

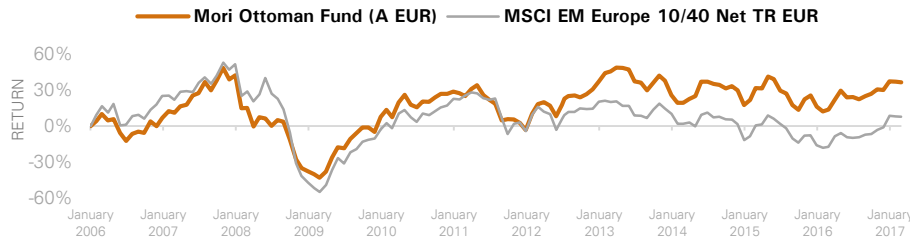
# Mori Ottoman Fund



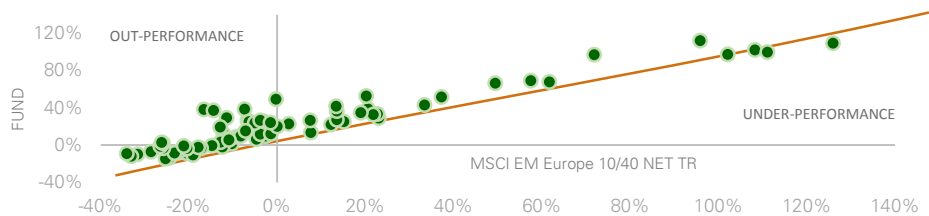
## Fund Objective

The Fund seeks long-term capital appreciation through investment primarily in a portfolio of Emerging European securities and opportunistically Middle East and North Africa region securities. 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.

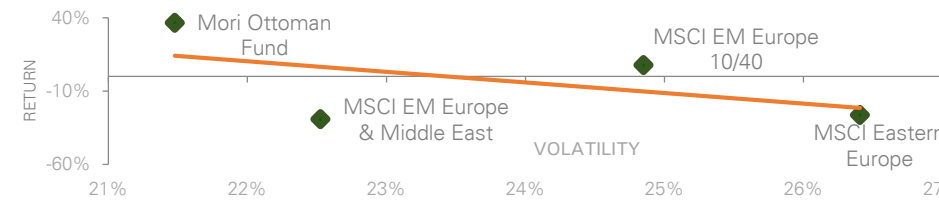
## Historical Performance<sup>1</sup> (Since Inception to 28 February 2017, EUR A-Share Class)



## 5-Year Rolling Returns<sup>2</sup> (Since Inception to 28 February 2017, EUR A-Share Class)



## Return / Volatility<sup>2</sup> (Since Inception to 28 February 2017, EUR A-Share Class)

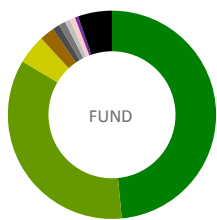


## Performance<sup>3</sup> (%)

	1mth	YtD	1Yr	2Yr	3Yr	5Yr	10Yr	Since Inception
Fund	-0.4%	-0.6%	19.9%	3.5%	14.4%	12.1%	19.4%	32.9%
Index	-0.2%	-0.8%	30.5%	7.1%	5.7%	-7.2%	-11.6%	7.9%

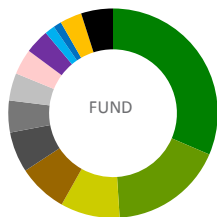
## Portfolio Overview<sup>4</sup> (%)

### Country Breakdown



Country	% of Port.	vs. Index
Russia	46.9	-7.9
Turkey	33.9	18.4
Czech Republic	4.4	1.8
Romania	2.2	2.2
Poland	1.1	-16.9
Austria	1.0	1.0
Ukraine	0.8	0.8
Greece	0.8	-4.0
Kazakhstan	0.5	0.5
Cash & Equivalents	5.1	5.1

### Sector Breakdown



Sector	% of Port.	vs. Index
Financials	32.6	-0.8
Energy	18.2	-16.6
Materials	9.5	-0.2
Industrials	7.9	6.2
Consumer Staples	6.5	0.5
Consumer Discretionary	5.1	1.1
Telecommunications	4.4	-0.8
Real Estate	4.1	3.5
Utilities	3.9	0.4
Health Care	1.6	0.5
Information Technology	1.3	1.3
Index Derivatives	-3.5	-3.5
Cash & Equivalents	5.1	5.1

## 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 49.3m

## Portfolio Characteristics

	Fund	Index
(%) Volatility	21.5	24.9
(%) Active Share	48.4	
(%) Tracking Error	12.2	
Information Ratio	0.15	

## Financial Ratios

	Fund	Index
Price Earnings (12 months forward)	6.8	7.6
Price to Book	1.4	0.9
Return on Equity	18.1	12.2
Dividend Yield	3.0	3.7

## Top 10 Holdings

Gazprom	9.0
Sberbank	8.9
Lukoil	5.2
Halkbank	4.4
Isbank	3.8
Karsan	3.2
Garanti Bank	2.5
Vakifbank	2.4
Turk Telekom	2.2
Tupras	2.0

## Market Cap

> 5 Bln	51.6%
1-5 Bln	20.5%
< 1 Bln	24.6%

<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 as of 28 February 2017.

# Mori Ottoman Fund



## Performance

After consolidating in January, Emerging European equities started February with a bullish mood. However, profit taking came in the last week of February with a number of short term traders closing out positions following a strong market since December of 2016. Russian stocks dragged down Emerging Europe last month as some investors realized profits as the Russian stock market was among the top performing stock markets globally in 2016. The net asset value of Mori Ottoman Fund decreased 0.4% in euro terms (C share class) in February, while the MSCI Emerging Europe 10/40 Index lost 0.2% last month.

## Portfolio Activity

President Trump continued to be in the spotlight last month as the markets are trying to adjust to the President and his actions. Mr. Trump's national security adviser Michael Flynn unexpectedly resigned in mid-February on the back of reports that he had given "incomplete information" regarding a telephone call Mr. Flynn had with the Russian ambassador in late December about American sanctions against Russia. This raised concerns over the sustainability of the new administration as the resignation came less than a month after Mr. Flynn's appointment. President Trump's remarks about Russia also soured somewhat relative to his stated position during his election campaign. These led some short-term market players to close out positions in Russian equities.

We subscribed to the TMK secondary offering in Russia as we like the valuation of the stock, but due to low free-float the stock has been off investors' radar screens. With the new offering, the stock liquidity has improved significantly and we believe the stock will be appealing to a broader investor base in the future.

In Turkey, we actively traded Halkbank as the stock jumped in early February on the back of better than expected financial results for full year 2016 and management guidance for 2017. We took some profits in Isbank as the stock price has had a good run since the beginning of 2017.

Our top banking stock in Central Europe Moneta Money Bank released 2016 financials, which beat our as well as consensus projections. Furthermore, the management proposed CZK 9.8 per share dividend on 2016 earnings, which was giving a hefty dividend yield of 11.5% based on the stock's closing price on February 28. We decided to increase our exposure to Moneta.

## Outlook

Turkish banks overall reported better than expected earnings for the last quarter of 2016 and so far, the banks' management guidance for this year has been much better than the consensus estimates. The sector also had a very strong start to 2017. According to the Turkish banking regulator's figures, the sector's aggregate net income in January 2017 was up by 50% year-on-year. As we mentioned in our previous reports, we are positive on a number of Turkish banks and we expect analysts to revise projections upwards in the coming weeks and months. Our non-banking stocks have also been reporting strong results and proposing hefty dividends. We have been updating our valuation models on the back of earnings reports and we believe that Emerging European equities still offer one of the best value propositions relative to other both developed and developing regions.



## Contacts

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**SOURCE:** Bloomberg as of 28 February 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	03.01.06
AA GBP	10.05.13
C EUR	01.06.12
C USD	01.06.12
C GBP	01.11.12
Launch Price	
A EUR	100.0
AA GBP	10.00
C EUR	10.00
C USD	10.00
C GBP	10.00
Current NAV	
A EUR	132.92
AA GBP	8.94
C EUR	11.11
C USD	10.58
C GBP	10.37
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