

# JPMorgan Russian Securities

## Beyond politics

Russia's relationship with the West is deteriorating. A brief period of optimism that accompanied President Trump's election proved fleeting and recent events suggest that any hope of an easing of sanctions in the short-term is ebbing away. President Putin has secured his election victory but, amid new US sanctions and fears of increasing conflict in Syria, the market suffered its largest fall in four years; who can say what Putin's next move will be.

But, for those prepared to look beyond the politics, could this represent an opportunity? When we last wrote on JPMorgan Russian Securities (JRS), we drew attention to the low valuation and high and rising yield offered by the Russian stock market. Russia's economy, which is heavily dependent on the exploitation of the country's considerable mineral wealth, has been buoyed by a recovery in the oil price and rising prices for a range of other commodities. This has improved government finances. Market valuations and yields looked attractive prior to the recent sell-off; these have become more compelling since.

## Growth from a diversified Russian portfolio

JRS aims to provide investors with capital growth from a diversified portfolio of investments primarily in quoted Russian securities or other companies that operate principally in Russia. Up to 10% of the portfolio can be invested in companies located in former republics of the Soviet Union. The portfolio is fairly concentrated (typically between 25 and 50 positions). JRS is permitted to use gearing but has not done so for some years.

Year ended	Share price total return (%)	NAV total return (%)	Blended benchmark TR* (%)	RTS total return (%)	MSCI Russia 10/40 TR (%)
30/04/14	(21.9)	(23.5)	(23.0)	(21.1)	(23.0)
30/04/15	(3.9)	(0.4)	9.0	3.1	9.0
30/04/16	3.3	3.4	0.6	1.8	0.6
30/04/17	38.7	41.3	37.2	38.7	36.4
30/04/18	7.9	5.7	2.7	2.7	0.7

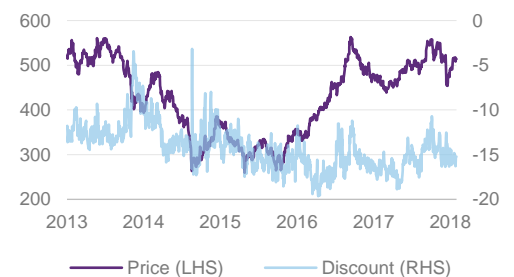
Source: Morningstar, Marten & Co. \*Note: JRS' blended benchmark is the MSCI Russia 10/40 Index until 31 October 2016 and the RTS Index thereafter (see page 3).

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<b>Sector</b>	European – single country
<b>Ticker</b>	JRS LN
<b>Base currency</b>	GBP
<b>Price</b>	514.0p
<b>NAV</b>	607.0p
<b>Premium/(discount)</b>	(15.3%)
<b>Yield</b>	4.1%

## Share price and discount

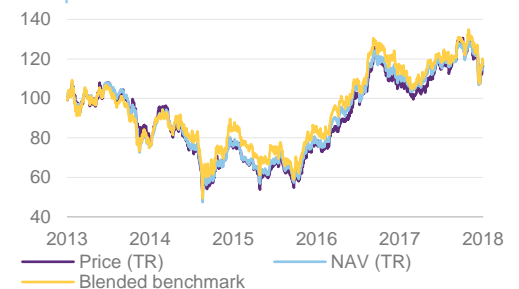
Time period 30/04/2013 to 28/05/2018



Source: Morningstar, Marten & Co

## Performance over five years

Time period 30/04/2013 to 30/04/2018



Source: Morningstar, Marten & Co

<b>Domicile</b>	UK
<b>Inception date</b>	20 December 2002
<b>Manager</b>	Oleg Biryulyov
<b>Market cap (GBP)</b>	261.1m
<b>Shares outstanding</b>	50.8m
<b>Daily vol. (1-yr. avg.)</b>	90.9k shares
<b>Net cash</b>	0.3%

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## Contents

<b>3</b>	<b>Fund profile</b>
3	Blended benchmark
<b>3</b>	<b>Manager's view</b>
<b>5</b>	<b>Investment process</b>
6	Risk control
6	Investment universe has been shrinking
<b>6</b>	<b>Asset allocation</b>
6	Industry sector breakdown
7	Top 10 holdings
8	Sberbank
8	GlobalTruck Management
8	Etalon
8	RosAgro
8	Portfolio characteristics
<b>9</b>	<b>Performance</b>
<b>10</b>	<b>Dividend</b>
<b>11</b>	<b>Discount</b>
<b>11</b>	<b>Fees and costs</b>
<b>12</b>	<b>Capital structure and life</b>
12	Five yearly continuation vote
12	Performance-triggered tender offer
<b>12</b>	<b>Board</b>
<b>14</b>	<b>Previous publications</b>

## Fund profile

You can access the fund's website at [www.jpmrussian.co.uk](http://www.jpmrussian.co.uk)

JPMorgan Asset Management (JPMAM) is one of the world's largest asset managers. Its Emerging Market and Asia Pacific equities team consists of over 90 investment professionals, including Oleg Biryulyov (Oleg or the manager). The team manages in excess of \$115bn for clients globally. Oleg is a Russian native. He has been with JPMAM and its predecessors since 1994, has been managing JRS since it was launched in 2002 and managed a precursor to JRS from 1998. He is assisted by Habib Saikaly in managing JRS' portfolio.

JRS aims to generate capital growth for its shareholders by investing in a portfolio that consists predominantly of quoted Russian companies. JRS is also permitted to invest up to 10% of its portfolio in companies that are outside of Russia but are located in the former Soviet republics.

## Blended benchmark

JRS switched its benchmark from MSCI Russia 10/40 Index to the RTS Index with effect from 1 November 2016. We have used a blend of the two indices within this report (as JRS does in its communications with shareholders). The reason for the change in benchmark was that RTS is a much broader index than the MSCI 10/40 and the manager believes that the RTS Index better represents the universe that this portfolio is selected from.

## Manager's view

The oil price is up almost 50% in dollar terms over the past year and the rouble has strengthened by 10%, but Oleg thinks the currency can strengthen further.

The oil price is up almost 50% in dollar terms over the past year and, prior to the recent set back, the rouble had strengthened by 10%. However, near term political risk aside, Oleg thinks the currency can strengthen further. A rising oil price is very beneficial to the Russian government as it collects 90% of oil revenue in excess of US\$65bbl. This builds up the national wealth fund. Recent political events have weakened the rouble but this could mean that it is quite undervalued. Companies are deleveraging and would be in a position to borrow to invest again if they had more access to western capital. Nevertheless, some major corporates can borrow in US dollars at 7% or lower.

The central bank has been cutting rates - a recent 0.25% drop has reduced the rate to 6.75%. It has been able to do this because inflation is around 1%. Food-price deflation, in particular, has weighed on the inflation rate (food accounts for around 40% of most household budgets). This has been unhelpful for the food retailers. At the same time, stronger finances (and no doubt the election) have encouraged the government to increase wages for state employees. This should feed through into higher consumer spending. Oleg thinks that there may be a two or three quarter lag in the recovery as the government delays part of its spending increases until the end of the year.

An 11trn rouble infrastructure programme is planned for the next six years.

President Putin has promised better living standards; higher healthcare and education expenditure; more money to be spent on the military; and an 11trn rouble infrastructure plan spread over the next six years. The Kerch Strait bridge, that connects Crimea to the Russian transport network, opened on 13 May 2018. Russia is also upgrading Simferopol airport and Crimea's ports, and is building two new power stations.

There is a focus on improving transport connections within the country.

Elsewhere, there is a focus on improving transport connections within the country with investment in airports, air-traffic-control systems, roads and high-speed rail. To an

existing high-speed line, from St Petersburg to Moscow, will be added a 770km line from Moscow to Kazan. Oleg expects that this will be extended to Yekaterinburg and then to Omsk and Novosibirsk.

China is a key trading partner for Russia and improving connections between the two countries is a priority. The development of the Arctic ocean route for liquified natural gas LNG and containerised freight will play a part in this. China is not investing in Russian infrastructure directly (as it is in places such as Pakistan) but is helping indirectly in some areas. For example, CEFC China Energy has taken a \$9bn stake in Rosneft (Russian oil company) which will supply it with 61m tonnes of crude oil over the next four years.

Mortgage subsidies and a clamp-down on rogue property developers are expected to support the housing market and increase profitability.

Mortgages are subsidised (with a 30% deduction in the effective mortgage rate) in an effort to support the housing market. Other subsidies are available to support larger families, in an effort to stem the decline in Russia's population. The government has been clamping down on rogue property developers (there were reports of people putting down deposits on flats that were never constructed). Oleg thinks this will help increase profitability in that sector.

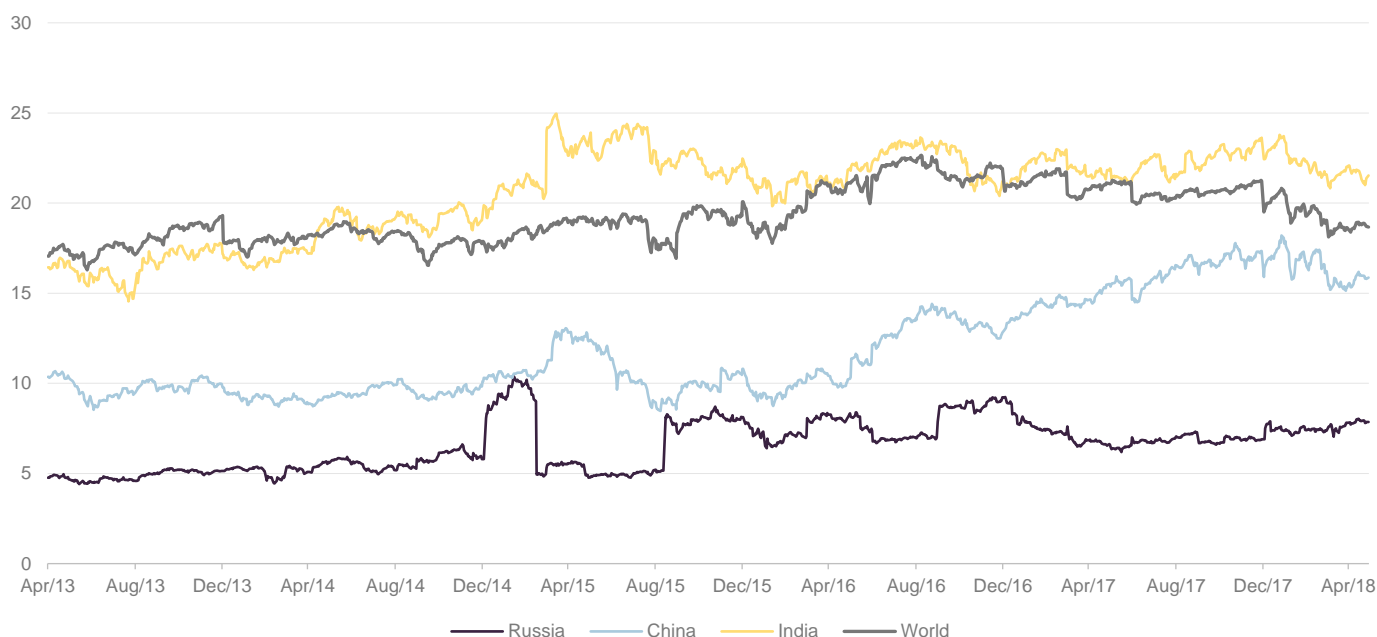
A tightening labour market is contributing to upward pressure on wages, and there are signs of improved consumer confidence.

The unemployment rate has been falling and stood at 5% at the end of February 2018. This is contributing to upward pressure on wages. The government believes that, as improved healthcare leads to longer lives (today average life expectancy is 72.5 years, but the government is aiming to increase this to 78 years by 2025), the retirement age needs to rise (officially it is 60 for men and 55 for women, but lower limits apply in many industries).

There are signs of improved consumer confidence in areas such as new car sales; Russian auto sales were up 25% in February and sales in 2017 were up 12% on 2016. Oleg is positive on the prospects for white-goods sales in 2018 and is optimistic that the property market will pick up at the turn of the year.

The technology sector was a major driver of performance for many emerging markets in 2017. Russia is, perhaps, surprisingly light in this area. Smartphone penetration is about 40%, but phenomena such as online retailing do not have the same level of development in Russia as they have in other markets.

Figure 1: Comparing historic price/earnings ratios across markets



Source: Bloomberg, Marten & Co. MSCI indices except for Russia which is RTS

Valuations in Russia are still very cheap, especially relative to other emerging markets and to stocks globally.

Valuations in Russia were very cheap, prior to the recent sell-off, especially relative to other emerging markets and to stocks globally, as is evident in Figure 1. Cash-rich companies are paying big dividends (which is also beneficial to government finances; Oleg thinks this is providing funding for around a tenth of the budget). Some, such as Severstal, are paying out all of their free cash flow.

Privatisations had been expected in 2017, to help shore up the government's balance sheet, but the rising oil price negated the need for these. Recent events could lead to renewed enthusiasm for privatisation. A few IPOs are planned and it may be that Oleg has a bigger pool of stocks to choose from by the end of the year.

We asked Oleg about the potential impact of tightened sanctions on the Russian economy. He says that the full extent of the impact is not yet evident. Rusal, by virtue of its relationship with Oleg Deripaska, fell foul of the new sanctions regime and, for the first time, this has forced a change to JRS' portfolio (although the manager believes the impact on performance has been minimal). Rusal's operations have been compromised, threatening 60,000 jobs directly. If Deripaska sells down his holding in Rusal, it may be removed from the sanctions regime.

## Investment process

The manager seeks to identify attractively valued companies with sustainable above-average returns. The investment approach for JRS is based on JPMorgan's emerging market investment process. JPMAM's global team is responsible for producing a macro outlook for each country and region. JPMAM also has a large team of researchers that is looking at companies on a sector basis across all regions of emerging markets. Over 20 of the team are involved in research on EMEA stocks. They help maintain JPMAM's comprehensive in-house research database. Oleg is, in addition to being the lead manager on JRS, head of EMEA within JPMAM.

Oleg visits Russia at least once a year but he also sees many companies when their representatives come to London. Accounting accords with international standards and Oleg thinks that corporate governance has improved, in general.

Oleg is looking for companies with a high and sustainable ROE.

JPMAM analysts submit ideas for Oleg's approval and he has final say over what goes into the portfolio. The analyst reports review each stock in great detail, looking at a range of measures including ROE, which they want to be sustainable – this includes an assessment of how capital intensive the business is; cash generation; the strength of the balance sheet; and how sensitive the company is to inflation. They will also examine the durability of the company's business, corporate governance standards and ESG attributes.

JPMAM assessment of stocks includes forecasting returns over the next five years.

Oleg wants to hold companies that look attractive across a range of factors. Returns are derived from earnings growth and dividends, which are within the control of the company, and valuation multiple changes and currency moves, which come from changes in market sentiment. JPMAM prefers companies that it believes can benefit from each of these. Stocks are assessed for inclusion within the portfolio on the basis of predicted returns. The predicted return is derived from a predicted exit P/E and an internal forecast of returns over the next five years (returns are expected to normalise after year three).

Oleg breaks down the portfolio into 'trading' stocks that he will move in and out of on valuation grounds, 'quality' stocks that will form the core of the portfolio as long-term holdings and 'premium' stocks – the crème de la crème. Turnover works out to about 25% to 35% per annum.

Detailed risk profiling is conducted on each stock.

## Risk control

There is a 98-question checklist that has to be completed on each stock. This risk profiling produces 'red flag' reports that highlight areas of potential concern. In Oleg's experience, mining and oil & gas sector companies tend to generate more red flags than most other companies. He prefers private companies to ex state owned enterprises (he believes that private companies are better managed), but he acknowledges that the state is more involved in the corporate world than it has been.

In addition:

- No more than 10% of gross assets are to be invested in companies that operate or are located in former Soviet Union republics (excluding Russia).
- JRS will not normally invest in unlisted securities.
- No more than 15% of gross assets may be invested in any one company (at the time of purchase).
- JRS will not normally use derivatives.
- No more than 15% of gross assets are to be invested in other UK-listed investment companies.

Oleg says that, while the economic sanctions that were put in place in 2014 had no impact on the management of the portfolio, recent changes to sanctions required JRS to sell its holding in Rusal in April. The manager undertakes regular checks of holdings to ensure compliance and reports to the board. The board has stated that JRS is fully compliant with the current sanctions regime.

## Investment universe has been shrinking

Restricted investment universe means the portfolio is necessarily concentrated.

The universe of stocks that are suitable for inclusion within JRS' portfolio is relatively small. JRS will typically have between 20 and 50 stocks, yet no more than 15% of the portfolio can be invested in any one stock at the time of purchase. Liquidity can be quite low, especially in smaller market-cap companies.

JRS is permitted to have up to 10% in cash and gearing of up to 15% but gearing has not been used in the portfolio for some years (see capital structure on page 12).

## Asset allocation

There were 34 companies in JRS' portfolio at the end of April 2018.

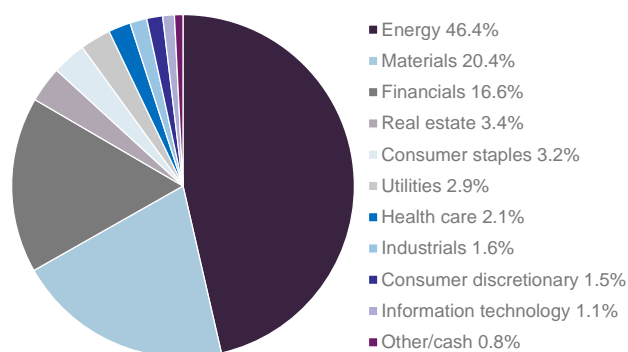
### Industry sector breakdown

Over the period since we last published on JRS, the proportion of the portfolio invested in the energy sector increased markedly, largely at the expense of the consumer staples sector. Energy stocks did well on the back of a rising oil price. Oleg also added to the position in Rosneft. Nevertheless, at the end of April 2018, JRS' largest industry underweight was to the energy sector, followed by telecoms. The largest overweight exposures were to materials and real estate.

The holding in food retailer, Magnit, which was 7.3% of the portfolio back in July 2017, has been sold in its entirety. Oleg revised his view on the stock after its founder sold out of the company. Oleg did take a holding in Obuv Rossii, Russia's second-largest shoe retailer, when it has its IPO in October 2017.

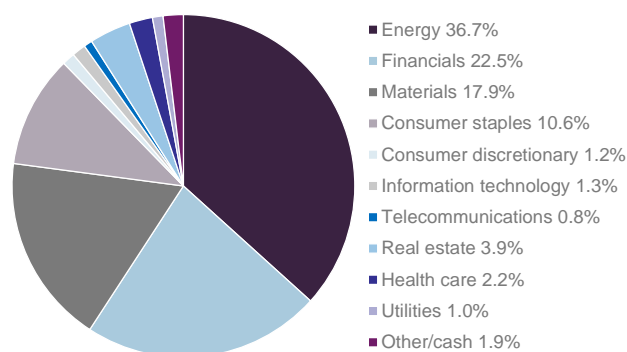
Also notable is an increase in the portfolio's exposure to utilities. These companies are allowed to earn 14% returns on capital. This was not an attractive proposition when inflation rates were much higher but today the real returns on offer look compelling.

Figure 2: Industry sector allocations as at 30 April 2018



Source: JPMorgan Russian Securities

Figure 3: Industry sector allocations as at 31 August 2017



Source: JPMorgan Russian Securities

### Top 10 holdings

JRS has a concentrated portfolio. The top ten holdings accounted for 70.4% of the portfolio at 30 April 2018. This is a small increase from the 69.6% that the top 10 holdings accounted for at the end of July 2017 (this being the most recently available data when we last published on JRS). Readers interested in further discussion of JRS holdings should see our previous notes. Our September 2017 note includes commentary on MTS, X5 Polyus Gold, MMC Norilisk, Tatneft, ALROSA and Etalon (see pages 5 and 6 of that note). Similarly, our March 2017 initiation note includes commentary on Sberbank, Gazprom, Lukoil, Novatek, Magnit, Rosneft and Ros Agro (see pages 7 and 8 of that note). Some of the more interesting developments are discussed below.

Figure 4: 10 largest holdings as at 30 April 2018

Holding	Sector	% of portfolio 30 April 2018	% of portfolio 31 July 2017	Change (%)
Sberbank of Russia	Financials	12.3	18.5	-6.2
Gazprom ADR	Energy	15.3	12.8	+2.3
Lukoil ADR	Energy	10.3	7.5	+1.8
Novatek GDR	Energy	6.5	5.0	+1.5
Rosneft GDR	Energy	6.3	5.0	+1.3
Norilisk Nickel ADR	Materials	7.1	5.9	+1.2
Tatneft (including ADR)	Energy	4.9	3.8	+1.1
ALROSA	Materials	3.0	3.0	0.0
Ros Agro GDR	Consumer staples	2.4	2.5	-0.1
Novolipetsk Iron & Steel GDS	Materials	2.3	0.0	+2.3
<b>Total of top 10</b>		<b>70.4</b>	<b>69.9</b>	

Source: JPMorgan Russian Securities, Marten & Co

## Sberbank

Sberbank ([www.sberbank.ru](http://www.sberbank.ru)) is Russia's largest bank and it was also the best performing stock in the portfolio in 2017. Oleg has trimmed the position down towards the equivalent weighting in the RTS Index.

## GlobalTruck Management

Outside the top 10, one new position was a logistics company, GlobalTruck Management ([gt-m.ru](http://gt-m.ru)). It has the second-largest fleet of trucks in Russia. Oleg expects to see further consolidation of the sector as companies look to increase truck utilisation and improve efficiency.

## Etalon

Etalon's ([www.etalongroup.com](http://www.etalongroup.com)) share price came under pressure last year following what Oleg describes as an ill-advised placing by the company. A venture capital investor in the company was keen for an exit.

## RosAgro

RosAgro's ([www.rusagrogroup.ru/en](http://www.rusagrogroup.ru/en)) share price came under pressure as soft commodity prices weakened. Oleg remains positive on the company, which is investing to expand production in Russia's far east in anticipation of exporting to China and Korea.

## Portfolio characteristics

In most respects, JRS' portfolio resembles the RTS Index with the exception perhaps of its higher return on equity than the average stock in the RTS Index. This is consistent with JPMAM's investment approach for JRS. Given the small number of stocks in the benchmark, it is perhaps unsurprising that the active share and tracking error are lower than might be the case for JPMAM funds in other markets (JPMAM is targeting active shares of 50%-60% in India and China, for example).

Figure 5: portfolio characteristics as at 30 April 2018

	JRS	Benchmark index
Price/earnings ratio (forward)	5.3x	5.3x
Price/book value	0.7x	0.7x
Prospective dividend yield	6.3%	6.0%
Return on equity	14.7%	13.8%
Beta	0.95	
No. of holdings	34	43
Active share	28.0%	

Source: JPMorgan Russian Securities



## Performance

Figure 6: JRS NAV total return performance relative to its blended benchmark over five years\*



Source: Morningstar, Marten & Co \*Note: JRS' blended benchmark is the MSCI Russia 10/40 Index until 31 October 2016 and the RTS Index thereafter (see page 3).

JRS has outperformed its benchmark over most time periods but, as is evident in Figure 6, 2014 was a difficult year for the company as Russia was hit both by sanctions and the collapse in the oil price. It is evident from the figures that the RTS Index provides a more challenging comparator than the MSCI 10/40 Index, validating the decision to change the reference benchmark.

Figure 7: Cumulative total return performance to 30 April 2018

Heading	1 month	3 months	6 months	1 year	3 years	5 years
NAV total return	(4.8)	(6.0)	2.2	5.7	54.4	17.7
Price total return	(4.8)	(11.0)	1.0	7.9	54.7	16.2
Blended benchmark total return*	(5.9)	(7.1)	0.7	2.7	41.7	18.9
RTS Index total return	(5.9)	(7.1)	0.7	2.7	45.1	17.9
MSCI 10/40 Index total return	(3.3)	(4.3)	2.2	0.7	38.2	16.0

Source: Morningstar, Marten & Co \*Note: JRS' blended benchmark is the MSCI Russia 10/40 Index until 31 October 2016 and the RTS Index thereafter (see page 3).

[Please click here to visit QuotedData.com for up to date information on JRS.](#)

The dominance of the technology sector in 2017 that we referred to on page 4 was evident in the performance of Yandex, Russia's largest quoted IT company. JRS had no exposure to the stock on valuation grounds. However, Yandex is not a major component of the index and JRS was still able to outperform.

Looking at shorter-term performance, JPMAM has kindly supplied us with some performance attribution information covering the first couple of months of 2018 and this is reproduced in Figure 8.

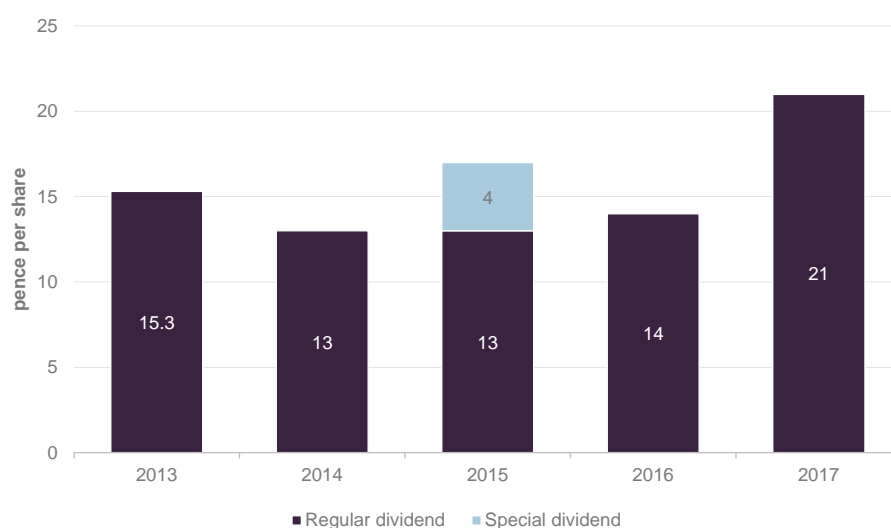
Figure 8: The five largest positive and negative contributions to returns relative to its benchmark over the six months to the end of April 2018

Holding	Active weight (%)	Positive contribution (%)	Holding	Active weight (%)	Negative contribution (%)
Magnit	-2.24	+1.07	Lukoil	-4.94	-0.87
Sberbank	+1.24	+0.77	Rusal	+0.13	-0.52
VTB Bank	-2.66	+0.63	Sollers	+1.24	-0.36
Evraz	1.25	+0.56	Polyus Gold	+1.26	-0.36
Surgutneftegaz	-4.33	+0.37	MD Medical	+2.07	-0.32
<b>Total</b>		<b>+3.40</b>			<b>-2.43</b>

Source: JPMorgan Asset Management

## Dividend

Figure 9: JRS dividend history



Source: JPMorgan Russian Securities

The Russian stock market has delivered reasonable levels of income. JRS pays an interim dividend in October and a final dividend in March of each year.

Income generation does not form part of JRS' objective; instead it is a residual effect of the manager's stock selection. Nevertheless, in recent years the Russian stock market has delivered reasonable levels of income and the board reports that current forecasts estimate that this will continue. Reflecting this, JRS began making dividend payments in 2013. It typically pays an interim dividend in October and a final dividend in March of each year.

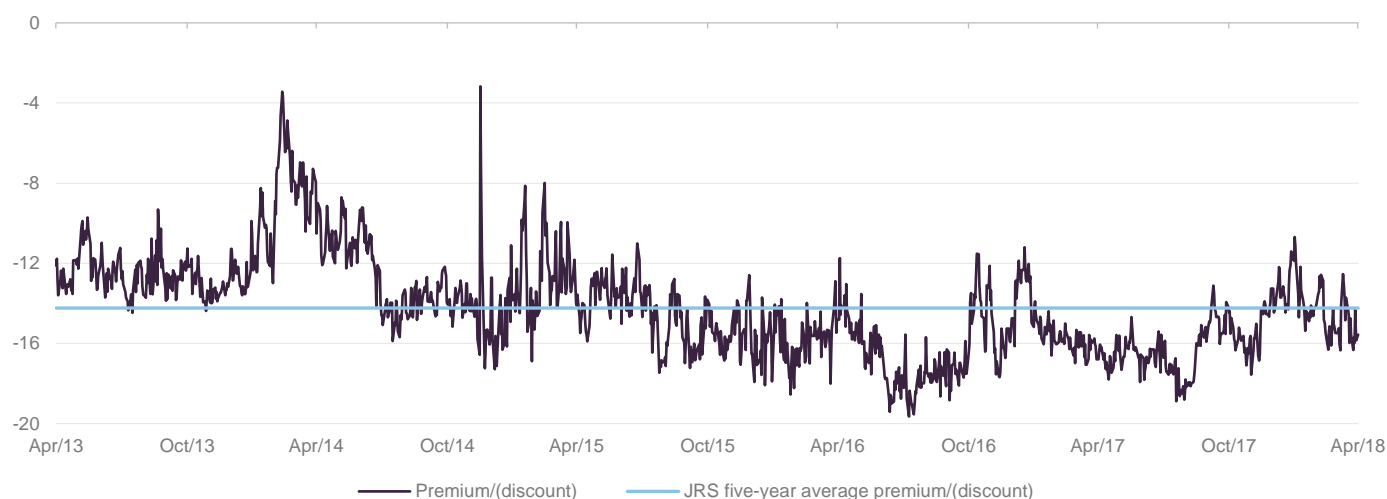
The management fee is charged against 20% to income and 80% to capital. All other expenses are charged to the income account. Subject to there being sufficient income available, JRS pays two dividends annually, in March and October. Over the course of the accounting year that ended on 31 October 2017, JRS generated revenue of 23.97p per share (up from 15.47p in the year ended 31 October 2016). The total dividend for the 2017 period includes an interim dividend of 15p paid in October 2017 and a final dividend of 6p paid in March 2018. Figure 9 shows how JRS' dividend payments have evolved in recent years. The special dividend in 2015 related to one-off profits made by companies on their foreign exchange exposure – the rouble fell sharply against other currencies in that period.

The revenue reserve after the payment of the final dividend was £3.9m.

## Discount

Figure 10 shows how JRS' discount has moved over the past five years.

Figure 10: Premium/(discount) over five years



Source: Morningstar, Marten & Co

Over year to 30 April 2018, JRS' discount has ranged from 10.7% to 18.9% and has averaged 14.2%.

The board aims to use its powers to buy back shares to reduce the volatility of the discount. Following discussions with major shareholders, the board decided to increase its buy-back activity with a view to buying back at least 6.0% of JRS' issued share capital each year (dependent on market conditions).

The spike in the discount on 16 December 2014 reflects a collapse in the rouble around that date. The NAV fell but the share price did not fall as fast.

## Fees and costs

JRS pays a base management fee of 1% of net assets per annum. There is no performance fee.

The manager and company secretary to the company is JPMorgan Funds Limited (JPMF). Portfolio management is delegated to JPMorgan Asset Management UK Limited (JPMAM).

JPMF is entitled to a management fee of 1% per annum of JRS' net assets. The fee is calculated monthly in arrears. There is no performance fee and the management contract can be terminated by either party with 90 days' notice.

The ongoing charges for the year ended 31 October 2017 were 1.33% (2016: 1.40%). This included £184,000 of administration expenses, £146,000 of safe custody fees and £142,500 for directors' fees.

## Capital structure and life

JRS had 50,805,669 ordinary shares in issue as at 29 May 2018, and no other classes of share capital. Its year end is 31 October and its AGMs are usually held in March.

JRS may hold up to 10% in cash and gearing is permitted by the board up to a maximum limit of 15%, both in normal market conditions. However, currently, the company has no borrowing facility in place.

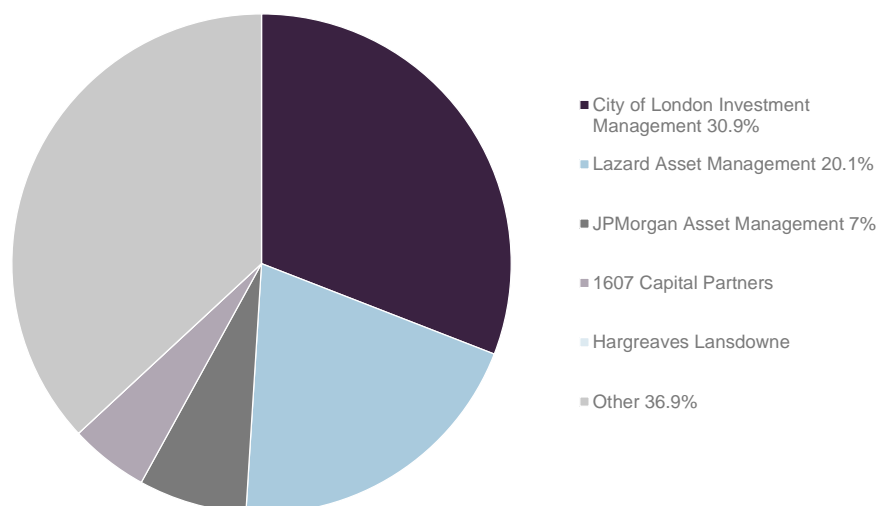
### Five-yearly continuation votes

JRS does not have a fixed life but, every five years, shareholders are asked to approve the continuation of the company. A resolution that the company continue as an investment trust will be put to shareholders at the AGM in 2022 and every five years thereafter.

### Performance-triggered tender offer

If the next continuation vote in 2022 is approved, the board will make a tender offer to shareholders for up to 20% of the outstanding share capital at NAV less costs and less a discount of 2% if, over the five years from 1 November 2016, the company's NAV total return in sterling on a cum income basis is below the total return of the benchmark in sterling terms.

Figure 11: Major shareholders



Source: JPMorgan Russian Securities, Bloomberg

## Board

The board comprises five non-executive directors all of whom are considered to be independent from the manager and none of whom sit on other boards together. There is no senior independent director as the board considers that role is not needed for a company with five non-executive directors. The longest serving director, George Nianis, has been in place for close to 10 years. A nomination committee, chaired by Gill Nott,

is responsible for selecting new directors when needed. It used a search agency to suggest suitable candidates when appointing Tamara Sakovska.

All directors stand for re-election at each AGM, in line with corporate governance best practice.

Figure 12: Board member – length of service and shareholdings

Director	Position	Year appointed	Fee	Shareholding	
<b>Gill Nott</b>	Chairman	2011	£37,500	3,000	Independent
<b>Alexander Easton</b>	Director	2010	£25,000	12,018	Independent
<b>Robert Jeens</b>	Audit committee chair	2011	£30,000	15,000	Independent
<b>George Nianias</b>	Director	2008	£25,000	-	Independent
<b>Tamara Sakovska</b>	Director	2016	£25,000	-	Independent

Source: JPMorgan Russian Securities, Marten & Co

**Gill Nott** has been chairman since 12 June 2015. Mrs Nott spent the majority of the first 27 years of her career working in the energy sector. In 1994 she became chief executive of ProShare. Due to her work in the retail savings sector, she spent six years on the board of the Financial Services Authority from 1998 to 2004. Mrs Nott has held a portfolio of non-executive positions, particularly in the closed-end fund sector, over the last 15 years. She is a non-executive director of Premier Global Infrastructure Trust Plc and PGIT Securities 2020 Plc.

**Alexander Easton** was formerly the head of European equities at UBS Investment Bank and managing director responsible for UBS Brunswick (Russia). He is currently a partner in a number of Russian venture capital firms.

**Robert Jeens** spent 12 years with Touche Ross & Co, where he was an audit partner, before moving to Kleinwort Benson Group Plc, where he became finance director in 1992. Mr Jeens then spent three years as group finance director of Woolwich Plc until 1999, following which he has held a portfolio of non-executive appointments. He is currently chairman of Allianz Technology Trust Plc and a director of Chrysalis VCT Plc.

**George Nianias** is the founder and group chairman of Denholm Hall Group. Mr Nianias has a close association with Russia and has also been financial adviser to several eastern European cities including Krakow, St. Petersburg and Moscow. He has also advised sovereign and local governments, financial institutions and corporations in western and eastern Europe. From 1987 to 1992, he was risk manager for Fixed Income and Treasury departments of S.G. Warburg Group Plc. He founded the firm's Quantitative Research Group in 1988 and the Arbitrage Group in 1990. From 1985 to 1987, he worked for Citicorp in risk management. From 1983 to 1985 he was a credit officer at Citibank NA in the Commercial and General Banking Division London. Mr. Nianias has often been consulted by the Bank of England and the Federal Reserve Bank of New York on matters connected with the money and bond markets in the UK and US.

**Tamara Sakovska** is an investment professional with significant experience in developed and emerging markets. She is currently an investment partner at Global Family Partners in London. Her previous role was head of origination, Europe in the private equity team at Eton Park International LLP. Before joining Eton Park, Tamara worked at Permira in London and at Goldman, Sachs & Co. in New York. Tamara is a native Russian speaker.

## Previous publications

Readers interested in further information about JRS may wish to read our previous notes, which are summarised in Figure 13 below. You can read them by clicking in Figure 13 or by visiting our website.

Figure 13: Marten & Co. previously published notes on JRS

Title	Note type	Date
Russian recovery	Initiation	9 March 2017
Low valuations and rising yields	Update	27 September 2017

Source: Marten & Co.

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