

## Investment Analysis

Finland domiciled Russia mutual funds  
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### Author

For more information, please contact

### Wilhelm Lindholm

Managing Director  
+7 926 0398489  
wilhelm.lindholm@capwill.com

## Monthly Performance Review 04/2015: Indications of investors returning

### Key takeaways

1. April displayed strong performance indicators, prolonging the impressive equities run YTD
2. AuM increased primarily on the back of robust returns (avg 11%), but also subscriptions (net) turned firmly positive
3. In summary, the sentiment for portfolio investments in Russia is showing signs of recovery

#### About the report:

This report provides an overview of the monthly performance of Finland domiciled Russia mutual funds. The sample consists of 10 mutual funds by 8 different asset managers. Analyzed performance metrics comprise monthly return (%), assets under management (EURm), monthly subscriptions net (EURm), and total investors (nr). All analyzed funds are long-only equity funds.

The purpose of the report is to provide a perspective on Finnish (retail) interest for Russian public equity markets (investor sentiment). Data for the report is provided by Investment Research Finland.

#### Analyzed mutual fund sample:

Manager	Fund
Danske Invest	Russia
Danske Invest	Russia Small Cap
Danske Invest	Arvo Venaja
eQ	Venaja 1 K
Evli	Venaja B
FIM	Russia
Nordea	Venaja
OP	Venaja
Saastopankki	Venaja
Seligson & Co	Russian Prosp. Euro

#### About Finnish mutual fund investments:

As of 04/2015, total assets under management (AuM) of all Finland domiciled equity mutual funds were app. EUR 37 billion, with the 10 analyzed Russia funds accounting for app. 1.1% of total AuM.

In addition to the 10 analyzed Russia funds, investments with Russian equity market exposure (allocation) can also be found in funds focused on e.g. Central & Eastern Europe and Emerging Markets.

Figure 1: Monthly performance indicators, LTM

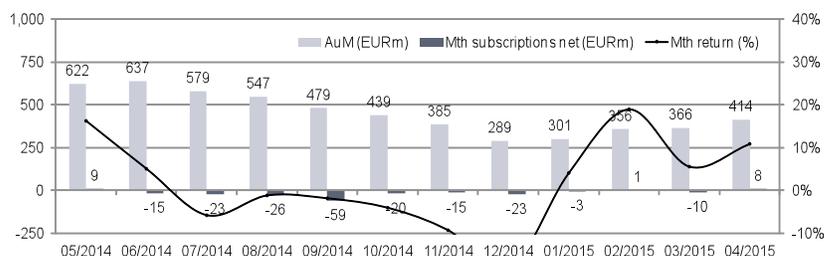
Year	Unit	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2014	Jan	Feb	Mar	Apr	2015	LTM
Total funds	Unit															
Monthly return	EURm	88	30	-36	-6	-9	-21	-39	-73		15	54	19	41		64
Monthly subscriptions, net	EURm	9	-15	-23	-26	-59	-20	-15	-23		-3	1	-10	8		-175
Change in AuM	EURm	96	15	-58	-32	-68	-41	-54	-96		12	55	9	49		-112
Change in investors, net	Nr	-703	-435	-1,458	-1,786	-1,537	-1,437	-1,774	-1,806		1,287	-153	-187	80		-9,899

Source: Investment Research Finland, Capwill analysis

For the first time in a year, all monthly performance indicators were in black. Further, cumulatively for year 2015, the change in investors (net) is positive, while monthly subscriptions (net) remains only marginally negative. Thus, it seems investor concerns, at least to some extent, have eased, and the players began returning to the market. The rouble has also been trading in a comparatively narrow band the last month.

Total AuM has recovered to levels seen prior to the rouble crash in Nov-Dec last year. So far, the recovery has been driven entirely by returns. However, given the amount of capital pulled last year, and the early signals of market situation normalizing, there might be a process in the works which will manifest itself through rising allocations to Russia.

Figure 2: Total assets under management (AuM), LTM



Source: Investment Research Finland, Capwill analysis

Figure 3: Data summary, LTM

Mth return (%)		05/2014	06/2014	07/2014	08/2014	09/2014	10/2014	11/2014	12/2014	01/2015	02/2015	03/2015	04/2015
Manager	Fund												
Danske Invest	Russia	16.5%	5.8%	-8.8%	-0.4%	-1.1%	-3.9%	-9.4%	-19.4%	2.8%	20.8%	4.4%	10.6%
Danske Invest	Russia Small Cap	19.9%	4.5%	-7.0%	-3.3%	1.0%	-8.4%	-9.4%	-20.5%	-2.9%	21.5%	4.8%	15.3%
Danske Invest	Arvo Venaja	13.3%	5.5%	-3.6%	-2.3%	-1.8%	-6.7%	-7.7%	-19.8%	-2.1%	22.0%	2.9%	14.3%
eQ	Venaja 1 K	14.4%	1.2%	-3.2%	3.6%	0.3%	-4.5%	-7.1%	-17.0%	-2.1%	18.4%	1.8%	10.2%
Evil	Venaja B	16.6%	4.1%	-4.9%	-2.0%	-1.8%	-7.3%	-10.6%	-21.0%	-1.0%	22.4%	6.0%	12.8%
FIM*	Russia*	19.4%	4.1%	-5.9%	-1.9%	-1.1%	-6.4%	-11.9%	-21.3%	2.8%	20.3%	2.8%	13.6%
Nordea	Venaja	16.4%	5.1%	-5.9%	-0.8%	-0.5%	-3.2%	-9.6%	-18.8%	4.5%	18.4%	4.3%	10.3%
OP	Venaja	15.9%	6.2%	-6.1%	-0.7%	-2.2%	-3.1%	-8.7%	-16.9%	6.4%	17.7%	7.6%	9.2%
Saastopankki	Venaja	14.1%	4.3%	-6.1%	-1.2%	-2.2%	-3.1%	-9.4%	-18.3%	5.2%	18.3%	3.9%	11.5%
Seligson & Co	Russian Prosperity Euro	14.5%	3.6%	-5.1%	-2.8%	-6.0%	-5.5%	-8.7%	-18.8%	2.5%	19.3%	8.5%	13.4%
Taalritehdas**	Rupla Osake**	16.3%	4.1%	-6.5%	0.5%	-1.0%	-4.2%	-5.4%	-16.3%	3.4%			
<b>Total</b>		<b>16.2%</b>	<b>5.0%</b>	<b>-5.8%</b>	<b>-1.2%</b>	<b>-1.9%</b>	<b>-4.1%</b>	<b>-9.3%</b>	<b>-18.6%</b>	<b>4.0%</b>	<b>18.9%</b>	<b>5.5%</b>	<b>10.9%</b>
<b>AUM (EURm)</b>													
Manager	Fund	05/2014	06/2014	07/2014	08/2014	09/2014	10/2014	11/2014	12/2014	01/2015	02/2015	03/2015	04/2015
Danske Invest	Russia	65.0	66.1	60.0	58.6	51.7	48.6	42.1	32.3	32.6	38.8	39.0	41.7
Danske Invest	Russia Small Cap	9.7	9.3	6.7	6.1	5.7	5.6	4.0	2.9	2.6	3.6	3.5	4.1
Danske Invest	Arvo Venaja	14.5	15.3	14.1	13.5	13.1	11.9	10.5	7.9	7.5	9.3	9.5	10.9
eQ	Venaja 1 K	2.6	2.6	2.4	2.3	2.2	2.1	2.1	1.7	1.6	2.1	2.1	2.4
Evil	Venaja B	41.1	29.7	28.0	27.3	19.1	12.5	10.9	9.1	9.0	11.0	11.2	12.1
FIM*	Russia*	45.7	49.0	42.9	40.2	38.8	34.3	29.7	21.9	25.0	30.6	31.0	36.6
Nordea	Venaja	184.7	192.3	175.8	171.3	143.4	135.4	118.7	96.4	101.6	119.2	122.1	144.5
OP	Venaja	142.2	152.4	135.9	132.2	129.9	121.1	106.4	80.5	83.6	99.4	105.8	116.1
Saastopankki	Venaja	7.1	7.5	7.0	6.8	6.7	6.8	6.1	4.6	4.9	5.9	6.2	7.1
Seligson & Co	Russian Prosperity Euro	96.7	99.8	93.6	76.1	60.7	56.7	51.2	29.7	30.6	36.5	35.3	39.5
Taalritehdas**	Rupla Osake**	12.9	13.4	12.5	12.8	8.0	3.5	3.0	2.1	2.1			
<b>Total</b>		<b>622.2</b>	<b>637.4</b>	<b>579.1</b>	<b>547.0</b>	<b>479.3</b>	<b>438.5</b>	<b>384.7</b>	<b>289.1</b>	<b>301.1</b>	<b>356.4</b>	<b>365.7</b>	<b>414.2</b>
<b>Change in AUM</b>		<b>96.4</b>	<b>15.2</b>	<b>-58.3</b>	<b>-32.1</b>	<b>-67.7</b>	<b>-40.8</b>	<b>-53.8</b>	<b>-95.6</b>	<b>12.0</b>	<b>65.3</b>	<b>9.3</b>	<b>48.5</b>
<b>Mth subscriptions net (EURm)</b>													
Manager	Fund	05/2014	06/2014	07/2014	08/2014	09/2014	10/2014	11/2014	12/2014	01/2015	02/2015	03/2015	04/2015
Danske Invest	Russia	-1.9	-2.6	-1.8	-1.6	-5.7	-0.5	-2.1	-2.0	-0.6	-0.5	-1.5	-1.4
Danske Invest	Russia Small Cap	-0.3	-0.9	-2.1	-0.4	-0.5	0.4	-1.3	-0.3	-0.1	0.5	-0.3	0.2
Danske Invest	Arvo Venaja	-0.1	0.0	-0.7	-0.3	-0.1	-0.2	-0.6	-0.5	-0.3	0.2	-0.1	0.0
eQ	Venaja 1 K	-0.1	-0.1	-0.1	-0.1	-0.1	0.0	0.1	0.0	-0.1	0.2	0.0	0.1
Evil	Venaja B	0.2	-13.1	-0.3	0.0	-8.0	-0.2	-0.3	0.7	-0.3	0.0	-0.3	-1.5
FIM*	Russia*	-0.8	1.4	-3.2	-1.8	-0.9	-2.1	-0.6	-1.7	0.0	0.6	-0.4	1.5
Nordea	Venaja	1.1	-0.7	-5.9	-3.4	-27.6	-3.1	-4.4	0.0	0.7	-0.8	-2.4	8.5
OP	Venaja	10.7	1.3	-7.5	-2.8	0.2	-4.8	-4.4	-8.3	-2.0	1.0	-1.1	0.5
Saastopankki	Venaja	0.0	0.1	-0.1	-0.1	0.0	0.4	-0.1	-0.4	0.1	0.1	0.1	0.2
Seligson & Co	Russian Prosperity Euro	-0.2	-0.4	-1.1	-15.4	-11.5	-0.6	-0.6	-9.8	0.1	0.0	-4.0	-0.6
Taalritehdas**	Rupla Osake**	0.0	0.0	0.0	-0.5	-4.6	-4.1	-0.3	-0.5	0.0			
<b>Total</b>		<b>8.6</b>	<b>-15.0</b>	<b>-22.8</b>	<b>-26.4</b>	<b>-58.8</b>	<b>-19.8</b>	<b>-14.6</b>	<b>-22.8</b>	<b>-2.5</b>	<b>1.3</b>	<b>-10.0</b>	<b>7.5</b>
<b>Investors (nr)</b>													
Manager	Fund	05/2014	06/2014	07/2014	08/2014	09/2014	10/2014	11/2014	12/2014	01/2015	02/2015	03/2015	04/2015
Danske Invest	Russia	8,972	8,850	8,660	8,516	8,356	8,201	8,042	7,796	7,718	7,622	7,483	7,357
Danske Invest	Russia Small Cap	1,128	1,119	1,084	1,016	1,001	990	960	927	924	918	905	895
Danske Invest	Arvo Venaja	3,135	3,101	3,043	2,978	2,913	2,858	2,802	2,715	2,690	2,650	2,608	2,575
eQ	Venaja 1 K	183	181	170	168	163	161	155	151	148	153	150	150
Evil	Venaja B	466	461	448	442	425	412	399	387	385	385	381	382
FIM*	Russia*	7,668	7,795	7,662	7,529	7,408	7,268	7,118	6,974	6,895	6,756	6,736	6,654
Nordea	Venaja	36,741	36,382	35,856	34,816	34,000	33,188	32,260	31,271	30,703	31,210	30,955	31,303
OP	Venaja	18,143	18,110	17,711	17,430	17,132	16,907	16,515	16,226	16,185	15,832	16,085	16,049
Saastopankki	Venaja	2,470	2,478	2,441	2,424	2,416	2,428	2,414	2,385	2,404	2,432	2,476	2,541
Seligson & Co	Russian Prosperity Euro	3,907	3,902	3,848	3,821	3,791	3,758	3,739	3,783	3,853	3,889	3,891	3,854
Taalritehdas**	Rupla Osake**	143	142	140	137	135	132	125	108	107			
<b>Total</b>		<b>82,956</b>	<b>82,521</b>	<b>81,063</b>	<b>79,277</b>	<b>77,740</b>	<b>76,303</b>	<b>74,529</b>	<b>72,723</b>	<b>74,010</b>	<b>73,857</b>	<b>73,670</b>	<b>73,760</b>
<b>Change in investors, net</b>		<b>-703</b>	<b>-435</b>	<b>-1,458</b>	<b>-1,786</b>	<b>-1,537</b>	<b>-1,437</b>	<b>-1,774</b>	<b>-1,806</b>	<b>1,287</b>	<b>-153</b>	<b>-187</b>	<b>90</b>
<b>Avg ticket size (EUR)</b>		<b>7,500</b>	<b>7,724</b>	<b>7,144</b>	<b>6,900</b>	<b>6,165</b>	<b>5,747</b>	<b>5,162</b>	<b>3,975</b>	<b>4,068</b>	<b>4,826</b>	<b>4,964</b>	<b>5,816</b>

\* In 01/2015, FIM Russia Small Cap was merged into FIM Russia. In 12/2014, FIM Russia Small Cap had AUM EUR 5.7m and 2,684 investors.  
\*\* In 02/2015, Taalritehdas (TT) Rupla Osake was merged into TT Troikka Osake. In 01/2015, TT Rupla Osake had AUM EUR 2.1m and 107 investors.

Source: Investment Research Finland, Capwill analysis

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Contact us

Capwill LLC  
Advisory | Investments  
www.capwill.com  
  
Wilhelm Lindholm  
+7 926 0398489  
wilhelm.lindholm@capwill.com