

Investment Analysis

Finland domiciled Russia mutual funds
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Author

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Monthly Performance Review 11/2014: Indicators in red

Key takeaways

1. November was the fifth consecutive month with all analyzed fund performance indicators in red territory
2. However, while negative, monthly subscriptions net was at the lowest level YTD (EUR -15m)
3. In summary, the sentiment for portfolio investments in Russia is currently weak

About the report:

This report provides an overview of the monthly performance of Finland domiciled Russia mutual funds. The sample consists of 12 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
FIM	Russia Small Cap
Nordea	Venaja
OP	Venaja
Saastopankki	Venaja
Seligson & Co	Russian Prosp. Euro
Taalritehdas	Rupla

About Finnish mutual fund investments:

As of 11/2014, total assets under management (AuM) of all Finland domiciled equity mutual funds were app. EUR 32 billion, with the 12 analyzed Russia funds accounting for app. 1.2% of total AuM.

In addition to the 12 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, YTD

Year		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	2014
Total funds													
Monthly return	EURm	-107	-31	-52	-40	90	31	-36	-6	-9	-22	-41	-224
Monthly subscriptions, net	EURm	-56	-28	-180	-47	9	-15	-24	-27	-59	-20	-15	-461
Change in AuM	EURm	-162	-69	-232	-87	98	16	-60	-33	-68	-42	-56	-684
Change in investors, net*	Nr	-1,526	-2,821	-4,271	-2,467	-717	-401	-2,384	-948	-1,583	-1,495	-1,819	-20,432

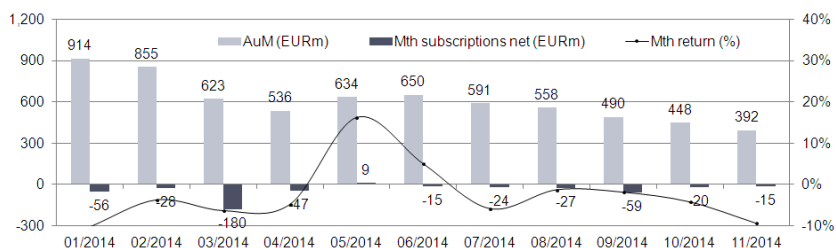
* Excl. Nordea 01/2014

Source: Investment Research Finland, Capwill analysis

November did not break the negative trend of the previous four months. With a monthly return of -9% and EUR 15m of net outflows, total AuM was down over EUR 50m in the period. Although the month witnessed the second weakest return performance YTD (% terms), net subscriptions negative amount (EUR -15m) was modest in comparison.

On cumulative YTD basis, 2/3 of the drop in total AuM is explained by negative net subscriptions (= fund redemptions). Taken combined, the funds have lost over half of their value and 20,000 investors during the year.

Figure 2: Total assets under management, YTD



Source: Investment Research Finland, Capwill analysis

Figure 3: Data summary, LTM

Mth return (%)		12/2013	01/2014	02/2014	03/2014	04/2014	05/2014	06/2014	07/2014	08/2014	09/2014	10/2014	11/2014
Manager	Fund												
Danske Invest	Russia	1.3%	-11.2%	-3.1%	-8.0%	-5.7%	16.9%	5.8%	-8.9%	-0.4%	-1.1%	-3.3%	-8.4%
Danske Invest	Russia Small Cap	3.5%	-13.5%	-2.9%	-12.3%	-6.0%	19.9%	4.5%	-7.0%	-3.3%	1.0%	-6.4%	-9.4%
Danske Invest	Arvo Venaja	2.6%	-8.5%	-4.9%	-7.0%	-1.4%	13.3%	5.5%	-3.6%	-2.3%	-1.6%	-6.7%	-7.7%
eQ	Venaja 1 K	4.0%	-9.6%	-4.0%	-5.2%	-3.8%	14.4%	1.2%	-3.2%	3.6%	0.3%	-4.5%	-7.1%
Evii	Venaja B	0.8%	-10.6%	-4.1%	-8.8%	-6.2%	16.6%	4.1%	-4.9%	-2.0%	-1.8%	-7.3%	-10.6%
FIM	Russia	0.8%	-8.8%	-4.6%	-6.1%	-6.2%	19.4%	4.1%	-5.9%	-1.9%	-1.1%	-6.4%	-11.9%
FIM	Russia Small Cap	-0.3%	-7.3%	-6.8%	-4.3%	-4.3%	18.3%	4.1%	-5.6%	-5.4%	-1.3%	-11.1%	-13.3%
Nordea	Venaja	1.7%	-11.0%	-3.7%	-6.2%	-6.1%	16.4%	5.1%	-5.9%	-0.8%	-0.5%	-3.2%	-9.6%
OP	Venaja	1.4%	-9.8%	-3.0%	-4.4%	-3.5%	15.9%	6.2%	-6.1%	-0.7%	-2.2%	-3.1%	-8.7%
Saastopankki	Venaja	1.6%	-8.7%	-4.1%	-6.9%	-5.6%	14.1%	4.3%	-6.1%	-1.2%	-2.2%	-3.1%	-9.4%
Seligson & Co	Russian Prosperity Euro	1.9%	-8.5%	-3.8%	-5.7%	-2.8%	14.5%	3.6%	-5.1%	-2.8%	-6.0%	-5.5%	-8.7%
Taalertehdas	Rupla Osake	3.2%	-12.0%	-4.1%	-8.6%	-3.4%	16.3%	4.1%	-6.5%	0.5%	-1.0%	-4.2%	-5.4%
Total	* Weighted return	1.6%	-10.2%	-3.7%	-6.3%	-4.7%	16.3%	5.0%	-5.8%	-1.3%	-1.9%	-4.2%	-9.4%
AUM (EURm)													
Manager	Fund												
Danske Invest	Russia	117	97	93	64	58	65	66	60	59	52	49	42
Danske Invest	Russia Small Cap	20	15	15	10	9	10	9	7	6	6	6	4
Danske Invest	Arvo Venaja	20	17	16	14	13	15	15	14	14	13	12	11
eQ	Venaja 1 K	4	4	4	3	3	3	3	2	2	2	2	2
Evii	Venaja B	73	55	53	36	33	41	30	28	27	19	13	11
FIM	Russia	71	66	62	43	39	46	49	43	40	39	34	30
FIM	Russia Small Cap	14	13	12	11	10	12	13	11	11	10	9	8
Nordea	Venaja	389	339	309	219	157	185	192	176	171	143	135	119
OP	Venaja	164	144	136	119	113	142	152	136	132	130	121	106
Saastopankki	Venaja	9	8	7	7	6	7	8	7	7	7	7	6
Seligson & Co	Russian Prosperity Euro	179	143	136	88	85	97	100	94	76	61	57	51
Taalertehdas	Rupla Osake	16	13	13	12	11	13	13	13	13	8	4	3
Total		1,077	914	855	623	536	634	650	591	558	490	448	392
Change in AUM		-162	-59	-232	-87	98	16	-60	-33	-68	-42	-65	
Mth subscriptions net (EURm)													
Manager	Fund												
Danske Invest	Russia	-1	-8	-2	-22	-1	-2	-3	-2	-2	-6	-1	-2
Danske Invest	Russia Small Cap	-1	-2	0	-3	-1	0	-1	-2	0	-1	0	-1
Danske Invest	Arvo Venaja	0	-1	0	-1	-1	0	0	-1	0	0	0	-1
eQ	Venaja 1 K	0	0	0	0	0	0	0	0	0	0	0	0
Evii	Venaja B	0	-11	-1	-12	-1	0	-13	0	0	-8	-5	0
FIM	Russia	-11	2	-1	-15	-1	-1	1	-3	-2	-1	-2	-1
FIM	Russia Small Cap	0	-1	0	0	0	0	0	-1	0	0	0	0
Nordea	Venaja	3	-9	-19	-75	-40	1	-1	-6	-3	-28	-3	-4
OP	Venaja	-6	-5	-3	-11	-1	11	1	-8	-3	0	-5	-4
Saastopankki	Venaja	0	0	0	0	0	0	0	0	0	0	0	0
Seligson & Co	Russian Prosperity Euro	-2	-21	-2	-40	-1	0	0	-1	-15	-12	-1	-1
Taalertehdas	Rupla Osake	0	0	0	0	0	0	0	0	-1	-5	-4	0
Total		-19	-56	-28	-180	-47	9	-15	-24	-27	-59	-20	-15
Investors (nr)													
Manager	Fund												
Danske Invest	Russia	10,228	10,047	9,810	9,810	9,080	8,972	8,850	8,660	8,516	8,356	8,201	8,042
Danske Invest	Russia Small Cap	1,270	1,226	1,189	1,189	1,122	1,128	1,119	1,084	1,016	1,001	990	960
Danske Invest	Arvo Venaja	3,530	3,458	3,374	3,374	3,165	3,135	3,101	3,043	2,978	2,913	2,858	2,802
eQ	Venaja 1 K	234	230	221	206	192	183	181	170	168	163	161	155
Evii	Venaja B	530	504	490	426	410	466	461	448	442	425	412	399
FIM	Russia	8,520	8,287	8,044	7,815	7,700	7,668	7,795	7,662	7,529	7,408	7,268	7,118
FIM	Russia Small Cap	3,177	3,099	2,993	2,958	2,929	2,915	2,949	2,823	2,861	2,815	2,757	2,712
Nordea	Venaja	61,626	42,677	40,954	38,212	37,168	36,741	36,382	35,856	34,816	34,000	33,188	32,260
OP	Venaja	20,588	19,774	19,464	18,519	18,310	18,143	18,110	17,711	17,430	17,132	16,907	16,515
Saastopankki	Venaja	2,625	2,585	2,577	2,484	2,469	2,470	2,478	2,441	2,424	2,416	2,428	2,414
Seligson & Co	Russian Prosperity Euro	4,131	4,104	4,061	3,918	3,899	3,907	3,902	3,848	3,821	3,791	3,758	3,739
Taalertehdas	Rupla Osake	163	158	149	144	144	143	142	140	137	135	132	125
Total		116,622	96,147	93,326	89,055	86,588	85,871	85,470	83,086	82,138	80,555	79,060	77,241
Change in investors, net*			-1,526	-2,821	-4,271	-2,467	-717	-401	-2,384	-948	-1,583	-1,495	-1,819
Avg ticket size (EUR)			9,232	9,509	9,164	6,996	6,189	7,385	7,607	7,107	6,789	6,077	5,660
* Excl. Nordea 01/2014													

Source: Investment Research Finland, Capwill analysis

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