

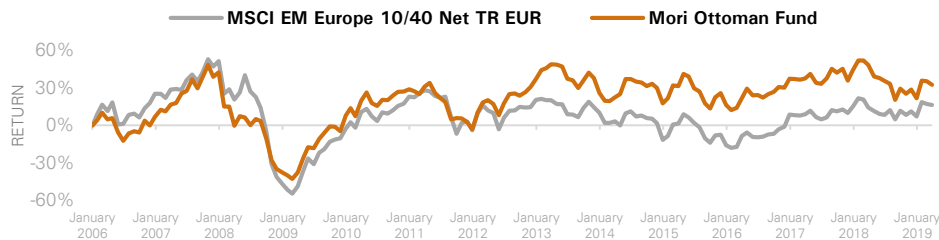
# Mori Ottoman Fund



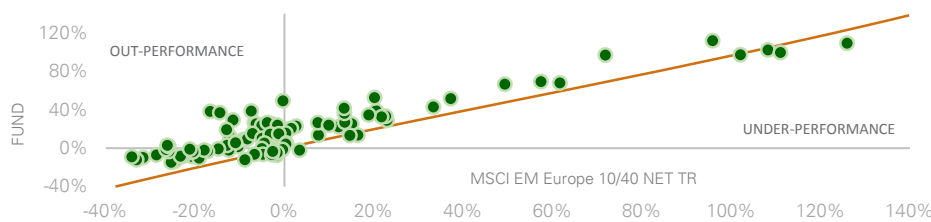
## Fund Objective

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.

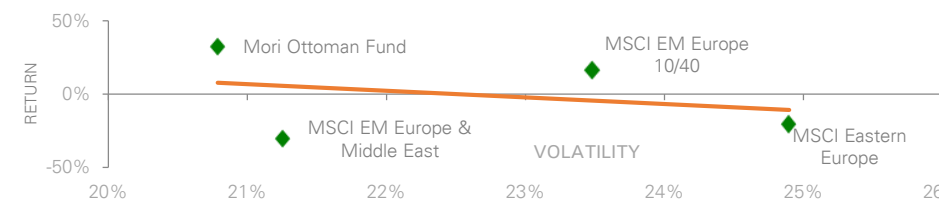
## Historical Performance<sup>1</sup> (Since Inception to 29 March 2019, EUR A-Share Class)



## 5-Year Rolling Returns<sup>2</sup> (Since Inception to 29 March 2019, EUR A-Share Class)



## Return / Volatility<sup>2</sup> (Since Inception to 29 March 2019, EUR A-Share Class)

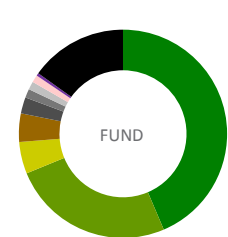


## Performance<sup>3</sup> (%)

	1mth	YtD	1Yr	2Yr	3Yr	5Yr	10Yr	Since Inception
Fund	-2.0%	9.0%	-10.3%	0.0%	12.9%	12.3%	113.4%	32.5%
Index	-0.5%	8.6%	1.9%	6.9%	27.2%	12.9%	128.1%	16.4%

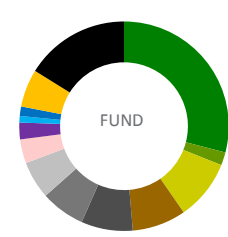
## Portfolio Overview<sup>4</sup> (%)

### Country Breakdown



	% of Port.	vs. Index
Russia	41.5	-15.2
Turkey	24.0	14.1
Czech Republic	4.7	1.8
Poland	4.2	-16.4
Greece	2.4	-1.6
Romania	1.3	1.3
Ukraine	1.2	1.2
Sweden	1.1	1.1
Slovenia	0.4	0.4
Cash & Equivalents	14.4	14.4

### Sector Breakdown



	% of Port.	vs. Index
Financials	25.9	-1.7
Energy	16.8	-23.2
Telecommunications	8.3	4.2
Industrials	7.4	6.3
Consumer Staples	7.1	1.7
Consumer Discretionary	6.1	2.5
Materials	5.2	-8.0
Information Technology	3.3	2.1
Real Estate	2.3	2.3
Utilities	1.9	-0.7
Others	1.3	0.1
Derivatives	-5.2	-5.2
Cash & Equivalents	14.4	14.4

## 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 40.8m

## Portfolio Characteristics

	Fund	Index
(%) Volatility	15.7	15.8
(%) Active Share	62.5	
(%) Tracking Error	7.3	
Information Ratio	0.1	

## Financial Ratios

	Fund	Index
Price Earnings (12 months forward)	4.8	6.7
Price to Book	1.4	1.0
Return on Equity	25.2	13.7
Dividend Yield (12 months forward)	3.8	5.7

## Top 10 Holdings

Sberbank	8.1
Lukoil	6.8
Gazprom	5.9
Vakifbank	3.5
Moneta Bank	2.6
MTS	2.5
Karsan	2.3
Yandex	2.2
Mail.Ru Group	2.2
Isbank	2.1

## Market Cap

> 5 Bln	34.3%
1-5 Bln	34.7%
< 1 Bln	16.6%

<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 29.03.2019.

# Mori Ottoman Fund



## Performance

Russian equities outperformed in March supported by the strong oil prices resulting from declining inventory and production cuts. Turkish equities were sold off towards the end of the month as the volatility increased in Turkish lira ahead of the local elections held at the end of the month. Greek index managed to close in positive territory last month fuelled by progress in the non-performing exposure on the balance sheets of the banks. Polish and Czech indices closed slightly lower on the month without major triggers. The net asset value of **Mori Ottoman Fund** declined by 2% in euro terms (C share class) in March, while the MSCI Emerging Europe 10/40 Index lost 0.5% on the month.

## Portfolio Activity

The earnings season continued in March. In Poland, we decided to initiate a position in Alior Bank, as the bank posted better results than our projections. The stock price came down from above PLN 80 per share in March 2018 to close to PLN 55 last month, on the back of management changes and uncertainty over its outlook. We believe that most of these concerns are priced in and the stock price offered an attractive entry level. We also topped up our exposure in Play Communications, as the company delivered on its targets for 2018 and the proposed dividends on 2018 profits exceeded our expectations. Moreover, announcement of an insider increasing their share was supportive of the stock price last month.

The volatility in Turkish lira exchange rate spiked towards the end of the month as the market got worried about the decline in the Central Bank's reserves and the local elections that were held on March 31st. The Central Bank announced that it had temporarily suspended one-week repo funding on March 25th after the exchange rate came under attack on March 22nd. Whilst the move helped to support the exchange rate, it resulted in a spike in the London swap market rate as market players that needed to settle their lira obligations rushed to find Turkish liras. We locked in some profits in Arcelik last month as the stock price neared our price target. We also locked in some profits in Turkish refiner Tupras as we expect the company to post weak results for the first and second quarters of 2019 due to weak refining margins and a planned maintenance shutdown during the second quarter. We actively traded Turkish Airlines, which came under selling pressure in recent months on the back of speculation that the company might buy a stake in the company that has concessions to manage the new airport in Istanbul. The stock price had a short term bounce last month after the management rejected the speculation.

In Russia, we reduced our holding in Rostelecom. It was announced that the company will buy the remaining 55% stake that it does not own in the mobile subsidiary Tele2. This move has long been speculated about in the market and hence did not cause a major reaction in the share price. We will revisit our thinking for the stock once we have more details about the acquisition.

We bought TMK as the company agreed to sell its US subsidiary IPSCO to Tenaris for USD 1.2 billion. This deal would halve TMK's net debt to about USD 1.3-1.4 billion by the end of this year, or around 2 times its annual EBITDA, based on our calculations. We also bought Central European Media Enterprises (CME), as the company announced that it would explore options (including a partial or whole sale) to maximise shareholder return. CME is a leading media company in Central and Eastern Europe.

## Outlook

The US Fed Chairman Jerome Powell made dovish statements last month that the Fed would pause on interest rate hikes for the remainder of 2019 and there could be only one hike in 2020, which increased risk appetite for equities across the globe. A positive outcome from the US-China trade negotiations may further increase confidence in those markets.



## Contacts

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**SOURCE:** Bloomberg as of 29 March 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	132.53
AA GBP	9.08
C EUR	11.19
C USD	11.27
C GBP	10.66
Bloomberg Codes	
A EUR	GRIOTTO ID
AA GBP	RAOTAAG ID
C EUR	RAOTTCE ID
C USD	RAOTTCC ID
C GBP	RAOTTCC ID
ISIN Codes	
A EUR	IE00B0T0FN89
AA GBP	IE00B87G5S97
C EUR	IE00B8G12179
C USD	IE00B4XYZP64
C GBP	IE00B87PYK12