

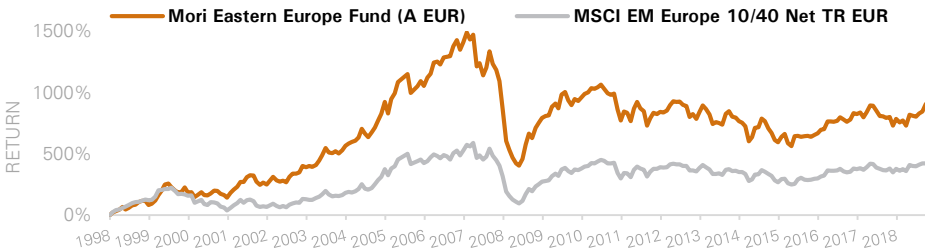
# Mori Eastern European Fund



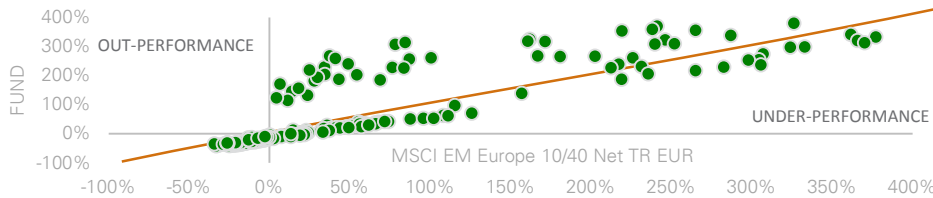
## Fund Objective

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.

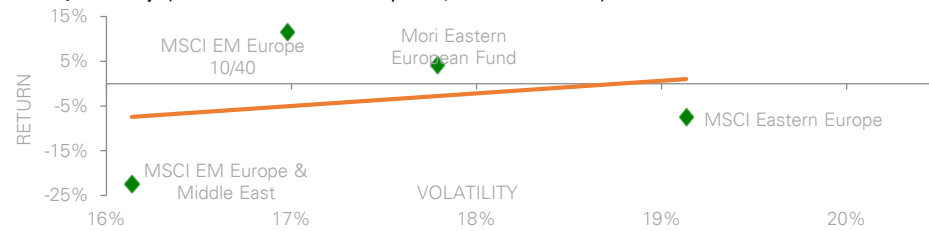
## Historical Performance<sup>1</sup> (Since inception to 31 July 2019, EUR A-Share Class)



## 5-Year Rolling Returns<sup>2</sup> (Since inception to 31 July 2019, EUR A-Share Class)



## Return / Volatility<sup>3</sup> (Since launch date to 31 July 2019, EUR C-Share Class)

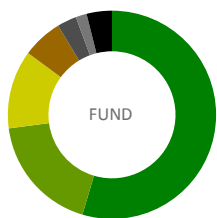


## Performance<sup>4</sup> (%)

	1mth	YtD	1Yr	2Yr	3Yr	5Yr	10Yr	Since Inception
Fund	3.6%	25.2%	15.6%	19.1%	42.3%	17.3%	27.8%	939.7%
Index	2.5%	22.5%	17.0%	23.6%	44.6%	22.5%	68.0%	461.2%

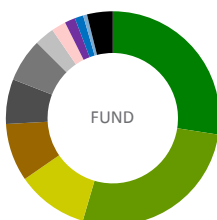
## Portfolio Overview<sup>5</sup> (%)

### Country Breakdown



	% of Port.	vs. Index
Russia	54.2	-3.0
Turkey	18.2	8.0
Poland	12.1	-6.8
Greece	6.2	0.6
Czech Republic	3.0	0.3
Ukraine	1.7	1.7
Hungary	0.0	-5.3
Cash & Equivalents	3.9	3.9

### Sector Breakdown



	% of Port.	vs. Index
Energy	27.6	-12.1
Financials	27.2	-0.7
Industrials	10.9	9.8
Materials	8.8	-3.6
Consumer Staples	6.8	0.9
Telecommunications	6.6	2.3
Consumer Discretionary	3.0	-0.4
Information Technology	2.2	0.9
Real Estate	1.6	1.6
Others	1.3	-2.7
Index Derivatives	-0.6	-0.6
Cash & Equivalents	3.9	3.9

## 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 80.9m

## Portfolio Characteristics

	Fund	Index
(%) Volatility	17.3	16.5
(%) Active Share	47.5	
(%) Tracking Error	4.3	
Information Ratio	-0.2	

## Financial Ratios

	Fund	Index
Price Earnings (12 months forward)	6.9	7.1
Price to Book	1.8	1.0
Return on Equity	24.1	15.0
Dividend Yield (12 months forward)	4.8	5.5

## Top 10 Holdings

Sberbank	8.6
Lukoil	7.6
Gazprom	7.2
PKO	5.0
Novatek	4.6
PZU	4.2
Vakifbank	2.6
Norilsk Nickel	2.6
Severstal	2.5
Gekterna	2.4

## Market Cap

> 5 Bln	60.6%
1-5 Bln	26.5%
< 1 Bln	9.0%

<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). 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 31.07.2019.

# Mori Eastern European Fund



## Performance

Positive messages and remarks that came out from the leaders at the G-20 Summit in Osaka, Japan, on June 28 and 29 gave another push to risky assets in general in July. In our region, Turkish equities shone last month as President Trump blamed the Obama administration when asked about the purchase of Russian S400 missile defence system by Turkey, further stating that the situation was complicated and he was not in favour of imposing sanctions on Turkey for the time being. Investors continued to take some money off the table in Poland, while the Czech and Hungarian equities consolidated last month. Greece's ASE Index continued to edge higher after Mr. Mitsotakis-led New Democracy Party won a majority of the seats in the Greek parliament. The net asset value of Mori Eastern European Fund increased by 3.6% in euro terms (C share class) in July, while the MSCI Emerging Europe 10/40 Index was up 2.5% on the month.

## Portfolio Activity

In Russia, Gazprom continued to be under the spotlight last month as it still carried a right to a handsome dividend of RUB 16.61 per share (cUS\$ 0.42 per ADR), which was more than double the amount of dividend distributed by the company last year (the stock went ex-dividend on July 17). Then, it was announced that 2.93% of the company shares owned by some Gazprom subsidiaries themselves would be sold to potential buyers in auction at a single price. In an announcement on July 26, it was stated that the sale was completed at RUB 200.5 per share. The market gave another wave of support to the stock, as these shares previously held by Gazprom subsidiaries were considered to be quasi-treasury shares and the sale proceeds of around US\$ 2.2 billion would come into the coffers of Gazprom itself. We took the price strength to lock in more profits in Gazprom. We are encouraged by this year's events so far as we think they bring enhanced transparency and better treatment of minority shareholders at Gazprom.

The Greek Central bank Governor reportedly said that the Bank of Greece will recommend that the capital controls in the country be fully lifted as soon as possible. Greece imposed capital controls in June 2015 to stem a cash flight from banks as the country teetered on the verge of a financial meltdown during crisis talks with lenders. In light of the new political landscape post recent elections, Greek domestic bank deposit balances started to rise in the last few months.

Russia started physical delivery of S400 missile system equipment to Turkey in mid-July. The press reported that President Trump held a meeting with over forty senators to discuss his views on Turkey. There were also press reports that Germany's Volkswagen Group chose Turkey for a greenfield production plant. The estimated investment amount is EUR 1.3-2 billion and if it is materialized it would be positive from a foreign direct investment (FDI) point of view for Turkey. We bought Tupras as the stock price came down after it went ex-dividend, its major refinery was closed for maintenance earlier this year and the analyst community was too bearish on the refining margins for the second quarter. We think the second and third quarter refining margins would not be as negative as the street expects and we thought the weak stock price provided a good entry point.

In Poland, we top sliced Play Communications as the stock price neared our fair value estimate, while we took the general market weakness in Poland to top up Alior Bank, which we believe continues to trade at a large discount.

## Outlook

Seasonally we would expect market turnover to decline in August due to the summer holidays. However, market volatility may be exacerbated by Mr. Trump's tweets, like the one released at the time of writing that hinted the US-China trade war was heating up again with an additional 10% tariff on some US\$ 300 billion of Chinese exports into the US as of September 1.

## Contacts

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**SOURCE:** Bloomberg as of 31 July 2019, unless stated otherwise. **Past performance is not a guide to future returns.**

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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 EUR	02.03.2012
C GBP	02.03.2012
M EUR	01.09.2016
Current NAV	
A EUR	531.61
AA GBP	11.17
B EUR	112.82
C EUR	10.42
C GBP	13.12
M EUR	140.68
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