

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 01/2015: Some indicators back in black

Key takeaways

1. The first month of the year broke a prolonged trend of negative performance indicators
2. AuM increased slightly on the back of the first positive returns in half year (avg +4%)
3. In summary, however, the sentiment for portfolio investments in Russia remains weak

About the report:

This report provides an overview of the monthly performance of Finland domiciled Russia mutual funds. The sample consists of 11 mutual funds by 9 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
Taalentehdas	Rupla

About Finnish mutual fund investments:

As of 01/2015, total assets under management (AuM) of all Finland domiciled equity mutual funds were app. EUR 33 billion, with the 11 analyzed Russia funds accounting for app. 0.9% of total AuM.

In addition to the 11 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	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan*	LTM
Total funds														
Monthly return	EURm	-43	-43	-51	-40	88	30	-36	-6	-9	-39	-73	15	-206
Monthly subscriptions, net	EURm	-28	-180	-47	9	-15	-23	-26	-59	-20	-15	-23	-3	-429
Change in AuM	EURm	-71	-231	-87	96	15	-58	-32	-68	-41	-54	-96	12	-613
Change in investors, net*	Nr	-5,814	-4,236	-2,438	-703	-435	-1,458	-1,786	-1,537	-1,437	-1,774	-1,806	1,287	-22,137

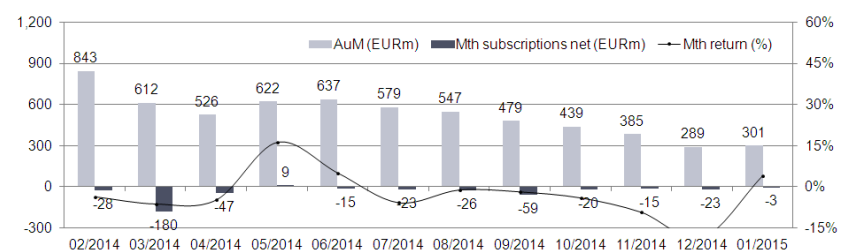
* In 01/2015, FIM Russia Small Cap was merged into FIM Russia. In 12/2014, FIM Russia Small Cap had AuM EUR 5.7m and 2,684 investors.

Source: Investment Research Finland, Capwill analysis

In January, the growth in AuM was attributable to positive monthly returns, as monthly subscriptions (net) remained negative for the eight consecutive month. Additionally, part of the calculated increase in AuM and investors was due to adjustment effects, resulting from the fund merger of FIM Russia Small Cap into in FIM Russia.

The volume of fund redemptions (net) was reduced significantly. In fact, at close to breakeven (EUR -3m), it was the second "highest" recorded monthly result over the last year. On cumulative LTM basis, however, fund subscriptions (net) still exceed negative EUR 400m.

Figure 2: Total assets under management, LTM



Source: Investment Research Finland, Capwill analysis

Figure 3: Data summary, LTM

Note: 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.

Mth return (%)		02/2014	03/2014	04/2014	05/2014	06/2014	07/2014	08/2014	09/2014	10/2014	11/2014	12/2014	01/2015
Manager	Fund												
Danske Invest	Russia	-3.1%	-8.0%	-5.7%	16.9%	5.8%	-8.8%	-0.4%	-1.1%	-3.9%	-9.4%	-19.4%	2.6%
Danske Invest	Russia Small Cap	-2.9%	-12.3%	-6.0%	19.9%	4.5%	-7.0%	-3.3%	1.0%	-6.4%	-9.4%	-20.5%	-2.9%
Danske Invest	Arvo Venaja	-4.9%	-7.0%	-1.4%	13.3%	5.5%	-3.6%	-2.3%	-1.6%	-6.7%	-7.7%	-19.8%	-2.1%
eQ	Venaja 1 K	-4.0%	-5.2%	-3.8%	14.4%	1.2%	-3.2%	3.6%	0.3%	-4.5%	-7.1%	-17.0%	-2.1%
Evii	Venaja B	-4.1%	-8.8%	-6.2%	16.6%	4.1%	-4.9%	-2.0%	-1.3%	-7.3%	-10.6%	-21.0%	-1.0%
FIM	Russia	-4.6%	-6.1%	-6.2%	19.4%	4.1%	-5.9%	-1.9%	-1.1%	-6.4%	-11.9%	-21.3%	2.6%
Nordea	Venaja	-3.7%	-6.2%	-6.1%	16.4%	5.1%	-5.9%	-0.8%	-0.5%	-3.2%	-9.6%	-18.6%	4.5%
OP	Venaja	-3.0%	-4.4%	-3.5%	15.9%	6.2%	-6.1%	-0.7%	-2.2%	-3.1%	-9.7%	-16.9%	6.4%
Saastopankki	Venaja	-4.1%	-6.9%	-5.6%	14.1%	4.3%	-6.1%	-1.2%	-2.2%	-3.1%	-9.4%	-18.3%	5.2%
Seligson & Co	Russian Prosperity Euro	-3.8%	-5.7%	-2.6%	14.5%	3.8%	-5.1%	-2.8%	-6.0%	-5.5%	-8.7%	-18.6%	2.5%
Taalritehdas	Rupia Osake	-4.1%	-8.8%	-3.4%	16.3%	4.1%	-6.5%	0.5%	-1.0%	-4.2%	-5.4%	-16.3%	3.4%
Total	* Weighted return	-3.6%	-6.3%	-4.8%	16.2%	5.0%	-5.8%	-1.2%	-1.9%	-4.1%	-9.3%	-18.6%	4.0%
AuM (EURm)													
Manager	Fund												
Danske Invest	Russia	93.0	64.0	57.5	65.0	66.1	60.0	58.6	51.7	48.6	42.1	32.3	32.6
Danske Invest	Russia Small Cap	15.3	9.9	8.5	9.7	9.3	8.7	6.1	5.7	5.6	4.0	2.9	2.6
Danske Invest	Arvo Venaja	15.9	13.7	12.9	14.5	15.3	14.1	13.5	13.1	11.9	10.5	7.9	7.5
eQ	Venaja 1 K	3.5	2.8	2.5	2.6	2.6	2.4	2.3	2.2	2.1	2.1	1.7	1.6
Evii	Venaja B	52.6	35.6	33.2	41.1	29.7	28.0	27.3	19.1	12.5	10.9	9.1	9.0
FIM	Russia	62.2	42.6	38.9	45.7	49.0	42.9	40.2	38.8	34.3	29.7	21.9	25.0
Nordea	Venaja	308.6	218.7	157.1	184.7	192.3	175.8	171.3	143.4	135.4	118.7	96.4	101.6
OP	Venaja	136.0	118.7	113.2	142.2	152.4	135.9	132.2	129.9	121.1	106.4	80.5	83.6
Saastopankki	Venaja	7.4	6.6	6.2	7.1	7.5	7.0	6.8	6.7	6.8	6.1	4.6	4.9
Seligson & Co	Russian Prosperity Euro	136.2	88.2	84.7	96.7	99.8	93.8	76.1	60.7	56.7	51.2	29.7	30.6
Taalritehdas	Rupia Osake	12.7	11.5	11.1	12.9	13.4	12.5	12.6	8.0	3.5	3.0	2.1	2.1
Total		843.4	612.3	525.8	622.2	637.4	579.1	547.0	479.3	438.5	384.7	289.1	301.1
Change in AuM		-70.9	-231.1	-86.5	96.4	15.2	-58.3	-32.1	-67.7	-40.8	-53.8	-95.6	12.0
Mth subscriptions net (EURm)													
Manager	Fund												
Danske Invest	Russia	-1.5	-21.9	-1.4	-1.9	-2.6	-1.8	-1.6	-5.7	-0.5	-2.1	-2.0	-0.6
Danske Invest	Russia Small Cap	0.2	-3.4	-0.8	-0.3	-0.9	-2.1	-0.4	-0.5	0.4	-1.3	-0.3	-0.1
Danske Invest	Arvo Venaja	-0.4	-1.1	-0.8	-0.1	0.0	-0.7	-0.3	-0.1	-0.2	-0.6	-0.5	-0.3
eQ	Venaja 1 K	-0.2	-0.4	-0.3	-0.1	0.1	-0.1	-0.1	0.0	0.0	0.1	0.0	-0.1
Evii	Venaja B	-0.5	-11.9	-0.5	0.2	-13.1	-0.3	0.0	-8.0	-5.2	-0.3	0.7	-0.3
FIM	Russia	-1.2	-14.8	-0.8	-0.8	1.4	-3.2	-1.8	-0.9	-2.1	-0.6	-1.7	0.0
Nordea	Venaja	-19.3	-75.4	-39.7	1.1	-0.7	-5.9	-3.4	-27.6	-3.1	-4.4	0.0	0.7
OP	Venaja	-3.1	-10.6	-1.3	10.7	1.3	-7.5	-2.8	0.2	-4.8	-4.4	-8.3	-2.0
Saastopankki	Venaja	0.0	-0.3	0.0	0.0	0.1	-0.1	-0.1	0.0	0.4	-0.1	-0.4	0.1
Seligson & Co	Russian Prosperity Euro	-1.8	-40.0	-1.3	-0.2	-0.4	-1.1	-15.4	-11.5	-0.6	-0.6	-9.8	0.1
Taalritehdas	Rupia Osake	-0.2	-0.1	0.0	0.0	0.0	0.0	-0.5	-4.8	-4.1	-0.3	-0.5	0.0
Total		-28.0	-179.9	-46.9	8.6	-15.0	-22.8	-26.4	-58.8	-19.8	-14.6	-22.8	-2.5
Investors (nr)													
Manager	Fund												
Danske Invest	Russia	9,810	9,810	9,080	8,972	8,850	8,660	8,516	8,356	8,201	8,042	7,796	7,718
Danske Invest	Russia Small Cap	1,189	1,189	1,122	1,128	1,119	1,084	1,016	1,001	990	960	927	924
Danske Invest	Arvo Venaja	3,374	3,374	3,165	3,135	3,101	3,043	2,978	2,913	2,858	2,802	2,715	2,690
eQ	Venaja 1 K	221	206	192	183	181	170	168	163	161	155	151	146
Evii	Venaja B	490	426	410	466	461	448	442	425	412	399	387	385
FIM	Russia	8,044	7,815	7,700	7,668	7,795	7,662	7,529	7,408	7,268	7,118	6,974	6,895
Nordea	Venaja	40,954	38,212	37,168	36,741	36,382	35,856	34,816	34,000	33,188	32,260	31,271	30,703
OP	Venaja	19,464	18,519	18,310	18,143	18,110	17,711	17,430	17,132	16,907	16,515	16,226	16,185
Saastopankki	Venaja	2,577	2,484	2,469	2,470	2,478	2,441	2,424	2,416	2,428	2,414	2,385	2,404
Seligson & Co	Russian Prosperity Euro	4,061	3,918	3,899	3,907	3,902	3,848	3,821	3,791	3,758	3,739	3,783	3,853
Taalritehdas	Rupia Osake	149	144	144	143	142	140	137	135	132	125	108	107
Total		90,333	86,097	83,659	82,956	82,521	81,063	79,277	77,740	76,303	74,529	72,723	74,010
Change in investors, net*		-6,814	-4,236	-2,438	-703	-435	-1,458	-1,786	-1,537	-1,437	-1,774	-1,806	1,287
Avg ticket size (EUR)		9,337	7,112	6,285	7,500	7,724	7,144	6,900	6,165	5,747	5,162	3,975	4,068

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