

# Renasset Eastern European Fund



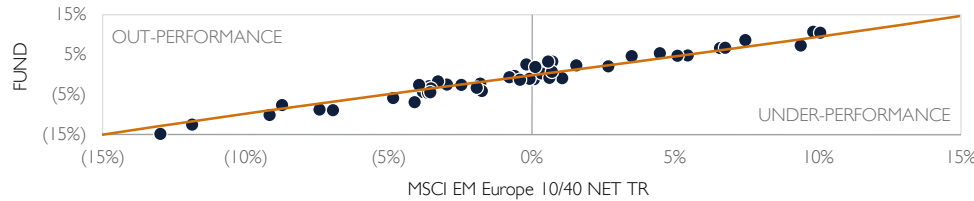
## Fund Objective

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.

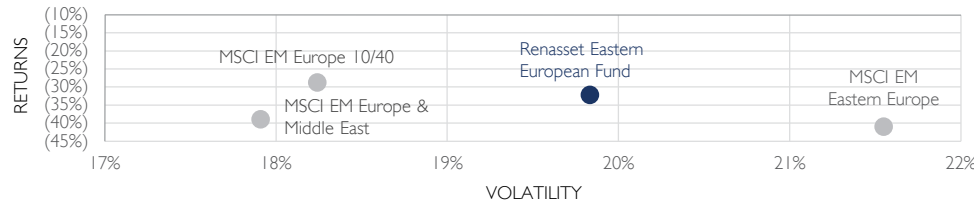
## Investment Process

- 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 29 January 2016, C Share Class: Monthly, %)



## Total Return / Volatility<sup>1</sup> (Since Inception to 29 January 2016, C Share Class, %)



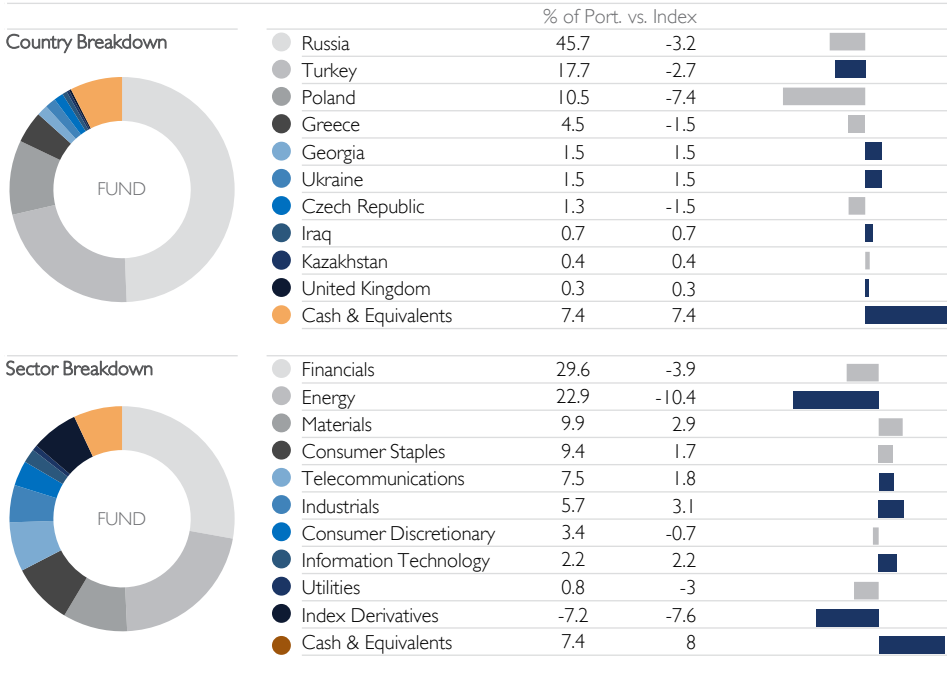
## Cumulative Performance<sup>2</sup> (%)

	1mth	3mth	6mth	YTD	2yr	Since Inception
C EUR	-3.2%	-10.4%	-13.7%	-3.2%	-20.6%	563.6%
Index	-2.5%	-11.0%	-16.7%	-2.5%	-19.7%	233.3%

## 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> (%)



## 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 72.3m

## Portfolio Characteristics

	Fund	Index
(%) Volatility	19.7	18.1
(%) Active Share	44.0	
(%) Tracking Error	4.6	
Information Ratio	-0.29	

## Financial Ratios

	Fund	Index
Price Earnings (12 months forward)	8.8	7.2
Price to Book	1.4	0.8
Return on Equity	16.9	6.6
Dividend Yield	4.5	4.1

## Top 10 Holdings

Lukoil	7.3
Sberbank	6.5
Gazprom	6.4
Magnit	3.9
PKO	3.8
PZU	3.8
Norilsk Nickel	3.6
Mobile Telesystems	3.2
Tatneft	2.6
Halkbank	2.4

## Market Cap

> 5 Bln	63.3%
1-5 Bln	13.7%
< 1 Bln	14.4%

<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 29 January 2016.

# Renasset Eastern European Fund



## Performance

A sharp sell-off in developed and Chinese markets in January led to increased volatility in equity markets around the world. After a steep decline in asset prices, markets recovered some of the earlier losses later in the month. The net asset value of the Renasset Eastern European Fund lost 3.2% in euro terms (EUR C share-class) in January, slightly underperforming the MSCI Emerging Europe 10/40 Index, which lost 2.5% for the same period. Russian equities experienced the highest volatility during January as the oil price tested below US\$ 30 per barrel after several years. As beneficiaries of lower energy prices, Turkey and Hungary outperformed in January to close the month in positive territory.

## Portfolio Activity

We took the relative strength to sell our MOL shares in Hungary as we believed that a number of other stocks in the region became more attractively valued from a risk-reward point of view. We tried to mitigate and reduce market volatility by actively using index futures in Turkey and Russia during the month. However, we did not actively trade the equities as we strongly believe in the fundamentals and attractive valuations of the stocks we hold in the fund. A sharp sell-off in Chinese equities caused some panic sell-off across other emerging markets. However, we strongly believe that valuation multiples in Emerging Europe are nowhere near the high multiples investors would find for Chinese equities. A significant majority of our holdings in the fund are strong cash flow generators with cash flow yields in double digits based on proprietary research projections. This is also reflected in the dividends a lot of our companies distribute in absence of mega investment projects from the last decade. A very obvious example is Gazprom, which already announced the proposed dividend to be distributed this year that nears 6% yield. We project and expect between 6-10% dividend yields from a number of non-financial companies we hold in the fund to be distributed later this year.

An important milestone in January was the announcement of economic sanctions being lifted for Iran. As our close followers may recall, we have been talking about Iran for the last one year or so to become the new frontier within Emerging European region. Investing directly into Iran is still not possible as the country has been excluded from the SWIFT system. However, we anticipate that to be sorted later this year. However, we hold a number of Turkish stocks in the portfolio that will benefit from normalisation of economic relations with Iran given their history and geographic location.

## Outlook

Although equity markets started off the new year in the red, we believe Emerging European equities should outperform developed and emerging peers as the valuations in our region are significantly more attractive, in our view. We also think that Emerging Europe did not receive as much liquidity on the back of central banks' quantitative easing frenzy like in developed and select emerging markets in the last few years due to geopolitical concerns. Hence, should there be repatriation of capital from emerging markets due to US Fed hiking rates, we believe the significant portion of the outflow would come from other parts of the world.



## Contacts

Investor Relations	Mori Capital Management Limited Regent House, Office 35 Bisazza Street, Sliema SLM 1640 Malta	+356 27 480 008 info@mori-capital.com
--------------------	--	--

SOURCE: Bloomberg as of 29 January 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
-------------	--

Securities may not be offered or sold in the United States (US) absent registration with the US Securities and Exchange Commission or an exemption from registration under the US Securities Act of 1933, as amended. Mori Capital Management has not registered, and does not intend to register, any securities referenced herein in the US and does not intend to conduct a public offering of securities in the US.

**Past performance is not a guide to future performance. The value of investments can fall as well as rise and you may get back less than what you originally invested.** Where a fund invests in overseas currencies, changes in currency exchange rates may affect the value of your investment. Investments in small and/or emerging markets can be more volatile than in other more developed markets.

The information contained in this document is neither an offer to sell nor a solicitation of an offer to purchase interests in the Fund, nor does it represent a research report. Please consult your financial and tax advisers if you are considering investing in this Fund. For further information, a copy of the KIID or a copy of the current Prospectus please contact [info@mori-capital.com](mailto:info@mori-capital.com)

This document may contain certain forward-looking statements with respect to the investment managers strategies or expectations. Forward-looking statements speak only as of the date they are made, and investment manager assumes no duty to and does not undertake to update forward-looking statements.

As of December 29, 2015, Mori Capital Management Ltd has been appointed as the investment manager of the Renasset Select Funds Plc. Mori Capital Management Ltd is licensed and regulated by the Malta Financial Services Authority (License no: I/S 66999). Registered office: Regent House, Office 35, Bisazza Street, Sliema SLM 1640, Malta.

## 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.
Min. Investment	Initial €5,000 (A) Subsequent EUR 500 Initial €1,000,000 (C) Subsequent €100,000
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*	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	03.02.12
C USD	19.01.12

## Current NAV

A EUR	339.31
AA GBP	5.90
B EUR	72.72
C EUR	6.56
C USD	312.27

## Bloomberg Code

A EUR	GRIEEUI ID
AA GBP	RAMEAAG ID
B EUR	GRIEEUB ID
C EUR	RAMEECE ID
C USD	RAMEECU ID

## ISIN Code

A EUR	IE0002787442
AA GBP	IE00B74GCZ17
B EUR	IE00B53RTW70
C EUR	IE00B7D7TZ40
C USD	IE00B7GGNF60