

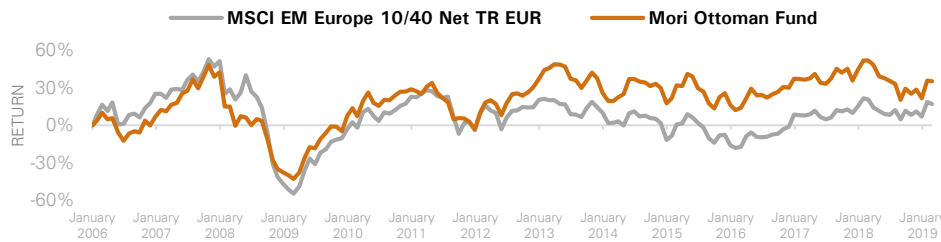
# Mori Ottoman Fund



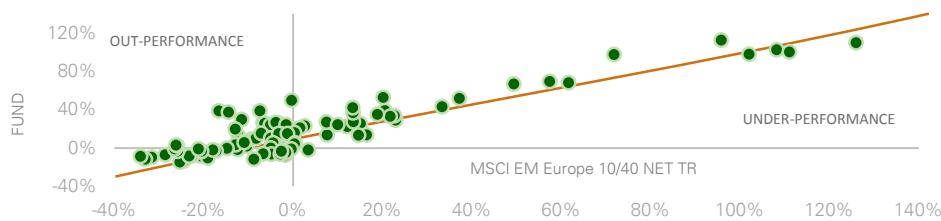
## Fund Objective

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.

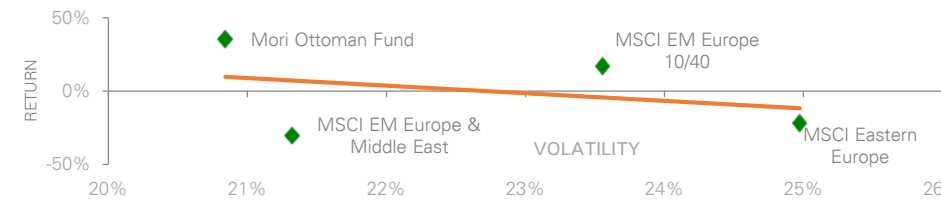
## Historical Performance<sup>1</sup> (Since Inception to 28 February 2019, EUR A-Share Class)



## 5-Year Rolling Returns<sup>2</sup> (Since Inception to 28 February 2019, EUR A-Share Class)



## Return / Volatility<sup>2</sup> (Since Inception to 28 February 2019, EUR A-Share Class)

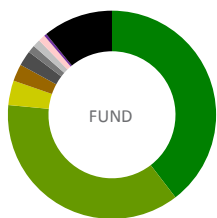


## Performance<sup>3</sup> (%)

	1mth	YtD	1Yr	2Yr	3Yr	5Yr	10Yr	Since Inception
Fund	-0.4%	11.3%	-10.9%	2.8%	23.2%	17.6%	137.4%	35.3%
Index	-1.5%	9.2%	-3.0%	8.5%	41.6%	14.7%	159.1%	17.1%

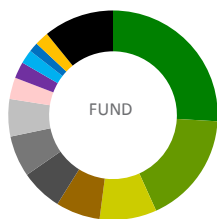
## Portfolio Overview<sup>4</sup> (%)

### Country Breakdown



	% of Port.	vs. Index
Russia	40.4	-15.7
Turkey	37.7	26.3
Czech Republic	3.9	0.9
Poland	2.7	-17.6
Greece	2.4	-1.4
Romania	1.2	1.2
Ukraine	1.2	1.2
Sweden	1.1	1.1
Slovenia	0.5	0.5
Cash & Equivalents	11.1	11.1

### Sector Breakdown



	% of Port.	vs. Index
Financials	26.5	-0.5
Energy	17.7	-22.5
Telecommunications	9.0	4.9
Consumer Staples	7.0	1.5
Consumer Discretionary	6.6	3.1
Industrials	6.5	5.1
Materials	5.9	-7.2
Information Technology	3.4	2.3
Real Estate	2.6	2.6
Utilities	2.2	-0.5
Others	1.5	0.1
Currency Derivatives	2.2	2.2
Cash & Equivalents	11.1	11.1

## 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 40.3m

## Portfolio Characteristics

	Fund	Index
(%) Volatility	15.7	15.9
(%) Active Share	65.7	
(%) Tracking Error	7.3	
Information Ratio	0.1	

## Financial Ratios

	Fund	Index
Price Earnings (12 months forward)	5.4	6.8
Price to Book	1.3	1.0
Return on Equity	21.6	13.8
Dividend Yield (12 months forward)	4.4	5.6

## Top 10 Holdings

Sberbank	7.8
Lukoil	6.3
Gazprom	6.2
Vakifbank	4.2
Moneta Bank	2.7
Karsan	2.6
MTS	2.5
Isbank	2.4
Yandex	2.2
TAV Airports	2.2

## Market Cap

> 5 Bln	34.5%
1-5 Bln	37.6%
< 1 Bln	16.7%

<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 28.02.2019.

# Mori Ottoman Fund



## Performance

On-going trade negotiations between the US and China and US Fed's dovish tone lately kept inflows into emerging markets in February. Most Emerging European markets experienced a small correction following the strong rally in January. However, the Greek market rallied as the credit rating agency Moody's upgraded Greece's sovereign debt ratings. The net asset value of **Mori Ottoman Fund** declined by 0.4% in euro terms (C share class) in February, while the MSCI Emerging Europe 10/40 Index lost 1.5% on the month.

## Portfolio Activity

Companies started to release financials for the last quarter of 2018 and shared their outlook for 2019. We have so far been pleased to see that several of our holdings beat our projections, especially on the free cash flow front. As a result, several companies are recommending higher dividend pay-outs on 2018 earnings. We see that there is a wide divergence in outlook in light of several unknowns at present that can severely impact global trade and financial markets. One theme which is clear with our holdings is that almost all companies have been deleveraging, particularly in the last two quarters of 2018.

We sold our position in Tofas Fabrika in Turkey as the stock price bounced over 40% in euro terms since its low in December. Tofas exports over 70% of its production and is guaranteed with take-or-pay agreements. However, the outlook for the auto market remains gloomy with the general global slowdown and unpredictable risk of potential tariffs on automobiles coming from the EU into the US. We also top sliced Arcelik following a strong bounce of the stock price in the last couple of months.

We added onto our position in the software developer Logo Yazilim as we anticipate demand for the company's services to increase as more and more companies are looking for increasing efficiency in a shrinking world in order to defend profit margins. We also bought the insurer Aksigorta as the company released superb financials and dividends for 2018 and revealed a strong outlook for 2019.

We initiated a position in Oriflame. Headquartered in Sweden, Oriflame has a strong established footprint in eastern Europe, which is proving essential for its continued growth in other parts of the world. Its stock price dropped from over SEK 400 last May to below SEK 200 due to lower than expected sales in Turkey and Asia. However, we think this has been priced in. At the time of our purchase, the stock was also yielding over 9% in dividends.

## Outlook

President Trump has postponed increasing tariffs on March 1 citing that negotiations between the US and China are progressing well. We think that a deal will be done one way or the other. However, the devil will be in the detail. Brexit is another risk globally. While we believe that there is an appetite in the markets to make another leg up, we think that volatility may increase in March compared to the last two months of this year.



## Contacts

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**SOURCE:** Bloomberg as of 28 February 2019, 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)
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	135.32
AA GBP	9.20
C EUR	11.42
C USD	11.67
C GBP	10.81
Bloomberg Codes	
A EUR	GRIOTTO ID
AA GBP	RAOTAAG ID
C EUR	RAOTTCE ID
C USD	RAOTTCCU ID
C GBP	RAOTTCCG ID
ISIN Codes	
A EUR	IE00B0T0FN89
AA GBP	IE00B87G5S97
C EUR	IE00B8G12179
C USD	IE00B4XYZP64
C GBP	IE00B87PYK12