

EXPLORING DYNAMIC MARKETS ACROSS LATIN AMERICA

A CONVERSATION WITH MAURICIO ALVAREZ CEO OTG ASSET MANAGEMENT, LTD

BY ADVISORHUB STAFF



What is the core investment thesis of the OTG Latin America ETF (OTGL)?

OTGL is an active managed fund designed to provide diversified exposure to Latin America's most dynamic equity markets by combining local expertise, active country allocation, and broad sector representation. The ETF uses "on-the-ground" research to identify market inefficiencies.

The strategy focuses on companies poised to benefit from the expanding middle class, digital transformation and rich natural resource base. The fund reaches beyond Brazil and Mexico to include Chile, Peru, Colombia and Argentina capturing opportunities other LATAM index miss.

What role can OTGL play in a diversified portfolio?

OTGL can serve as a satellite allocation

on a global equity portfolio by offering long-term return potential introducing a differentiated regional exposure that can improve overall portfolio resilience. In addition, its low correlation to U.S. equities and differentiated multi-country and sector mix makes the fund an effective complement to broad global allocations.

What areas does OTGL focus and how do these exposures differ from the names dominating the S&P 500?

OTGL introduces emerging market growth, commodity leverage, and currency diversification, all absent from the S&P 500. The exposure to real asset sectors (financials, materials, energy) all benefit from commodities, demographics, and regional growth. While the S&P's growth is more oriented to heavy tech dominated companies. The fund is currently lenient towards:

- **Financials** – Itau (Chile) Nubank (Brazil) Credicorp (Peru) LATAM financials benefit from a massive "unbanked" population entering the formal economy for the first time via banks and fintech.
- **Materials** – SCCO (Peru-Mexico), SQM (Chile) Cemex (Mexico) the region is key to the global supply chain for copper, lithium, iron ore and fertilizers. These companies are the backbone of the global energy transition, electrification and infrastructure boom.
- **Energy** – Grupo Energia de Bogota (Colombia). YPF (Argentina), Petrobras (Brazil) these companies give

investors access to real asset cash flows and inflation protection.

OTGL could work as a diversifier against a tech-heavy U.S. market, offering exposure to physical commodities and emerging and growing middle class consumers that the S&P 500 lacks

How does OTGL manage the (Political Risk) that often scares investors from Latin America

Politics is part of the region's DNA and right now we're seeing important shifts. Several countries in the region are moving toward more market-friendly or centrist policies. OTGL's active mandate is designed specifically for this. While passive indices are forced to hold large weights in state-owned companies regardless of political interference. We focus on "policy-immune" sectors—like digital infrastructure and export-heavy agriculture—that thrive regardless of who is in the presidential palace. We view the current "Rightward Turn" in the region as a significant tailwind for the fund's core holdings.

Why consider Latin America now?

Latin America today offers one of the most compelling combinations in global equities: attractive valuations, improving macro fundamentals, rising global demand for commodities and energy transition metals and a major political realignment. Taken together, these drivers offer a sturdier foundation for the region in the coming years and reinforce its resurgence within the global investment landscape.

These dynamics create a compelling entry point for long-term investors seeking growth at reasonable prices. ■