

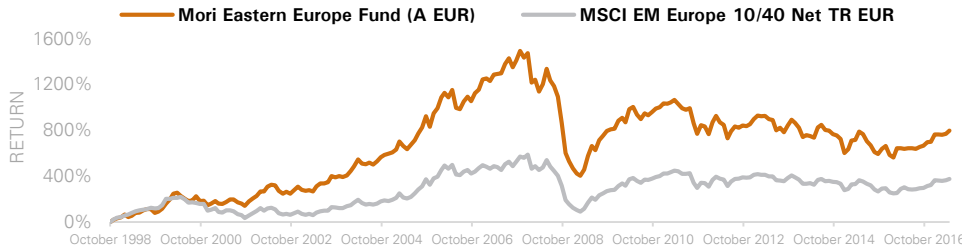
# Mori Eastern European Fund



## 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.

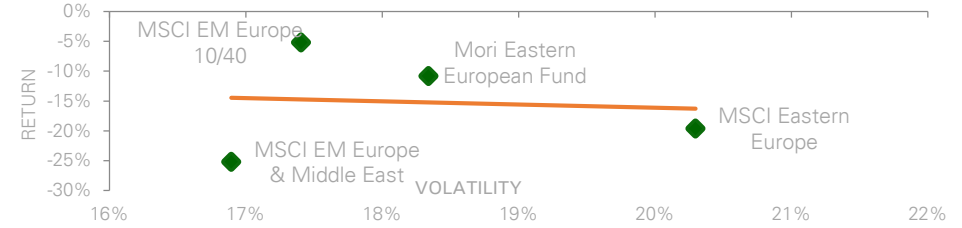
## Historical Performance<sup>1</sup> (Since inception to 28 April 2017, EUR A-Share Class)



## 5-Year Rolling Returns<sup>2</sup> (Since inception to 28 April 2017, EUR A-Share Class)



## Return / Volatility<sup>3</sup> (Since launch date to 28 April 2017, EUR C-Share Class)



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

	1mth	YtD	1Yr	2Yr	3Yr	5Yr	10Yr	Since Inception
Fund	3.2%	3.8%	17.8%	1.8%	8.7%	-3.2%	-35.5%	797.9%
Index	2.6%	2.7%	18.5%	2.5%	12.0%	1.5%	-17.6%	377.4%

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

Country Breakdown	% of Port.	vs. Index
Russia	49.5	-3.3
Turkey	23.4	7.4
Poland	11.5	-7.6
Greece	5.4	0.4
Czech Republic	3.1	0.5
Ukraine	1.7	1.7
Austria	1.1	1.1
Kazakhstan	0.4	0.4
Cash & Equivalents	2.6	2.6

Sector Breakdown	% of Port.	vs. Index
Financials	31.0	-2.4
Energy	25.0	-9.9
Materials	9.7	0.7
Consumer Staples	8.8	2.0
Industrials	8.4	7.9
Consumer Discretionary	4.1	0.0
Telecommunications	4.0	-1.4
Real Estate	2.5	2.0
Diversified	2.1	0.3
Others	2.2	-1.1
Index Derivatives	-1.8	-1.8
Cash & Equivalents	2.6	2.6

## 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 85.6m

## Portfolio Characteristics

	Fund	Index
(%) Volatility	18.3	17.4
(%) Active Share	47.6	
(%) Tracking Error	4.4	
Information Ratio	-0.3	

## Financial Ratios

	Fund	Index
Price Earnings (12 months forward)	8.3	7.7
Price to Book	1.7	0.9
Return on Equity	17.4	10.6
Dividend Yield (12 months forward)	3.7	4.1

## Top 10 Holdings

Gazprom	7.6
Sberbank	7.2
Lukoil	6.0
PZU	4.6
PKO	4.5
Magnit	4.2
Halkbank	3.6
Tatneft	3.2
Surgutneftegas	3.1
Novatek	2.7

## Market Cap

> 5 Bln	65.5%
1-5 Bln	24.3%
< 1 Bln	8.1%

<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 (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 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 and Northern Trust as at 28 April 2017.

# Mori Eastern European Fund



## Performance

Emerging European bourses had a good run in April. The only exception was Russian equities which closed in the red due to declining oil prices below the US\$ 50 per barrel level. The oil price drop raised a number of questions about the demand side of the equation going forward, which is crucial for oil producers like Russia and Saudi Arabia. The net asset value of Mori Eastern European Fund increased 3.2% in euro terms (C share class) in April, while the MSCI Emerging Europe 10/40 Index was up 2.6% during the same period.

## Portfolio Activity

Polish and Turkish equities outperformed their regional peers in April. Our investors would know that we prefer a number of Turkish stocks over Polish ones in general on valuation grounds. Our Turkish holdings, primarily bank stocks, more than compensated for the relatively light positioning we have in Polish equities.

51.4% of the voters voted for "yes" in Turkey at the April 16 referendum. Our readers may recall that we had mentioned that it would have been a close call based on the opinion polls leading to the referendum date. We believe that the new system in Turkey will eliminate the risk of coalition governments in the future. This should be perceived positively as the country consistently grew above the average global growth rates during majority/single party periods in the last 90 years.

We took profits in Kazakh Halyk Bank as the stock has performed strongly in recent months. The bank's latest financials were positive compared to our estimates. However, we do not know the structure and details of its potential takeover of Kazkommertsbank (KKB). KKB is long known for its non-performing corporate loan book and very tight capital base. As we have low visibility about the potential takeover and/or merger we prefer to stay away from Halyk Bank in the short term.

In the Czech Republic, we topped up Moneta Money Bank exposure before the stock went ex-dividend in mid-April. At the time of additional buying, the stock was giving more than 10% dividend yield. The bank has space to distribute more or launch a share buyback, due to its very strong capital base. Moneta remains our top banking stock amongst Central European peers.

## Outlook

The old "sell in May and go away" adage may not work this year as generally strong financial results for the first quarter of 2017 in Emerging Europe may continue to keep investors' interest in the region. The Turkish banking sector, for example, completed the first quarter reporting season with net profits increasing by 65% year-on-year (according to BRSA), significantly above street estimates. Several of our non-financial companies also beat consensus by a large margin. Hence, we would not be surprised to see a number of upgrades by analysts in the coming days and weeks.



## Contacts

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**SOURCE:** Bloomberg as of 28 April 2017, unless stated otherwise. **Past performance is not a guide to future returns.**

**Please Note** For professional investors only  
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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	459.08
AA GBP	8.84
B EUR	97.90
C EUR	8.92
C GBP	10.39
M EUR	120.40
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