

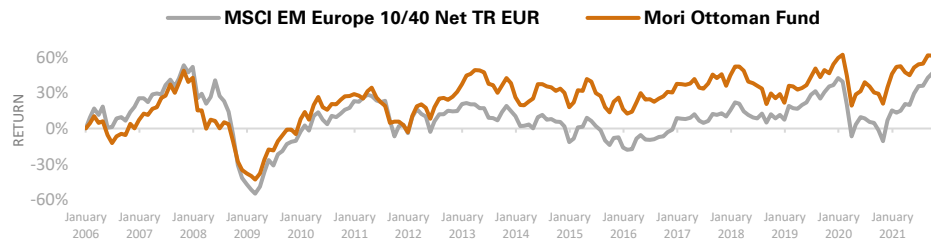
# Mori Ottoman Fund



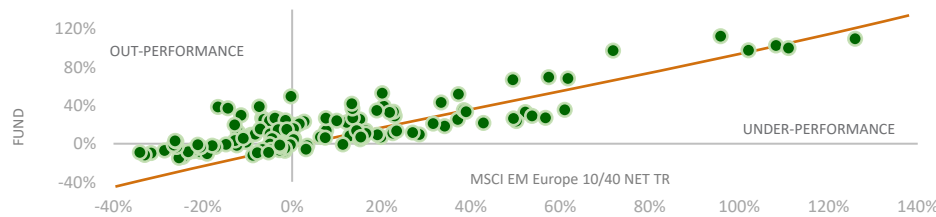
## Fund Objective

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.

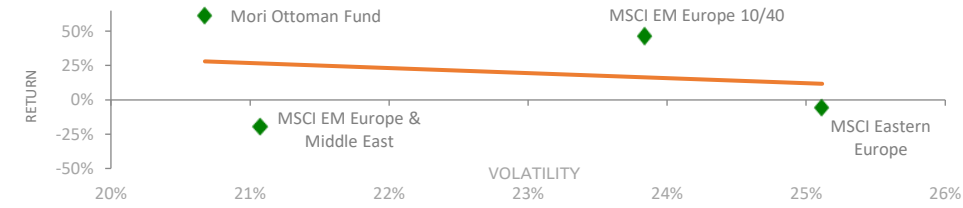
## Historical Performance<sup>1</sup> (Since Inception to 30 September 2021, EUR A-Share Class)



## 5-Year Rolling Returns<sup>2</sup> (Since Inception to 30 September 2021, EUR A-Share Class)



## Return / Volatility<sup>2</sup> (Since Inception to 30 September 2021, EUR A-Share Class)

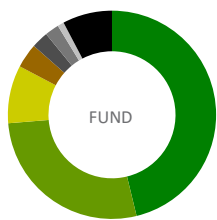


## Performance<sup>3</sup> (%)

	1mth	YtD	1Yr	2Yr	3Yr	5Yr	10Yr	Since Inception
Fund	-0.1%	11.1%	25.7%	10.5%	28.0%	35.2%	52.4%	61.2%
Index	3.8%	28.7%	50.3%	13.5%	32.4%	58.7%	58.6%	48.1%

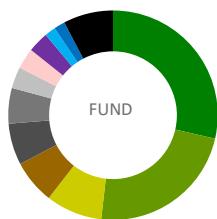
## Portfolio Overview<sup>4</sup> (%)

### Country Breakdown



	% of Port.	vs. Index
Russia	46.2	-20.9
Turkey	27.5	22.0
Poland	9.0	-6.7
Romania	3.8	3.8
Multinational	2.6	2.6
Greece	2.2	-1.6
Ukraine	1.0	1.0
Czech Republic	0.0	-2.6
Hungary	0.0	-5.4
Cash & Equivalents	7.7	7.7

### Sector Breakdown



	% of Port.	vs. Index
Energy	28.6	-7.8
Financials	23.2	-2.9
Materials	8.7	-5.0
Telecommunications	6.8	3.0
Consumer Staples	6.4	0.9
Consumer Discretionary	5.5	0.4
Diversified	3.3	2.8
Utilities	3.2	0.7
Industrials	3.2	2.9
Information Technology	1.7	-4.3
Real Estate	1.7	1.7
Cash & Equivalents	7.7	7.7

## 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 31.9m

## Portfolio Characteristics

	Fund	Index
(%) Volatility	17.0	19.0
(%) Active Share	58.3	
(%) Tracking Error	9.2	
Information Ratio	0.0	

## Financial Ratios

	Fund	Index
Price Earnings (12 months forward)	5.9	7.7
Return to Book	1.5	1.3
Return on Equity	20.6	11.8
Dividend Yield (12 months forward)	4.9	5.8

## Top 10 Holdings

Lukoil	9.1
Novatek	7.1
Gazprom	6.7
Sberbank	5.1
Is Yatirim	3.2
Surgutneftegas	3.0
Bank Pekao	3.0
Fondul Proprietatea	2.3
Severstal	2.3
Mytilineos	2.2

## Market Cap

> 5 Bln	42.3%
1-5 Bln	31.9%
< 1 Bln	18.2%

<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 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 30.09.2021.

# Mori Ottoman Fund



## Performance

Oil prices rallied in September to almost USD 80 per barrel by the end of the month, the highest level since October 2018. This led to Russian energy and commodity stocks posting strong performance numbers last month, with the commodity heavy RDX Index gaining over 10% in euro terms. On the other side, Greek, Turkish and Polish indices lost 6.3%, 4.5% and 2.4%, respectively. With the start of the school year, the number of Covid cases in our investee countries is once again on the rise. However, so far, we are not aware of any nationwide switch to online education yet. The MSCI Emerging Europe 10/40 Index posted a 3.8% gain in September, thanks mainly to its large Russian exposure (c70%), in particular Russian energy companies. Given our more diversified portfolio, with lower weightings allocated to some of the biggest Russian names, the net asset value of **Mori Ottoman Fund** remained almost flat last month, posting a 0.1% loss (Euro C-Class).

## Portfolio Activity

Producer prices have been increasing at a significantly higher pace than consumer prices, which has led a number of macroeconomists, analysts and central bankers to argue that inflation concerns could be temporary and they may eventually normalise. Therefore, the yield of US 10-year treasuries, despite some recent increase, remains well below the 1.8%-2.0% range seen during the 2021 Covid spike last March. We, however, believe that the higher producer prices will inevitably spill onto consumer prices in light of climate concerns, a relatively drought season this year, significant increase in fertiliser prices and transportation costs. As these rises have so far been above wage increases, it is reasonable to anticipate that the purchasing power of the average consumer will decline across the world. On top of that, the chip crisis is expected to continue for another 1-1.5 years and may have a negative impact, particularly on the auto sector in countries like Germany.

Gazprom and Novatek seem to be in a sweet spot as gas prices have been skyrocketing in recent weeks. Electricity demand and consumption have been above historical averages this summer given the pick-up in economic activity as the countries started to loosen Covid restrictions. Furthermore, the warmer summer led to an increase in demand for electricity. With winter fast approaching, a number of European countries are reportedly looking to sign long term contracts with Russian gas suppliers in order to avoid having to purchase gas at spot prices.

## Outlook

The current environment continues to be supportive of oil and commodity rich countries like Russia. By contrast, Turkish equities have underperformed over the last couple of years, particularly since last March. However, a closer look at company financial statements paints a very different picture. Most of the companies we cover have so far managed to successfully navigate the financial difficulties caused by the pandemic, with increasing profitability and cash management. While we believe that the investment community is looking to feel comfortable with the lira, valuations are at such depressed levels that unless we hit another global crisis soon, investors will begin to discover the hidden value.



## Contacts

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**SOURCE:** Bloomberg as of 30 September 2021, 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, M)
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, M)
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
M USD	14.01.2020
Launch Price	
A EUR	100.00
AA GBP	10.00
C EUR	10.00
C USD	10.00
C GBP	10.00
M USD	100.00
Current NAV	
A EUR	161.18
AA GBP	11.30
C EUR	13.96
C USD	14.53
C GBP	13.47
M USD	102.26
Bloomberg Codes	
A EUR	GRIOTTO ID
AA GBP	RAOTAAG ID
C EUR	RAOTTCE ID
C USD	RAOTTCC ID
C GBP	RAOTTCC ID
M USD	MORIOMU ID
ISIN Codes	
A EUR	IE00B0T0FN89
AA GBP	IE00B87G5S97
C EUR	IE00B8G12179
C USD	IE00B4XYZP64
C GBP	IE00B87PYK12
M USD	IE00BJLC3Y24

Signatory of:

