter alia*, in the establishment and management of public closed-ended investment funds qualifying, pursuant to Section 1 of Decree 24/2008. (VIII. 15.) of the Minister of Finance on the detailed rules of the disclosure requirements concerning publicly offered securities (hereinafter: “MoF Decree”), as a legal entity obliged to provide information on the public closed-ended funds established and managed by it (hereinafter: “Funds”), we hereby make the following declaration:

Pursuant to Section 2.4 of Annex 1 of the MoF Decree we declare that

- based on the applicable legal and other regulations on accounting the Funds’ Annual Reports present a true and valid view of the Funds’ assets, liabilities, financial position, profit and loss, and
- the Funds’ Business-Management Report presents a fair view of the position, development and performance of the issuer, describing the main risks and uncertainties.

Dated: BUDAPEST, 29 April 2024

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György István Éder
Chief Executive Officer
OTP Fund Management Ltd.