

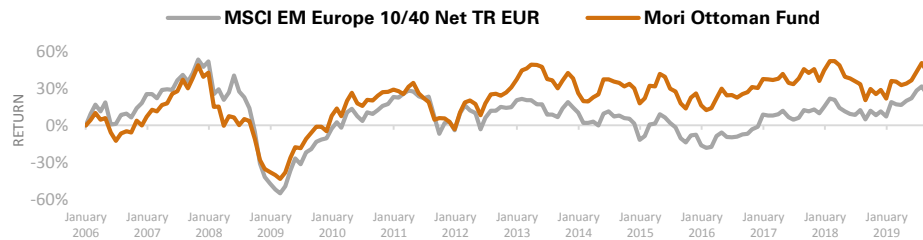
# Mori Ottoman Fund



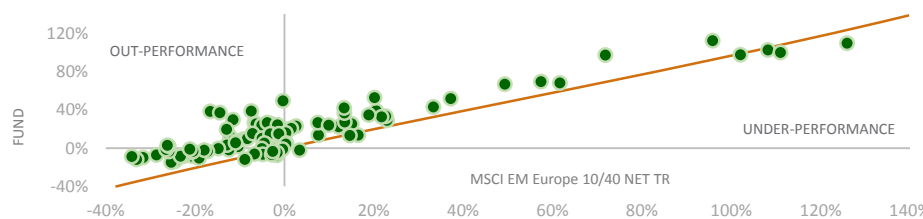
## Fund Objective

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.

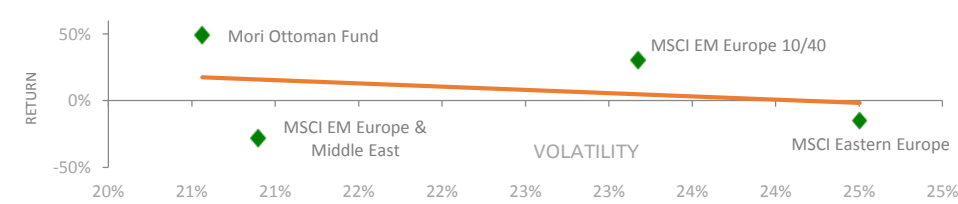
## Historical Performance<sup>1</sup> (Since Inception to 30 September 2019, EUR A-Share Class)



## 5-Year Rolling Returns<sup>2</sup> (Since Inception to 30 September 2019, EUR A-Share Class)



## Return / Volatility<sup>2</sup> (Since Inception to 30 September 2019, EUR A-Share Class)

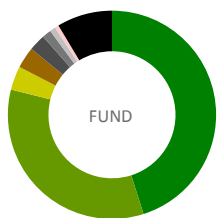


## Performance<sup>3</sup> (%)

	1mth	YtD	1Yr	2Yr	3Yr	5Yr	10Yr	Since Inception
Fund	4.2%	23.1%	15.8%	6.0%	22.4%	18.1%	50.5%	49.1%
Index	4.5%	21.7%	16.7%	17.3%	39.8%	23.3%	50.2%	30.5%

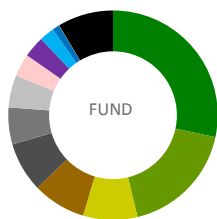
## Portfolio Overview<sup>4</sup> (%)

### Country Breakdown



	% of Port.	vs. Index
Russia	45.1	-13.8
Turkey	33.8	23.4
Poland	3.7	-13.8
Czech Republic	3.3	0.8
Greece	2.6	-3.0
Romania	1.4	1.4
Ukraine	0.9	0.9
Slovenia	0.6	0.6
Hungary	0.0	-5.1
Cash & Equivalents	8.6	8.6

### Sector Breakdown



	% of Port.	vs. Index
Financials	28.4	0.8
Energy	17.9	-22.4
Telecommunications	8.4	4.3
Industrials	8.2	7.1
Materials	7.7	-4.8
Consumer Staples	5.7	-0.1
Consumer Discretionary	4.9	1.6
Utilities	3.5	0.9
Information Technology	3.3	2.0
Real Estate	2.3	2.3
Diversified	1.1	-0.3
Derivatives	0.0	0.0
Cash & Equivalents	8.6	8.6

## 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 42.8m

## Portfolio Characteristics

	Fund	Index
(%) Volatility	15.5	15.6
(%) Active Share	63.4	
(%) Tracking Error	7.1	
Information Ratio	0.1	

## Financial Ratios

	Fund	Index
Price Earnings (12 months forward)	6.1	7.0
Price to Book	1.4	1.0
Return on Equity	21.1	14.6
Dividend Yield (12 months forward)	4.4	5.7

## Top 10 Holdings

Sberbank	8.5
Lukoil	6.2
Gazprom	4.4
Vakifbank	3.9
MTS	2.6
Surgutneftegas	2.5
Isbank	2.4
Moneta Bank	2.3
Yandex	2.2
Novatek	2.2

## Market Cap

> 5 Bln	37.1%
1-5 Bln	34.3%
< 1 Bln	20.0%

<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 30.09.2019.

# Mori Ottoman Fund



## Performance

Emerging European equities rebounded in September as trading volumes on exchanges started to pick up in conjunction with the end of the summer holidays. Oil prices spiked by about 15% in mid-September following the news that Saudi Aramco's facilities experienced a drone attack that disrupted a meaningful amount of daily production. Oil prices retreated to a USD 60 per barrel (Brent) level by the end of September as it was reported that the production loss was restored in Saudi Arabia. Turkish equities outperformed last month primarily led by the banking stocks. Central European bourses underperformed, while the Greek index was flat on the month as we think that investors are now waiting for concrete reform steps to be taken by the new government. The net asset value of Mori Ottoman Fund increased by 4.2% in euro terms (C share class) in September, while the MSCI Emerging Europe 10/40 Index which was up 4.5% on the month.

## Portfolio Activity

The European Central Bank (ECB) cut the interest rate on the deposit facility by 10 basis points to negative 0.5%. Furthermore, the Governing Council stated that the asset purchase program will be restarted at a monthly pace of EUR 20 billion as of November 1. Investors would recall that US President Trump has been critical of the US Fed and has been urging them to cut interest rates sharply and start a new round of quantitative easing (QE). The ECB's move drove the US dollar to strengthen shortly after the announcement and that led to a new wave of criticism by Mr. Trump of the US Fed.

In Russia, we locked in more profits in Gazprom as the interest for energy company stocks increased following the spike in oil prices in mid-September. Oil giant Lukoil announced a new USD 3 billion share buy-back program through 2022, which we believe will be supportive of the stock price. Surgutneftegas reported strong financials for the first half of 2019, which showed a significant pile up of its cash balance. We bought some preferred shares that yield a higher dividend yield and its discount to common shares widened in recent months.

The Central Bank of Turkey held its MPC meeting on September 12 and decided to cut its policy rate, which stood at 19.75%, by 325bps to 16.50%. This was slightly higher than the consensus expectation of 275bps but within the wide range of estimates. Also, the current account balance was announced and generated a surplus of USD 1.2 billion in July, which was in line with expectations. In light of the latest figures, we see that Turkey's 12-month rolling C/A surplus improved to USD 4.4 billion in July. We bought Garanti Bank, as we expect the bank to post a significant jump in profits starting from the third quarter of this year in light of sharply decreasing funding costs, which should boost the interest spreads. We also bought the steel maker Kardemir, whose stock price had declined by 50% since the summer of 2018 and now provides an attractive value proposition for medium to long-term investment, in our view.

## Outlook

The latest PMI number from Germany came in below expectations, which we think does not bode well for the heavy export-oriented Central European countries. Thus, our preference remains further east in selected Russian and Turkish stocks at present.



## Contacts

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

**SOURCE:** Bloomberg as of 30 September 2019, unless stated otherwise. **Past performance is not a guide to future returns.**

Please Note For professional investors only  
This investment is not for sale to US persons in the US

Securities may not be offered or sold in the United States (US) absent registration with the US Securities and Exchange Commission or an exemption from registration under the US Securities Act of 1933, as amended. Mori Capital Management has not registered, and does not intend to register, any securities referenced herein in the US and does not intend to conduct a public offering of securities in the US.

Past performance is not a guide to future performance. The value of investments can fall as well as rise and you may get back less than what you originally invested. Where a fund invests in overseas currencies, changes in currency exchange rates may affect the value of your investment. Investments in small and/or emerging markets can be more volatile than in other more developed markets.

The information contained in this document is neither an offer to sell nor a solicitation of an offer to purchase interests in the Fund, nor does it represent a research report. Please consult your financial and tax advisers if you are considering investing in this Fund. For further information, a copy of the KIID or a copy of the current Prospectus please contact [info@mori-capital.com](mailto:info@mori-capital.com).

This document may contain certain forward-looking statements with respect to the investment managers strategies or expectations. Forward-looking statements speak only as of the date they are made, and investment manager assumes no duty to and does not undertake to update forward-looking statements.

Mori Capital Management Ltd is licensed and regulated by the Malta Financial Services Authority (License no: I/S 66999). Registered office: Regent House, Office 35, Bisazza Street, Sliema SLM 1640, Malta.

© 2019 Mori Capital Management Limited.

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	149.08
AA GBP	10.50
C EUR	12.63
C USD	12.35
C GBP	12.37
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