



Research Policy

Version 4
31 January 2023

1. Introduction

Mori Capital Management Limited (“Mori” and “the Company”) is an investment management company incorporated in Malta and specialised in emerging markets. The company is currently authorised and regulated by the Malta Financial Services Authority (“MFSA”), license number MORI-IF-10972.

Typically, investment managers such as Mori use a wide range of internal and external investment research from financial institutions such as stock brokers and banks, including analysis on investment markets, sectors and companies, to help them make appropriate investment decisions. The investment research provided by external companies is an important part of our investment process and we believe it adds value for our fund investors through long term performance results.

2. Investment Research Evaluation

Following the introduction of MiFID II, investment managers are only permitted to receive external third-party research when it is paid for from a separate ‘research payment account’ (“RPA”) managed in accordance with the rules of the Malta Financial Services Authority (“MFSA”) or via direct payments from itself. Investors in Mori Umbrella Fund Plc (“MUF”) and its sub-funds (Mori Eastern European Fund and Mori Ottoman Fund – the “Funds”) are charged for the cost of external investment research via the RPA mechanism.

To ensure we have appropriate controls around the use of research, we regularly evaluate the quality of the research purchased based on a set of robust quality criteria and how much that research has contributed to better investment decisions for our clients. The evaluation process comprises the following aspects:

- assessing the need for investment research for each of the Funds, including considering whether it would be in that Fund’s best interest to acquire third party research to assist with investment decisions. This process involves the investment managers preparing a research budget for each of the Funds, which is discussed and agreed at Mori’s Investment Committee before consideration by the MUF board;
- assessing the nature of any service, benefit or material paid to or provided by any third party to determine whether it will benefit the Funds and can be accepted (for instance, whether the research should be considered as a minor non-monetary benefit or as research). This includes having processes in place to block unsolicited research;
- using internal controls which allow Mori’s investment managers to scrutinise the research received from research providers and ensure they only receive research appropriate for the Funds.

In addition to the above, Mori also considers the extent to which research purchased through an RPA may benefit the Funds, including, where relevant, by taking into account investment strategies applicable to the Funds and the approach Mori takes to allocate such costs fairly.

3. How Research Benefits the Funds

Mori purchases investment research which contains analysis and original insights and reaches conclusions based on new or existing information that could be used to inform an investment strategy and be relevant and capable of adding value to investment decisions on behalf of the Funds.

Mori considers research on a range of subjects, from equity markets to strategy, industry, sector and company-specific. A wide range of factors must be considered when making investment decisions; these will be global in nature, constantly changing and without limit. Due to this, it is not always possible for Mori to produce the required quantity or quality of proprietary research to support the investment strategies of the Funds. Therefore, research is purchased from selected and trusted third parties that complements the proprietary research undertaken.

The purchased research may vary from Fund to Fund and will be selected specifically for the benefit of that Fund. It may include research prepared by advisors to companies and other entities, and/or selected independent research analysts, with the aim of achieving a clear and rounded view of any investment and the construction of a Fund's portfolio in different economic and market conditions.

4. How the Research Charges Are Deducted from the Funds

Mori has reached agreements with the providers selected through our internal research provider selection process. The cost of their services is invoiced to Mori, who makes payments for research from the MUF's approved research budget.

5. Fair Allocation of Research Charges Among the Funds

The research budget approved by the Board of Mori Umbrella Fund Plc for the 2023 calendar year is €30,000. The amount allocated for research costs purposes to each Fund within the Umbrella is determined strictly on a pro-rata basis, in accordance with the assets under management of each Fund at the end of each calendar year. The total research budget is reviewed and approved by the MUF board on an annual basis.



It is important to note that Mori's Fund prices, income payments and performance figures are always shown and paid net of fund fees, which include the cost of external research.

Additional information regarding different aspects of the research process is available to investors upon request, for example:

- the providers paid from the RPA;
- the total amount they were paid over a defined period;
- the benefits and services received by Mori;
- how the total amount spent from the account compares to the budget for that period, noting any rebate or carry-over if residual funds remain in the account.

Any questions regarding the contents of this Policy shall be directed to Mori's Compliance Department.