

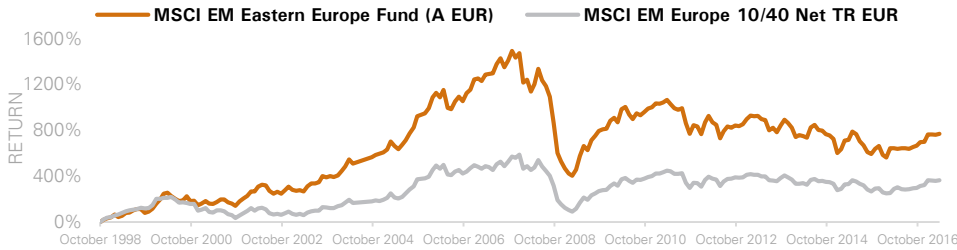
# Mori Eastern European Fund



## Fund Objective

The Fund seeks long-term capital appreciation through investments primarily in a portfolio of Eastern European securities. The manager uses a bottom-up approach to incorporate both stock and sector views. The manager's stock-picking style is a combination of proprietary valuation models, target prices, stock market capitalisation, liquidity and his view on the management's quality. Please note that A Euro shares are closed to new subscriptions.

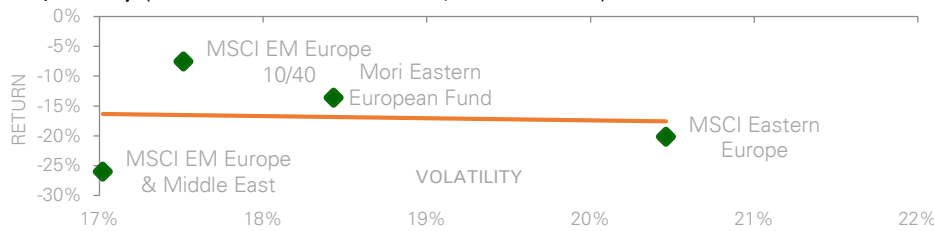
## Historical Performance<sup>1</sup> (Since inception to 31 March 2017, EUR A-Share Class)



## 5-Year Rolling Returns<sup>2</sup> (Since inception to 31 March 2017, EUR A-Share Class)



## Return / Volatility<sup>3</sup> (Since launch date to 31 March 2017, EUR C-Share Class)



## Performance<sup>4</sup> (%)

	1mth	YtD	1Yr	2Yr	3Yr	5Yr	10Yr	Since Inception
Fund	1.1%	0.6%	18.5%	7.2%	3.5%	-8.3%	-37.3%	770.3%
Index	1.0%	0.1%	19.0%	7.4%	5.6%	-2.8%	-15.3%	365.4%

## Portfolio Overview<sup>5</sup> (%)

Country Breakdown	% of Port.	vs. Index
Russia	52.1	-3.2
Turkey	21.6	6.3
Poland	10.4	-7.5
Greece	5.3	0.6
Czech Republic	2.8	0.1
Ukraine	1.6	1.6
Austria	1.0	1.0
Kazakhstan	0.5	0.5
Cash & Equivalents	1.8	1.8

Sector Breakdown	% of Port.	vs. Index
Financials	29.9	-2.5
Energy	26.2	-9.1
Materials	10.0	0.8
Consumer Staples	9.1	1.9
Industrials	8.7	8.2
Telecommunications	4.2	-1.5
Consumer Discretionary	4.1	0.0
Real Estate	2.4	1.9
Diversified	2.0	0.3
Others	2.0	-1.5
Index Derivatives	-3.3	-3.3
Cash & Equivalents	1.8	1.8

## 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 IV
Domicile	Dublin
Currency	EUR
Index	MSCI EM Europe 10/40 Net TR EUR
Fund Manager	Aziz Unan (Since January 2015)
Launch Date	2 March 2012 (C)
AuM	EUR 83.7m

## Portfolio Characteristics

	Fund	Index
(%) Volatility	18.4	17.5
(%) Active Share	47.1	
(%) Tracking Error	4.5	
Information Ratio	-0.3	

## Financial Ratios

	Fund	Index
Price Earnings (12 months forward)	7.8	7.4
Price to Book	1.8	0.9
Return on Equity	17.8	9.6
Dividend Yield (12 months forward)	3.9	4.2

## Top 10 Holdings

Sberbank	7.9
Lukoil	6.5
Gazprom	6.3
PKO	4.1
PZU	3.7
Magnit	3.7
Halkbank	3.2
Tatneft	3.1
Novatek	2.8
Jumbo	2.7

## Market Cap

> 5 Bln	65.7%
1-5 Bln	23.1%
< 1 Bln	9.8%

<sup>1</sup> Cumulative total returns in EUR (A Share Class), net of fees, excluding initial charge. <sup>2</sup> Performance based on 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, excluding initial charge. <sup>4</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>5</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 as at 31 March 2017.

# Mori Eastern European Fund



## Performance

Most emerging market participants were rather nervous waiting for a correction amid the markets' strong rally post the U.S. elections at the end of 2016. A technical correction led by the U.S. markets came during the first half of March but it was short-lived. With the exception of Hungary's BUX Index, all other major Emerging European indices closed the month on a small positive note in euro terms. The net asset value of Mori Eastern European Fund increased 1.1% in euro terms (C share class) in March, while the MSCI Emerging Europe 10/40 Index was up 1% during the same period.

## Portfolio Activity

In Russia, we took some profits in Sberbank towards the end of March as the stock bounced back from earlier losses in the month. Our other favourite Russian banking stock, Bank St. Petersburg, released much better results for the full year 2016 compared to our, as well as consensus, projections. Furthermore, the bank's management guided for a strong year in 2017. However, the stock price trended lower last month, as we think the relatively low stock liquidity takes its toll during times when investors are looking to raise cash. Based on our projections and a stock price of RUB 60, the stock is trading at 0.4 times 2017 estimated book value, 9.5% return on equity and less than 5 times projected earnings for 2017, which we believe is a bargain. The management's 2017 budget and guidance suggest for lower multiples than ours and return on equity over 10%.

In Turkey, we primarily locked in some profits in Isbank and Enka Insaat, both of which had a very good run in recent months.

Polish equities have had a strong run so far in 2017, but our stance over their valuations in general has not changed. We reduced our exposure in PKO BP, as we think that the valuation of the bank's stock is rich, especially when the banking levy on the sector is taken into account.

We sold our position in DNO SA, the Norwegian listed oil company with significant assets in Iraq and Africa in order to allocate capital in businesses which are more understandable to us and cheaper.

## Outlook

The dividend season is starting in April with Turkish companies, other regional peers will follow in May/June. Several of our holdings carry dividend yields north of 6% at current stock prices. Hence, we expect dividend stories to support Emerging European bourses in the short term. Turkey will hold a referendum on April 16 when the population will cast a vote on moving to a partial presidential system. If the result would be pro change, we think Turkish assets may re-rate as several investors have decided to stay on the side lines in recent weeks as the opinion polls currently indicate that the race is tight between the Yes and No camps.



## Contacts

Investor Relations	Mori Capital Management Limited Regent House, Office 35 Bisazza Street, Sliema SLM 1640 Malta	+356 2033 0110 <a href="mailto:info@mori-capital.com">info@mori-capital.com</a>
--------------------	--------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------

**SOURCE:** Bloomberg as of 31 March 2017, 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.

Fund Facts	
Management Fees	1.65% (A), 1.75% (B) 2.0% (AA), 1.25% (C, M)
Performance Fees	A and B share classes: 15% and 20% (respectively) of the NAV per share increase over the higher of either the highest of any previous quarter end NAVs or the benchmark NAV calculated using the EUR 3 month LIBOR rate on a quarterly basis. AA, C and M share classes: no performance fee.
Initial Min. Investment	€ , £ 10,000 (B, AA) € , £ , \$ 1,000,000 (C, M)
Dealings	Daily
Redemptions	Daily
Redemption Notice	T+3 T+4 (GBP share classes)
Redemption Fee*	3.0%
Administrator	Northern Trust Fiduciary Services (Ireland) Limited
Entry Charges*	Max. 5.0%
* At Investment Manager discretion.	
Launch Date	
A EUR	07.10.1998
AA GBP	02.03.2012
B EUR	27.11.2009
C EUR	02.03.2012
C GBP	02.03.2012
M EUR	01.09.2016
Current NAV	
A EUR	444.96
AA GBP	8.70
B EUR	94.89
C EUR	8.64
C GBP	10.23
M EUR	116.66
Bloomberg Code	
A EUR	GRIEEUI ID
AA GBP	RAMEAAG ID
B EUR	GRIEEUB ID
C EUR	RAMEECE ID
C GBP	RAMEECG ID
M EUR	RAMEEME ID
ISIN Code	
A EUR	IE0002787442
AA GBP	IE00B74GCZ17
B EUR	IE00B53RTW70
C EUR	IE00B7D7TZ40
C GBP	IE00B762ZY72
M EUR	IE00BD03V952