

Trading Update

30 June 2020

Dear fellow MMIT and MEMF shareholders,

MMIT's NAV and share price are up 30.3%¹ and 47.1%² since the respective lows in March, while MEMF's NAV is up 36.1% (EUR)³ / 41.7%³ (USD) over a similar time period.

The steep sell-off across markets in March 2020, resulting from the global outbreak of COVID-19, and the subsequent recovery presented us with an excellent opportunity to showcase the advantages of a concentrated and high conviction based investment strategy. It also served as a test of the resilience of underlying portfolio companies, which as a group fared far better than the market overall.⁴

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Performance has been driven by several robust companies with strong franchises, innovative business models and first-rate management teams that have shown resourcefulness and ingenuity in the face of the unfolding COVID-19 crisis. In addition, our ~10-15% cash position allowed us to react swiftly when opportunities presented themselves, allowing us to add to a range of existing holdings as well as building new positions in stocks that had reached compelling entry level valuations, in particular in Brazil and Africa.

Contribution YTD MMIT (as at 27 June 2020):

Holdings	Country	Industry	Contribution YTD
AK Medical Holdings	China	Health Care	6.9%
eMemory Technology Inc	Taiwan	Technology	3.8%
LEENO Industrial	South Korea	Technology	2.0%
B2W CIA	Brazil	Technology	1.6%
Hugel Inc	South Korea	Health Care	1.1%

Furthermore, we continue to be greatly encouraged by the results of our engagement with many of our portfolio companies. Corporate governance changes are not implemented overnight, however we have started to see a number of management teams deliver on our proposals after 18 months of dialogue, which in turn has acted as a positive catalyst for a re-rating. Notably, Turkish jeans manufacturer Mavi⁵ has successfully adopted a stock incentivize scheme for its CEO, Mail. Ru⁶ in Russia recently published its first ever ESG Report while Yum China⁷ continues to be linked with a secondary listing in Hong Kong. eMemory Technology⁸ in Taiwan has substantially improved its IR and communications strategy while Persistent Systems⁹ in India accelerated its buyback program, to name a few. We remain confident that our style of friendly activism is resonating well with portfolio companies and enables us to positively influence decision makers.

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MMIT Sector breakdown		MMIT Geographic breakdown (Top 8)	
Sector	(%) of MMIT portfolio	Country	(%) of MMIT portfolio
Technology	24.5%	China	18.3%
Consumer Discretionary	22.4%	Brazil	16.9%
Health Care	19.0%	India	15.2%
Industrials	10.0%	South Korea	13.6%
Communications	9.2%	Taiwan	6.8%
Financials	5.4%	Turkey	6.2%
Consumer Staples	4.8%	Kenya	5.4%
Cash	4.7%	Russia	3.8%

As of 31 May 2020

We are currently making a range of investments into our team as well and are looking to expand its size to take advantage of the unique talent which is currently available in the market. In particular, we are looking to add an analysts with Asian experience. At the same time, we are sad to announce the retirement of Greg Konieczny from Mobius Capital Partners LLP. We want to thank him for his contribution over the last two years, and we wish him well. We are very confident that Mark and Carlos's extensive combined investment experience and close collaboration over the last 20 years, will ensure that Mobius Capital Partners continues on its path to delivering strong investment returns over the years to come.

The Mobius Capital Partners Team

Footnotes:

1. 24 March 2020 to 29 June 2020
2. 21 March 2020 to 29 June 2020
3. 23 March 2020 to 29 June 2020
4. <https://www.msci.com/documents/10199/87682efd-bb6f-4ede-ae40-372b41b5a1c9>
5. Mavi Annual Report: <http://www.mavicompany.com/i/assets/documents/pdf/2019/MAVI-ANNUAL-REPORT-2018-FINAL.pdf>
6. Mail.Ru ESG Report: <https://corp.mail.ru/en/press/releases/10658/>
7. Yum China Secondary Listing: <https://www.ft.com/content/4c416788-357d-4925-a36f-82bed79e60c9>
8. eMemory: https://www.ememory.com.tw/en-US/Investor/IR_News
9. Persistent Systems Buyback: <https://www.persistent.com/investors/buyback/>

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