

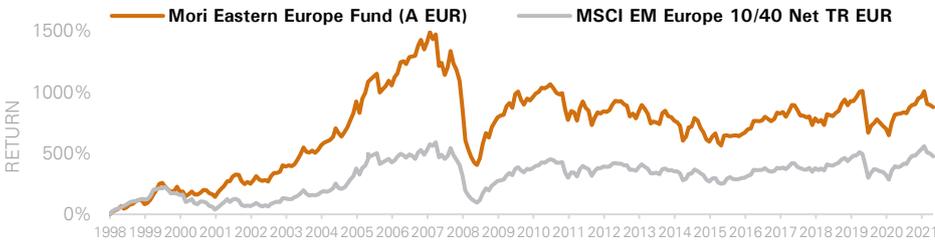
Mori Eastern European Fund



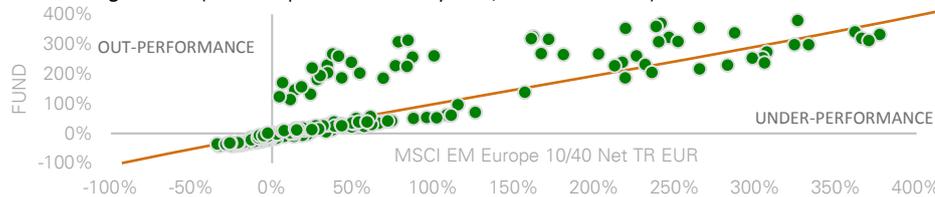
Fund Objective

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 Performance¹ (Since inception to 31 January 2022, EUR A-Share Class)



5-Year Rolling Returns² (Since inception to 31 January 2022, EUR A-Share Class)



Return / Volatility³ (Since launch date to 31 January 2022, EUR M-Share Class)



Performance⁴ (%)

	1mth	YtD	1Yr	2Yr	3Yr	5Yr	10Yr	Since Inception
Fund	-1.7%	-1.7%	6.6%	-11.1%	7.5%	15.4%	0.8%	878.3%
Index	-3.9%	-3.9%	18.8%	-3.3%	13.4%	24.6%	22.7%	475.4%

Portfolio Overview⁵ (%)

Country Breakdown	% of Port.	vs. Index
Russia	52.7	-10.5
Turkey	17.3	11.7
Poland	16.0	-1.0
Greece	6.0	0.9
Multinational	3.2	3.2
Ukraine	1.5	1.5
Czech Republic	0.0	-3.2
Hungary	0.0	-5.9
Cash & Equivalents	3.3	3.3

Sector Breakdown

Sector Breakdown	% of Port.	vs. Index
Energy	29.8	-4.8
Financials	24.1	-3.0
Materials	13.4	-1.8
Consumer Staples	7.6	2.5
Industrials	7.0	6.7
Telecommunications	4.5	0.7
Diversified	3.8	3.2
Consumer Discretionary	3.6	-1.2
Utilities	1.7	-1.6
Information Technology	0.7	-4.7
Real Estate	0.5	0.5
Cash & Equivalents	3.3	3.3

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 58.0m

Portfolio Characteristics

	Fund	Index
(%) Volatility	18.4	20.6
(%) Active Share	48.7	
(%) Tracking Error	6.3	
Information Ratio	-0.2	

Financial Ratios

	Fund	Index
Price Earnings (12 months forward)	5.9	6.6
Price to Book	1.7	1.2
Return on Equity	22.9	14.4
Dividend Yield (12 months forward)	7.1	7.1

Top 10 Holdings

Lukoil	9.5
Gazprom	8.6
Sberbank	7.2
PKO	7.0
Novatek	4.9
Severstal	3.7
Norilsk Nickel	3.4
PZU	3.3
Mytilineos	2.6
Alior Bank	2.5

Market Cap

> 5 Bln	59.0%
1-5 Bln	26.6%
< 1 Bln	11.1%

¹ Cumulative total returns in EUR (A Share Class), net of fees, excluding initial charge. ² Performance based on total returns in EUR (A Share Class), net of fees, excluding initial charge. ³ Performance based on monthly total returns in EUR (M Share Class), net of fees, excluding initial charge. ⁴ 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. ⁵ 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 31.01.2022.

Mori Eastern European Fund



Performance

Higher than projected inflation numbers released by the major economies confirmed, once again, our view that inflation will not be as “temporary” as it was previously stated by the major central bankers and some market professionals. Hence, the market continues to “guesstimate” the number of interest rate hikes the US Fed will deliver during the course of 2022. Some noise popped up last month that the US Fed should hike by 50 basis points in March, rather than the projected 25 basis points, in order to have an impact on the market. Geopolitics also took centre stage in January, with increased fears of a military operation by Russia across the Ukrainian border. President Biden once again threatened Russia with severe sanctions should Russia decide to invade Ukraine. Even though geopolitics and supply issues led crude and most commodity prices to rally last month, Russian equities and the ruble could not escape a sell-off because of the increased geopolitical fears. Polish equities also corrected in January, which we think may be largely due to its close geographic location to Ukraine and Russia. All the other emerging European exchanges managed to post gains last month but, given Russia and Poland account for a significant majority of the regional MSCI Index (i.e., almost 80%), the MSCI Emerging Europe 10/40 TR Index closed January with a 3.9% loss in euro terms. The net asset value of **Mori Eastern European Fund** decreased by 1.7% (Euro M-Class) last month.

Portfolio Activity

Crude oil rallied over US\$ 90 per barrel in January, a level which was last seen in 2014. Following a short pause/correction in the last couple of months, steel prices resumed an upward trend in late January with demand picking up again. Under normal circumstances, this price environment is highly favourable for Russia, whose economy largely depends on oil and commodity prices. However, the Ukrainian conflict between the US/West and Russia largely overshadows the underlying strong macroeconomic and corporate valuation in the country. Just to remind our readers, Russia is the least leveraged country that we cover globally, with public debt well below 20% of its GDP. Based on the latest official data, the country has some USD 630 billion in FX reserves. Russia alone supplies around 40% of Europe’s energy supplies and we do not foresee any other alternative (i.e., LNG from the US or elsewhere) to alleviate Europe’s dependence on Russia for many years. We have had relatively lower exposure to Russian equities in the last year or so given the increasing geopolitical concerns. Nevertheless, Russian equities account for our largest country exposure in the fund as we believe the valuations are extremely attractive. For example, our investors may recall that we have gradually increased our exposure to Gazprom and Novatek in the last two years given the favourable price environment and increasing demand, which has translated into significant improvement to these companies’ profitability and cash flow generation. A significant portion of our Russian holdings are export-oriented companies and with low dependency on the local economy. We sold Aeroflot last month as we think that the company’s turnaround will likely take longer than we had originally envisaged.

In Turkey, we cut our exposure to Vakifbank following the news that the government would conduct a restricted rights issue for the state-controlled banks during the first quarter of 2022, which is good news for these entities. However, the new capital injections will be higher than expected, which signals that these banks will likely pump cheap credit into the system ahead of the planned presidential elections in mid-2023. We think holding private bank stocks could be a better option in the foreseeable future as they may be more prudent about profitability and they trade at multiples that are only slightly above the multiples of the state-controlled banks on the market.

Outlook

So far, there has not been any back down or compromise by the US or Russia in their rhetoric around the situation in Ukraine. Therefore, we think there is still “headline risk” to the markets in the short term. However, the valuation multiples are extremely low and we estimate the dividend yield to be between 10% and 20% depending on the companies we cover, which gives us some comfort that any potential downside could be short lived. Other than this, statements from the US Fed will be the key global factor driving market direction in the short term.

Contacts

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SOURCE: Bloomberg as of 31 January 2022, 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	500.18
AA GBP	9.77
B EUR	105.85
C GBP	11.46
M EUR	133.69
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:

