

Moor Funds LLC  
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## Moor Funds Investor Letter No. 1

02<sup>nd</sup> December 2022

Dear Investor, thank you for your continued investment with Moor Funds

### OVERVIEW

The following represents performance for the quarterly period ending 28<sup>th</sup> November 2022; our first live-cash investment quarter. The 'long-only' **Moor Equity Select Fund returned +0.53%, vs benchmark S&P 500 -1.31%; this strategy's relative performance was +1.84%**. During the same quarterly period, the **Moor Equity Market Neutral fund returned +1.14% vs benchmark Dow Jones US Market Neutral (Size) Index -2.02%; this strategy's relative performance was +3.16%**.

The quarterly performance for both equity strategies correlate with the historical returns observed multi-year in the Moor model portfolios (see factsheets at [www.moorfunds.com](http://www.moorfunds.com)). We were highly encouraged by the absolute performance of both our equity strategies during a quarter of significant market volatility and turbulence. The Moor Equity Select Fund returns for the quarter rank in the top 6% (94<sup>th</sup> of 1,592 funds) for US long-only funds focusing on US large cap. (Charles Schwab funds data).

### HIGHLIGHTS & OUTLOOK

Moor Funds utilize proprietary artificially intelligent processes to identify a subset of US companies exhibiting operational and financial factors with a high probability of delivering relative outperformance to other publicly listed stocks. Our investment team selects a portfolio, from this subset of companies, with a focus on companies exhibiting positive operating momentum. Our investment portfolio typically contains 70 stocks of which 10 stocks will account for approximately 80% of the total invested capital; however, no single stock can be greater than 10% of the capital invested.

Reviewing our notable portfolio positions for this quarter, Netflix (NFLX) delivered our highest return rising +26%, we do not profess to be soothsayers in predicting why the market decides that a stock has de-rated enough but we do continue to expect the eventual streaming oligopoly, of which Netflix will be one of the big three, to show operational resilience as household spending continues to tighten and streaming giants collectively establish greater cost discipline and reduced sector competition for value destructive 'franchise' projects. Conversely, AMD (AMD) delivered our worst return falling -19%; whilst the company maintains strong operating momentum the consensus outlook for consumer technology hardware continues to deteriorate.

In summary, our investment team expects 2023 to be dominated by the headline macro factors of inflation, recession, and central bank policy actions related to the aforementioned. When a metaphorical 'soft landing' to our current economic malaise requires significant shrinkage of employment we can all agree there is nothing 'soft' about the prospective economic environment for 2023. To use a horror movie metaphor, central banks will pat themselves on the back for stopping the zombies that they created from killing 'only' 25% of the town; I suppose that is just the reality we now live in. We remain firm believers in companies with the capacity for strong operational cash flow capitalizing on sector opportunities that will present themselves as companies with negative operating leverage realize they cannot survive a zombie apocalypse.

Sincerely,

**Edwin Hagan-Emmin, Chief Investment Officer**

**IMPORTANT DISCLOSURE**

In considering investments investors should carefully consider the fund's investment objectives, risks, charges, and expenses. For further details on the funds presented in this document please request a summary fund brochure by contacting Moor Funds LLC by email at [invest@moorfunds.com](mailto:invest@moorfunds.com) or by telephone at +1 800 819-5185.

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