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Da Vinci Capital Management launches emerging markets ETF platform with two Russia focused UCITS ETFs

London, 22 February 2018 – Emerging markets investment specialist, Da Vinci Capital Management has expanded its business with the launch of ITI Funds, a European ETF platform. It will focus on developing a range of emerging market focused UCITS ETFs. To begin with ITI Funds has today listed on London Stock Exchange two Russia-focused ETFs covering top quality equity and USD debt segments of the Russian financial market. They are:

- ITI Funds RTS Equity UCITS ETF – which follows Russia’s oldest equity index – RTS
- ITI Funds Russia-focused USD Eurobond UCITS ETF - which follows ITIEURBD Index

Denominated in US dollars, the ETFs are traded on the London Stock Exchange, and primary listed on the Irish Stock Exchange. They will also be admitted to trading on MOEX, the Moscow Exchange in due course. Edmond de Rothschild is the fund administrator and custodian for ITI Funds while Luxembourg based Fuchs Asset Management is the management company.

Commenting on the launch of the emerging market focused ETF platform **Oleg Jelezko**, managing partner of Da Vinci Capital Management, says, *“In over a decade operating in emerging markets we have built a highly skilled team that has deep understanding of the markets and how they operate. The launch of ITI Funds is an extension of our skills to provide investors a well-structured and regulated platform from which they can access what we believe is a significant growth opportunity.”*

The ITI Funds RTS Equity UCITS ETF physically replicates the free-float cap-weighted RTS Index (45 equities), which is Russia’s oldest and most widely used equity index for equity securities traded on the Moscow Exchange, calculated in US dollars. It is the only ETF to provide exposure to local Russian shares, outside of Moscow. The index is rebalanced quarterly and income will be distributed on an annual basis.

Commenting on the launches, **Elio Manca**, managing director of ITI Funds says, *“We believe Russia’s growth story is in its ascendancy. Much of the international data on Russia is pointing to growth strengthening throughout 2018. From a pure equity perspective, markets have failed to account for economic improvements, shares remain highly discounted with Russia having one of the lowest price-to-earnings ratios in the world.*

The funds provide efficient entry, with diverse exposure to direct securities, into the Russian equity and bond markets at the low point of economic cycle in Russia.”

ITI Funds Russia-focused USD Eurobond UCITS ETF is the only Russia-focused fixed income ETF on the market which provides 100% exposure to USD bonds. It is based on ITIEURBD fixed income index designed by German index provider, Solactive AG. The index portfolio comprises USD Eurobonds of Russian issuers with a credit rating that is equivalent to Russia’s sovereign rating or above. Currently, the index comprises 22 bonds, providing investors with exposure to top-quality names on the market of

Eurobonds of Russian issuers. It is calculated daily, assumes quarterly rebalancing and reinvestment of coupon income.

“When it comes to the bond market, price levels are strongly supported by Russia’s Central Bank through Repo operations. Despite, or rather, because of western sanctions, Russian corporates have deleveraged themselves over the past three years and the Russian Eurobond market remained resilient to credit rating downgrades due to strong domestic demand. Add to this, a re-rating of its credit score in the coming weeks is not unreasonable to expect. Such a move would see Russian foreign debt feature across a range of global benchmarks and would mark Russia as one of the most appealing of investment-grade emerging markets.” says Elio.

Full details of the funds are included below:

	ITI Funds RTS Equity ETF	ITI Funds Russia-focused USD Eurobond ETF
Type of fund:	UCITS ETF	UCITS ETF
Underlying index:	RTS	ITI Funds Russia-focused USD Eurobond Index
Index owner:	S&P	Solactive AG
Composition:	45 equity securities of Russia’s top companies by market cap and liquidity	22 Eurobond securities of Russian issuers that meet index selection criteria
Trading Exchange:	London Stock Exchange	London Stock Exchange
Ticker:	RUSE	RUSB
RIC:	RUSE.L	RUSB.L
Bloomberg Ticker:	RUSE LN	RUSB LN
ISIN:	LU1483649312	LU1483649825
Domiciliation:	Luxembourg	Luxembourg
Regulating body:	CSSF	CSSF
Fund administrator/custodian:	Edmond De Rothschild	Edmond De Rothschild
Management company:	Fuchs Asset Management	Fuchs Asset Management
Investment manager:	Da Vinci Capital Management	Da Vinci Capital Management
Primary Listing:	Irish Stock Exchange	Irish Stock Exchange
NAV currency:	USD	USD
NAV frequency:	Daily	Daily
Distribution of income:	Annual	Accumulating
TER, %	0.65%	0.50%

Notes to Editors

About Da Vinci Capital Management

Da Vinci Capital is a leading independent investment manager set up in 2007 to make mid-market private equity investments in Russia and other emerging markets.

Da Vinci Capital provides a strong mix of fund management experience, sectoral expertise and entrepreneurial capacity. Our team comes from leading international firms such as Renaissance Capital, Credit Suisse, McKinsey, Accenture and Allianz. Collectively, they bring a solid track record in private equity, investment banking, and company operations.

In 2016, the company received the Silver Award in the category of “Russian, Central and Eastern European Private Equity Fund of the Year” at the 15th edition of Private Equity Exchange Awards in Paris.

www.dvcap.com

About ITI Funds-ETF

ITI Funds UCITS ETF SICAV S.A. is an open-ended investment company organised under the laws of Luxembourg as a société d’investissement à capital variable (SICAV), under the form of a public limited liability company (société anonyme) and authorised under part I of the 2010 Act. The Company has an umbrella structure consisting of several Sub-Funds. A separate portfolio of assets is maintained for each Sub-Fund and is invested in accordance with the investment objective and policy applicable to that Sub-Fund.

The ITI Funds team comprises 20 professionals with extensive experience in asset management, research, trading, investment banking and private equity

www.itifunds-etf.com

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