

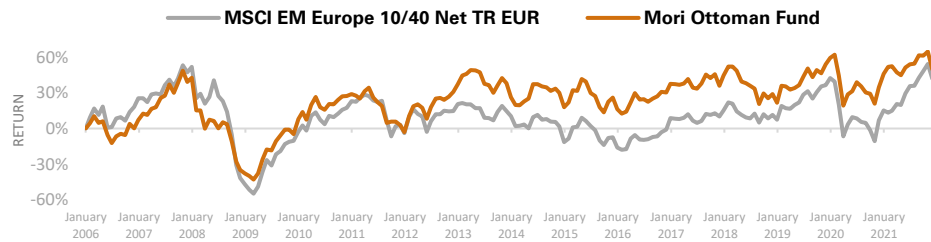
# Mori Ottoman Fund



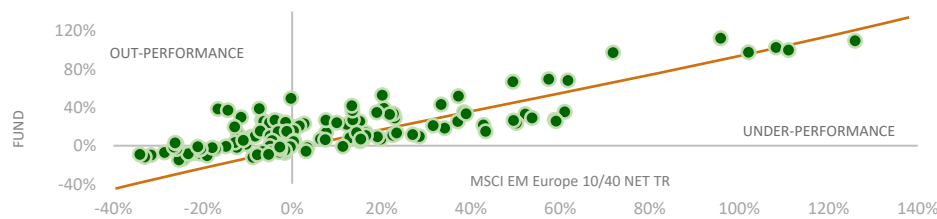
## Fund Objective

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.

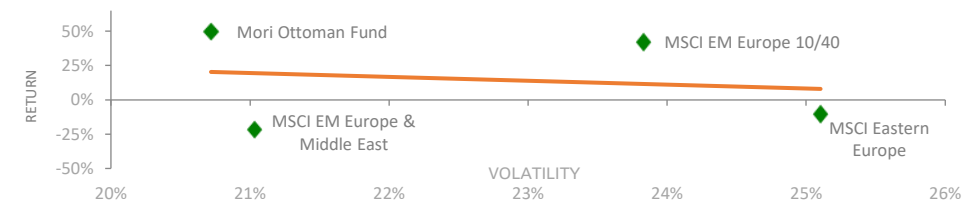
## Historical Performance<sup>1</sup> (Since Inception to 30 November 2021, EUR A-Share Class)



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



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

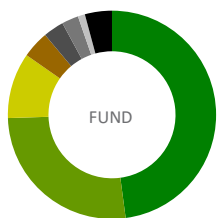


## Performance<sup>3</sup> (%)

	1mth	YtD	1Yr	2Yr	3Yr	5Yr	10Yr	Since Inception
Fund	-9.4%	3.2%	12.1%	-1.2%	19.5%	22.4%	45.5%	49.6%
Index	-7.9%	23.2%	32.9%	4.0%	27.5%	43.2%	37.7%	41.8%

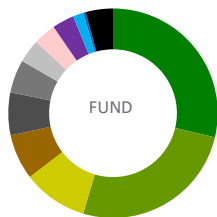
## Portfolio Overview<sup>4</sup> (%)

### Country Breakdown



	% of Port.	vs. Index
Russia	47.9	-19.6
Turkey	26.6	21.8
Poland	10.2	-5.3
Romania	4.2	4.2
Multinational	3.2	3.2
Greece	2.6	-1.7
Ukraine	1.1	1.1
Czech Republic	0.0	-2.7
Hungary	0.0	-5.2
Cash & Equivalents	4.2	4.2

### Sector Breakdown



	% of Port.	vs. Index
Energy	28.7	-4.4
Financials	25.9	-0.8
Materials	10.0	-5.5
Telecommunications	7.0	3.4
Consumer Staples	6.6	1.4
Consumer Discretionary	5.1	0.7
Industrials	3.6	3.3
Diversified	3.5	3.0
Utilities	3.4	0.3
Information Technology	1.6	-5.9
Real Estate	0.4	0.4
Cash & Equivalents	4.2	4.2

## 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 27.7m

## Portfolio Characteristics

	Fund	Index
(%) Volatility	17.1	19.1
(%) Active Share	61.9	
(%) Tracking Error	9.1	
Information Ratio	0.0	

## Financial Ratios

	Fund	Index
Price Earnings (12 months forward)	5.9	7.1
Return to Book	1.3	1.3
Return on Equity	17.2	12.9
Dividend Yield (12 months forward)	4.9	6.8

## Top 10 Holdings

Lukoil	8.4
Gazprom	7.3
Novatek	7.0
Sberbank	5.5
Bank Pekao	3.9
Is Yatirim	3.8
Surgutneftegas	3.2
Severstal	2.7
Fondul Proprietatea	2.7
Mytilineos	2.6

## Market Cap

> 5 Bln	44.3%
1-5 Bln	33.1%
< 1 Bln	18.4%

<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 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 30.11.2021.

# Mori Ottoman Fund



## Performance

Equities started November in a consolidation mood digesting their gains in the previous couple of months. However, the stock markets experienced a sharp sell-off later in the month due to fears that the economies could face restrictions in light of the new Covid Omicron variant that was first seen in South Africa and neighbouring countries. In emerging Europe, the Turkish lira faced a sharp depreciation against the US dollar/euro basket, which increased the volatility on the FX rate and pushed investors to the sidelines. Russian equities also corrected sharply as the tensions on the Ukrainian border escalated. US President Biden reportedly said Russia would face significant economic sanctions should it consider invading Ukraine. The net asset value of **Mori Ottoman Fund** lost 9.4% in November (Euro C-Class) as the fund's two largest stock weightings in Russia and Turkey underperformed their peers last month.

## Portfolio Activity

US Fed chairman Jerome Powell said the high inflation that the US and most of the world is experiencing currently may not be "temporary", as was previously projected. As we argued in several of our notes previously, this did not come as a surprise to us, but shook the markets quite significantly. Coupled with increasing Covid-19 Omicron fears, the oil price corrected by some 10% in the second half of November. The Russian market got an additional whipping from geopolitics as there was speculation that Russia deployed some 175,000 troops to its Ukrainian border and that it was planning to invade the country. US President Biden made a number of announcements that Russia would face severe sanctions if it does. We took some profits in the steel company Severstal, as the stock price experienced a strong year on the back of record steel prices. We also divested from Qiwi, as the company fell short of our expectations in terms of delivering our projected targets.

In Turkey, it was all about the Turkish lira on the back of higher-than-expected interest rate cuts by the central bank and President Erdogan's rhetoric that the interest rates would come down further. If we set aside the political noise, the economic data does not support the current magnitude of the currency depreciation. To name a few, Turkey will likely close 2021 with a GDP growth north of 10%, perhaps the highest growth globally. More importantly, this growth will be achieved with record exports and almost no current account deficit (likely to be 1-1.5% of GDP). Close followers may recall that Turkey posted periods of high growth but those years were supported with ballooning current account deficits. Turkish households have been banned from borrowing in FX since 2009, and both the government and total debt of the country remain low by international standards. The banking sector is solid in terms of liquidity and capital adequacy to absorb FX rate shocks (the latest official CAR stands at 17.3% for the sector) and some 61% of total deposits in the sector is FX deposits. Hence, we believe the current lira depreciation and volatility is primarily a confidence issue. We sold Ozak GYO to lock in profits in the name.

## Outlook

The US Fed's meeting on December 15th will likely set the tone for the economic global direction. Health industry experts are also expected to make announcements about the Omicron variant in December with regards to the potential damage the new variant may cause and whether it may force governments to take lockdown decisions again. In emerging Europe, the Turkish Central Bank's meeting and the decision on the policy interest rate on December 16th will likely keep the volatility higher than normal for the time being. Presidents Biden and Putin are expected to talk directly, which may settle down the markets in the short term.



## Contacts

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**SOURCE:** Bloomberg as of 30 November 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 12-month period 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	149.59
AA GBP	10.39
C EUR	12.96
C USD	13.10
C GBP	12.40
M USD	92.23
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:

