

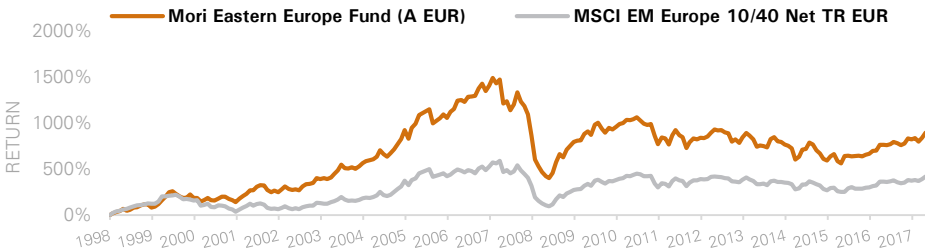
# Mori Eastern European Fund



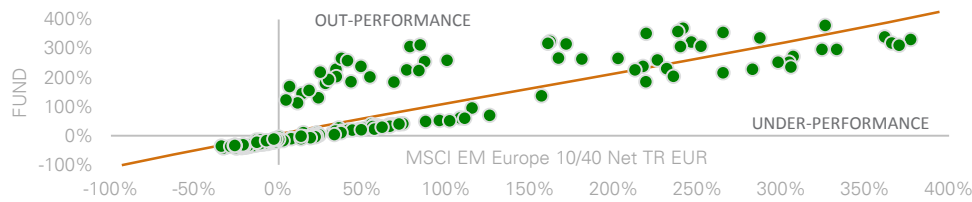
## Fund Objective

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.

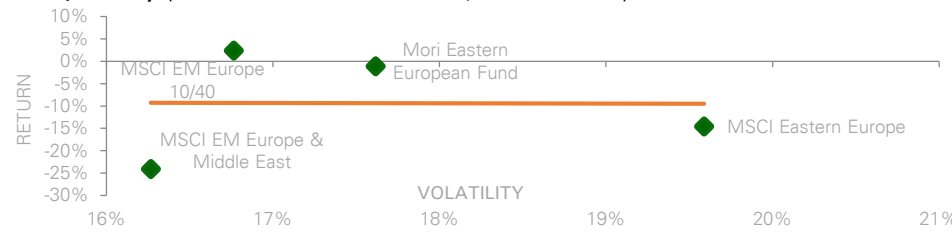
## Historical Performance<sup>1</sup> (Since inception to 29 March 2018, EUR A-Share Class)



## 5-Year Rolling Returns<sup>2</sup> (Since inception to 29 March 2018, EUR A-Share Class)



## Return / Volatility<sup>3</sup> (Since launch date to 29 March 2018, EUR C-Share Class)



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

	1mth	YtD	1Yr	2Yr	3Yr	5Yr	10Yr	Since Inception
Fund	-3.9%	1.3%	10.0%	30.3%	17.9%	-5.1%	-23.2%	853.6%
Index	-5.3%	-0.6%	4.9%	24.9%	12.7%	-5.3%	-11.8%	388.3%

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

Country Breakdown	% of Port.	vs. Index
Russia	53.3	1.0
Turkey	23.3	7.7
Poland	10.7	-8.4
Greece	5.4	0.5
Czech Republic	3.0	0.0
Ukraine	2.0	2.0
Hungary	0.0	-5.1
Cash & Equivalents	2.3	2.3

## Sector Breakdown

Sector Breakdown	% of Port.	vs. Index
Financials	27.5	-5.6
Energy	26.3	-8.0
Industrials	11.2	9.7
Materials	9.1	-1.9
Consumer Staples	8.4	3.4
Telecommunications	6.5	1.1
Consumer Discretionary	2.6	-1.5
Real Estate	2.5	2.2
Information Technology	1.9	1.3
Diversified	1.7	0.1
Utilities	0.0	-3.1
Cash & Equivalents	2.3	2.3

## 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 83.3m

## Portfolio Characteristics

	Fund	Index
(%) Volatility	17.6	16.8
(%) Active Share	50.8	
(%) Tracking Error	4.3	
Information Ratio	-0.1	

## Financial Ratios

	Fund	Index
Price Earnings (12 months forward)	8.0	7.6
Price to Book	1.7	1.0
Return on Equity	18.9	10.9
Dividend Yield (12 months forward)	4.4	4.7

## Top 10 Holdings

Lukoil	8.8
Sberbank	7.7
Gazprom	5.7
PKO	5.2
PZU	4.2
Tatneft	4.0
Vakifbank	3.2
Novatek	2.5
Gekterna	2.3
Severstal	2.1

## Market Cap

> 5 Bln	63.0%
1-5 Bln	24.1%
< 1 Bln	10.6%

<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 29.03.2018.

# Mori Eastern European Fund



## Performance

The equity markets were shaken around the world in March following the imposition of targeted import tariffs by the US government (that will largely impact Chinese steel) and also by the Facebook scandal. The EU announced that retaliation would only serve to fuel a trade war further and hence the block would remain on the sidelines for now. Facebook founder Mark Zuckerberg publicly apologized for Facebook's data privacy scandal. However, he also said that it would take years to fix Facebook's problems. Tech stocks took a diving in March with Nasdaq losing more than 10% from its mid-month peak in a matter of a few days. All major Emerging European indices closed the month in the red except the Prague bourse, which managed to print a small 0.3% gain on the month. Our stock selection and active hedges helped our fund to weather the market correction better. The net asset value of Mori Eastern European Fund decreased by 3.9% in Euro terms (C share class) in March, while the MSCI Emerging Europe 10/40 Index lost 5.3% during the same period.

## Portfolio Activity

Turkish Statistical Institute (Turksat) announced that the economy grew by 7.3% in the last quarter of 2017, bringing the GDP growth to 7.4% for the full year in 2017. Although Turkey had the top GDP growth in 2017, the announcement did not have a positive spin on the markets as it had been well flagged by the government in February. Turkey still struggles with a sticky inflation rate, which keeps interest rates relatively high. We took some profits in Turkish Airlines last month as the stock was a high flyer on the back of much better than expected passenger data in the first two months of 2018, which bodes well for the remainder of the year.

In Russia, we decided to buy Aeroflot, whose valuation looked better to us both in absolute and relative terms compared to, for example, Turkish Airlines. We also reduced Sberbank further last month as the stock price continued to rally on the back of the potential sale of its Turkish subsidiary Denizbank.

We sold our shares in CEZ in the Czech Republic as the share price reached our current valuation target for the stock. There are ongoing talks about splitting the utility, which may unlock further value for CEZ. However, we think that the discussions may continue for a while with the government and we do not anticipate any concrete steps to be taken in the near future. We also reduced our holding in Central European Media Enterprises further as we think that a lot of the recent developments are already priced in.

## Outlook

Emerging European countries have limited trade exposure to the US. Thus, we believe the region would be relatively immune to a trade war between the US and China, particularly compared to most other regions in the world. In fact, it may even have a positive impact in the medium to long term resulting in capital inflows being redirected from the US to Emerging Europe by Chinese entities. Moreover, we continue to believe that valuation multiples of the stocks we hold are extremely compelling compared to multiples in the US markets, which should help Emerging European equities to trade better in relative terms.

## Contacts

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**SOURCE:** Bloomberg as of 29 March 2018, 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	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	487.58
AA GBP	9.82
B EUR	103.55
C EUR	9.50
C GBP	11.54
M EUR	128.34
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