

# Mori Eastern European Fund



Please note that on June 23, 2016, the Central Bank of Ireland approved renaming of the Renasset Eastern European Fund and Renasset Ottoman Fund to Mori Eastern European Fund and Mori Ottoman Fund, respectively.

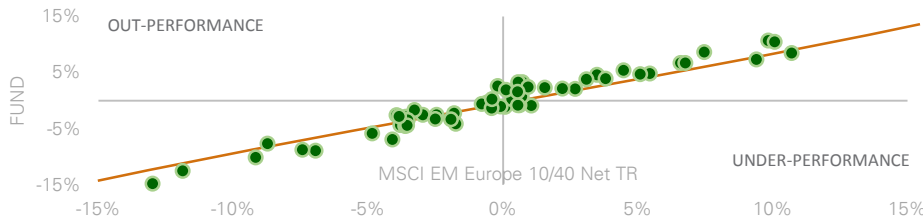
## Fund Objective

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.

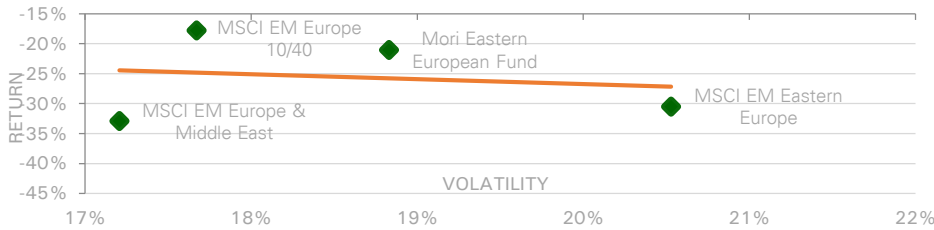
## Investment Process

- 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

Active Monthly Returns<sup>1</sup> (Since Inception to 30 November 2016, C Share Class: Monthly, %)



Total Return / Volatility<sup>1</sup> (Since Inception to 30 November 2016, C Share Class, %)



## Performance<sup>2</sup> (%)

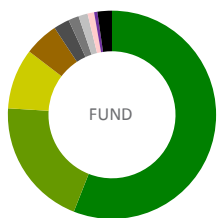
	1mth	3mth	6mth	YTD	2yr	Since Inception
C EUR	0.5%	6.2%	7.9%	17.1%	-2.2%	701.1%
Index	2.2%	6.7%	9.2%	17.8%	-2.6%	302.9%

## Annual Performance<sup>2</sup> (%)

	2015	2014	2013	2012
C EUR	-2.0%	-23.5%	-6.9%	-2.8% <sup>4</sup>
Index	-5.0%	-19.7%	-8.5%	2.2% <sup>4</sup>

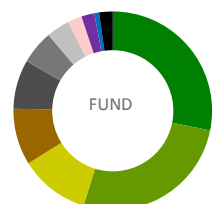
## Portfolio Overview<sup>3</sup> (%)

### Country Breakdown



	% of Port.	vs. Index
Russia	54.8	-2.4
Turkey	19.6	4.4
Poland	9.2	-6.6
Greece	5.2	-0.3
Czech Republic	2.4	0.2
Ukraine	1.6	1.6
Austria	1.4	1.4
Iraq	1.0	1.0
Kazakhstan	0.5	0.5
Cash & Equivalents	2.2	2.2

### Sector Breakdown



	% of Port.	vs. Index
Financials	28.2	-3.8
Energy	26.6	-9.1
Materials	11.4	1.9
Consumer Staples	9.2	2.2
Industrials	8.0	6.3
Telecommunications	5.5	0.2
Consumer Discretionary	3.8	-0.4
Real Estate	2.3	1.7
Information Technology	2.1	2.1
Utilities	0.8	-2.2
Cash & Equivalents	2.2	2.2

## 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 80.6m

## Portfolio Characteristics

	Fund	Index
(%) Volatility	18.9	17.6
(%) Active Share	49.0	
(%) Tracking Error	4.6	
Information Ratio	-0.25	

## Financial Ratios

	Fund	Index
Price Earnings (12 months forward)	9.5	11.2
Price to Book	1.4	1.5
Return on Equity	16.0	6.9
Dividend Yield	4.2	4.3

## Top 10 Holdings

Sberbank	7.8
Gazprom	7.8
Lukoil	6.4
Magnit	4.7
PKO	3.6
Mobile Telesystems	3.3
Tatneft	3.2
PZU	3.1
Surgutneftegas	3.0
Norilsk Nickel	2.8

## Market Cap

> 5 Bln	67.0%
1-5 Bln	16.5%
< 1 Bln	14.3%

<sup>1</sup> Performance based on monthly total returns in EUR, since inception, net of fees, excluding initial charge. <sup>2</sup> Performance based on monthly total returns in EUR, net of fees, except since inception (A EUR Share Class). <sup>3</sup> Table weights shown adjusted for delta exposure, pie chart shows table weights to 100. <sup>4</sup> Performance is from inception of share class to year end. 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 as at 30 November 2016.

# Mori Eastern European Fund



## Performance

The markets were caught surprised as Mr. Trump was elected the new President of the United States despite the fact that most recent opinion polls going into the election were hinting Hillary Clinton's victory. The US election outcome resulted in high volatility in all equity and fixed income markets globally. The US dollar registered strong appreciation against most currencies. Mexican peso and Turkish lira were the most negatively affected currencies in emerging markets. Emerging European equity indices diverged greatly last month with Russian RTS Index gaining 7% in euro terms, while Turkey's BIST-100 Index lost 14% in euro terms. Our Turkish compartment of the fund significantly outperformed Turkish indices in both euro and US dollar terms given our currency and market hedges. However, it dragged down the fund's performance in relative terms, as particularly Russian assets rallied strongly in hope that Russia-U.S. relations may improve under Trump's presidency. The net asset value of the Mori Eastern European Fund increased by 0.5% in euro terms (C share-class), while the MSCI Emerging Europe 10/40 Index was up 2.2% during the same period.

## Portfolio Activity

The markets priced in a rate hike by the US Fed by almost a 100% probability after the US elections. As a result, US treasuries were sold off and the yield on the 10-year treasuries climbed as high as 2.4%, up from around 1.8% at the end of October (source: Bloomberg). This has led to most developed and emerging market currencies to lose ground against the US dollar. Perhaps, one of the very few exceptions was Russia. Russian equities enjoyed a rally as both Mr Putin and Mr Trump made constructive remarks about the future of Russia-U.S. relations. Moreover, Russian assets benefited ahead of OPEC meeting where the world's major oil producers have agreed to a supply cut, which led to oil price quickly rallying above US\$ 50 per barrel.

Turkish equities lagged regional peers second month in a row primarily driven by weak lira following the U.S. elections. We had hedged a significant part of our lira exposure, which helped reduce losses in euro terms.

The Polish and Greek equities registered a strong month. However, we do not see much value with the exception of some specific stocks in these markets. The Greek banking sector still has a massive non-performing loan problem and we do not think the labour market there is flexible enough to implement necessary reforms for a quick fix.

## Outlook

With unexpected Brexit vote and now the outcome of US Presidential elections, it seems like people are looking for a change as the ballooning central bank balance sheets in the West has not changed much for an average person on the street. US Fed is expected to hike interest rates in December, which we believe is priced in, but the language used for 2017 will be important for other central banks and capital markets to set direction for the short term.



## Contacts

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**SOURCE:** Bloomberg as of 30 November 2016, 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)
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 and C share classes: no performance fee.
Initial Min. Investment	€ , £ 10,000 (B, AA) € , £ , \$ 1,000,000 (C)
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	07.10.98
AA GBP	02.03.12
B EUR	27.11.09
C EUR	02.03.12
C GBP	02.03.12
Current NAV	
A EUR	409.58
AA GBP	7.94
B EUR	87.38
C EUR	7.94
C GBP	9.34
Bloomberg Code	
A EUR	GRIEEUI ID
AA GBP	RAMEAAG ID
B EUR	GRIEEUB ID
C EUR	RAMEECE ID
C GBP	RAMEECG ID
ISIN Code	
A EUR	IE0002787442
AA GBP	IE00B74GCZ17
B EUR	IE00B53RTW70
C EUR	IE00B7D7TZ40
C GBP	IE00B762ZY72