

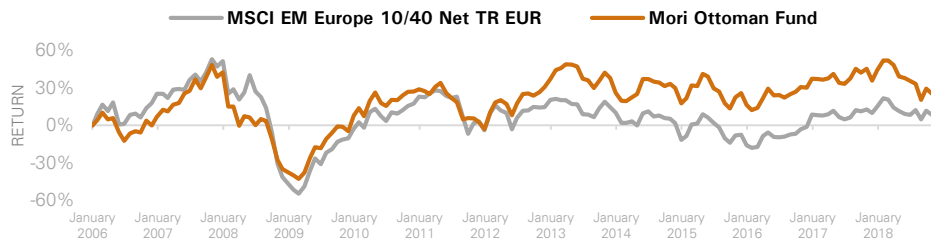
# Mori Ottoman Fund



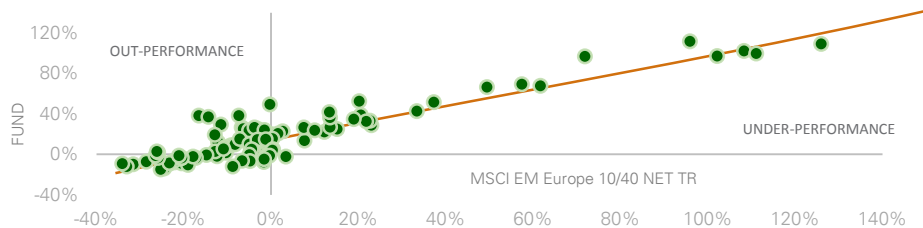
## Fund Objective

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.

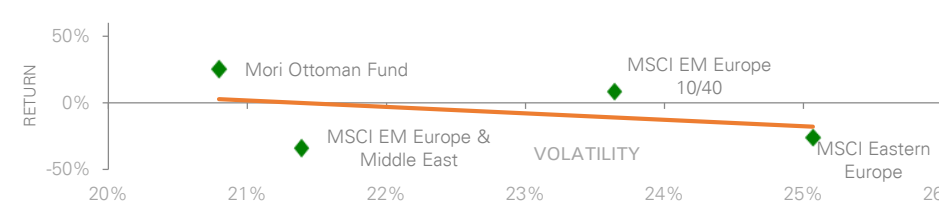
## Historical Performance<sup>1</sup> (Since Inception to 31 October 2018, EUR A-Share Class)



## 5-Year Rolling Returns<sup>2</sup> (Since Inception to 31 October 2018, EUR A-Share Class)



## Return / Volatility<sup>2</sup> (Since Inception to 31 October 2018, EUR A-Share Class)

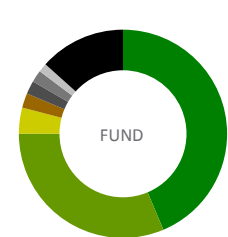


## Performance<sup>3</sup> (%)

	1mth	YtD	1Yr	2Yr	3Yr	5Yr	10Yr	Since Inception
Fund	-3.2%	-12.9%	-13.4%	-0.8%	6.0%	-8.8%	73.6%	25.2%
Index	-3.2%	-5.8%	-4.0%	11.8%	17.7%	-8.8%	56.6%	8.3%

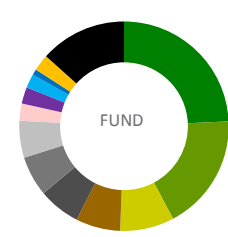
## Portfolio Overview<sup>4</sup> (%)

### Country Breakdown



	% of Port.	vs. Index
Russia	44.4	-13.3
Turkey	31.9	21.5
Czech Republic	4.1	1.0
Greece	2.3	-2.3
Romania	2.1	2.1
Poland	1.9	-17.4
Ukraine	1.4	1.4
Hungary	0.0	-4.9
Cash & Equivalents	13.6	13.6

### Sector Breakdown



	% of Port.	vs. Index
Financials	24.7	-1.8
Energy	18.3	-23.8
Telecommunications	8.5	4.3
Consumer Discretionary	7.0	3.6
Consumer Staples	6.6	1.2
Industrials	6.3	5.1
Materials	5.8	-6.2
Utilities	2.7	-0.3
Real Estate	2.6	2.4
Information Technology	2.2	1.2
Diversified	0.9	-0.2
Others	2.5	2.5
Cash & Equivalents	13.6	13.6

## 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
Domicile	Dublin
Currency	EUR
Index	MSCI EM Europe 10/40 Index
Fund Manager	Aziz Unan (Since inception)
Launch Date	3 January 2006
AUM	EUR 36.5m

## Portfolio Characteristics

	Fund	Index
(%) Volatility	15.3	15.7
(%) Active Share	63.5	
(%) Tracking Error	7.4	
Information Ratio	0.1	

## Financial Ratios

	Fund	Index
Price Earnings (12 months forward)	5.7	6.4
Price to Book	1.2	1.0
Return on Equity	19.4	12.4
Dividend Yield (12 months forward)	4.0	5.4

## Top 10 Holdings

Sberbank	9.0
Gazprom	6.9
Lukoil	6.3
Vakifbank	2.9
MTS	2.9
Moneta Bank	2.8
Mail.Ru	2.6
Yandex	2.2
Arcelik	2.0
Karsan	2.2

## Market Cap

> 5 Bln	38.3%
1-5 Bln	32.8%
< 1 Bln	15.3%

<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 31.10.2018.

# Mori Ottoman Fund



## Performance

A sharp sell-off in developed market stock indices in October had a negative spillover effect in emerging markets. All major emerging European markets closed the month in the red with the exception of Turkey, which managed to close the month in slightly positive territory. Polish and Greek equities lagged other regional peers last month. The net asset value of **Mori Ottoman Fund** decreased by 3.2% in euro terms (C share class) in October, in line with the MSCI Emerging Europe 10/40 Index.

## Portfolio Activity

In Russia, we locked in some profits in Lukoil after the stock's strong performance of over 30% in US dollar terms so far in 2018. Strong oil prices (in advance of Iran sanctions) and the company's buy back of its own shares were particularly supportive of the stock price over the last few months. We still like the company and would look to increase our exposure again at a lower share price. However, our disciplined portfolio weighting process led us to reduce the position as the stock price neared our price target in the short term. We took the price correction to top up Gazprom as the latest data points to higher than our projected demand for Gazprom's gas. Volatility in Yandex's stock price spiked following the unconfirmed news that Sberbank may acquire a large stake in the company, which was not received well by the market. We remain on the sidelines for now. However, we think Yandex is attractively valued below US\$ 30 per share. We sold out of Evraz as the management revealed higher investment plans for the future at its capital markets day. We bought Novatek after the company's results came in better than our projections

The Turkish market continues to be primarily driven by the macroeconomic developments. The lira continued to appreciate last month against the US dollar and the euro following the release of monthly foreign trade figures. Based on the preliminary foreign trade figures for October, the foreign trade deficit shrank to a mere US\$ 0.5bn and exports coverage of imports increased to 97%. On the negative front, consumer price inflation (CPI) came in worse than expected as the pass-through effect of producer price inflation (PPI) on the consumer continues. We locked in profits in Akbank and Garanti Bank as both stocks bounced from the previous month's levels. We added Turk Telekom as we expect some of the heavy foreign exchange losses in the third quarter to reverse in the fourth quarter in line with the appreciating lira.

In Greece, the refiner Motor Oil (Hellas) announced the acquisitions of some TV and radio channels and a brokerage firm. We do not hold Motor Oil. However, acquisitions in non-core businesses as such in Greece reminded the market to be highly selective there.

## Outlook

The US issued exemptions to a number of countries (incl. Turkey) on Iranian sanctions that became effective as of November 5. Thus, the market reaction has not been as bad as many had previously expected. The outcome of the mid-term election in the US also came in line with consensus expectations shortly before we went to press. Hence, we expect to see more stock level moves rather than general market trends in the very short term in light of the quarterly earnings releases this month.



## Contacts

Investor Relations **Mori Capital Management Limited** +356 2033 0110  
 Regent House, Office 35 [info@mori-capital.com](mailto:info@mori-capital.com)  
 Bisazza Street, Sliema  
 SLM 1640 Malta

**SOURCE:** Bloomberg as of 31 October 2018, unless stated otherwise. **Past performance is not a guide to future returns.**

Please Note **For professional investors only**  
 This investment is not for sale to US persons in the US

Securities may not be offered or sold in the United States (US) absent registration with the US Securities and Exchange Commission or an exemption from registration under the US Securities Act of 1933, as amended. Mori Capital Management has not registered, and does not intend to register, any securities referenced herein in the US and does not intend to conduct a public offering of securities in the US.

Past performance is not a guide to future performance. The value of investments can fall as well as rise and you may get back less than what you originally invested. Where a fund invests in overseas currencies, changes in currency exchange rates may affect the value of your investment. Investments in small and/or emerging markets can be more volatile than in other more developed markets.

The information contained in this document is neither an offer to sell nor a solicitation of an offer to purchase interests in the Fund, nor does it represent a research report. Please consult your financial and tax advisers if you are considering investing in this Fund. For further information, a copy of the KIID or a copy of the current Prospectus please contact [info@mori-capital.com](mailto:info@mori-capital.com).

This document may contain certain forward-looking statements with respect to the investment managers strategies or expectations. Forward-looking statements speak only as of the date they are made, and investment manager assumes no duty to and does not undertake to update forward-looking statements.

Mori Capital Management Ltd is licensed and regulated by the Malta Financial Services Authority (License no: I/S 66999). Registered office: Regent House, Office 35, Bisazza Street, Sliema SLM 1640, Malta.

© 2018 Mori Capital Management Limited.

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
Dealing Day Cut-Off	10:00am Irish Time
Redemptions	Daily
Settlement	T+3 T+4 (GBP share classes)
Redemption Fee	0%
Administrator	Northern Trust Fiduciary Services (Ireland) Limited
Entry Charges	0%
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	125.24
AA GBP	8.81
C EUR	10.56
C USD	10.73
C GBP	10.32
Bloomberg Codes	
A EUR	GRIOTTO ID
AA GBP	RAOTAAG ID
C EUR	RAOTTCE ID
C USD	RAOTTCC ID
C GBP	RAOTTCC ID
ISIN Codes	
A EUR	IE00B0T0FN89
AA GBP	IE00B87G5S97
C EUR	IE00B8G12179
C USD	IE00B4XYZP64
C GBP	IE00B87PYK12