

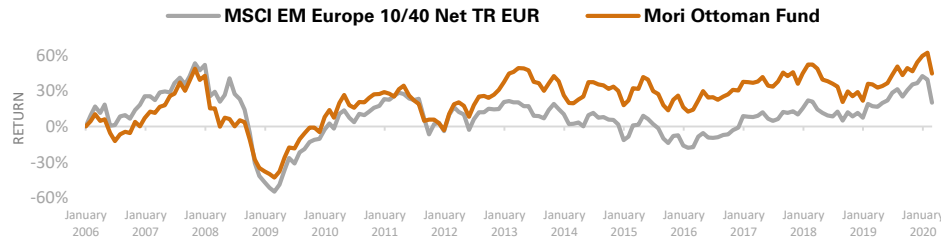
# Mori Ottoman Fund



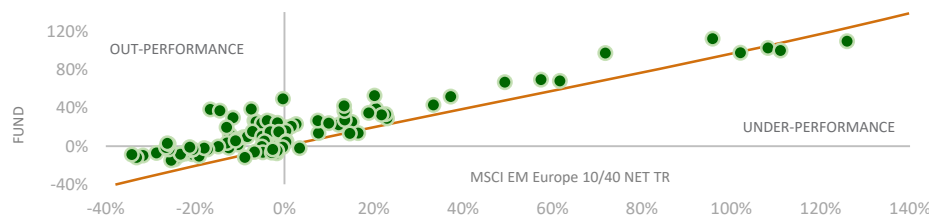
## Fund Objective

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.

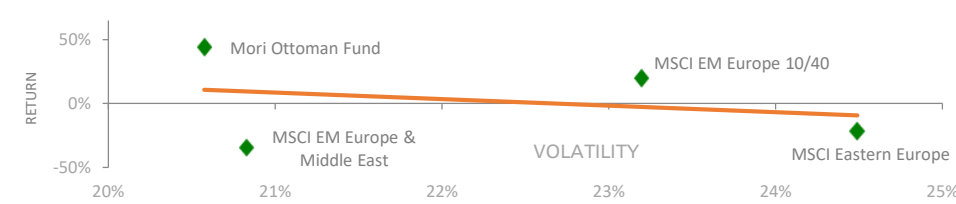
## Historical Performance<sup>1</sup> (Since Inception to 28 February 2020, EUR A-Share Class)



## 5-Year Rolling Returns<sup>2</sup> (Since Inception to 28 February 2020, EUR A-Share Class)



## Return / Volatility<sup>2</sup> (Since Inception to 28 February 2020, EUR A-Share Class)

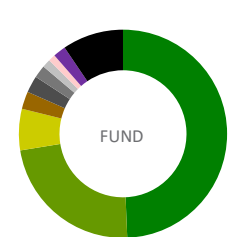


## Performance<sup>3</sup> (%)

	1mth	YtD	1Yr	2Yr	3Yr	5Yr	10Yr	Since Inception
Fund	-11.0%	-9.3%	8.5%	-3.3%	11.5%	15.5%	34.4%	44.3%
Index	-13.9%	-15.8%	2.4%	-0.6%	11.1%	19.0%	22.1%	19.9%

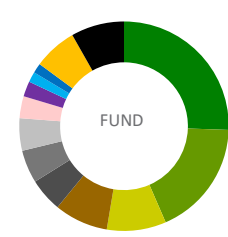
## Portfolio Overview<sup>4</sup> (%)

### Country Breakdown



	% of Port.	vs. Index
Russia	45.3	-15.9
Turkey	21.2	11.5
Poland	5.9	-10.1
Czech Republic	2.5	-0.1
Multinational	2.4	2.4
Romania	1.8	1.8
Greece	1.2	-3.7
USA	1.0	1.0
Others	1.8	1.8
Cash & Equivalents	8.7	8.7

### Sector Breakdown



	% of Port.	vs. Index
Financials	27.1	-0.2
Energy	19.0	-18.2
Materials	9.7	-5.2
Telecommunications	8.8	4.0
Utilities	5.5	3.0
Consumer Staples	5.4	-0.5
Industrials	5.3	4.1
Real Estate	3.6	3.6
Consumer Discretionary	2.5	-0.7
Diversified	1.7	0.5
Information Technology	1.6	-0.1
Index Derivatives	-7.1	-7.1
Cash & Equivalents	8.7	8.7

## 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 34.0m

## Portfolio Characteristics

	Fund	Index
(%) Volatility	15.9	16.2
(%) Active Share	66.2	
(%) Tracking Error	7.7	
Information Ratio	0.2	

## Financial Ratios

	Fund	Index
Price Earnings (12 months forward)	4.5	6.7
Price to Book	1.2	0.9
Return on Equity	23.8	13.4
Dividend Yield (12 months forward)	3.9	6.4

## Top 10 Holdings

Lukoil	8.0
Sberbank	6.5
Novatek	3.8
Vakifbank	3.4
MTS	3.2
Sutgutneftegas	2.6
Wisdomtree Gold ETF	2.4
Moneta Bank	2.2
Isbank	2.2
Koza Altin	2.2

## Market Cap

> 5 Bln	37.3%
1-5 Bln	29.6%
< 1 Bln	24.4%

<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 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 28.02.2020.

# Mori Ottoman Fund



## Performance

Global stock markets took a beating in the last week of February as the coronavirus worries spread along with new cases found in the US and Europe. In an emergency meeting, the US Fed cut its policy rate by 50 basis points to 1.25% in early March, which significantly increased market volatility as the markets tried to assess the impact of the virus on global trade and economic activity. In Emerging Europe, all markets closed in the red, with Greek and Polish equities as the leading underperformers. The net asset value of Mori Ottoman Fund declined by 11% in euro terms (C share class) in February, while the MSCI Emerging Europe 10/40 Total Return Index was down 13.9% on the month.

## Portfolio Activity

Leading institutions, including the IMF, World Bank and OECD, started to lower their economic growth projections in view of the spreading coronavirus. However, we think it is too early to assess where the bottom will be. From what we understand, the hope for now is that the speed of the spread will slow down and the virus would be somewhat contained in the northern hemisphere, in line with increasing temperatures in the spring and summer. Although the interest rates have been trending lower globally, as the markets are expecting a global economic slowdown, we have increased the risk premia in our discount rates to factor in increased risk.

In Russia, we reduced Gazprom as we anticipate the combination of weak demand and low prices to have a negative impact on the stock price for the foreseeable future. With our increased risk premia and hence higher discount rates, our upside potential in Rostelecom and Yandex decreased. Thus, we sold out of Rostelecom and significantly reduced Yandex exposure. We also decreased our exposure in Sberbank as the stock is considered the proxy to the Russian economy.

Polish WIG20 Index declined by 15% in euro terms in February. Our investors may recall that we started dipping our toes in the water through a few Polish stocks we liked in recent months. We took the price weakness to add onto Alior Bank and CCC in Poland. We locked in profits in Ten Square Games as the stock price had a strong run following the accelerated book building.

In Turkey, we sold out of Enka Insaat, which held up well supported by the share buyback, and TAV Airports in order to raise cash to pick up some Tekfen Holding and Emlak Gayrimenkul, which we believe offer higher upside potential. We reduced the steel maker Kardemir as we expect softer product prices in light of the weakening demand in the short term.

## Outlook

The Russian Ministry of Finance shed some light in mid-February on the transfer of Sberbank shares to the National Wealth Fund, which also incorporates a tender offer to the minority shareholders. This may provide a profitable entry point into Sberbank shares once the dust settles on the markets. Declining oil price is very positive for an energy importing country like Turkey under normal circumstances, but it will likely be overlooked in a market operating in panic mode in the near term.



## Contacts

Investor Relations      Mori Capital Management Limited      +356 2033 0110  
 Regent House, Office 35      [info@mori-capital.com](mailto:info@mori-capital.com)  
 Bisazza Street, Sliema  
 SLM 1640 Malta

**SOURCE:** Bloomberg as of 28 February 2020, 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	144.32
AA GBP	10.02
C EUR	12.39
C USD	12.21
C GBP	11.83
M USD	85.94
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:

