

Key information document (KID)



Purpose

This document contains key information about this investment product. It's not about promotional material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it to other products.

Naziv proizvoda: **OTP ABSOLUTE open investment fund with public offering**

Izdavatelj PRIIP-a: OTP invest fund management doo

ISIN: HROTPIUABSL5

Internet site: www.otpinvest.hr

OTP invest fund management company d.o.o. is part of OTP Group. This product is approved in the Republic of Croatia. This product is managed by OTP invest fund management doo. Call +385 (72) 201 092 for additional information. The Croatian Financial Services Supervision Agency (HANFA) is responsible for the supervision of OTP invest fund management company d.o.o. in respect of this key information document.

Date of creation: 10.02.2023.

You are about to buy a product that is not simple and may be difficult to understand.

What kind of product is this?

• **Type:** The product is an entity for joint investments in transferable securities (UCITS fund) according to the Act on Open Investment Funds with Public Offering (Official Gazette, No. 44/16, 126/19, 110/21 and 76/22). The fund is a separate asset without legal personality, it is divided into equal shares consisting of securities and is co-owned by the shareholders.)

• **Term:** The fund was established for an indefinite period. The Management Company may transfer the management of the Fund or merge the Fund with another fund under management, in accordance with the applicable legal provisions (see Prospectus). If the Fund's assets fall below a certain threshold, the Management Company can also liquidate the Fund.

• **Objectives:** The goal of the fund is to offer investors an increase in the value of the shares in the medium term (three to five years), independent of market movements, with at the same time reduced volatility compared to the historical volatility of traditional mixed funds. The fund offers the investor a high diversification of investments, primarily through investments in shares of investment funds, through which exposure to various classes of assets will be achieved in developed markets as well as in developing markets. The investor can sell all or a certain number of shares at any time. The fund enables a discretionary choice regarding the investments that need to be realized. Such an approach does not involve reference to a specific benchmark. The fund strives to achieve its investment goal by actively managing assets, without comparing it to a reference value (benchmark). In doing so, the Fund will invest most of its funds in open investment funds with a public offer. When choosing to invest in other open investment funds with a public offer, care will be taken to adequately diversify the Fund's portfolio and preserve an appropriate level of liquidity. The Fund's investments are not geographically or sectorally specialized. The fund achieves its goals by investing in the following financial instruments: open investment funds with a public offer, up to 100% of the fund's net asset value (NAV); shares and rights to shares issued by the Republic of Croatia, another member state of the European Union (EU) or a third country, up to 100% of NAV; debt securities issued or guaranteed by the Republic of Croatia, up to 100% of NAV; debt securities issued or guaranteed by another EU member state or a third country and debt securities of issuers from another EU member state or a third country, up to 35% of NAV; money market instruments of issuers from the Republic of Croatia and other EU member states, up to 100% of NAV. A maximum of 30% of the NAV can be invested in investment funds that are not UCITS funds. Financial derivatives and effective portfolio management techniques (repo and reverse repo contracts) will be used in order to protect against risk, achieve additional yield or ensure liquidity for the purposes of purchasing shares, which may result in financial leverage. Their use will not change the investment strategy or increase exposure to risks beyond those specified in the fund's prospectus. The result of the Fund will be primarily determined by the movement of open investment funds and securities in which the Fund invests. The fund reinvests income from interest and dividends. The price of the Fund's shares is denominated in euro.

• **Targeted small investor** The fund is intended for investors who are ready to invest for a period of three to five years with the possibility of realizing an increase in the value of the investment in the medium term, but at the same time they want to preserve the availability of funds; to investors who are willing to tolerate minor fluctuations in the value of shares in the Fund; investors who have a somewhat longer-term and less conservative investment strategy or want to disperse the total invested funds in an equal ratio between stocks and bonds.

• **Depository of the fund:** OTP banka d.d.

• The Fund's prospectus and rules and additional information about the Fund are available at the Company's headquarters and, together with the Fund's financial reports, are also published on the Company's website (www.otpinvest.hr/dokumenti-i-izvjesca/10). The company will provide investors, at their request and free of charge, with the requested documentation of the Fund in Croatian.

- Other practical information as well as the daily prices of the Fund's shares can be found on the Company's website (www.otpinvest.hr)

What are the risks and what could I get in return?



The assumption of the risk indicator is that you will keep the product for 3 years. The actual risk may vary significantly if you cash out the product early, and the amount you get back may be lower. The aggregate risk indicator serves as a guideline for the level of risk of this product compared to other products. It shows how likely you are to lose money on the product due to market movements or because we can't pay you.

We have classified this product as 3 out of a possible 7, which indicates a medium-low risk category.

It is hereby assessed that possible losses from future activity will be at a medium-low level, and poor market conditions will very likely not affect our ability to pay you. It is not guaranteed that the Fund's risk and performance will remain unchanged. The risk indicator is based on historical data and does not guarantee that the Fund's categorization cannot change over time.

Warning to investors whose domicile currency is not the Fund's currency: Be aware of the currency risk. You will be paid in EUR, so the final return you will get depends on the exchange rate between the two currencies. The above indicator does not take this risk into account. You do not have to make any payments to cover losses (you are not obligated to make additional payments). This product does not include any protection against future market movements, so you could lose some or all of your investment.

Success scenarios

The figures shown include all the costs of the product itself, but may not include all the costs you pay to your consultant or distributor. The figures do not take into account your personal tax situation, which may affect the refund amount.

The amount you will get from this product depends on the future market movements. Future market developments are uncertain and cannot be accurately predicted.

The unfavorable, moderate and favorable scenarios shown are examples of the worst, average and best performance of the product in the last 10 years. Future market movements could differ significantly from this.

The stress scenario shows the amount of return you could get in extreme market conditions.

Recommended holding period:	3 years
Investment example:	EUR 10,000
	In case of exit after one year
	In case of exit after 3 years

Scenarios

Minimal No minimum yield is guaranteed. You could lose some or all of your investment.

		In case of exit after one year	In case of exit after 3 years
Under conditions of stress	Amount you could receive after deduction of expenses	9.020 EUR	9.020 EUR
	Average annual yield	-9,80%	-3,38%
Unfavorable <small>This type of scenario was created in the case of an investment in the period 12.2012-12.2022</small>	The amount you could get after deducting costs	9.020 EUR	9.020 EUR
	Average annual yield	-9,80 %	-3,38 %
Moderate <small>This type of scenario was created in the case of an investment in the period 12.2012-12.2022</small>	The amount you could receive after deducting costs	10.236 EUR	10.602 EUR
	Prosječni godišnji prinos	2,36 %	1,97 %
Favorable <small>This type of scenario was created in the case of an investment in the period 12.2012-12.2022</small>	The amount you could receive after deducting costs	11.591 EUR	12.790 EUR
	Average annual yield	15,91 %	9,13 %

What happens if OTP invest is unable to make a payment?

The assets of the Fund are separated from the assets of the Company, and in accordance with Article 119, paragraph (4) of the Act on Open Investment Funds with Public Offering (Official Gazette No. 44/16, 126/19, 110/21 and 76/2022), the Company will pay the amount of share redemption in the Fund to the investor within five working days. There is no risk of the Company defaulting on its obligations. Shareholders are co-owners of the Fund's assets. Losses incurred by investing in the Fund are not covered by any investor compensation or guarantee program.

What are the costs?

The person who advises you about this product or sells it may charge you other costs. In this case, this person will provide you with information about these costs and how they will affect your investment.

Costs over time

The tables show the amounts charged from your investment to meet various types of expenses. These amounts depend on the amount of your investment, the holding period of the product and the performance of the product. The amounts shown here are only examples made based on a sample investment amount and possible investment periods.

We assumed the following:

- in the first year, your return would be equal to the amount of your investment (annual return of 0%). For other holding periods, we applied the product performance assumption shown in the moderate scenario;

- the investment is EUR 10,000.	In case of exit after one year	In case of exit after three years
Total costs	186 EUR	568 EUR
Annual cost performance (*)	1,86 %	1,79 % each year

(*) From this it is evident that the costs reduce your yield s years in the holding period. For example, if you exit at the end of the recommended holding period, the projected average annual return is 3,76% before expenses and 1,97% after expenses.

Cost breakdown

One-time costs upon entry or exit		in case of exit after a year
Entry fees	The entrance fee depends on the total value of the issued units: - less than EUR 10.000,00 1% - more than EUR 10.000,00 0,00%	(Up to) 100 EUR
Exit costs	- The exit fee depends on the holding period: - up to 3 year; 1.00 % - more than 3 year; 0.00%	300 EUR
Ongoing costs incurred each year		
Management fees and other administrative or business expenses	1,36% of the value of your investment per year. Including a management fee of 1.10% per year, fee to the depositary of 0.11% per year and other operating costs of the Fund. It is an estimate based on actual costs in the previous year.	136 EUR
Transaction costs	0,50% of the value of your investment per year. It is an estimate of the costs incurred when we buy and sell the underlying investment for the product. The actual amount will depend on the amount of buying and selling.	50 EUR
Occasional expenses incurred in special circumstances		
Performance Fees and Profit Shares	There is no performance fee for this product.	0 EUR

How long should I hold it and can I withdraw money early?

Recommended holding period: 3 years

The recommended holding period is chosen so that the probability of nominal losses during this investment horizon is low for the investor. However, losses cannot be ruled out. The company does not guarantee the fulfillment of the investment goal. Each holder of units in the Fund can at any time cash out all or a certain number of units by selling them to the Fund, provided that he is authorized to freely dispose of them, while retaining the right to suspend the purchase, by the Company, in case of extraordinary circumstances. The investor may be charged an exit fee in the amount of 1.00% for investments shorter than 3 year.

How can I complain?

Investors can send complaints about the actions of the Fund, the Company or the Company's employees when performing Fund management activities by registered mail to the Company's address (Divka Budaka 1d, 10000 Zagreb), deliver them in person at the Company's headquarters (Divka Budaka 1d, 10000 Zagreb) or deliver them via electronic mail (e-mail: reklamacije@otpinvest.hr).

The Company handles complaints in accordance with the provisions of the internal Procedure for Handling Client Complaints and Complaints published on the Company's website.

Other relevant information?

- Information on historical returns in the period from the Fund's founding date to today is available on the Company's website: <https://www.otpinvest.hr/dokumenti-i-izvjesca/10>
 - Details of the Receipts Policy, including a description of how receipts are calculated, and the identity of the persons responsible for awarding receipts, are available on the Company's website
 - Before investing, every Investor is obliged to familiarize himself with the Document with key information for investors as well as the Prospectus and the Rules of the fund. The information provided here is provided for informational purposes and cannot be considered as an invitation to invest.
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