

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.

Product name: **OTP Meridan 20 open investment fund with public offering**

PRIIP issuer: OTP invest fund management company d.o.o.

ISIN: HROTPIUMR207

Website: 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 company d.o.o. Call **+385 (72) 201 092** for additional information, or send an email to info@otpinvest.hr.

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 aim of the fund is to offer investors a high yield in the long term (more than five years), appropriate diversification of invested funds within the framework of predominantly regional stock markets, adequate liquidity of invested funds and low transaction execution costs and availability of investments in markets that are inaccessible to most individual investors. The percentage of shares in the fund, i.e. exposure to the stock market, will not be less than **70% of the net value of the Fund's assets**. The assets of the Fund will mainly be invested in the so-called emerging markets ("Emerging Markets"). We are talking about markets in countries that do not belong to the group of the most developed countries in the world (according to the criterion of the size of the gross domestic product per inhabitant). The primary markets where the fund's assets will be invested are, apart from the Republic of Croatia itself, markets in the countries surrounding the Republic of Croatia: Austria, Bosnia and Herzegovina, Bulgaria, Montenegro, Macedonia, Hungary, Romania, Slovenia and Serbia. In a broader sense, the fund's assets will be invested in the global financial region of Eastern Europe, the Middle East and Africa (so-called "EEMEA – East Europe, Middle East and Africa") and in those countries that have functioning capital markets with an appropriate level of legal protection investments, all in accordance with the investment restrictions established by the fund's prospectus. The fund reinvests income from interest and dividends. The Fund can use financial derivatives and efficient portfolio management techniques (repo and reverse repo contracts) for the purpose of risk protection, creation of additional capital or income for the Fund or ensuring liquidity for the purposes of purchasing shares from the Fund, which can result in financial leverage. However, the result of the Fund will primarily be determined by the movement of the securities in which the Fund invests. 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). 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 longer period of time (recommended investment period is 5 years) with the possibility of achieving high returns due to exposure to the stock market, but at the same time want to preserve the availability of invested funds; investors who are ready to bear short-term fluctuations in the value of shares in the fund; investors who wish to invest in a predominantly stock-diversified portfolio in the countries of the wider region, and investors whose funds are invested in different markets or parts of the market, and who wish to gain additional exposure to the markets of the wider region in an affordable way.
- **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 5 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 make 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:		5 years	
Investment example :		10 000 EUR	
		In case of exit after a year	In case of exit after 5 years
Scenarios			
Minimal	No minimum yield is guaranteed. You could lose some or all of your investment.		
	The amount you could get after deducting expenses	8.231 EUR	9.040 EUR
Under stress	Average annual yield	-17,69 %	-2,00 %
Unfavorable	The amount you could get after deducting expenses	8.231 EUR	9.040 EUR
<small>This type of scenario was created in the case of investments in the period 12.2012-12.2022</small>	Average annual yield	-17,69 %	-2,00 %
Moderate	The amount you could get after deducting expenses	10.301 EUR	11.454 EUR
<small>This type of scenario was created in the case of investments in the period 12.2012-12.2022</small>	Average annual yield	3,01 %	2,75 %
Favorable	The amount you could get after deducting expenses	13.375 EUR	13.245 EUR
<small>This type of scenario was created in the case of investments in the period 12.2012-12.2022</small>	Average annual yield	33,75 %	5,78 %

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. Unit holders 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 five years
Total Costs	244 EUR	1.281 EUR
Annual cost performance (*)	2,44 %	2,20 %

(*) This shows how costs reduce your yield every year during the holding period. For example, if you exit at the end of the recommended holding period, the projected average annual return is 4,95% before expenses and 2,75% after expenses.

Cost breakdown

One-time costs upon entry or exit		In case of exit after one year
Entry fees	For initial payment up to 9.500 EUR entry fee is 1,00 %, from 9.500,01 up to 26.000 EUR entry fee is iznosi 0,50 %. There is no fee for payment above 26.000,01 EUR.	(up to) 100 EUR
Exit fees	Exit fee depend of duration of investment: <ul style="list-style-type: none"> - up to 3 months; 2,00 % - from 3 to 12 months; 1,00 % - from 12 do 24 months; 0,50 % - longer than 24 months; 0,00 % 	100 EUR
Ongoing costs incurred each year		
Management fees and other administrative or business expenses	2,27 % of the value of your investment per year. This includes a management fee of 2,00 % per year, a depository fee of 0.18% per year and other Fund operating costs. It is an estimate based on actual costs in the previous year.	227 EUR
Transaction costs	0.17% of the value of your investments 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	17 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: 5 years or longer

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 shares in the Fund can at any time cash out all or a certain number of shares 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 2,00% for investment shorter than 3 months, 1,00% for investment shorter than 12 months and 0,50% for investment shorter than 24 months.

There is no exit fees for investment longer than 24 months.

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 (**OTP Invest fund management company, Divka Budaka 1d, 10000 Zagreb, Croatia**), hand them in person at the Company's headquarters (Divka Budaka 1d, 10000 Zagreb, Croatia) or deliver them via electronic mail (email : 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 **Key information document (KID) 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.