

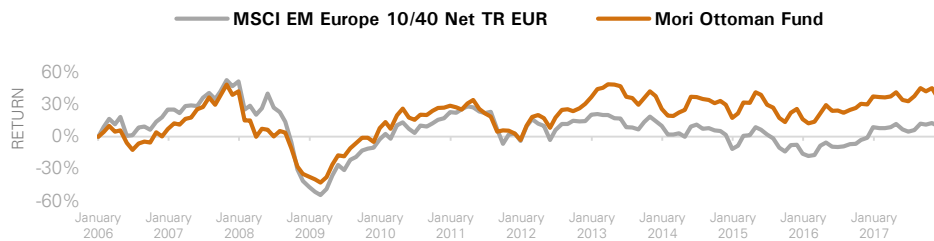
# Mori Ottoman Fund



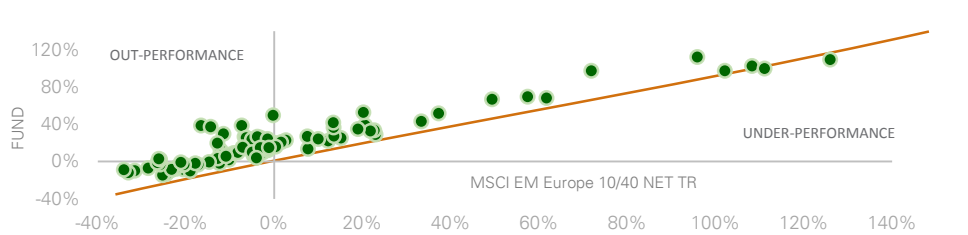
## Fund Objective

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.

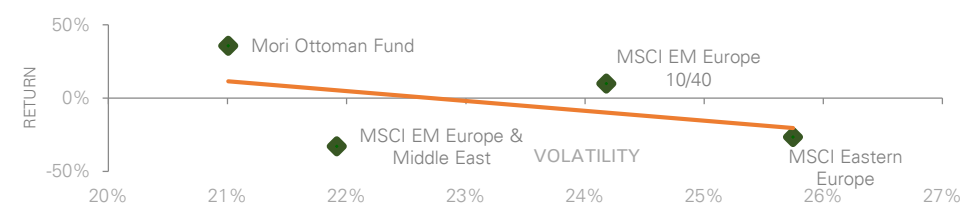
## Historical Performance<sup>1</sup> (Since Inception to 30 November 2017, EUR)



## 5-Year Rolling Returns<sup>2</sup> (Since Inception to 30 November 2017, EUR A-Share Class)



## Return / Volatility<sup>2</sup> (Since Inception to 30 November 2017, EUR A-Share Class)

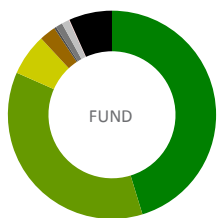


## Performance<sup>3</sup> (%)

	1mth	YtD	1Yr	2Yr	3Yr	5Yr	10Yr	Since Inception
Fund	-6.6%	1.9%	7.6%	11.3%	7.8%	7.2%	-2.4%	35.8%
Index	-2.6%	1.0%	11.0%	18.8%	8.1%	-4.1%	-25.3%	9.9%

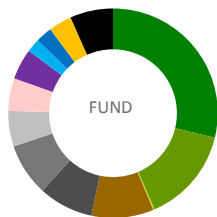
## Portfolio Overview<sup>4</sup> (%)

### Country Breakdown



	% of Port.	vs. Index
Russia	42.6	-7.9
Turkey	34.2	18.7
Czech Republic	6.1	3.3
Poland	2.4	-18.9
Greece	2.3	-2.5
Romania	2.1	2.1
Ukraine	1.2	1.2
Austria	0.1	0.1
Hungary	0.0	-5.1
Cash & Equivalents	6.3	6.3

### Sector Breakdown



	% of Port.	vs. Index
Financials	27.3	-6.2
Energy	14.0	-18.4
Materials	9.2	-1.9
Telecommunications	9.1	3.7
Consumer Staples	8.0	1.8
Industrials	7.7	6.4
Consumer Discretionary	5.2	1.0
Real Estate	4.8	4.4
Utilities	4.5	1.2
Information Technology	2.0	2.0
Others	2.4	0.7
Index Derivatives	-3.4	-3.4
Cash & Equivalents	6.3	6.3

## 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 41.0m

## Portfolio Characteristics

	Fund	Index
(%) Volatility	14.8	15.8
(%) Active Share	64.5	
(%) Tracking Error	7.2	
Information Ratio	0.3	

## Financial Ratios

	Fund	Index
Price Earnings (12 months forward)	6.8	7.7
Price to Book	1.7	1.0
Return on Equity	23.3	10.2
Dividend Yield (12 months forward)	3.7	3.8

## Top 10 Holdings

Sberbank	9.3
Lukoil	6.2
Gazprom	4.6
Vakifbank	3.9
Isbank	3.2
MTS	3.0
Karsan	2.9
Moneta	2.6
Turkish Airlines	2.6
Mail.Ru	2.4

## Market Cap

> 5 Bln	48.5%
1-5 Bln	26.2%
< 1 Bln	19.4%

<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 30 November 2017.

# Mori Ottoman Fund



## Performance

All major Emerging European indices closed November in the red in Euro terms with the exception of the Prague bourse which managed to close the month flat. Turkish equities were the clear underperformers last month due to the Turkish lira losing ground against the Euro and the US dollar. The net asset value of Mori Ottoman Fund decreased by 6.6% in Euro terms (C share class) in November, while the MSCI Emerging Europe 10/40 Index was down 2.6% during the same period. The fund was more negatively affected as several market players rushed to lock in profits in a number of best performing stocks year-to-date, which came down more than the general market.

## Portfolio Activity

The court case involving the native Iranian Reza Zarrab started in the US at the end of November, which dampened the mood for Turkish equities last month as the market feared that some Turkish banks may be fined by the US, similar to some foreign banks in the past. We reduced Halkbank exposure as it was the bank officially handling the trade between Turkey and Iran. Turkish lira also came under pressure with a higher than expected monthly inflation figure. Our currency hedges proved to be timely. Nevertheless, we took our share of a beating as a number of best performing small and midcaps were sold off heavily as investors rushed to lock in year to date profits. We sold Dogan Holding shares on the back of its relative outperformance.

In Greece, we decided to buy the retailer Jumbo, whose shares were sold off since early summer on the back of the majority shareholder selling down some of his shares. The stock price came down almost 20% since June, which we thought offered an attractive entry point into the stock.

Norilsk Nickel shares were particularly strong given the tight supply of underlying commodities. However, we think that the company may not be able to distribute as much dividends as it has in the last three years, which may change the view for the stock. Hence, we used the current tight supply/demand situation to reduce our holding.

In the Czech Republic, Central European Media Enterprises jumped on the back of press articles that a consortium of local investors may make an offer to Time Warner to acquire the company. We took the share price strength to reduce our exposure to the name

## Outlook

So far, we were ahead of the curve for Turkish GDP growth this year, but have been wrong about its side effect – inflation, which has remained sticky. Turkish equities are cheap based on multiples, but we believe the market needs to see signs of inflation coming down in order to re-rate. Russian equities find support with oil price at or around USD 60 per barrel. Economic activity in Central Europe has fared better than forecast this year, and it is expected to do well in 2018. One thing to watch in Central Europe, in our view, is the interest rates which has been extremely low for some time, and may start to increase in mid-2018 with inflation trending higher.



## Contacts

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**SOURCE:** Bloomberg as of 30 November 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	135.80
AA GBP	9.46
C EUR	11.39
C USD	12.18
C GBP	11.02
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