

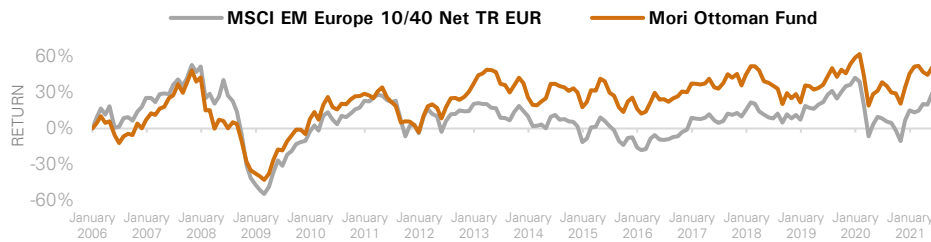
# Mori Ottoman Fund



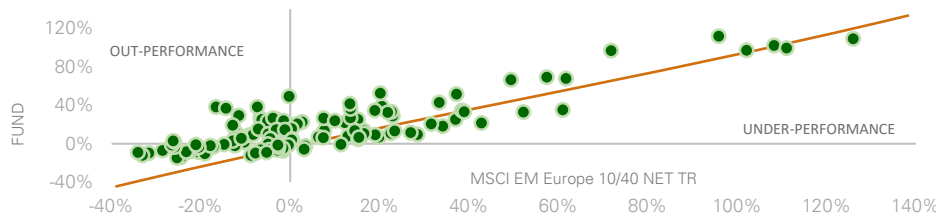
## Fund Objective

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.

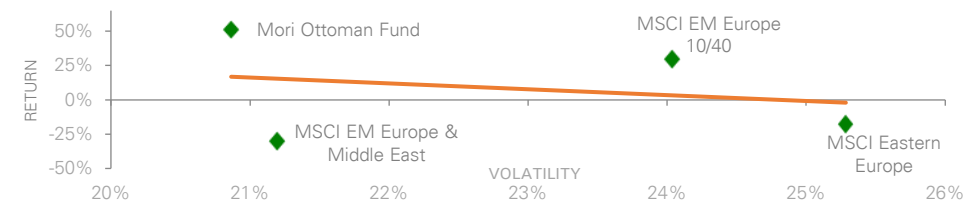
## Historical Performance<sup>1</sup> (Since Inception to 31 May 2021, EUR A-Share Class)



## 5-Year Rolling Returns<sup>2</sup> (Since Inception to 31 May 2021, EUR A-Share Class)



## Return / Volatility<sup>2</sup> (Since Inception to 31 May 2021, EUR A-Share Class)

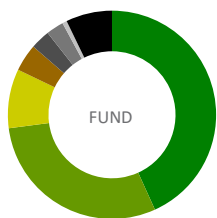


## Performance<sup>3</sup> (%)

	1mth	YtD	1Yr	2Yr	3Yr	5Yr	10Yr	Since Inception
Fund	4.5%	3.8%	15.6%	13.1%	12.4%	29.1%	20.1%	51.1%
Index	8.1%	12.5%	18.2%	6.2%	18.6%	42.7%	4.9%	29.5%

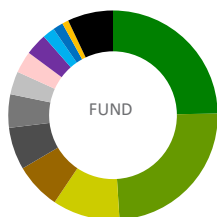
## Portfolio Overview<sup>4</sup> (%)

### Country Breakdown



	% of Port.	vs. Index
Russia	42.7	-24.0
Turkey	29.0	23.4
Poland	9.7	-7.1
Romania	4.1	4.1
Multinational	3.1	3.1
Greece	2.6	-0.6
Ukraine	0.7	0.7
Czech Republic	0.0	-2.4
Hungary	0.0	-5.3
Cash & Equivalents	7.1	7.1

### Sector Breakdown



	% of Port.	vs. Index
Financials	25.0	0.3
Energy	24.5	-9.1
Materials	10.5	-7.2
Telecommunications	7.2	3.4
Consumer Staples	6.6	1.3
Consumer Discretionary	5.2	0.0
Utilities	3.6	1.0
Diversified	3.4	3.0
Industrials	3.4	3.1
Information Technology	1.9	-4.3
Real Estate	1.6	1.7
Index Derivatives	-1.0	-1.0
Cash & Equivalents	7.1	7.1

## 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 29.6m

## Portfolio Characteristics

	Fund	Index
(%) Volatility	17.2	19.2
(%) Active Share	63.3	
(%) Tracking Error	9.2	
Information Ratio	0.1	

## Financial Ratios

	Fund	Index
Price Earnings (12 months forward)	6.1	8.2
Return to Book	2.2	1.2
Return on Equity	27.3	8.5
Dividend Yield (12 months forward)	4.5	6.0

## Top 10 Holdings

Lukoil	7.9
Novatek	5.6
Sberbank	4.9
Gazprom	4.9
Is Yatirim	4.4
Surgutneftegas	3.5
Bank Pekao	3.1
Koza Altin	2.7
Severstal	2.7
Mytilineos	2.6

## Market Cap

> 5 Bln	38.6%
1-5 Bln	34.3%
< 1 Bln	20.0%

<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 31.05.2021.

# Mori Ottoman Fund



## Performance

As the world is going through extraordinary times with the pandemic, “sell in May and go away” did not materialize last month. Equity markets generally closed the month of May on a strong note as the markets gave credit to the progress in mass vaccinations. Furthermore, a part of the massive liquidity pumped into the financial markets since the breakout of the Covid-19 pandemic continued to chase equities. In Emerging Europe, all country indices (except Greece’s) closed May in positive territory in euro terms. Central European indices outperformed last month whilst Turkish indices lagged as the market is still confused about the future potential actions of the new Central Bank management. Russian equities were supported well by the strong oil and commodity prices. The net asset value of **Mori Ottoman Fund** added 4.5% in euro terms (C share class) in May, while the MSCI Emerging Europe 10/40 Total Return Index was up 8.1% on the month.

## Portfolio Activity

We lagged behind the regional index in May due to our relatively lighter positioning in Central European equities in favour of Turkish stocks. Turkey was amongst the early countries globally where inflation showed its ugly head in 2020. Thus, the Central Bank started a monetary tightening policy in late 2020 by hiking interest rates. The latest official figures indicate that other regional countries are following the inflation trend seen in Turkey with a lag of 4-6 months. Official inflation figures for May released in countries like Russia and China point to much higher inflation prints, especially in the producer price indices (PPI), due to significant increases in raw material and commodity prices. Therefore, we believe that the inflation fear will likely last for a while and may not be as “temporary” as some economists and market professionals publicly suggest.

If we are correct about our projections, Russia and Turkey will likely be amongst the first countries to enter rates easing cycles in late 2021 and 2022, while others may still have to hike rates before they can start thinking about easing. Thus, from a cost of equity (discount rate) perspective, Russia and Turkey may be in a better position on the timing of the interest rate easing trend once the market turns positive.

In the Czech Republic, we decided to tender our shares in Moneta Money Bank in the voluntary offer. We think the merger with AirBank could be value accretive in the long run, but we think the market will likely look for a successful execution of the deal in the coming months before giving credit to the management.

## Outlook

The NATO Summit in mid-June will be important as President Biden will reportedly have face-to-face meetings with a number of leaders including President Erdogan. We believe the announcements made during and following the summit will give guidance on the re-shaping of the geopolitics in the Middle East, Eastern Europe and relations with Russia.



## Contacts

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**SOURCE:** Bloomberg as of 31 May 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	151.08
AA GBP	10.57
C EUR	13.03
C USD	14.31
C GBP	12.58
M USD	100.74

## 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:

