

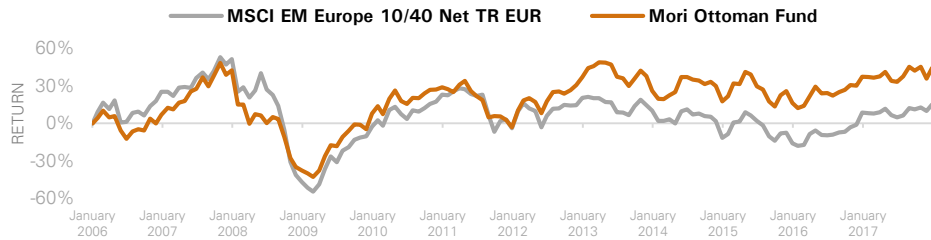
# Mori Ottoman Fund



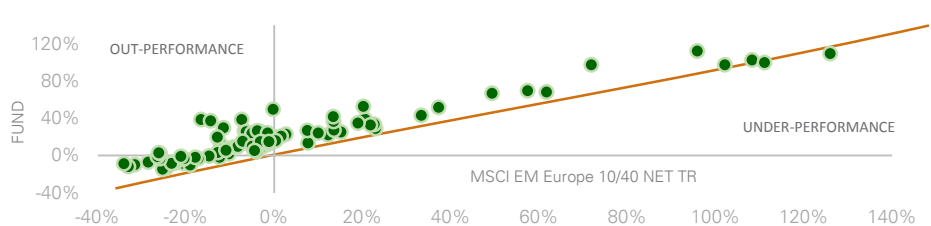
## Fund Objective

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.

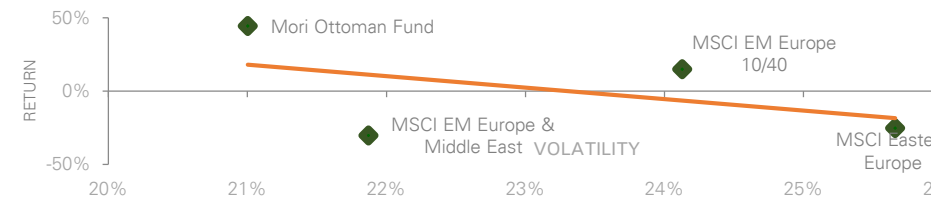
## Historical Performance<sup>1</sup> (Since Inception to 31 December 2017, EUR A-Share Class)



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



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

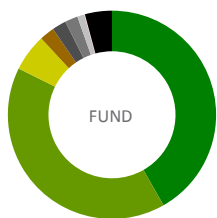


## Performance<sup>3</sup> (%)

	1mth	YtD	1Yr	2Yr	3Yr	5Yr	10Yr	Since Inception
Fund	6.4%	8.4%	8.4%	28.1%	26.7%	8.7%	1.4%	44.4%
Index	4.6%	5.7%	5.7%	36.8%	30.0%	-4.5%	-24.2%	15.0%

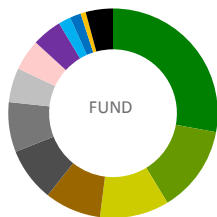
## Portfolio Overview<sup>4</sup> (%)

### Country Breakdown



	% of Port.	vs. Index
Turkey	41.8	25.1
Russia	40.6	-8.7
Czech Republic	5.8	3.0
Greece	2.3	-2.9
Poland	2.2	-18.7
Romania	2.0	2.0
Ukraine	1.1	1.1
Austria	0.1	0.1
Hungary	0.0	-5.1
Cash & Equivalents	4.2	4.2

### Sector Breakdown



	% of Port.	vs. Index
Financials	27.9	-5.9
Energy	13.4	-18.3
Materials	10.7	-0.5
Telecommunications	8.7	3.4
Industrials	8.3	6.9
Consumer Staples	7.7	1.5
Consumer Discretionary	5.3	0.8
Real Estate	4.8	4.4
Utilities	4.6	1.5
Information Technology	1.9	1.3
Diversified	1.7	-0.2
Health Care	0.8	0.8
Cash & Equivalents	4.2	4.2

## 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 43.7m

## Portfolio Characteristics

	Fund	Index
(%) Volatility	14.9	15.8
(%) Active Share	63.7	
(%) Tracking Error	7.2	
Information Ratio	0.4	

## Financial Ratios

	Fund	Index
Price Earnings (12 months forward)	8.7	8.3
Price to Book	1.9	1.0
Return on Equity	20.4	10.9
Dividend Yield (12 months forward)	3.4	4.1

## Top 10 Holdings

Sberbank	9.0
Lukoil	6.1
Vakifbank	4.4
Gazprom	4.2
Isbank	3.5
Turkish Airlines	3.2
Karsan	3.1
Kardemir	2.9
MTS	2.7
Moneta	2.6

## Market Cap

> 5 Bln	50.5%
1-5 Bln	24.2%
< 1 Bln	21.1%

<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 31.12.2017.

# Mori Ottoman Fund



## Performance

Emerging European equities were quick to recover in December after the technical correction in the previous month. All major Emerging European indices closed December in positive territory, while Turkish and Greek equities outperformed regional peers as these markets had declined more than the others the previous month. The net asset value of Mori Ottoman Fund increased by 6.4% in Euro terms (C share class) in December, while the MSCI Emerging Europe 10/40 Index gained 4.6% during the same period. With that, the net asset value of Mori Ottoman Fund closed the year 2017 up 8.4% in Euro terms (C share class), outperforming the MSCI Emerging Europe 10/40 Index which added 5.7% in Euro terms in 2017.

We would like to take this opportunity to thank all our investors for their continued trust and wish you a happy, healthy, peaceful and prosperous year in 2018.

## Portfolio Activity

We participated in the capital increase of the Russian retailer Magnit, taking advantage of the attractive subscription price. The year 2017 was challenging for most Russian retailers in terms of top line growth as the CPI inflation in Russia declined much more than projected at the beginning of the year. The new capital Magnit received is mainly being used for refurbishment and improving the efficiency of the network. Some analysts argued that the company could have levered instead of raising equity. However, while we are not against some degree of leverage, we do not favour highly levered companies as these stocks tend to underperform peers and general markets during times of market and macroeconomic stress.

Following the sell-off in Turkey in November, we decided to close out our short position in the index futures at the beginning of December. Third quarter real GDP growth came in at 11.1% year-on-year which, to the best of our knowledge, is the highest growth figure globally. With that, Turkey will close 2017 with a GDP growth in the 6-7% range. Close followers would recall that the economic experts were projecting 2-2.5% growth a year ago. Non-financial stocks in general fared better than the banks in the second half of 2017 in Turkey as we think the ongoing court case in the US increased investor concerns that Halkbank may face a fine by the US.

## Outlook

The year 2017 has been eventful with political noise and geopolitical issues around the world. This may become the new "normal" for some time, as debt levels in developed markets and military spending globally are at all-time highs. However, we hope the new year will be a more peaceful and prosperous one.



## Contacts

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**SOURCE:** Bloomberg as of 31 December 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	144.41
AA GBP	10.14
C EUR	12.12
C USD	13.05
C GBP	11.82
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