

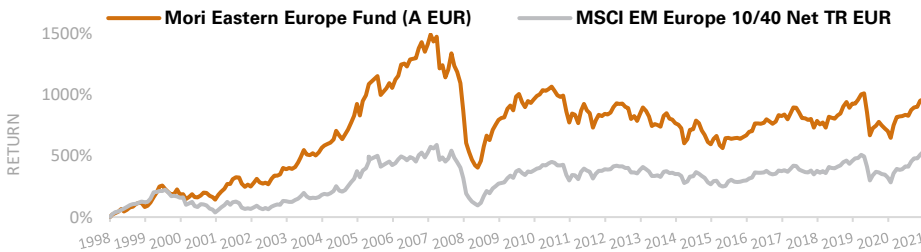
# Mori Eastern European Fund



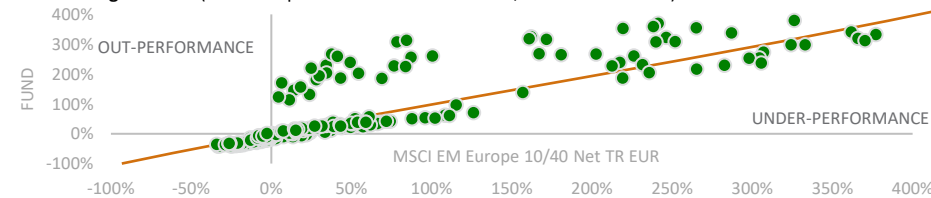
## Fund Objective

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.

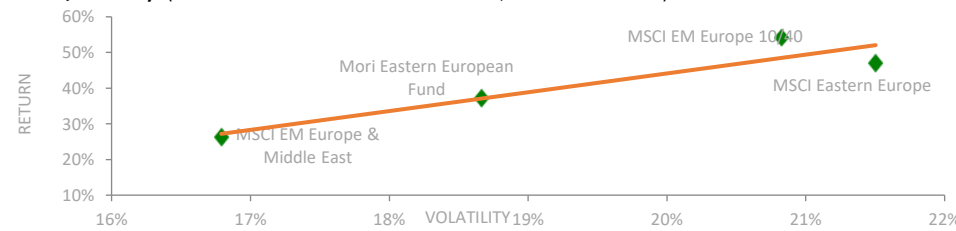
## Historical Performance<sup>1</sup> (Since inception to 30 November 2021, EUR A-Share Class)



## 5-Year Rolling Returns<sup>2</sup> (Since inception to 30 November 2021, EUR A-Share Class)



## Return / Volatility<sup>3</sup> (Since launch date to 30 November 2021, EUR M-Share Class)



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

	1mth	YtD	1Yr	2Yr	3Yr	5Yr	10Yr	Since Inception
Fund	-9.3%	9.8%	18.8%	-4.4%	16.5%	27.9%	7.5%	904.5%
Index	-7.9%	23.2%	32.9%	4.0%	27.5%	43.2%	37.7%	505.8%

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

Country Breakdown	% of Port.	vs. Index
Russia	55.7	-11.7
Turkey	16.4	11.5
Poland	15.1	-0.4
Greece	5.8	1.4
Multinational	3.1	3.1
Ukraine	1.5	1.5
Czech Republic	0.0	-2.7
Hungary	0.0	-5.2
Cash & Equivalents	2.4	2.4

## Sector Breakdown

Sector Breakdown	% of Port.	vs. Index
Energy	29.0	-4.2
Financials	24.6	-2.1
Materials	13.1	-2.5
Consumer Staples	8.3	3.1
Industrials	7.2	6.9
Telecommunications	4.7	1.2
Consumer Discretionary	3.4	-0.9
Diversified	3.0	2.5
Utilities	1.9	-1.2
Information Technology	1.5	-6.0
Real Estate	0.9	0.9
Cash & Equivalents	2.4	2.4

## 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 Net TR EUR
Fund Manager	Aziz Unan (Since January 2015)
Launch Date	7 October 1998 (A)
AuM	EUR 60.6m

## Portfolio Characteristics

	Fund	Index
(%) Volatility	18.7	20.8
(%) Active Share	48.9	
(%) Tracking Error	6.3	
Information Ratio	-0.3	

## Financial Ratios

	Fund	Index
Price Earnings (12 months forward)	6.7	7.1
Price to Book	1.8	1.3
Return on Equity	22.8	12.9
Dividend Yield (12 months forward)	6.6	6.8

## Top 10 Holdings

Lukoil	9.1
Gazprom	8.7
Sberbank	8.7
PKO	6.0
Novatek	4.8
Severstal	3.9
Norilsk Nickel	3.4
PZU	3.1
Alior Bank	2.5
Mytilineos	2.4

## Market Cap

> 5 Bln	59.2%
1-5 Bln	27.3%
< 1 Bln	11.1%

<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 (M Share Class), net of fees, excluding initial charge. <sup>4</sup> Performance based on monthly total returns in EUR (M Share Class), net of fees, except 10-Year & since inception (A EUR Share Class). Benchmark index was the MSCI EM Europe Index to December 2008, then MSCI EM Europe 10/40 Net Total Return Index. <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 and Northern Trust as at 30.11.2021.

# Mori Eastern European Fund



## Performance

Equities started November in a consolidation mood digesting their gains in the previous couple of months. However, the stock markets experienced a sharp sell-off later in the month due to fears that the economies could face restrictions in light of the new Covid Omicron variant that was first seen in South Africa and neighbouring countries. In emerging Europe, the Turkish lira faced a sharp depreciation against the US dollar/euro basket, which increased the volatility on the FX rate and pushed investors to the sidelines. Russian equities also corrected sharply as the tensions on the Ukrainian border escalated. US President Biden reportedly said Russia would face significant economic sanctions should it consider invading Ukraine. The net asset value of **Mori Eastern European Fund** decreased by 9.3% (Euro M-Class) in November, while the MSCI Emerging Europe 10/40 TR Index was down 8% during the same period.

## Portfolio Activity

US Fed chairman Jerome Powell said the high inflation that the US and most of the world is experiencing currently may not be “temporary”, as was previously projected. As we argued in several of our notes previously, this did not come as a surprise to us, but shook the markets quite significantly. Coupled with increasing Covid-19 Omicron fears, the oil price corrected by some 10% in the second half of November. The Russian market got an additional whipping from geopolitics as there was speculation that Russia deployed some 175,000 troops to its Ukrainian border and that it was planning to invade the country. US President Biden made a number of announcements that Russia would face severe sanctions if it does. We took some profits in the steel company Severstal, as the stock price experienced a strong year on the back of record steel prices. We also divested from Qiwi, as the company fell short of our expectations in terms of delivering our projected targets.

In Turkey, it was all about the Turkish lira on the back of higher-than-expected interest rate cuts by the central bank and President Erdogan’s rhetoric that the interest rates would come down further. If we set aside the political noise, the economic data does not support the current magnitude of the currency depreciation. To name a few, Turkey will likely close 2021 with a GDP growth north of 10%, perhaps the highest growth globally. More importantly, this growth will be achieved with record exports and almost no current account deficit (likely to be 1-1.5% of GDP). Close followers may recall that Turkey posted periods of high growth but those years were supported with ballooning current account deficits. Turkish households have been banned from borrowing in FX since 2009, and both the government and total debt of the country remain low by international standards. The banking sector is solid in terms of liquidity and capital adequacy to absorb FX rate shocks (the latest official CAR stands at 17.3% for the sector) and some 61% of total deposits in the sector is FX deposits. Hence, we believe the current lira depreciation and volatility is primarily a confidence issue. We sold Ozak GYO to lock in profits in the name.

## Outlook

The US Fed’s meeting on December 15th will likely set the tone for the economic global direction. Health industry experts are also expected to make announcements about the Omicron variant in December with regards to the potential damage the new variant may cause and whether it may force governments to take lockdown decisions again. In emerging Europe, the Turkish Central Bank’s meeting and the decision on the policy interest rate on December 16th will likely keep the volatility higher than normal for the time being. Presidents Biden and Putin are expected to talk directly, which may settle down the markets in the short term.

## Contacts

### Investor Relations

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**SOURCE:** Bloomberg as of 30 November 2021, 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

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Fund Facts	
Management Fees	1.65% (A), 1.75% (B) 2.0% (AA), 1.25% (C, M)
Performance Fees	Class A: 15% of the NAV per Share increase over the higher of (1) the highest NAV per Share on any preceding Calculation day or (2) the Benchmark NAV (EUR 12 Month LIBOR). Class B: 20% of the outperformance of the NAV per Share to the percentage return of the MSCI EM Europe 10/40 Total Return Index (EUR) (MN40MUE Index) in the period from the preceding Calculation Day – subject to a clawback provision) 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
Dealing Day Cut-Off	10:00am Irish Time
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	07.10.1998
AA GBP	02.03.2012
B EUR	27.11.2009
C GBP	02.03.2012
M EUR	01.09.2016
Current NAV	
A EUR	513.62
AA GBP	10.21
B EUR	108.71
C GBP	11.97
M EUR	137.19
Bloomberg Code	
A EUR	GRIEEUI ID
AA GBP	RAMEAAG ID
B EUR	GRIEEUB ID
C GBP	RAMEECG ID
M EUR	RAMEEME ID
ISIN Code	
A EUR	IE0002787442
AA GBP	IE00B74GCZ17
B EUR	IE00B53RTW70
C GBP	IE00B762ZY72
M EUR	IE00BD03V952

Signatory of:

