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## Monthly Performance Review 05/2015: Moving sideways

### Key takeaways

1. Both monthly returns and subscriptions (net) were slightly negative in May, resulting in a minor contraction of AuM
2. The change (net) in investors, however, was modestly positive in the period
3. In summary, the sentiment for portfolio investments in Russia seems to be stabilizing

#### 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 05/2015, 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

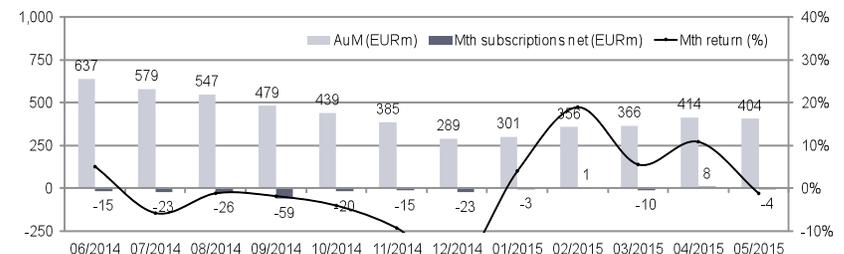
Year	Unit	2014	2015	YTD	LTM										
Total funds	Unit			Tot	Tot										
Monthly return	EURm	30	-36	-6	-9	-21	-39	-73	15	54	19	41	-6	123	-30
Monthly subscriptions, net	EURm	-15	-23	-26	-59	-20	-15	-23	-3	1	-10	8	-4	-8	-188
Change in AuM	EURm	15	58	32	-68	-41	-54	-96	12	55	9	49	-10	115	-218
Change in investors, net	Nr	-436	-1,458	-1,786	-1,537	-1,437	-1,774	-1,806	1,287	-153	-187	90	171	1,208	-9,025

Source: Investment Research Finland, Capwill analysis

The month did not show any meaningful movement in the analyzed performance indicators. Likewise, the macro environment was reasonably stable during the period. Oil traded in a comparatively confined corridor, and the rouble continued to strengthen until mid-May, when the CBR initiated FX purchases to replenish reserves (and soften RUR appreciation).

Overall, the sentiment still appears sensitive to geopolitics in general, and the situation in Eastern Ukraine in particular. Investors continue to return, albeit at a modest pace. It is noteworthy, that in the second half of last year some 10,000 investors (net) withdrew their money, and little more than 1,000 (net) have entered this year. The direction, nevertheless, is cautiously positive, and might indicate that the trend from H2 last year is slowly reversing.

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



Source: Investment Research Finland, Capwill analysis

Figure 3: Data summary, LTM

Mth return (%)		06/2014	07/2014	08/2014	09/2014	10/2014	11/2014	12/2014	01/2015	02/2015	03/2015	04/2015	05/2015
Manager	Fund												
Danske Invest	Russia	5.8%	-6.3%	-0.4%	-1.1%	-3.9%	-9.4%	-19.4%	2.6%	20.8%	4.4%	10.6%	-0.3%
Danske Invest	Russia Small Cap	4.5%	-7.0%	-3.3%	1.0%	-6.4%	-9.4%	-20.5%	-2.9%	21.5%	4.8%	15.3%	0.6%
Danske Invest	Arvo Venaja	5.5%	-3.6%	-2.3%	-1.6%	-6.7%	-7.7%	-19.8%	-2.1%	22.0%	2.9%	14.3%	-0.1%
eQ	Venaja 1 K	1.2%	-3.2%	3.6%	0.3%	-4.5%	-7.1%	-17.0%	-2.1%	18.4%	1.8%	10.2%	-0.1%
Evii	Venaja B	4.1%	-4.9%	-2.0%	-1.8%	-7.3%	-10.6%	-21.0%	-1.0%	22.4%	6.0%	12.8%	-1.1%
FIM*	Russia*	4.1%	-5.9%	-1.9%	-1.1%	-6.4%	-11.9%	-21.3%	2.6%	20.3%	2.8%	13.6%	-0.1%
Nordea	Venaja	5.1%	-5.9%	-0.8%	-0.5%	-3.2%	-9.6%	-18.8%	4.5%	18.4%	4.3%	10.3%	-0.5%
OP	Venaja	6.2%	-6.1%	-0.7%	-2.2%	-3.1%	-8.7%	-16.9%	6.4%	17.7%	7.6%	9.2%	-2.2%
Saastopankki	Venaja	4.3%	-6.1%	-1.2%	-2.2%	-3.1%	-9.4%	-18.3%	5.2%	18.3%	3.9%	11.5%	-2.7%
Seigson & Co	Russian Prosperity Euro	3.6%	-5.1%	-2.8%	-6.0%	-5.5%	-8.7%	-18.8%	2.5%	19.3%	8.5%	13.4%	-2.7%
Taalritehdas**	Rupla Osake**	4.1%	-6.5%	0.5%	-1.0%	-4.2%	-5.4%	-16.3%	3.4%				
<b>Total</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>5.6%</b>	<b>10.9%</b>	<b>-1.2%</b>
<b>AuM (EURm)</b>													
Manager	Fund												
Danske Invest	Russia	66.1	60.0	59.6	51.7	48.6	42.1	32.3	32.6	38.8	39.0	41.7	40.4
Danske Invest	Russia Small Cap	9.3	6.7	6.1	5.7	5.6	4.0	2.9	2.6	3.6	3.5	4.1	4.1
Danske Invest	Arvo Venaja	15.3	14.1	13.5	13.1	11.9	10.5	7.9	7.5	9.3	9.5	10.9	10.8
eQ	Venaja 1 K	2.6	2.4	2.3	2.2	2.1	2.1	1.7	1.6	2.1	2.1	2.4	2.4
Evii	Venaja B	29.7	28.0	27.3	19.1	12.5	10.9	9.1	9.0	11.0	11.2	11.3	11.0
FIM*	Russia*	49.0	42.9	40.2	38.8	34.3	29.7	21.9	25.0	30.6	31.0	36.6	36.4
Nordea	Venaja	192.3	175.8	171.3	143.4	135.4	118.7	96.4	101.6	119.2	122.1	144.5	141.8
OP	Venaja	152.4	135.9	132.2	129.9	121.1	106.4	80.5	83.6	99.4	105.8	116.1	112.4
Saastopankki	Venaja	7.5	7.0	6.8	6.7	6.8	6.1	4.6	4.9	5.9	6.2	7.1	6.8
Seigson & Co	Russian Prosperity Euro	99.8	93.8	76.1	60.7	56.7	51.2	29.7	30.6	36.5	35.3	39.5	38.1
Taalritehdas**	Rupla Osake**	13.4	12.5	12.6	8.0	3.5	3.0	2.1	2.1				
<b>Total</b>		<b>637.4</b>	<b>579.1</b>	<b>547.0</b>	<b>478.3</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>404.2</b>
<b>Change in AuM</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>55.3</b>	<b>9.3</b>	<b>48.5</b>	<b>-10.0</b>
<b>Mth subscriptions net (EURm)</b>													
Manager	Fund												
Danske Invest	Russia	-2.6	-1.8	-1.6	-5.7	-0.5	-2.1	-2.0	-0.6	-0.5	-1.5	-1.4	-0.9
Danske Invest	Russia Small Cap	-0.9	-2.1	-0.4	-0.4	0.4	-1.3	-0.3	-0.1	0.5	-0.3	0.2	-0.1
Danske Invest	Arvo Venaja	0.0	-0.7	-0.3	-0.1	-0.2	-0.6	-0.5	-0.3	0.2	-0.1	0.0	-0.2
eQ	Venaja 1 K	-0.1	-0.1	-0.1	-0.1	0.0	0.1	0.0	-0.1	0.2	0.0	0.1	0.0
Evii	Venaja B	-13.1	-0.3	0.0	-8.0	-5.2	-0.3	0.7	-0.3	0.0	-0.3	-1.5	-0.2
FIM*	Russia*	1.4	-3.2	-1.8	-0.9	-2.1	-0.6	-1.7	0.0	0.6	-0.4	1.5	-0.2
Nordea	Venaja	-0.7	-5.9	-3.4	-27.6	-3.1	-4.4	0.0	0.7	-0.8	-2.4	8.5	-0.9
OP	Venaja	1.3	-7.5	-2.8	0.2	-4.8	-4.4	-8.3	-2.0	1.0	-1.1	0.5	-1.2
Saastopankki	Venaja	0.1	-0.1	-0.1	0.0	0.4	-0.1	-0.4	0.1	0.1	0.1	0.2	-0.1
Seigson & Co	Russian Prosperity Euro	-0.4	-1.1	-15.4	-11.5	-0.6	-0.6	-9.8	0.1	0.0	-4.0	-0.6	-0.3
Taalritehdas**	Rupla Osake**	0.0	0.0	-0.5	-4.6	-4.1	-0.3	-0.5	0.0				
<b>Total</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>-4.1</b>
<b>Investors (nr)</b>													
Manager	Fund												
Danske Invest	Russia	8,850	8,680	8,516	8,356	8,201	8,042	7,796	7,718	7,622	7,483	7,357	7,288
Danske Invest	Russia Small Cap	1,119	1,084	1,016	1,001	990	960	927	924	918	905	895	885
Danske Invest	Arvo Venaja	3,101	3,043	2,978	2,913	2,858	2,802	2,715	2,690	2,650	2,608	2,575	2,553
eQ	Venaja 1 K	181	170	168	163	161	155	151	146	153	150	150	156
Evii	Venaja B	461	448	442	425	412	399	387	385	385	381	382	376
FIM*	Russia*	7,795	7,662	7,529	7,408	7,268	7,118	6,974	6,895	6,758	6,736	6,654	6,623
Nordea	Venaja	36,382	35,856	34,816	34,000	33,188	32,260	31,271	30,703	31,210	30,955	31,303	31,796
OP	Venaja	18,110	17,711	17,430	17,132	16,907	16,515	16,226	16,185	15,832	16,085	16,049	15,878
Saastopankki	Venaja	2,478	2,441	2,424	2,416	2,428	2,414	2,385	2,404	2,432	2,476	2,541	2,554
Seigson & Co	Russian Prosperity Euro	3,902	3,848	3,821	3,791	3,758	3,739	3,783	3,853	3,899	3,891	3,854	3,822
Taalritehdas**	Rupla Osake**	142	140	137	135	132	125	108	107				
<b>Total</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>73,931</b>
<b>Change in investors, net</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>171</b>
<b>Avg ticket size (EUR)</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>5,616</b>	<b>5,467</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 2,694 investors.  
 \*\* In 02/2015, Taalritehdas (TT) Rupla Osake was merged into TT Tölkä 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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