

# Renasset Ottoman Fund



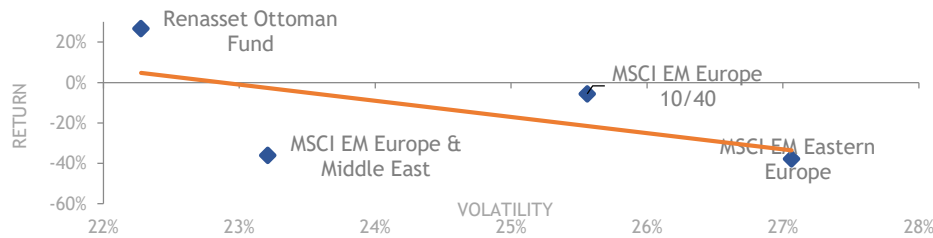
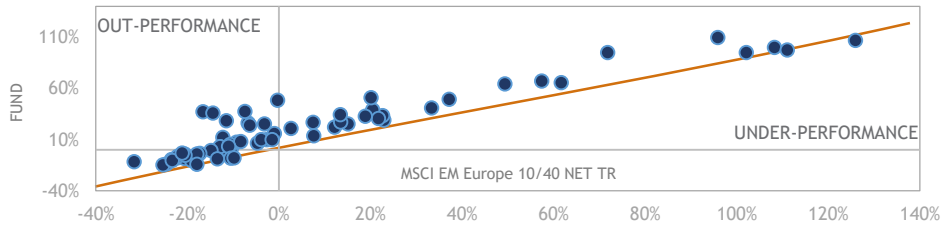
## Fund Objective

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.

## 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

## 5-Year Rolling Returns<sup>1</sup> (Since Inception to 30 April 2016, A Share Class: Monthly, %)



## Recent Performance<sup>2</sup> (%)

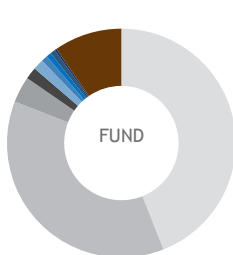
	1mth	3mth	6mth	YTD	2015	Since Inception
Fund	6.3%	15.2%	5.6%	11.3%	-1.1%	26.7%
Index	3.1%	15.2%	2.6%	12.3%	-5.0%	-5.7%

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

	2014	2013	2012	2011	2010	2009	2008	2007	2006
Fund	-7.1%	-8.9%	41.2%	-24.8%	19.6%	73.1%	-56.3%	33.2%	7.0%
Index	-19.7%	-8.5%	25.5%	-21.9%	26.2%	84.1%	-65.1%	21.0%	25.3%

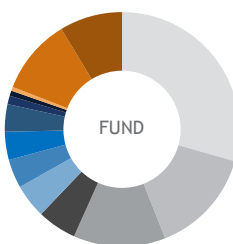
## Portfolio Overview<sup>4</sup> (%)

### Country Breakdown



	% of Port.	vs. Index
Russia	36.9	-14.1
Turkey	32.4	11.8
Czech Republic	3.7	1.3
Romania	1.7	1.7
Iraq	1.5	1.5
Poland	0.9	-15.6
Greece	0.7	-4.9
Ukraine	0.7	0.7
Kazakhstan	0.3	0.3
Cash & Equivalents	9.6	9.6

### Sector Breakdown



	% of Port.	vs. Index
Financials	32.6	-1.2
Energy	16.2	-18.7
Materials	14.1	6.7
Industrials	6.0	3.4
Consumer Discretionary	5.2	1.2
Telecommunications	4.4	-1.7
Consumer Staples	4.3	-2.4
Utilities	4.2	0.7
Information Technology	1.3	1.3
Miscellaneous	0.8	0.8
Health Care	0.6	0.4
Index Derivatives	11.6	11.6
Cash & Equivalents	9.6	9.6

## 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 57.1m

## Portfolio Characteristics

	Fund	Index
(%) Volatility	22.3	25.6
(%) Active Share	51.0	
(%) Tracking Error	12.5	
Information Ratio	0.23	

## Financial Ratios

	Fund	Index
Price Earnings (12 months forward)	7.5	8.1
Price to Book	1.0	1.0
Return on Equity	13.1	6.6
Dividend Yield	3.6	3.8

## Top 10 Holdings

Gazprom	8.8
Sberbank	8.7
Lukoil	6.5
Petkim	4.4
Isbank	3.5
Turk Telekom	3.0
Karsan	2.9
Vakifbank	2.7
Halkbank	2.6
Novolipetsk Steel	2.5

## Market Cap

> 5 Bln	48.4%
1-5 Bln	16.3%
< 1 Bln	25.7%

<sup>1</sup> Performance based on monthly total returns in EUR, since inception, net of fees, excluding initial charge. <sup>2</sup> Performance based on monthly total returns in EUR (C Share Class), net of fees, except since inception (A EUR Share Class). <sup>3</sup> Performance based on monthly total returns in EUR, net of fees, A 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 29 April 2016.

# Renasset Ottoman Fund



## Performance

Following the strong performance in March, positive momentum was further sustained in most Emerging European markets in April. The net asset value of the Renasset Ottoman Fund increased by 6.4% in euro terms (C share-class) in April, significantly outperforming the MSCI Emerging Europe 10/40 Index which gained 3.1% during the same period. The fund's outperformance was primarily driven by stock picking, particularly in Russia and Turkey which also significantly outperformed their respective indices by a wide margin. Among the major emerging European markets, Poland was the only market which closed the month in the red with the WIG20 Index losing almost 8% in euro terms in April. All other markets closed the month in black with Greek ASE Index gaining 1.1% on the lower end and Russia's RTS Index adding 4.7% on the higher end, in euro terms.

## Portfolio Activity

The fund's two largest holdings contributed strongly to performance during April. Gazprom rallied almost 20% in euro terms in April, while Sberbank added some 15% in euro terms during the same period. The oil price rallied by around 20% in U.S. dollar terms last month. This came despite the fact that the OPEC summit in Doha did not result in any agreement among the members about any production cut. However, as the market consensus has moved towards the U.S. Fed pausing with the interest rate hikes until June of this year, inflows into riskier assets and commodities have accelerated in the last weeks.

Several Turkish holdings went ex-dividend last month. Furthermore, the Turkish earnings reporting season for the first quarter has started. The Turkish banks which released their first quarter earnings have all beat analysts' projections. This has helped the fund as its holdings were previously topped up in a number of Turkish banks. Recent months' inflation figures also came in lower than expectations. This has resulted in a strong rally in Turkish fixed income, which subsequently, compressed Turkish bond yields sharply.

The fund did not get affected by the sell-off in Polish equities as we only had one holding in Poland, namely Eurocash, which lost less than 1% in euro terms in April versus an almost 8% decline of the WIG20 Index.

## Outlook

Given a strong rally in emerging European markets over the last two months, we would not be surprised if the markets go through a technical correction on profit taking and consolidate afterwards in the short term. The yield on the benchmark government bond was around 9.45% at the time when we went to the press (vs. around 11.3% in January). We have not revised our risk-free rate downwards in our discounted cash flow models so as to remain on the conservative side. However, if we were to incorporate the current bond yield as the new risk-free rate in our models, our holdings price targets would increase further to more attractive levels. Hence, we continue to be bullish on the stocks we hold in the portfolio.



## Contacts

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SOURCE: Bloomberg as of 29 April 2016, unless stated otherwise. **Past performance is not a guide to future returns.**

**Please Note** For professional investors only  
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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.

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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*	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	126.72
AA GBP	7.78
C EUR	10.54
C USD	10.83
C GBP	8.97
Bloomberg Codes	
A EUR	GRIOTTO ID
AA GBP	RAOTAAG ID
C EUR	RAOTTCE ID
C USD	RAOTTCU ID
C GBP	RAOTTCCG ID
ISIN Codes	
A EUR	IE00B0T0FN89
AA GBP	IE00B87G5S97
C EUR	IE00B8G12179
C USD	IE00B4XYZP64
C GBP	IE00B87PYK12