

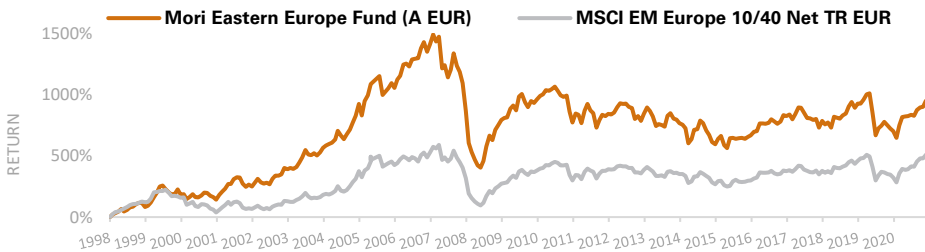
# Mori Eastern European Fund



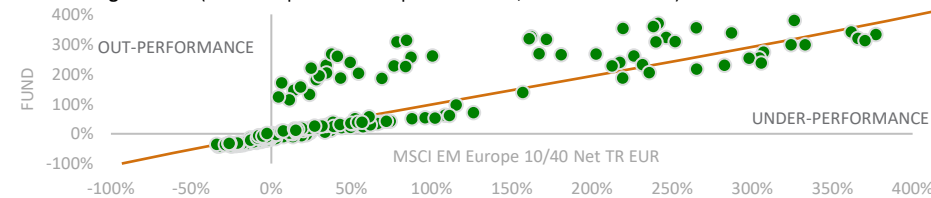
## Fund Objective

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.

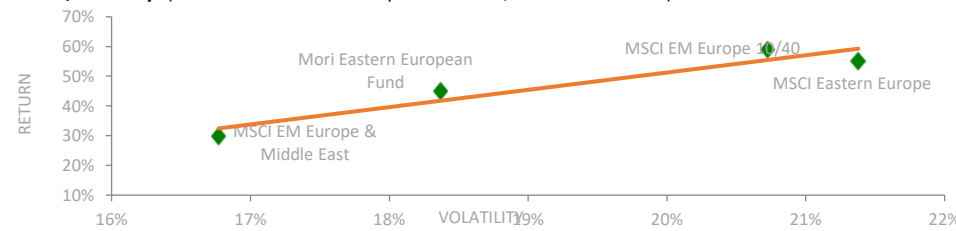
## Historical Performance<sup>1</sup> (Since inception to 30 September 2021, EUR A-Share Class)



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



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



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

	1mth	YtD	1Yr	2Yr	3Yr	5Yr	10Yr	Since Inception
Fund	1.2%	16.0%	33.1%	4.1%	21.3%	41.3%	21.9%	962.1%
Index	3.8%	28.7%	50.3%	13.5%	32.4%	58.7%	58.6%	532.8%

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

Country Breakdown	% of Port.	vs. Index
Russia	56.9	-10.1
Turkey	17.9	12.5
Poland	14.5	-1.2
Greece	5.2	1.4
Multinational	2.8	2.8
Ukraine	1.5	1.5
Czech Republic	0.0	-2.6
Hungary	0.0	-5.4
Cash & Equivalents	1.2	1.2

## Sector Breakdown

Sector Breakdown	% of Port.	vs. Index
Energy	29.8	-6.6
Financials	24.2	-1.8
Materials	12.5	-1.2
Consumer Staples	8.5	3.0
Industrials	6.8	6.5
Telecommunications	5.0	1.1
Consumer Discretionary	3.8	-1.3
Diversified	3.1	2.6
Utilities	2.0	-0.5
Information Technology	1.6	-4.3
Real Estate	1.5	1.5
Cash & Equivalents	1.2	1.2

## 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 64.8m

## Portfolio Characteristics

	Fund	Index
(%) Volatility	18.4	20.8
(%) Active Share	47.8	
(%) Tracking Error	6.4	
Information Ratio	-0.3	

## Financial Ratios

	Fund	Index
Price Earnings (12 months forward)	7.0	7.7
Price to Book	2.0	1.3
Return on Equity	23.4	11.8
Dividend Yield (12 months forward)	5.7	5.8

## Top 10 Holdings

Lukoil	9.5
Gazprom	8.6
Sberbank	8.6
PKO	5.8
Novatek	5.3
Severstal	3.9
Norilsk Nickel	3.2
PZU	3.2
Mytilineos	2.2
X5 Retail Group	2.1

## Market Cap

> 5 Bln	59.7%
1-5 Bln	27.8%
< 1 Bln	11.3%

<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 5-Year, 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 30.09.2021.

# Mori Eastern European Fund



## Performance

Oil prices rallied in September to almost USD 80 per barrel by the end of the month, the highest level since October 2018. This led to Russian energy and commodity stocks posting strong performance numbers last month, with the commodity heavy RDX Index gaining over 10% in euro terms. On the other side, Greek, Turkish and Polish indices lost 6.3%, 4.5% and 2.4%, respectively. With the start of the school year, the number of Covid cases in our investee countries is once again on the rise. However, so far, we are not aware of any nationwide switch to online education yet. The MSCI Emerging Europe 10/40 Index posted a 3.8% gain in September, thanks mainly to its large Russian exposure (c70%), in particular Russian energy companies. Given our portfolio's relatively lower exposure to Russian names, the net asset value of **Mori Eastern European Fund** posted a 1.2% gain (Euro M-Class) in September.

## Portfolio Activity

Producer prices have been increasing at a significantly higher pace than consumer prices, which has led a number of macroeconomists, analysts and central bankers to argue that inflation concerns could be temporary and they may eventually normalise. Therefore, the yield of US 10-year treasuries, despite some recent increase, remains well below the 1.8%-2.0% range seen during the 2021 Covid spike last March. We, however, believe that the higher producer prices will inevitably spill onto consumer prices in light of climate concerns, a relatively drought season this year, significant increase in fertiliser prices and transportation costs. As these rises have so far been above wage increases, it is reasonable to anticipate that the purchasing power of the average consumer will decline across the world. On top of that, the chip crisis is expected to continue for another 1-1.5 years and may have a negative impact, particularly on the auto sector in countries like Germany.

Gazprom and Novatek seem to be in a sweet spot as gas prices have been skyrocketing in recent weeks. Electricity demand and consumption have been above historical averages this summer given the pick-up in economic activity as the countries started to loosen Covid restrictions. Furthermore, the warmer summer led to an increase in demand for electricity. With winter fast approaching, a number of European countries are reportedly looking to sign long term contracts with Russian gas suppliers in order to avoid having to purchase gas at spot prices. In Turkey, we initiated a position in Dardanel Onentas following a management meeting last month. Dardanel has an almost 80% share in Turkey's canned tuna fish market with an extremely strong brand recognition. Dardanel recently completed the acquisition of a Greek peer, whose positive impact is expected to become visible in Dardanel's financial statements from Q4-2021.

## Outlook

The current environment continues to be supportive of oil and commodity rich countries like Russia. By contrast, Turkish equities have underperformed over the last couple of years, particularly since last March. However, a closer look at company financial statements paints a very different picture. Most of the companies we cover have so far managed to successfully navigate the financial difficulties caused by the pandemic, with increasing profitability and cash management. While we believe that the investment community is looking to feel comfortable with the lira, valuations are at such depressed levels that unless we hit another global crisis soon, investors will begin to discover the hidden value.

## Contacts

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**SOURCE:** Bloomberg as of 30 September 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	543.05
AA GBP	10.89
B EUR	114.96
C GBP	12.78
M EUR	144.95
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:

