

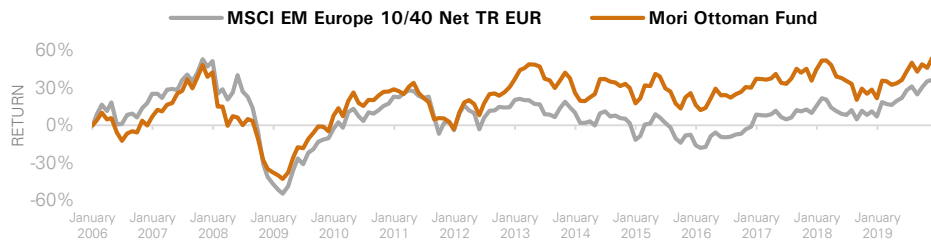
# Mori Ottoman Fund



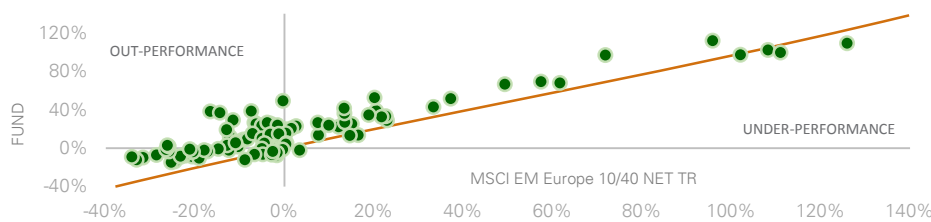
## Fund Objective

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.

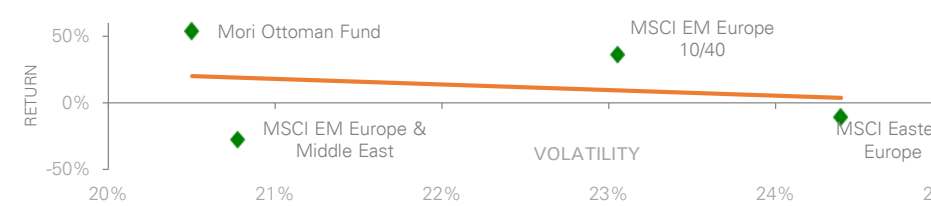
## Historical Performance<sup>1</sup> (Since Inception to 29 November 2019, EUR A-Share Class)



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



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

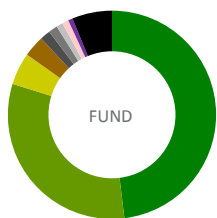


## Performance<sup>3</sup> (%)

|       | 1mth | YtD   | 1Yr   | 2Yr   | 3Yr   | 5Yr   | 10Yr  | Since Inception |
|-------|------|-------|-------|-------|-------|-------|-------|-----------------|
| Fund  | 5.9% | 27.8% | 20.9% | 15.2% | 23.9% | 24.1% | 61.7% | 53.9%           |
| Index | 0.7% | 27.1% | 22.5% | 24.0% | 37.7% | 34.1% | 52.1% | 36.3%           |

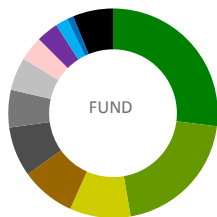
## Portfolio Overview<sup>4</sup> (%)

### Country Breakdown



|                    | % of Port. | vs. Index |
|--------------------|------------|-----------|
| Russia             | 48.1       | -11.0     |
| Turkey             | 31.7       | 22.0      |
| Poland             | 5.0        | -12.3     |
| Czech Republic     | 3.3        | 0.7       |
| Romania            | 1.6        | 1.6       |
| Greece             | 1.4        | -4.4      |
| United Kingdom     | 1.0        | 1.0       |
| Ukraine            | 1.0        | 1.0       |
| Slovenia           | 0.7        | 0.7       |
| Cash & Equivalents | 6.2        | 6.2       |

### Sector Breakdown



|                        | % of Port. | vs. Index |
|------------------------|------------|-----------|
| Financials             | 27.0       | -0.3      |
| Energy                 | 20.3       | -20.6     |
| Telecommunications     | 9.4        | 5.0       |
| Materials              | 8.4        | -3.6      |
| Industrials            | 7.7        | 6.7       |
| Consumer Staples       | 5.8        | 0.4       |
| Utilities              | 5.1        | 2.5       |
| Consumer Discretionary | 3.8        | 0.3       |
| Information Technology | 3.4        | 1.9       |
| Real Estate            | 1.9        | 1.9       |
| Diversified            | 1.0        | -0.3      |
| Index Derivatives      | 0.0        | 0.0       |
| Cash & Equivalents     | 6.2        | 6.2       |

## 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 42.6m                   |

## Portfolio Characteristics

|                    | Fund | Index |
|--------------------|------|-------|
| (%) Volatility     | 15.5 | 15.5  |
| (%) Active Share   | 62.5 |       |
| (%) Tracking Error | 7.6  |       |
| Information Ratio  | 0.1  |       |

## Financial Ratios

|                                    | Fund | Index |
|------------------------------------|------|-------|
| Price Earnings (12 months forward) | 5.6  | 7.4   |
| Price to Book                      | 1.4  | 1.1   |
| Return on Equity                   | 22.9 | 14.3  |
| Dividend Yield (12 months forward) | 4.4  | 5.5   |

## Top 10 Holdings

|                |     |
|----------------|-----|
| Sberbank       | 8.8 |
| Lukoil         | 7.1 |
| Gazprom        | 6.1 |
| Vakifbank      | 3.8 |
| MTS            | 3.0 |
| Yandex         | 2.7 |
| Surgutneftegas | 2.4 |
| Isbank         | 2.3 |
| Moneta Bank    | 2.2 |
| Koza Gold      | 2.2 |

## Market Cap

|         |       |
|---------|-------|
| > 5 Bln | 40.2% |
| 1-5 Bln | 32.7% |
| < 1 Bln | 20.9% |

<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 29.11.2019.

# Mori Ottoman Fund



## Performance

Turkish equities recovered the negative performance registered in October, with the BIST-100 Index adding some 9% for the month. Most Russian stocks consolidated last month, digesting the strong gains made so far this year. Czech and Hungarian indices posted small gains in November, led by a few blue-chip stocks. Polish equities slid by almost 3% in euro terms as the market players continued to figure out the impact on the balance sheets of the banks of recent judicial verdicts regarding the mortgages given in currencies other than the Polish zloty a decade ago. Yandex, which dragged our performance in October, recovered strongly as the company announced a clear plan to simplify its shareholder structure, which we believe will also enhance transparency and corporate governance. The net asset value of Mori Ottoman Fund increased by 5.9% in euro terms (C share class) in November, while the MSCI Emerging Europe 10/40 Index which was up 0.7% on the month.

## Portfolio Activity

In Russia, Gazprom reportedly sold the remaining treasury shares it still held, approximately 3.6% of the company's share capital. The shares were sold at RUB 220.72 per share and amounted to a total of RUB 187.7bn, or some USD 2.9bn. Again, the entire package went to one buyer, whom Gazprom characterizes as a long-term investor, whose name was not disclosed. Investors may recall that Gazprom first sold 2.93% of the company's shares held as treasury stock in July at RUB 200.5 per share, raising about USD 2bn at the time. Thus, the total revenue from these two transactions amounted to some USD 5.1bn. The sale removed the final overhang risk and raised capital for the company, allowing it to reduce debt and/or pay dividends. In view of these developments, we decided to increase our exposure to Gazprom in November.

Mobile Telesystems (MTS) contributed handsomely to performance last month, following the news that the company agreed to sell its Ukrainian unit to Azeri mobile operator Bakcell for USD734mil. MTS announced that the share transfer will be completed in the "nearest future". The MTS board also recommended a special dividend of RUB26.5bn or RUB 13.25 per share, which gave an additional 4.2% dividend yield based on the share price prior to the announcement. We view this news positively as we think that the Ukrainian operations were burdened with significant risk stemming from the political tension between Russia and Ukraine.

In Turkey, UniCredit reportedly reached an agreement with Koc Holding to reduce its stake in Yapi Kredi Bank. UniCredit and Koc control 82% of Yapi Kredi Bank through a joint venture. Based on the announced agreement, Koc will purchase part of UniCredit's holding in the bank, increasing its stake in Yapi Kredi to 50% less one share (from 41% currently). UniCredit will hold the remaining shares directly and not through the joint venture. Whilst we believe that Yapi Kredi shares were undervalued in the deal, we sold our stock in the bank as the overhang risk by UniCredit may lead Yapi Kredi shares to underperform for some time.

## Outlook

A dozen or more leading central banks across markets will hold interest rate setting meetings before the festive season starts in December. We believe equity markets will wait for these decisions and for indications about the direction of ongoing trade negotiations between the US and China. The latest media reports hint that the first phase on the road to an agreement could be concluded in December which, in our view, would likely raise hopes for the next stages in 2020.



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**SOURCE:** Bloomberg as of 29 November 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)<br>€ , \$ , £ 1,000,000 (C)                 |
| Dealings                | Daily  |
| Dealing Day Cut-Off     | 10:00am Irish Time   |
| Redemptions             | Daily  |
| Settlement              | T+3<br>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                   | 153.90   |
| AA GBP                  | 10.51  |
| C EUR                   | 13.12  |
| C USD                   | 12.98  |
| C GBP                   | 12.40  |
| 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   |