

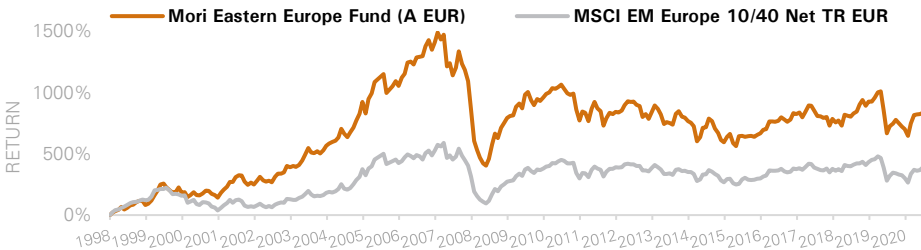
# Mori Eastern European Fund



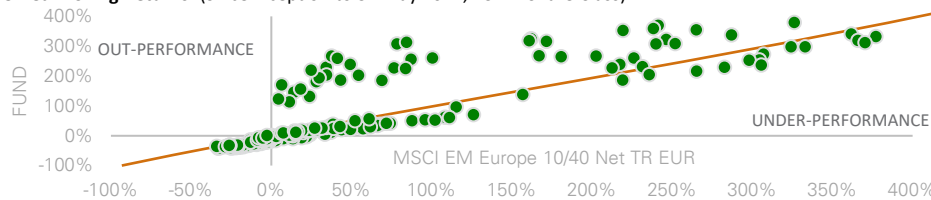
## Fund Objective

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.

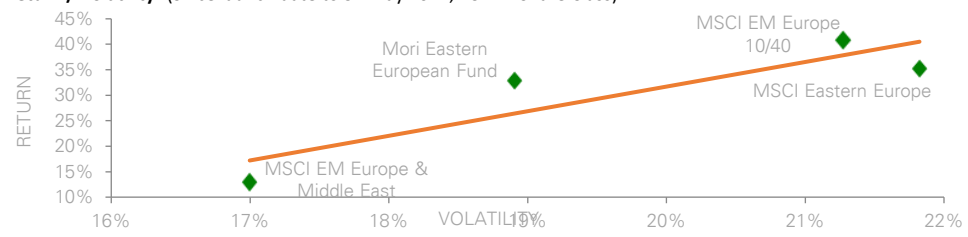
## Historical Performance<sup>1</sup> (Since inception to 31 May 2021, EUR A-Share Class)



## 5-Year Rolling Returns<sup>2</sup> (Since inception to 31 May 2021, EUR A-Share Class)



## Return / Volatility<sup>3</sup> (Since launch date to 31 May 2021, EUR M-Share Class)

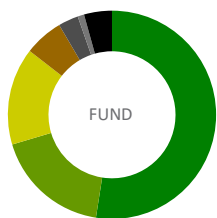


## Performance<sup>4</sup> (%)

	1mth	YtD	1Yr	2Yr	3Yr	5Yr	10Yr	Since Inception
Fund	5.2%	6.3%	15.5%	3.7%	8.7%	31.1%	-10.9%	874.8%
Index	8.1%	12.5%	18.2%	6.2%	18.6%	42.7%	6.1%	453.1%

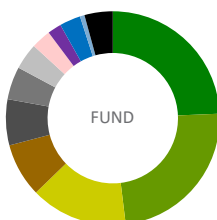
## Portfolio Overview<sup>5</sup> (%)

### Country Breakdown



	% of Port.	vs. Index
Russia	52.1	-14.7
Turkey	17.8	12.2
Poland	15.0	-1.8
Greece	6.0	2.8
Multinational	3.1	3.2
Ukraine	1.0	1.0
Czech Republic	0.0	-2.4
Hungary	0.0	-5.3
Cash & Equivalents	4.3	4.3

### Sector Breakdown



	% of Port.	vs. Index
Energy	24.5	-9.2
Financials	23.9	--0.8
Materials	14.8	-3.0
Consumer Staples	8.2	2.9
Industrials	7.0	6.7
Telecommunications	5.0	1.2
Consumer Discretionary	4.0	-1.2
Diversified	3.0	2.6
Utilities	2.1	-0.5
Others	3.2	-3.0
Index Derivatives	-0.7	-0.7
Cash & Equivalents	4.3	4.3

## 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 61.8m

## Portfolio Characteristics

	Fund	Index
(%) Volatility	18.9	21.3
(%) Active Share	50.5	
(%) Tracking Error	6.4	
Information Ratio	-0.1	

## Financial Ratios

	Fund	Index
Price Earnings (12 months forward)	7.0	8.2
Price to Book	2.6	1.2
Return on Equity	28.4	8.5
Dividend Yield (12 months forward)	5.6	6.0

## Top 10 Holdings

Sberbank	8.1
Lukoil	8.1
Gazprom	6.1
PKO	6.0
Severstal	4.5
Novatek	4.0
Norilsk Nickel	3.9
PZU	3.2
Mytilineos	2.5
X5 Retail Group	2.0

## Market Cap

> 5 Bln	56.9%
1-5 Bln	27.0%
< 1 Bln	11.8%

<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 (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 31.05.2021.

# Mori Eastern European Fund



## Performance

As the world is going through extraordinary times with the pandemic, “sell in May and go away” did not materialize last month. Equity markets generally closed the month of May on a strong note as the markets gave credit to the progress in mass vaccinations. Furthermore, a part of the massive liquidity pumped into the financial markets since the breakout of the Covid-19 pandemic continued to chase equities. In Emerging Europe, all country indices (except Greece’s) closed May in positive territory in euro terms. Central European indices outperformed last month whilst Turkish indices lagged as the market is still confused about the future potential actions of the new Central Bank management. Russian equities were supported well by the strong oil and commodity prices. The net asset value of **Mori Eastern European Fund** gained 5.2% in euro terms (M share class) in May, while the MSCI Emerging Europe 10/40 Total Return Index was up 8.1% on the month.

## Portfolio Activity

We lagged behind the regional index in May due to our relatively lighter positioning in Central European equities in favour of Turkish stocks. Turkey was amongst the early countries globally where inflation showed its ugly head in 2020. Thus, the Central Bank started a monetary tightening policy in late 2020 by hiking interest rates. The latest official figures indicate that other regional countries are following the inflation trend seen in Turkey with a lag of 4-6 months. Official inflation figures for May released in countries like Russia and China point to much higher inflation prints, especially in the producer price indices (PPI), due to significant increases in raw material and commodity prices. Therefore, we believe that the inflation fear will likely last for a while and may not be as “temporary” as some economists and market professionals publicly suggest.

If we are correct about our projections, Russia and Turkey will likely be amongst the first countries to enter rates easing cycles in late 2021 and 2022, while others may still have to hike rates before they can start thinking about easing. Thus, from a cost of equity (discount rate) perspective, Russia and Turkey may be in a better position on the timing of the interest rate easing trend once the market turns positive.

In the Czech Republic, we decided to tender our shares in Moneta Money Bank in the voluntary offer. We think the merger with AirBank could be value accretive in the long run, but we think the market will likely look for a successful execution of the deal in the coming months before giving credit to the management.

## Outlook

The NATO Summit in mid-June will be important as President Biden will reportedly have face-to-face meetings with a number of leaders including President Erdogan. We believe the announcements made during and following the summit will give guidance on the re-shaping of the geopolitics in the Middle East, Eastern Europe and relations with Russia.

## Contacts

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**SOURCE:** Bloomberg as of 31 May 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 3 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	498.42
AA GBP	10.00
B EUR	105.55
C GBP	11.72
M EUR	132.86
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:

