

STRATEGY

INVL Russia TOP20 subfund has a concentrated portfolio of 15 - 25 region's best investment ideas. Every pick comes from a thorough fundamental bottom-up analysis. Concentrated portfolio means maximum focus on each investment idea. Fund manager looks for underresearched picks outside the benchmark and has investments into small-caps and mid-caps, as well as large-cap companies. Higher concentration comes with the risk of higher deviation in subfund's net asset values.

Recommended investment period – more than 5 years.

FACTS

Management company	INVL Asset Management
ISIN code	LTIF00000435
Inception date	2010-10-29
Minimum investment	EUR 0
AUM, EUR M	6,2
Management fee	1,5%
Subscription fee	2%
Success fee	15%
Base currency	EUR
Countries of distribution	Lithuania, Latvia, Sweden, Denmark, Finland, Norway, Germany

For more information on the fund (prospectus, benchmark, results) please click on the link below:
<https://www.invl.com/lit/en/investment/invl-russia-top20-subfund>

RESULTS


	Fund	Benchmark ***
Return YTD	-14,3%	-18,3%
Return 1Y	-3,3%	-4,1%
Return 3Y	17,5%	22,4%
3 year annualized return	5,5%	7,0%
5 year annualized return	13,6%	8,7%
Volatility (St. deviation)*	21,1%	26,7%
Sharpe ratio**	0,3	0,3

FUND MANAGER COMMENT

August was a flattish month for Russian market. It began with slight optimism as the markets were strong worldwide. The sentiment in Russia reversed when protests in Belarus accelerated. Investors' sentiment was impaired by a fear that Russia could get hit with new sanctions from the Western world due to its support of Lukashenko's regime. New poisoning story of the Russian opposition leader Alexei Navalny also increased the risks. Government-controlled blue-chip names were among the first ones that saw sellers in their shares.

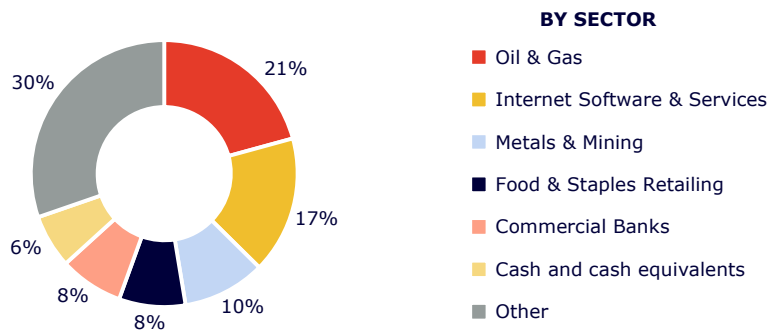
On the bright side, Russia's "New economy" champion Yandex was added to the MSCI Russia index. The long-awaited move has triggered further outperformance in Yandex and spilled over to the shares of another tech name - Mail.ru.

*Standard deviation is used to measure risk. Standard deviation is an indicator that measures how strongly fund's daily return deviates from its mean. The lower the standard deviation the lower the fund's risk. The standard deviation value corresponds to the period shown in the historical returns graph.

**Sharpe ratio measures the performance of an investment compared to a risk-free asset, after adjusting for its risk. The greater a portfolio's Sharpe ratio, the better its risk-adjusted performance. Sharpe ratio value corresponds to the period shown in the historical returns graph.

***Benchmark index:

100% MSCI Russia 10-40 Net Total Return EUR Index (MN40RUE Index)

BREAKDOWN OF INVESTMENTS

TOP 10 PORTFOLIO HOLDINGS

LUKOIL PJSC-SPON ADR	8,5%	Oil & Gas
QIWI PLC-SPONSORED ADR	7,0%	Internet Software & Services
GAZPROM PJSC-SPON ADR	5,8%	Oil & Gas
MAIL.RU GROUP-GDR REGS	5,1%	Internet Software & Services
X 5 RETAIL GROUP NV-REGS GDR	4,6%	Food & Staples Retailing
YANDEX NV-A	4,6%	Internet Software & Services
SBERBANK PJSC -SPONSORED ADR	4,4%	Commercial Banks
ETALON GROUP-GDR REG S	4,3%	Real Estate Management & Development
TATNEFT PAO-SPONSORED ADR	4,1%	Oil & Gas
PETROPAVLOVSK PLC	3,7%	Metals & Mining

REASONS TO INVEST

- High discount relative to emerging markets.
- Low valuations - estimated P/E ratio is 5.3 and P/B ratio is 0.8 (RTS).
- Russian stocks offer ~7.4% average expected dividend yield (RTS).
- The fund manager has been named the most consistent Russia equity fund manager by Citywire (September, 2016).
- Being actively managed, the fund has flexibility to focus on only up to 25 investments fund manager deemed to have the most promising business case, dividend policies, quality of management and treatment of minority shareholders.

COMPANY
CONTACT

INVL Asset Management is a boutique asset management company that offers a range of CEE-focused investment products since 2004. Team of ten portfolio managers, based in Vilnius, Lithuania (headquarters) and Riga, Latvia, use primarily fundamental value, bottom up approach and manage over 1 billion EUR in assets. Being nimble and highly competitive, INVL funds consistently rank high in international rankings. We adhere to the UN Principles for Responsible Investment (PRI) and are supervised by the Central bank of Lithuania.

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Before investing, please consider the funds' investment objectives, risks, and fees applied. To obtain more information about the fund, please visit www.invl.com, where you can find fund's key facts, NAV's, Rules, Prospectus and KIID which contain this and other important information.

All funds presented in the factsheet has benchmark. Benchmark indexes and their composition is selected to more accurately reflect the fund's investment strategy, defined in fund Rules and Prospectus.

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