

Investment Analysis

Finland domiciled Russia mutual funds
Moscow, 9 Jul 2015



Author

For more information, please contact

Wilhelm Lindholm

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

Monthly Performance Review 06/2015: What goes up, must...

Key takeaways

1. **Poor returns, coupled with fund redemptions, reduced AuM with almost EUR 50m**
2. **For the first time this year, all analyzed indicators were in red territory**
3. **In summary, the sentiment for portfolio investments in Russia continues to show volatility**

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 06/2015, 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. 1.0% 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

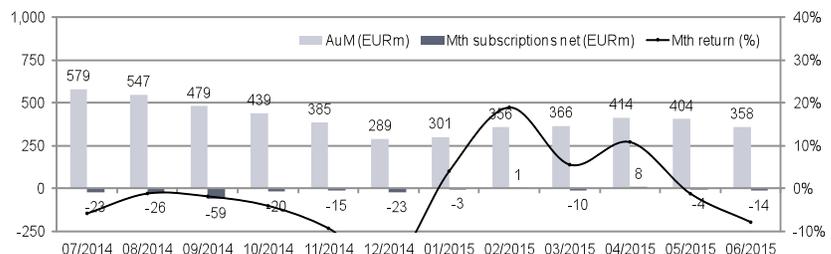
Period	Unit	2014						2015						YTD	LTM
		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Tot	Tot
Total funds	EURm	-36	-6	-9	-21	-39	-73	15	54	19	41	-6	-32	91	-92
Monthly return	EURm	-23	-26	-59	-20	-15	-23	-3	1	-10	8	-4	-14	-22	-187
Monthly subscriptions net	EURm	-58	-32	-68	-41	-54	-96	12	55	9	49	-10	-46	69	-279
Change in AuM	EURm	-1458	-1786	-1537	-1437	-1774	-1806	1287	-153	-187	90	171	-1295	-87	9,885
Change in investors net	Nr														

Source: Investment Research Finland, Capwill analysis

The month wiped out over 10% of AuM. This time, however, it was probably less due to Russia's own making, and more attributable to external events; the Chinese stock market drop and Greece's strand-off with EU / creditors had negative impact on the global sentiment. Moreover, after last year, Russia's weight in indexes and allocations has declined, which has likely had the opposite effect on volatility.

Compared to the "crisis period" in the end last year, the June performance seems like a "bad month" in a "new normal". Note that both subscriptions (net) and changes in investors (net) were less negative than at any time during 2H2014. Cumulatively for the first half of 2015 (YTD), change in AuM is still positive, and change in investors (net) essentially flat.

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



Source: Investment Research Finland, Capwill analysis

Figure 3: Data summary, LTM

Mth return (%)		07/2014	08/2014	09/2014	10/2014	11/2014	12/2014	01/2015	02/2015	03/2015	04/2015	05/2015	06/2015
Manager	Fund												
Danske Invest	Russia	-6.3%	-0.4%	-1.1%	-3.3%	-9.4%	-19.4%	2.6%	20.6%	4.4%	10.6%	-0.3%	-8.6%
Danske Invest	Russia Small Cap	-7.0%	-3.3%	1.0%	-6.4%	-9.4%	-20.5%	-2.9%	21.5%	4.8%	15.3%	0.6%	-8.6%
Danske Invest	Arvo Venaja	-3.6%	-2.3%	-1.6%	-6.7%	-7.7%	-19.8%	-2.1%	22.0%	2.9%	14.3%	-0.1%	-10.2%
eQ	Venaja 1 K	-3.2%	3.6%	0.3%	-4.5%	-7.1%	-17.0%	-2.1%	18.4%	1.8%	10.2%	-0.1%	-7.4%
Evli	Venaja B	-4.9%	-2.0%	-1.8%	-7.3%	-10.6%	-21.0%	-1.0%	22.4%	6.0%	12.8%	-1.1%	-7.6%
FIM*	Russia*	-5.9%	-1.9%	-1.1%	-6.4%	-11.9%	-21.3%	2.6%	20.3%	2.8%	13.6%	-0.1%	-9.6%
Nordea	Venaja	-5.9%	-0.8%	-0.5%	-3.2%	-9.6%	-18.8%	4.5%	18.4%	4.3%	10.3%	-0.5%	-8.1%
OP	Venaja	-6.1%	-0.7%	-2.2%	-3.1%	-8.7%	-16.9%	6.4%	17.7%	7.6%	9.2%	-2.2%	-6.3%
Saastopankki	Venaja	-6.1%	-1.2%	-2.2%	-3.1%	-9.4%	-18.3%	5.2%	18.3%	3.9%	11.5%	-2.7%	-8.5%
Selgson & Co	Russian Prosperity Euro	-5.1%	-2.8%	-6.0%	-5.5%	-8.7%	-18.8%	2.5%	19.3%	6.5%	13.4%	-2.7%	-8.8%
Taalritehdas**	Rupla Osake**	-6.5%	0.6%	-1.0%	-4.2%	-5.4%	-16.3%	3.4%					
Total		-5.8%	-1.2%	-1.9%	-4.1%	-9.3%	-18.6%	4.0%	18.9%	5.5%	10.9%	-1.2%	-7.9%
AUM (EURm)													
Manager	Fund												
Danske Invest	Russia	60.0	58.6	51.7	46.6	42.1	32.3	32.6	38.8	39.0	41.7	40.4	35.9
Danske Invest	Russia Small Cap	6.7	6.1	5.7	5.6	4.0	2.9	2.6	3.6	3.5	4.1	4.1	3.5
Danske Invest	Arvo Venaja	14.1	13.5	13.1	11.9	10.5	7.9	7.5	9.3	9.5	10.9	10.8	9.1
eQ	Venaja 1 K	2.4	2.3	2.2	2.1	2.1	1.7	1.6	2.1	2.1	2.4	2.4	2.2
Evli	Venaja B	28.0	27.3	19.1	12.5	10.9	9.1	9.0	11.0	11.2	11.3	11.0	9.3
FIM*	Russia*	42.9	40.2	38.8	34.3	29.7	21.9	25.0	30.6	31.0	36.6	36.4	31.7
Nordea	Venaja	175.8	171.3	143.4	135.4	118.7	96.4	101.6	119.2	122.1	144.5	141.8	121.8
OP	Venaja	135.9	132.2	129.9	121.1	106.4	80.5	83.6	99.4	105.8	116.1	112.4	104.4
Saastopankki	Venaja	7.0	6.8	6.7	6.8	6.1	4.6	4.9	5.9	6.2	7.1	6.8	6.2
Selgson & Co	Russian Prosperity Euro	93.8	76.1	60.7	56.7	51.2	29.7	30.6	36.5	35.3	39.5	38.1	34.2
Taalritehdas**	Rupla Osake**	12.5	12.6	8.0	3.5	3.0	2.1	2.1					
Total		579.1	547.0	479.3	438.5	384.7	289.1	301.1	356.4	365.7	414.2	404.2	358.3
Change in AUM		-58.3	-32.1	-67.7	-40.8	-53.8	-95.6	12.0	55.3	9.3	48.5	-10.0	-45.9
Mth subscriptions net (EURm)													
Manager	Fund												
Danske Invest	Russia	-1.8	-1.6	-5.7	-0.5	-2.1	-2.0	-0.6	-0.5	-1.5	-1.4	-0.9	-1.0
Danske Invest	Russia Small Cap	-2.1	-0.4	-0.5	0.4	-1.3	-0.3	-0.1	0.5	-0.3	0.2	-0.1	-0.2
Danske Invest	Arvo Venaja	-0.7	-0.3	-0.1	-0.2	-0.6	-0.5	-0.3	0.2	-0.1	0.0	-0.2	-0.4
eQ	Venaja 1 K	-0.1	-0.1	-0.1	0.0	0.1	0.0	-0.1	0.2	0.0	0.1	0.0	0.0
Evli	Venaja B	-0.3	0.0	-8.0	-5.2	-0.3	0.7	-0.3	0.0	-0.3	-1.5	-0.2	-0.9
FIM*	Russia*	-3.2	-1.8	-0.9	-2.1	-0.6	-1.7	0.0	0.6	-0.4	1.5	-0.2	-1.3
Nordea	Venaja	-5.9	-3.4	-27.6	-3.1	-4.4	0.0	0.7	-0.8	-2.4	8.5	-0.9	-8.8
OP	Venaja	-7.5	-2.8	0.2	-4.8	-4.4	-8.3	-2.0	1.0	-1.1	0.5	-1.2	-0.9
Saastopankki	Venaja	-0.1	-0.1	0.0	0.4	-0.1	-0.4	0.1	0.1	0.1	0.2	-0.1	-0.1
Selgson & Co	Russian Prosperity Euro	-1.1	-15.4	-11.5	-0.6	-0.6	-9.8	0.1	0.0	-4.0	-0.6	-0.3	-0.5
Taalritehdas**	Rupla Osake**	0.0	-0.5	-4.6	-4.1	-0.3	-0.5	0.0					
Total		-22.8	-26.4	-68.8	-19.8	-14.6	-22.8	-2.6	1.3	-10.0	7.5	-4.1	-14.1
Investors (nr)													
Manager	Fund												
Danske Invest	Russia	8,660	8,516	8,356	8,201	8,042	7,796	7,718	7,622	7,483	7,357	7,288	7,186
Danske Invest	Russia Small Cap	1,084	1,016	1,001	990	960	927	924	918	905	895	885	870
Danske Invest	Arvo Venaja	3,043	2,978	2,913	2,858	2,802	2,715	2,690	2,650	2,608	2,575	2,553	2,499
eQ	Venaja 1 K	170	168	163	161	155	151	146	153	150	150	156	157
Evli	Venaja B	448	442	425	412	399	387	385	385	381	382	376	366
FIM*	Russia*	7,662	7,529	7,408	7,268	7,118	6,974	6,895	6,756	6,654	6,523	6,374	6,234
Nordea	Venaja	35,856	34,816	34,000	33,188	32,260	31,271	30,703	31,210	30,955	31,303	31,796	31,158
OP	Venaja	17,711	17,430	17,132	16,907	16,515	16,226	16,185	15,832	16,085	16,049	15,878	15,699
Saastopankki	Venaja	2,441	2,424	2,416	2,428	2,414	2,385	2,404	2,432	2,476	2,541	2,554	2,536
Selgson & Co	Russian Prosperity Euro	3,848	3,821	3,791	3,758	3,739	3,783	3,853	3,899	3,891	3,854	3,822	3,791
Taalritehdas**	Rupla Osake**	140	137	135	132	125	108	107					
Total		81,063	79,277	77,740	76,303	74,529	72,723	74,010	73,857	73,670	73,760	73,931	72,636
Change in investors, net		-1,458	-1,786	-1,537	-1,437	-1,774	-1,806	1,287	-153	-187	90	171	-1,295
Avg ticket size (EUR)		7,144	6,900	6,165	5,747	5,162	3,975	4,068	4,826	4,964	5,616	5,467	4,933

* 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 Trolrika Osake. In 01/2015, TT Rupla Osake had AUM EUR 2.1m and 107 investors.

Source: Investment Research Finland, Capwill analysis

Disclaimer

The information contained in this report has been compiled by Capwill LLC ("Capwill"). No representation or warranty, expressed or implied is made by Capwill as to the accuracy or completeness of the information. Capwill is not responsible for any errors in or omissions to such information, or for any such consequences that may result from the use of such information.

Contact us

Capwill LLC
 Advisory | Investments
 www.capwill.com

Wilhelm Lindholm
 +7 926 0398489
 wilhelm.lindholm@capwill.com