

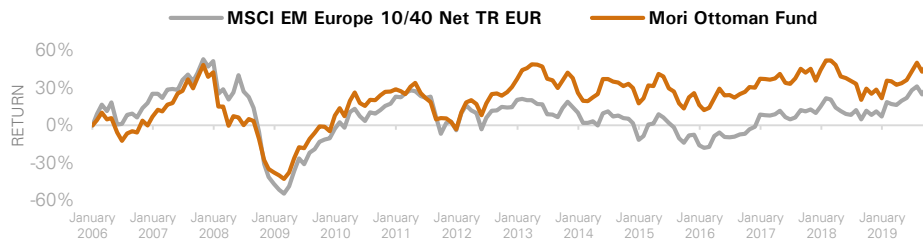
# Mori Ottoman Fund



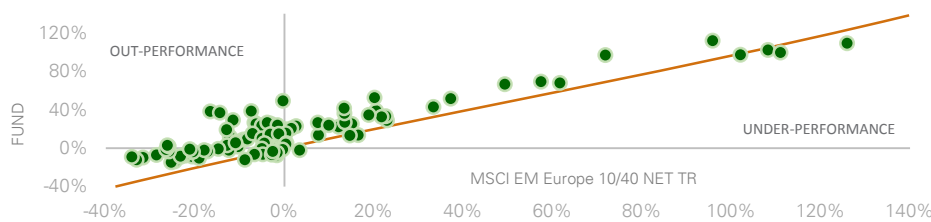
## Fund Objective

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.

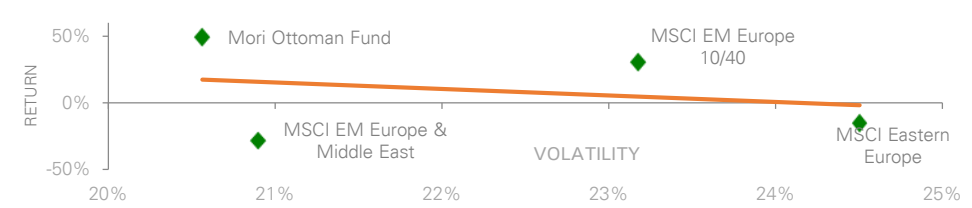
## Historical Performance<sup>1</sup> (Since Inception to 31 October 2019, EUR A-Share Class)



## 5-Year Rolling Returns<sup>2</sup> (Since Inception to 31 October 2019, EUR A-Share Class)



## Return / Volatility<sup>2</sup> (Since Inception to 31 October 2019, EUR A-Share Class)

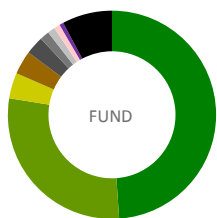


## Performance<sup>3</sup> (%)

	1mth	YtD	1Yr	2Yr	3Yr	5Yr	10Yr	Since Inception
Fund	-1.9%	20.7%	17.4%	1.6%	16.4%	14.2%	47.7%	46.2%
Index	3.7%	26.2%	24.9%	20.0%	39.6%	28.4%	52.7%	35.3%

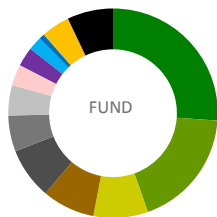
## Portfolio Overview<sup>4</sup> (%)

### Country Breakdown



	% of Port.	vs. Index
Russia	46.6	-13.8
Turkey	27.3	18.4
Poland	3.8	-13.8
Czech Republic	3.5	1.0
Greece	2.7	-3.0
Romania	1.4	1.4
United Kingdom	1.1	1.1
Ukraine	0.9	0.9
Slovenia	0.6	0.6
Cash & Equivalents	7.4	7.4

### Sector Breakdown



	% of Port.	vs. Index
Financials	27.3	0.3
Energy	19.3	-22.6
Telecommunications	8.8	4.6
Materials	8.5	-3.8
Industrials	8.3	7.3
Consumer Staples	5.8	0.5
Consumer Discretionary	4.9	1.7
Utilities	3.4	0.9
Information Technology	3.1	1.8
Real Estate	2.2	2.2
Diversified	0.9	-0.3
Index Derivatives	-4.6	-4.6
Cash & Equivalents	7.4	7.4

## 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 42.0m

## Portfolio Characteristics

	Fund	Index
(%) Volatility	15.4	15.6
(%) Active Share	63.4	
(%) Tracking Error	7.4	
Information Ratio	0.0	

## Financial Ratios

	Fund	Index
Price Earnings (12 months forward)	5.9	7.3
Price to Book	1.5	1.1
Return on Equity	24.0	14.6
Dividend Yield (12 months forward)	4.2	5.4

## Top 10 Holdings

Sberbank	8.9
Lukoil	6.9
Gazprom	5.1
Vakifbank	3.2
MTS	2.8
Surgutneftegas	2.5
Moneta Bank	2.5
Novatek	2.3
Isbank	2.2
Yandex	2.1

## Market Cap

> 5 Bln	38.0%
1-5 Bln	34.0%
< 1 Bln	20.6%

<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 31.10.2019.

# Mori Ottoman Fund



## Performance

The positive momentum largely continued in stock markets in October. In Emerging Europe, Hungarian and Russian equities outperformed regional peers. October was tough for Turkish equities, due to an escalation of geopolitical risks. Turkish indices lost close to 10% in euro terms last month, despite the continued improvement in the macroeconomic picture, with a significant drop in interest rates, Turkish lira stabilizing and forward-looking macro expectations improving further. Czech and Greek equities underperformed in October, but still managed to post small gains for the month. Our Turkish holdings and Yandex in Russia dragged our performance in October. The Yandex stock price opened with a gap of almost 20% lower in the US trading on October 11 following headlines hitting newswires that the Kremlin was backing a draft law to restrict foreign ownership of Russian IT and technology companies on security grounds. The net asset value of Mori Ottoman Fund decreased by 1.9% in euro terms (C share class) in October, while the MSCI Emerging Europe 10/40 Index which was up 3.7% on the month.

## Portfolio Activity

Turkey started a large-scale military operation, the third since August 2016, in Northern Syria in order to clear the region along its over 900 km border with Syria from terrorist settlements that had conducted several attacks on Turkish towns and cities since the civil war started in Syria. Turkey has also been pushing for the establishment of a safe zone along the length of its border with Syria, stretching south to a distance of 30-35km, where it believes between 1 to 2 million refugees can voluntarily return over time. Close followers may know that Turkey has been hosting around 4 million refugees from Syria since the war started there almost 10 years ago. The Central Bank of Turkey cut the policy interest rate by another 250 basis points to 14% last month and the last inflation print confirms that inflation continues to be on a declining trend after spiking post the currency shock in August 2018 that led to a significant pass through effect on domestic prices of goods and services. Our equity exposure was largely maintained. However, we actively traded Turkish index futures to protect against the downside.

Russian stock indices gained around 5% in euro terms, mainly driven by the heavy weight names. While our Sberbank and Lukoil holdings contributed strongly to the fund last month, some of the other heavy weight index stocks, like Surgutneftgas and Tatneft, dragged our relative performance as, on valuation grounds, we are not convinced to allocate as much weight in our portfolio as their weight in the MSCI index. News to initially float Saudi Aramco (first on the Saudi Tadawul Exchange) by the end of 2019 resurfaced again. This gave a wake-up call to international investors, in our view, as there were press reports that Aramco was valued between USD 1.2-1.5 trillion, while the entire publicly listed Russian oil and gas sector was valued at less than USD 400 billion at the beginning of October, based on our calculation.

The saga continued with the Polish banks on the legacy foreign exchange mortgages. We are not out of the woods yet, but we feel that the market may be close to pricing in all the negatives soon. After much speculation, it was announced that Czech PPF is in talks to acquire AT&T's stake in Central European Media Enterprises (CETV). We think the stock may be taken private following the successful close of the deal in 2020.

## Outlook

Both the US Fed and the European Central Bank started new bond purchase programs (i.e. a new round of quantitative easing). Thus, we think that we may see new capital allocated to emerging markets, as well, which may lead to a short-term rally in equities by the end of 2019.



## Contacts

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**SOURCE:** Bloomberg as of 31 October 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	146.16
AA GBP	10.04
C EUR	12.39
C USD	12.39
C GBP	11.83
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