

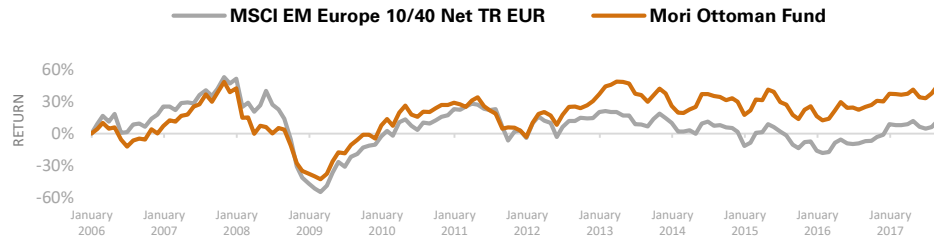
# Mori Ottoman Fund



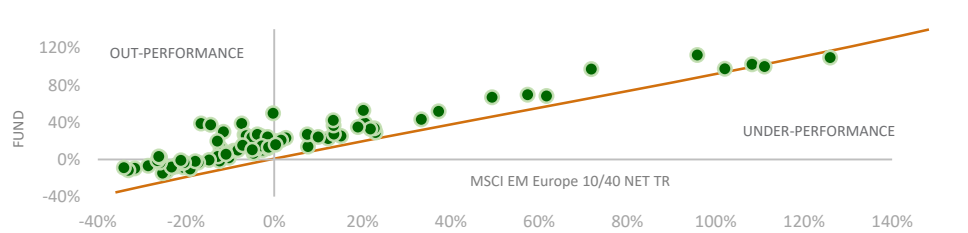
## Fund Objective

The Fund seeks long-term capital appreciation through investment primarily in a portfolio of Emerging European securities. The Fund may also invest opportunistically Middle East and North Africa region securities from time to time. The Fund manager specialises in investment in Emerging Europe and uses a bottom-up approach that incorporates both stock and sector views. The stock-picking style uses proprietary valuation models, target prices, stock market capitalisation, liquidity and view on management's quality.

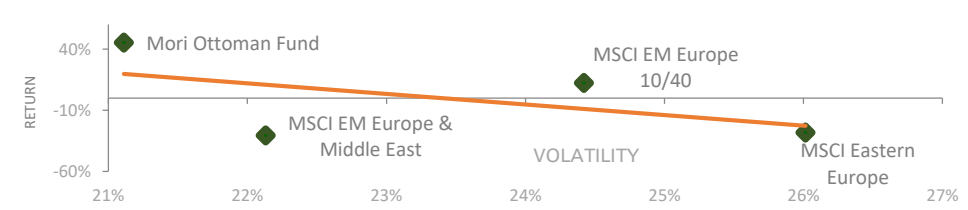
## Historical Performance<sup>1</sup> (Since Inception to 31 August 2017, EUR)



## 5-Year Rolling Returns<sup>2</sup> (Since Inception to 31 August 2017, EUR A-Share Class)



## Return / Volatility<sup>2</sup> (Since Inception to 31 August 2017, EUR A-Share Class)

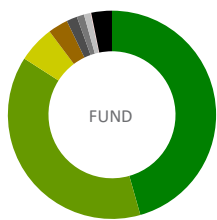


## Performance<sup>3</sup> (%)

	1mth	YtD	1Yr	2Yr	3Yr	5Yr	10Yr	Since Inception
Fund	5.5%	8.9%	19.6%	27.2%	11.3%	19.2%	11.9%	45.3%
Index	5.6%	3.2%	20.9%	25.1%	4.0%	0.3%	-17.0%	12.2%

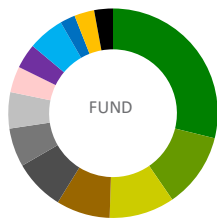
## Portfolio Overview<sup>4</sup> (%)

### Country Breakdown



	% of Port.	vs. Index
Turkey	44.1	25.9
Russia	37.2	-10.7
Czech Republic	5.5	2.9
Poland	3.0	-17.4
Romania	1.6	1.6
Greece	1.1	-4.5
Ukraine	1.0	1.0
Austria	0.1	0.1
Hungary	0.0	-5.2
Cash & Equivalents	3.1	3.1

### Sector Breakdown



	% of Port.	vs. Index
Financials	30.9	-4.4
Energy	12.4	-17.9
Materials	10.8	0.8
Consumer Staples	8.9	1.5
Industrials	8.4	7.1
Telecommunications	6.4	1.0
Consumer Discretionary	6.0	1.6
Utilities	4.3	1.0
Real Estate	4.1	3.6
Diversified	2.6	0.6
Others	2.5	2.5
Index Derivatives	-3.3	-3.3
Cash & Equivalents	3.1	3.1

## Investment Process

- Bottom-up stock picking
- In-house qualitative and quantitative proprietary valuation database
- Unconstrained, non-benchmark
- Active Beta management (1) Cash management (2) Opportunistic use of futures, options and FX hedging
- Disciplined "sell" process

## Fund Summary

Fund Type	UCITS IV
Domicile	Dublin
Currency	EUR
Index	MSCI EM Europe 10/40 Index
Fund Manager	Aziz Unan (Since inception)
Launch Date	3 January 2006
AUM	EUR 46.3m

## Portfolio Characteristics

	Fund	Index
(%) Volatility	14.8	16.1
(%) Active Share	66.2	
(%) Tracking Error	7.1	
Information Ratio	0.5	

## Financial Ratios

	Fund	Index
Price Earnings (12 months forward)	7.2	9.4
Price to Book	1.8	1.0
Return on Equity	20.2	10.3
Dividend Yield (12 months forward)	3.1	4.1

## Top 10 Holdings

Sberbank	8.7
Halkbank	5.1
Lukoil	5.0
Vakifbank	4.9
Isbank	3.9
Karsan	3.8
Gazprom	3.6
Eurocash	3.0
Koza	2.7
Turk Telekom	2.6

## Market Cap

> 5 Bln	54.4%
1-5 Bln	20.8%
< 1 Bln	21.9%

<sup>1</sup> Cumulative total return, net of fees, of the A EUR Share Class until 11 July 2012, then C EUR Share Class. <sup>2</sup> Performance based on monthly total returns in EUR (A Share Class), net of fees, excluding initial charge. <sup>3</sup> Performance based on monthly total returns in EUR (C Share Class), net of fees, except 5-Year, 10-Year & since inception (A EUR Share Class). <sup>4</sup> Table weights shown adjusted for delta exposure, pie chart shows table weights to 100. Past performance is not a guide to future performance. The value of investments may go down as well as up and investors may lose money. SOURCE: Unless otherwise stated, all data sourced from Bloomberg and Northern Trust as of 31 August 2017.

# Mori Ottoman Fund



## Performance

Over the last two decades, August has usually been a negative month as most market participants typically are on vacation. However, this was not the case in August of this year. Second quarter earnings releases mostly surprised on the upside, leading to another wave of buying in Emerging European bourses despite a seasonally low month of activity. The net asset value of Mori Ottoman Fund increased by 5.5% in Euro terms (C share class) in August, while the MSCI Emerging Europe 10/40 Index was up 5.6% during the same period.

## Portfolio Activity

Second quarter results that were released generally beat consensus and, therefore, surprised positively. We expect analysts to upgrade valuations of several stocks in the region in the coming weeks. However, the market was ahead of analysts and reacted quickly last month as all major Emerging European bourses registered strong gains.

In Russia, we took the technical correction in June to add onto our exposure in Sberbank. The bank reported very strong results later in the month and broke through the USD 13 level (for the GDRs) by the end of August. We also participated in the capital increase of Bank of St. Petersburg as we believe its stock is one of the most attractively valued names in our investment universe. Based on our projections, the stock is trading at some 0.4 times of its estimated 2017 book (equity) value and less than 4.5 times estimated earnings for this year. We bought Mail.Ru as the stock offers significant upside to our new price target following the review of our valuation model.

In Turkey, we took some profits in the oil refiner Tupras, following a stock price increase post strong earnings release. We also locked in some profits in Koza Anadolu, which had gained over 220% in local currency terms from the beginning of the year to the end of August. We also took profits in Turkcell.

## Outlook

Relatively weak US dollar and strong Euro is helpful for most Central European countries and Turkey. Weak dollar and weak oil prices are not very supportive for the commodity dependent economies like Russia and the Gulf countries at the moment from a top down view. However, as our close followers would note, our investment style is primarily bottom up stock picking with a macro overlay. We reiterate our recommendation that investors should have a closer look at Emerging Europe, due to relatively low indebtedness, above average growth rates and strong cash flows across the corporate sector.



## Contacts

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**SOURCE:** Bloomberg as of 31 August 2017, unless stated otherwise. **Past performance is not a guide to future returns.**

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Fund Facts	
Management Fee	1.75% (A), 2.00% (AA), 1.25% (C)
Performance Fees	15% of increase over highest of any previous quarter end NAV (A)
Initial Min. Investment	€, £ 10,000 (A, AA) €, \$, £ 1,000,000 (C)
Dealings	Daily
Redemptions	Daily
Redemption Notice	T+3 T+4 (GBP share classes)
Redemption Fee*	3.0%
Administrator	Northern Trust Fiduciary Services (Ireland) Limited
Entry Charges*	Max. 5.0%
* At Investment Manager discretion.	
Launch Date	
A EUR	03.01.2006
AA GBP	10.05.2013
C EUR	01.06.2012
C USD	01.06.2012
C GBP	01.11.2012
Launch Price	
A EUR	100.00
AA GBP	10.00
C EUR	10.00
C USD	10.00
C GBP	10.00
Current NAV	
A EUR	145.34
AA GBP	10.60
C EUR	12.17
C USD	12.98
C GBP	12.33
Bloomberg Codes	
A EUR	GRIOTTO ID
AA GBP	RAOTAAG ID
C EUR	RAOTTCE ID
C USD	RAOTTCCU ID
C GBP	RAOTTCCG ID
ISIN Codes	
A EUR	IE00B0T0FN89
AA GBP	IE00B87G5S97
C EUR	IE00B8G12179
C USD	IE00B4XYZP64
C GBP	IE00B87PYK12