

Pension Savings in Russia

Review of the results of 2015 and early 2016



Pension & Actuarial Consulting LLC

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Introduction

The present review is the fourth edition of Pension and Actuarial Consulting (P&AC), dedicated to analyzing the results of the investment of the funds of pension savings in Russia.

This material, as well as the previous work of P&AC, is available on our website www.p-a-c.ru, including:

- for 2014: in Russian: Pension Savings. 2014 and in English, Pension Savings in Russia. 2014;
- for 2012: Rate of Return on Pension Funds for Compulsory Pension Insurance;
- for 2011: Comparison of Rate of Return Indicators in non-State Pension Funds.

Each work of ours dedicated to the issues of developing the funded pension system in Russia invariably includes a new view on the subject studied. A distinctive feature of the P&AC informational materials is the rate of return analysis of the pension savings investments, calculated on the individual accounts of Russian citizens.

P&AC and the Author would sincerely like to thank all those who contributed to the publication of this review. A special appreciation for the support expressed by the Association of Non-State Pension Funds “Allianz of Pension Funds (ANPF)”.

Abbreviations

DIA – state corporation “Deposit Insurance Agency”

VEB – state corporation “Bank for Development and Foreign Economic Affairs (Vnesheconombank)”

Freezing of pension savings – redirection of all tariff premiums (6%) of the previously formed funded pensions, to pension insurance

IP – Insured person through MPI

CEMF – Closed-end mutual fund

MPC – mortgage participation certificate (analog of American mortgage backed securities, MBS)

MPI Campaign – a set of activities to attract new clients and retain existing clients in the period between dates when the PFR decides on the allocation of the pension savings (PS) between insurers or investment portfolios and the AMCs (without taking into account the decisions on transfer in connection with contributions within the government program of pension co-financing). This decision is usually made annually before March 31st.

The “silent” – IP who has never changed either the insurer for MPI (NPF or PFR), or investment portfolio of the AMC (relates only to PFR)

NPP – non-state pension provision

NPF – non-state pension fund

MPI – mandatory pension insurance

PS – pension savings

PFR – Pension fund of the Russian Federation

Rosstat – Russian Federal State Statistics Service

System of guarantees – system guaranteeing the rights of the IP

AMC – asset management company

PAMC – Private AMC (applicable to all AMCs managing the funds of the PS of the PFR with the exception of VEB)

FAS – Federal Antimonopoly Service of the Russian Federation

RUPAI – Pension Aggressive Index

RUPMI – Pension Moderate Index

RUPCI – Pension Conservative Index

EPSI – Equity sub-index

OPSI – sub-index of Russian OFZ (Federal loan bonds)

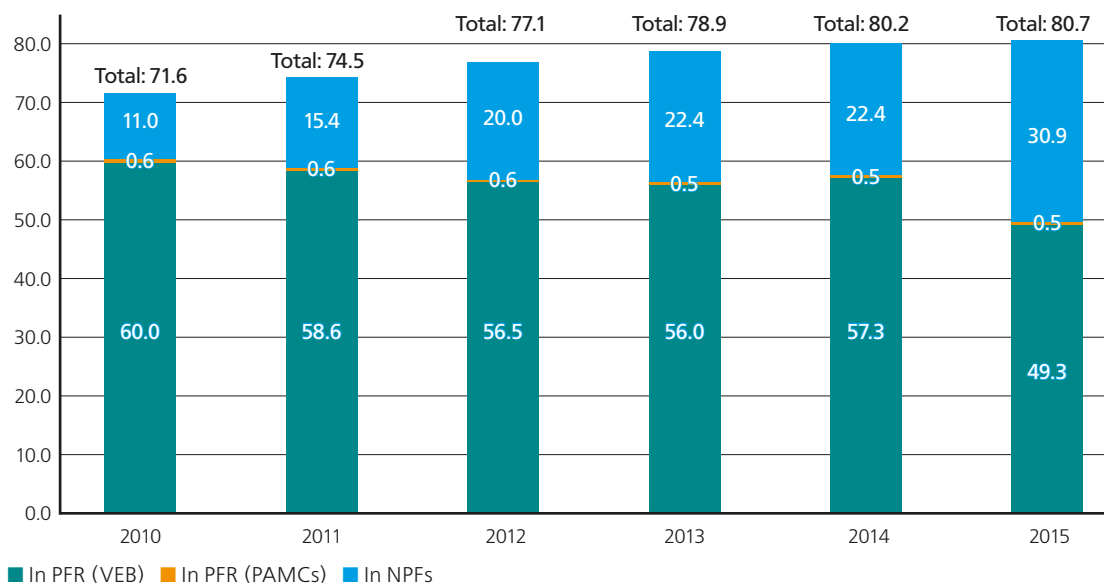
Summary

- 1) According to the results of 2015, the number of participants in the funded pension system has reached nearly 81 million, of which 31 million (more than half of those born in 1967 or later) have entrusted their pension saving to non-state pension funds.
- 2) A system for guaranteeing the rights of the insured persons on the basis of the State Deposit Insurance Agency has been put into place.
- 3) With the end of 2015, mandatory pension insurance contributions for the “silent” will be fully directed to the distribution section of the three-pillar pension system in Russia. However, for the “unsilent”, the formation of pension savings in 2016 was impossible due to “frozen” pension savings.
- 4) The tendency toward consolidation on the MPI market continued. Every year an ever-greater role is played by the largest pension groups.
- 5) In 2015, quasi-governmental NPFs took first place in terms of the amount of pension savings under their management and in the number of insured persons. Thus, the non-state pension fund sector of the MPI market is becoming more “state”.
- 6) In recent years, pension savings have become one of the few factors of stability in the stock market and a key driver in the development of the asset management industry. About 20% of all the ruble bonds issued in Russia were purchased by pension investors.
- 7) The results of investing in pension savings in 2015 once again proved its effectiveness.

1. Development of the MPI market

According to the PFR, the total number of Russian participants in the funded pension system at the end of 2015 amounted to 80.7 million people and exceeded the number of the economically active population of the country (76.6 million). 30.9 million of them, or 38% of the insured with pension accounts above average, have entrusted their savings to non-state pension funds. Moreover, we estimate that over half of all IPs born in 1967 or later chose NPFs.

People in Russia insured through MPI (mln persons)



Source: our own calculations based on data from the PFR

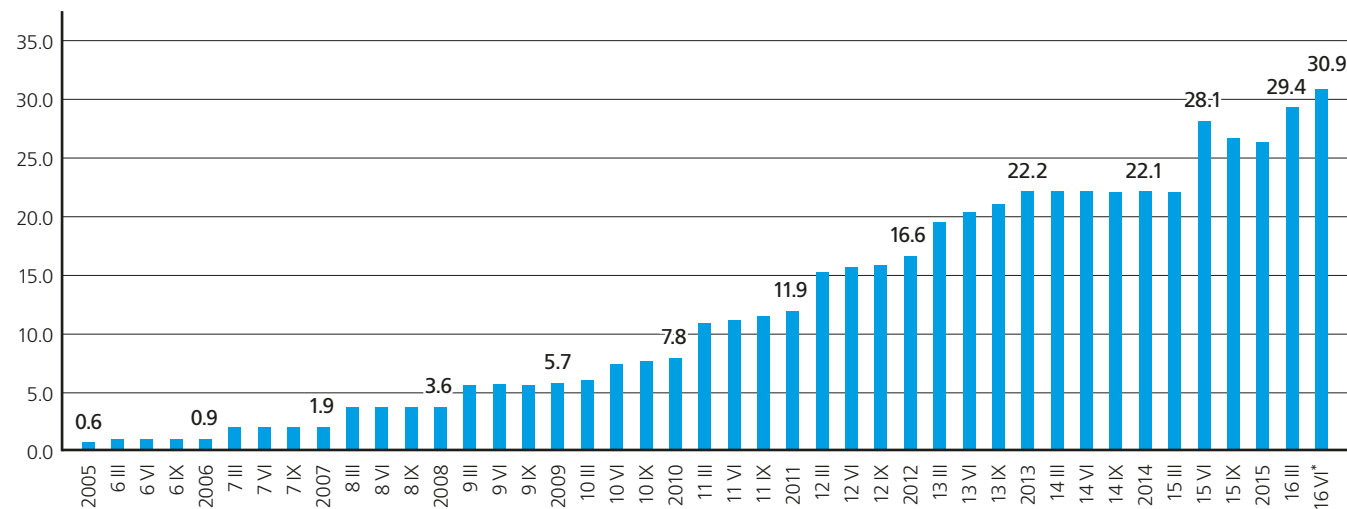
IP growth dynamics in the MPI system have been dropping in the past 6 years: from 4.0% to 0.6% in 2015. This is due both to demographic trends (the period of the numerous 80s generation's entrance the labor market has ended), and to the crises in the Russian economy which is supporting the shadow labor market. In addition, it must be kept in mind that the funded pension system has already covered practically all existing employees in the private sector (i.e., not in the government sector), born from the beginning of 1967, in other words under the age of 49 as of 2016.

But the main factor reducing the growth of participants of the funding system was a moratorium on building new retirement savings for the "silent" starting from the beginning of 2016. Those who in the past year or since 2004 at least once transferred PS to an NPF or a PAMC or changed the default advanced investment portfolio in the state VEB, retained the right to receive pension contributions on their funded pension account. The others, beginning in 2016, lost that opportunity. There was an exception for those who were charged pension contributions for the first time starting January 1st, 2014. They have 5 years from the moment of the first premium charge to choose the type of formation of their future pension. However, this must be no later than when they reach 23 years of age.

New changes in the pension system, as the statistics show, have kept interest in the transition into private pension funds. This primarily refers to Russians whose PS was higher than average. All told, according to results of the 2015 MPI Campaign, 4.09 million new clients came to NPFs from the state PFR.

¹ In order to transfer their pension savings to an NPF, the insured must sign a contract with the new insurer and submit the corresponding application to the PFR. At the same time, the PFR has the right to deny any of the applications received.

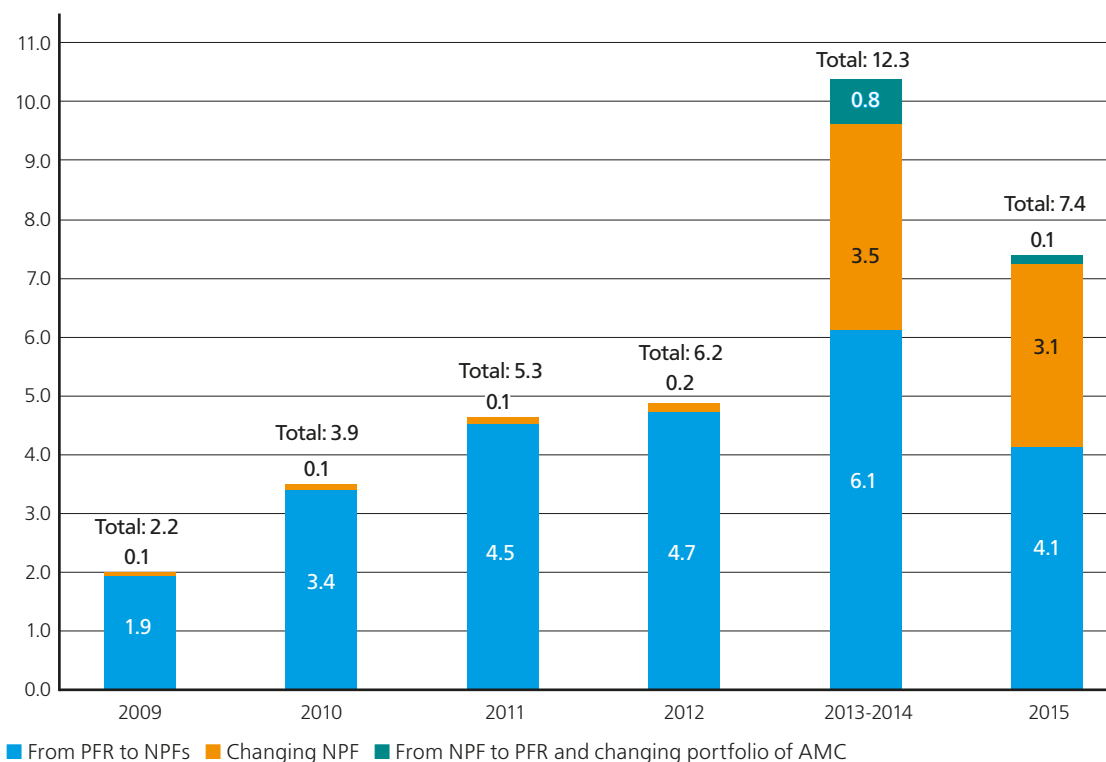
In last year's review, "Pension savings. 2014", we suggested that the number of approved PFR applications would consist of roughly 13 million¹, not taking into account the 2013-2014 MPI Campaign, and among them the number of applications to transfer means from the PFR to an NPF would be equal to the number of approved applications to change NPFs. However, the actual amount was almost 2 times lower. This is largely due to the revocation of the licenses of several funds, including from the Sun Group – once one of the largest pension groups – and to the transfer of their clients (1 million) from pension savings (up to 50 billion ₺) to the PFR. In addition, the actual result was influenced by a third, regular extension of the "freezing" of receipt of new contributions on funded pensions. General dynamics are likely to attract IPs in 2016. Some will grow and in the future will continue to depend on 5-year cycle to ensure the rights of the insured, which began last year.

People in Russia insured through MPI in NPFs (mln persons)

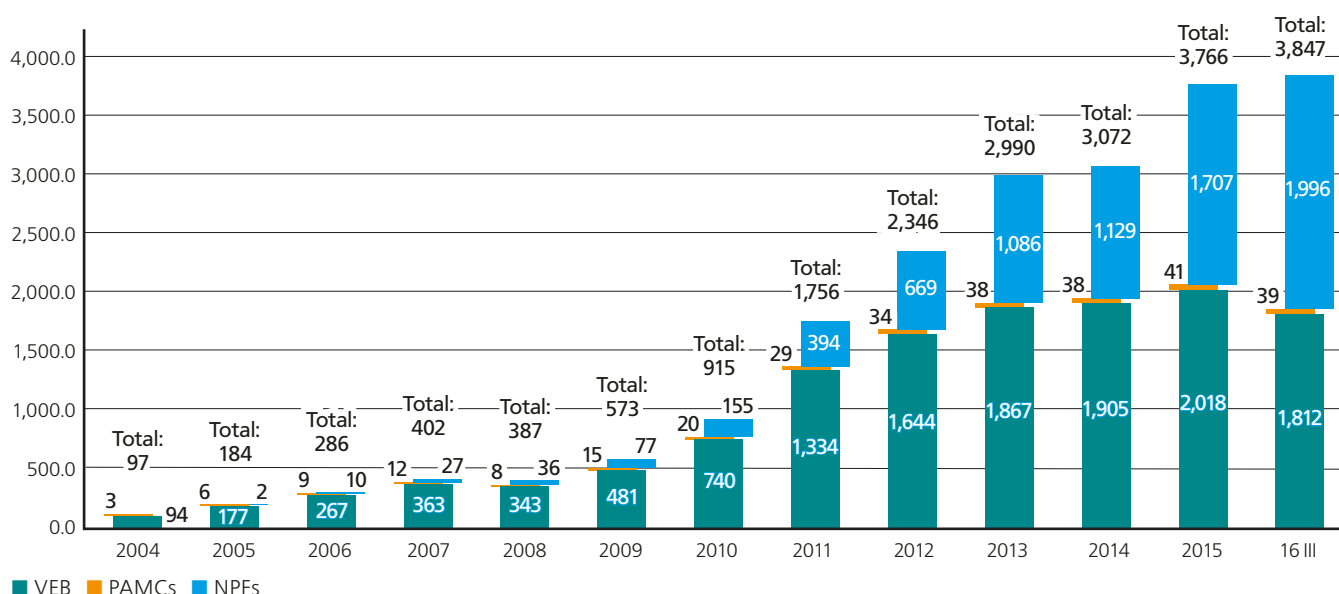
Source: our own calculations based on data from the Bank of Russia and PFR

* Many IPs became clients of NPFs at the end of the 2015 MPI Campaign after 31.03.2016

A nearly 14-year period of development of the pension savings system in Russia and the involvement in it by practically the entire current working population has allowed pension funds to generate 3.8 trillion ₺ of pension savings in the first quarter of 2016, which is the equivalent to 4.7% of the GDP at current prices. If “freezing” PS had not happened, amount of assets for NPFs, VEB, and PAMC through MPI (taking into account the lost investment income) could have reached 5 trillion ₺ (comparable to 6.2% of the GDP). However, even already-generated pension savings represent a large amount of savings. The system to ensure the rights of the insured has been operational since January 1st, 2015. Its main goal is that each insured person is provided with undiminished pension contributions received for prior years, and also that the amount of accrued income is fixed

Results of the MPI Campaign (mln applications approved by PFR authorities)

Source: our own calculations based on data from the PFR

Pension Savings in Russia (bln ₺)

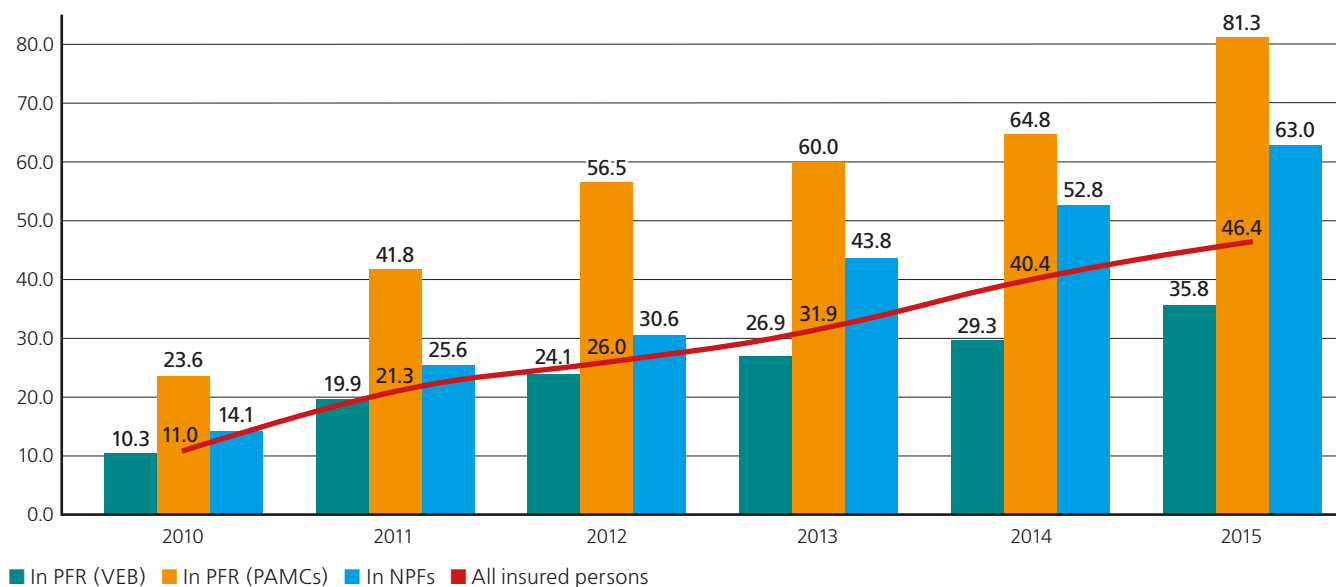
Source: our own calculations based on data from the Bank of Russia and PFR

* Many IPs became clients of NPFs at the end of the 2015 MPI Campaign after 31.03.2016

every five years. If an insured person decides to change from his existing insurer to a new insurer before the end of the specified period, the insurance coverage will be lost. This new introduction is intended to reduce the number of hasty transitions between pension funds and extend the investment horizon of pension savings.

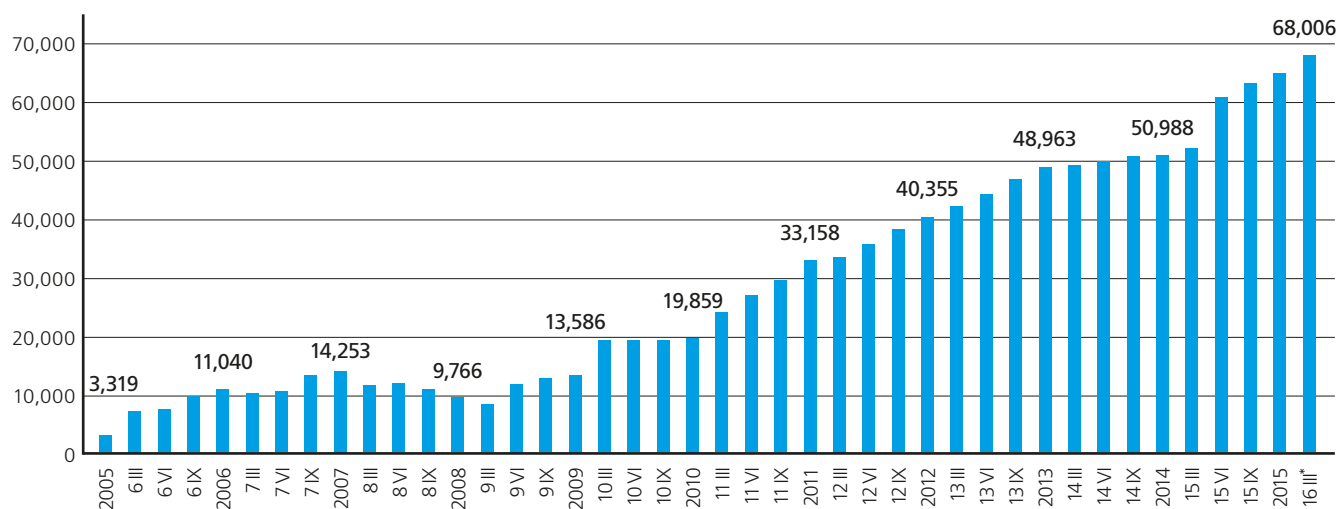
Corporatization and entry into the System of guarantees of the largest pension funds have allowed the PFR since May 2015 to begin transferring pension savings, which had been blocked since 2014.

Unfortunately, the existing publicly available statistics do not allow for correctly calculating the average account of an insured person through MPI according to the PS investment choices (in NPFs, VEB, and PAMC). The statistical analysis of IP in the PFR (VEB and PAMC) presents a particular difficulty. The PFR publishes this information in their annual reports on all types of MPI market participants and the Bank of

The average account of the insured persons in Russia (thousand ₺)

Source: our own calculations based on data from the PFR

The average account of the insured persons in NPFs (₽)



Source: our own calculations based on data from the Bank of Russia

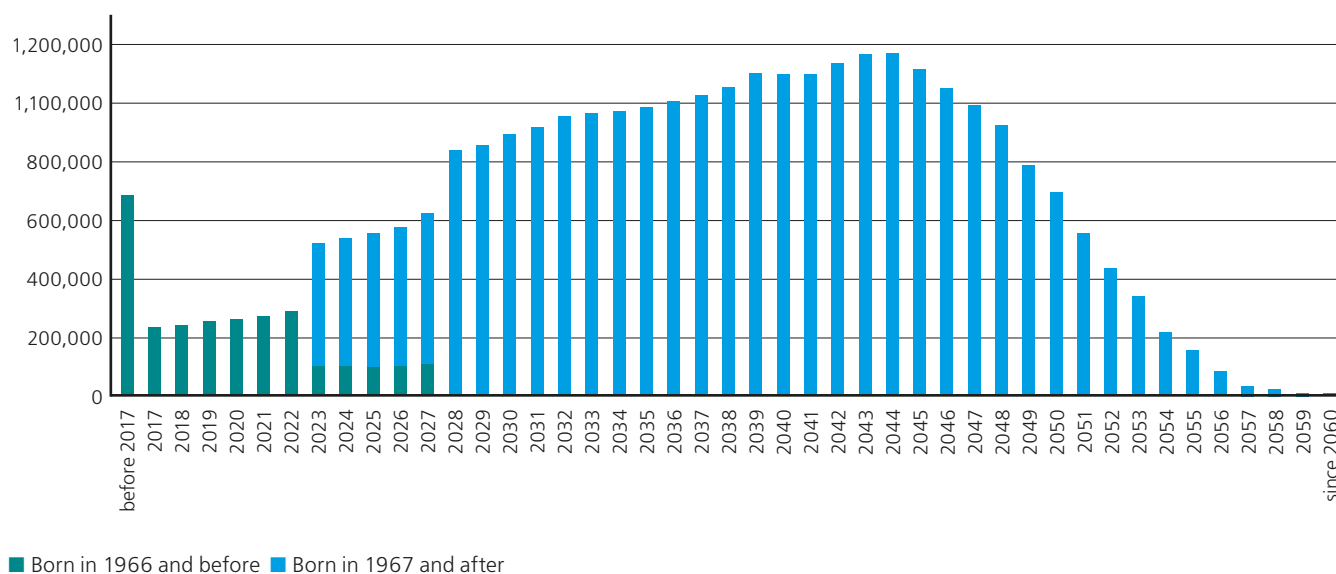
* Many IPs became clients of NPFs at the end of the 2015 MPI Campaign after 31.03.2016

Russia, but only for NPFs. In addition, the designated indicators vary. Nevertheless, the difference between the sizes of the average accounts, calculated according to the data from the Bank of Russia and the PFR is not significant.

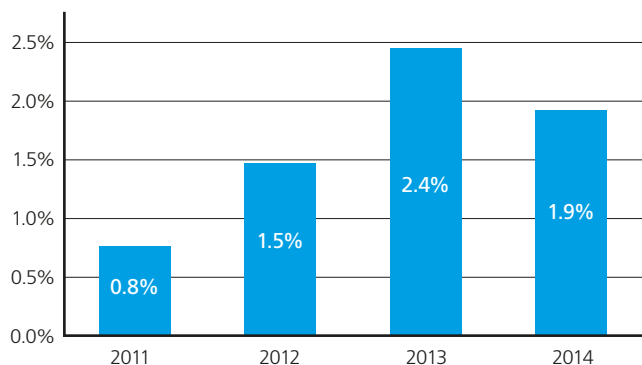
According to calculations based on the PFR data, the average account of an insured persons through MPI consisted of 46.6 thousand ₽ according to the results of the 2015 MPI Campaign, an increase of 15.0% for the year, and 4.2 times greater than at the end of 2010. The proportionate growth rate has shown the average account of NPF clients: 4.6 times greater, up to 63.0 thousand ₽.

However, if the Bank of Russia data is taken, the average IP's account in an NPF has also increased as of 31.03.2016, but consisted of nearly 68 thousand ₽ (8% more than accounted for by the PFR data). In the case of "frozen" pension savings with respect to 2017 and the regular zeroing of contributions, the growth of the average account of all insured persons through MPI could seriously decrease. In this scenario, the growth of pension savings for NPF clients due to returns will be "diluted" by the comparatively low amount of savings of

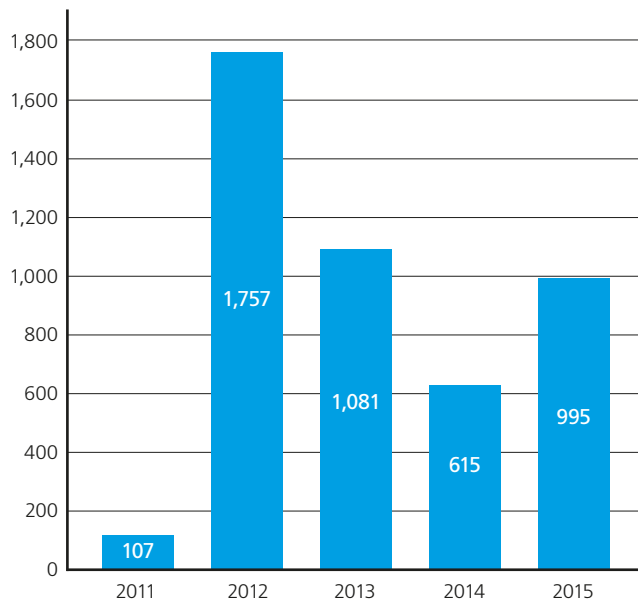
Forecast for reaching the standard pension age by existing clients of NPFs through MPI (as of 31.03.2016, excluding mortality, early and late retirement)



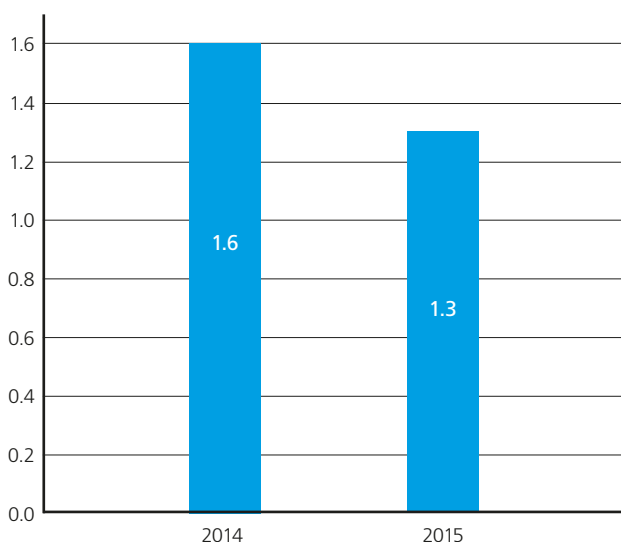
Source: our own calculations

Share of recipients of pension benefits through MPI in NPFs

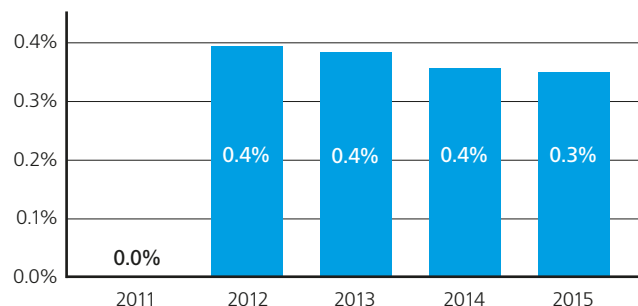
Source: our own calculations based on data from the Bank of Russia

Average monthly benefits through MPI in NPFs (₽)

Source: our own calculations based on data from the Bank of Russia

Number of benefits recipients from the pension savings in the PFR (mln persons)

Source: PFR

Share of average monthly NPF benefits relative to total pension savings

Source: our own calculations based on data from the Bank of Russia

new clients from the PFR (on average around 35.8 thousand ₽ according to the PFR) and a growing amount of benefits to pensioners and legal successors.

² From 2002 through 2005, the funded pensions (formerly accumulative part of the labor pension) was generated both among men born in 1953-1966 and women born in 1957-1966, but in connection with legislative changes, new calculations with these categories of IP have ceased.

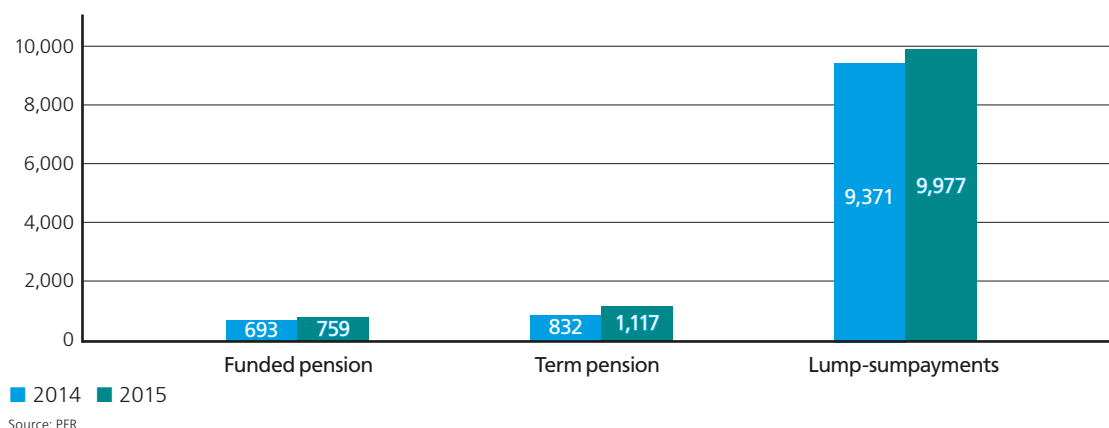
³ Excluding early and late retirement.

According to the statistics of the Bank of Russia on the 2012 results in NPFs, the quantity of benefits recipients from the pension savings consisted of only 125 thousand people (the accumulated total since the beginning of the reporting year). According to the 2015 results, their number has grown four-fold. It follows from the payment dynamics that the majority of NPF benefits is accounted for by transfers to legal successors, lump-sum payments, and term pension to pensioners from the “excluded generation” (men born between in 1953-1966 and women born in 1957-1966²). In this way, for more than 98% of those insured in NPFs, the conditions required for receiving funded pension have not yet been met.

The benefits for the monthly funded pensions are now minor and in the next few years are unlikely to dominate in the structure of overall benefits. This will last at least until 2022-2027, when people born in 1967³ will reach the standard retirement age. We expect that NPFs will face peak retirement of their modern clients of MPI roughly around 2037-2047, when their annual pension base will reach a million or more IIPs.

Closer to the mid-40's of the 21st century, the average pension benefits will significantly increase through MPI. In the meantime, at the end of 2015 the average monthly benefit totaled 995 ₽, having added 62% for

Benefits from the pension savings in the PFR (₽)



⁴ The institution of succession (inheritance) in respect to pension savings advantageously distinguishes the accumulative part of the pension system from the distributive (insured pension), in which the pension benefits recipient may be exclusively the insured person.

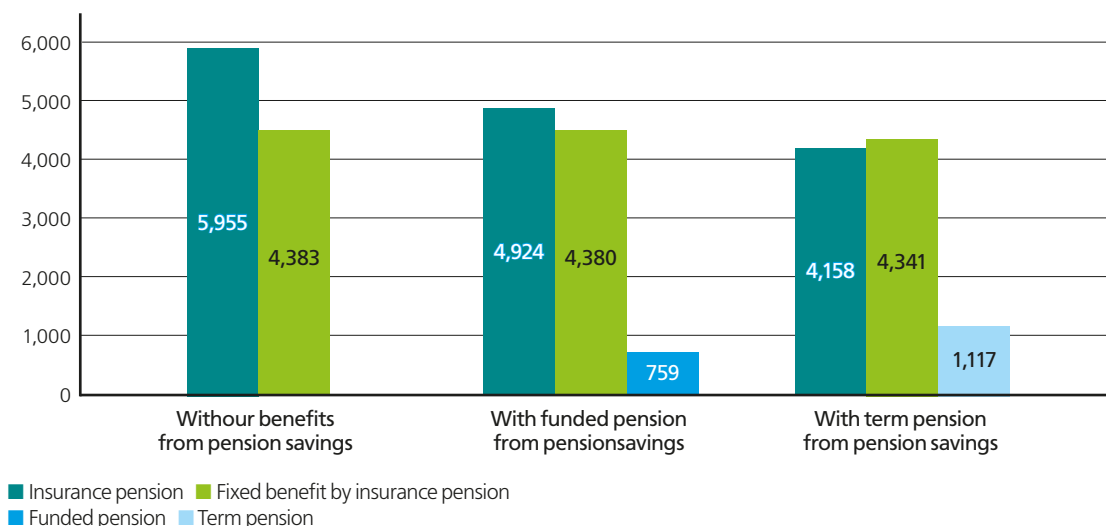
the year. In the accumulated total, NPFs spend roughly 0.4% annually from the generated funds of PS on pension benefits.

In its informational materials, the Bank of Russia does not divide benefits from pension savings into types. At the same time, there are three main ways to obtain these means: funded pension (paid for life, but its size is calculated from the average life expectancy for both sexes) and two ways previously mentioned – term pension (for a defined period of time, but not more than two years or 120 months) and lump-sum payment. Another option is for a legal successor to obtain the generated pension savings in the event of the original IP's death⁴.

⁵ The PFR is the insurer for individuals whose pension savings are invested in the state VEB or a PAMC, and therefore pays the funded pension to the insured. Unfortunately, in its informational materials, the PFR does not separate benefits by AMC type.

In the annual reports of the PFR⁵, it is also reported that in 2015 benefits recipients from pension savings numbered 1.3 million people. Of these, life-long funded pensions (average monthly size of 759 ₽) and term pension (on average 1,117 ₽ per month) were appointed to only 10.4 thousand IPs. The rest received lump-sum payments in sizes on average of 9,977 ₽ while the average insured pension was 12,380 ₽, and the average cost of living for a Russian pensioner was 7,161 ₽.

Pension benefits from the pension savings in comparison with the benefits from insurance pension (as of 31.12.2015, ₽)



2. Competitive environment

The primary insurer for all insured persons, the Pension Fund of the Russian Federation, has never actively been engaged in retaining its clients. The PFR has allowed AAMCs, including the state VEB, to invest pension savings. Previously, the AMCs did not undertake any meaningful marketing activity. The NPFs, on the contrary, have built a highly developed system of consultation for the insured about PS investment opportunities since the end of the last decade. As a result, nearly 31 million Russians have trusted the NPFs as of the end of 2015. In 2016, the largest pension funds are continuing to attract new clients, in spite of the significant changes to the rules of the game.

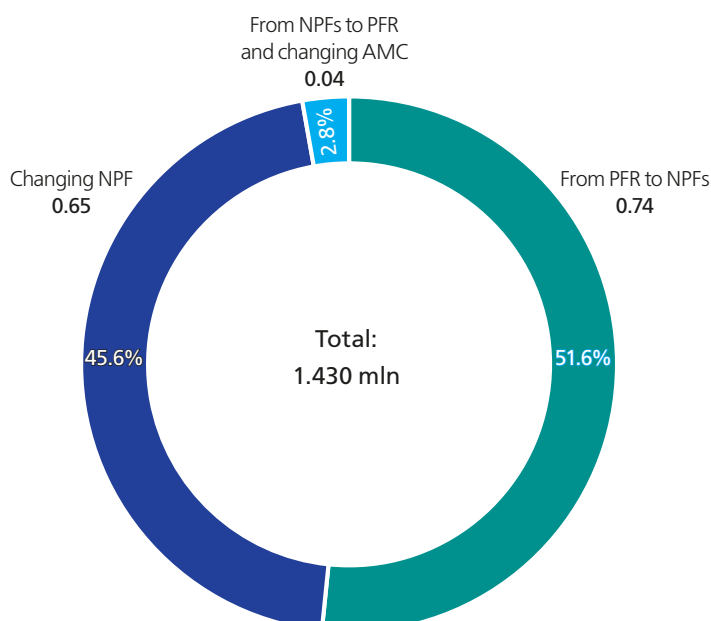
Here it is important to note that in order to change the method of PS investment, an insured person must: a) file the corresponding application to the PFR and b) in the case of choosing one of the NPFs as the new insurer, sign a MPI contract. The application may be filed in person at the PFR authorities and at multi-function centers, as well as through NPFs and their agents (for example, via partner banks). Traditionally, the number of applications filed at the PFR is fewer than the number of contracts signed. This difference is especially great in the intermediate statistics and related to the work of NPF agents. Pension funds must additionally verify MPI contracts received through this channel in order to avoid errors when filling out the forms and check IP consent on their receipt of the full information about the conditions of the PS transfer. In addition, the insured person in the course of the year is entitled to sign several contracts with different NPFs, but only the last one will be considered valid. As a result, the PFR is notified about contracts signed with NPFs with a delay related to the applications they have received.

As previously noted, the 2016 MPI Campaign promises to be no less fruitful for NPFs than in the past, and the share of approved applications for PS transfer from the PFR to NPFs, most likely, will exceed 50%. The interim results for the 1st half of 2016 speak to this. Of the 1.43 million applications received in the first 6 months of the year, 738 thousand have been associated with a transfer of pension savings from the PFR to an NPF.

⁶ In analyzing the number of contracts signed through MPI, it is necessary to remember that these contracts come into force only after approval by the PFRF in March of the year following their signing.

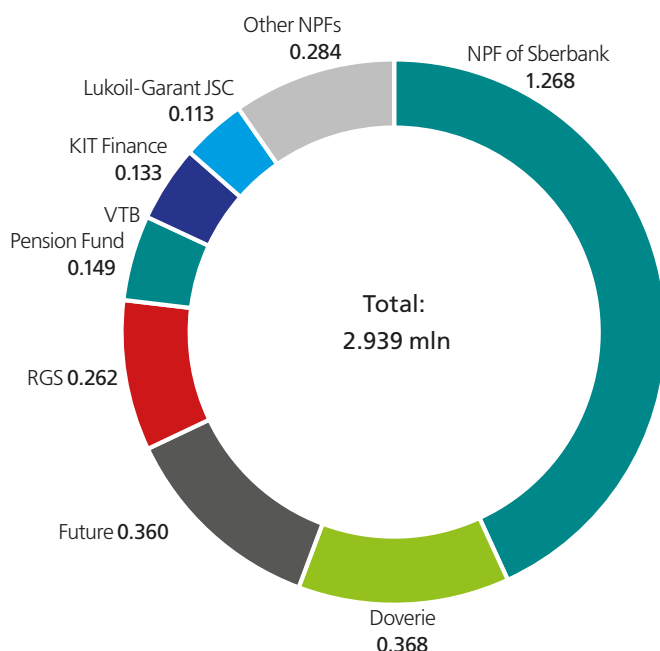
During this same time, NPFs signed 2.94 million MPI contracts (2 times more than applications). The leader, as in the previous Campaign, was the NPF of Sberbank, which according to the results of the 1st half of 2016 signed 1.26 million contracts (43%). In general, the current results are 21% higher than last year's, when NPFs signed 2.43 million contracts in the first half of the year. In truth, a significant portion of the new NPF clients may be those whose documents were not approved by the PFR in previous years. For example, by the end of 2015, of 4.2 million applications for transfer to the NPF of Sberbank, only 1.4 million⁶ were approved. In general, based on the results of the 2015 Campaign, the PFR dismissed 5.84 million applications.

Applications for a transfer of pension savings in the 1st half of 2016 (mln of applications)



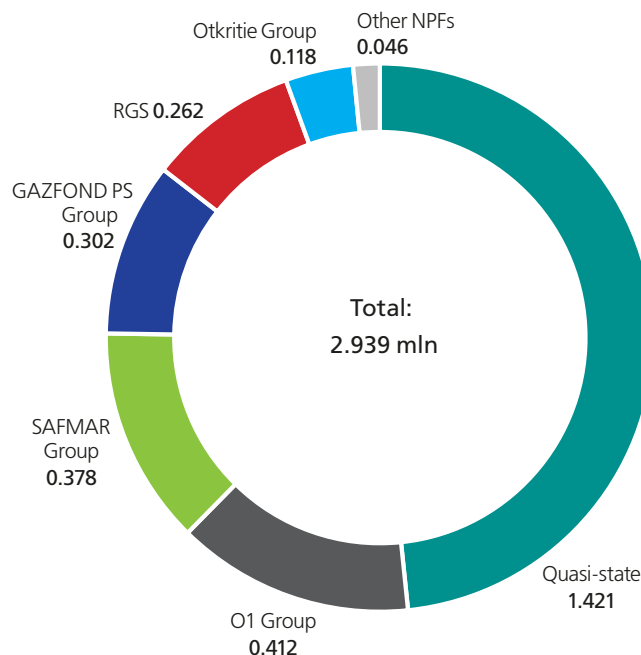
Source: our own calculations

Distribution of new MPI contracts among NPFs (as of 30.06.2016, mln contracts)



Source: our own calculations

Distribution of new MPI contracts among NPF Groups (as of 30.06.2016, mln contracts)



Source: our own calculations

Funds concentrating efforts at attracting clients via banks undoubtedly will be the main trend in the near term. Attraction through bank channels is usually more technological and reliable: there is a higher level of control of the service; minimization of risks associated with client verification and agents' activities; a qualified electronic signature is used for the submission of applications to the PFR. For the NPF of Sberbank, client acquisition primarily takes place through the 17.5 thousand offices of its shareholder Sberbank. The Pension Group SAFMAR traditionally cooperates with its sister bank group Binbank (500 offices). RGS works through 3 thousand offices of Rosgosstrakh and 1.7 thousand sales outlets of Rosgosstrakh Bank. The VTB Pension Fund offers its services in more than 1 thousand offices of VTB 24. In turn, funds of the Otkritie Group interact with the eponymous banking group (660 offices). NPF services can be found in other credit organizations, as well as in retail chains (e.g., Svyaznoy).

⁷ The Author of this review is highlighting the major NPF Groups both based on open sources and their own professional judgement.

Another method for developing a client base is through mergers and acquisitions (M&A). In 2015, the consolidation of MPI market participants continued and intensified the position of the major six pension groups established by the government and large private financial holdings⁷. Having concentrated 91% of all NPF pension savings in their funds according to the results of the 2015 MPI Campaign, large NPF groups actually became the basis of the System of guarantees, uniting 46 pension funds.

Those learning about the activities of the largest NPFs should take into account that pension funds, with the exception of quasi-state funds, are centrally regulated both in terms of marketing activity (rarely, when several funds of one group compete on the MPI market for new clients) and in the investment area. Therefore, the analysis of individual pension funds without regard to ownership structure may not be sufficiently informative.

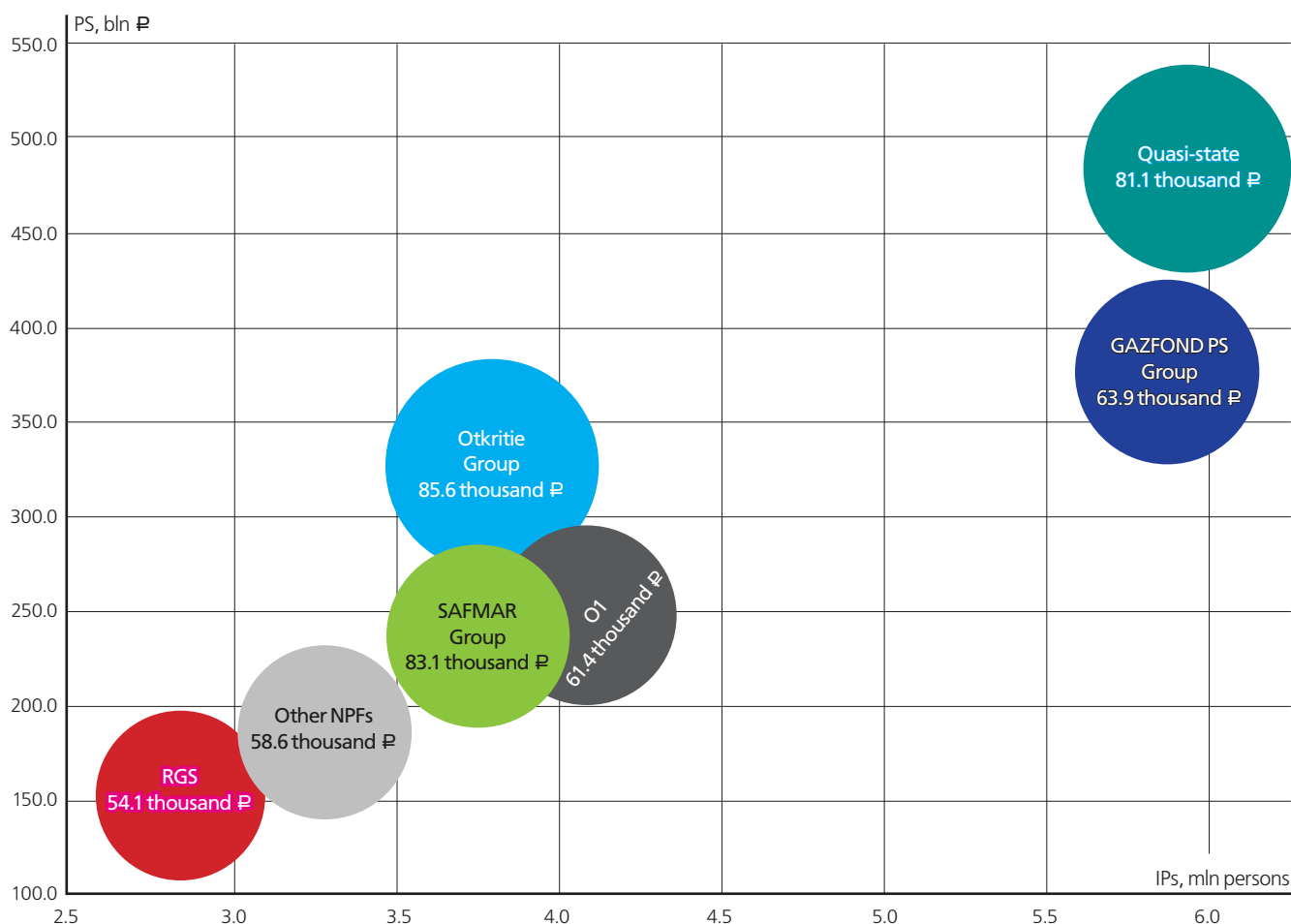
We expect that in the near future, pension groups will unite their funds. In March 2016, StalFond joined with Future, to which Uralsib and Russian Standard will later join. The European pension fund, Regionfund, as well as Education & Science have also announced that they will join Safmar (formerly Raiffeisen) under one name. Their group mate, Doverie, plans to join the Safmar by 2017. In August 2016, Nasledie, Promagrofund, and KIT Finance announced that they would join Gazfond PS.

At the beginning of the formation of the System of guarantees (1 January 2014), 120 NPFs held licenses for the right to engage in MPI activities. Of them, 88 funds led such activities. However, the crisis which began two years ago that resulted in many banks, insurance companies and managing companies leaving the Russian financial market, did not bypass NPFs. Since the beginning of 2014, as a result of the revocation of licenses and personal refusals to continue MPI activities, only 95 funds have remained, of which only 46 have entered into the System of guarantees and continued to serve the insured.

Main indicators of participants in the System of guarantees (as of 31.03.2016)

NPF Groups (NPF)	PS, mln ₺	Market share (PS)	Insured persons (mln)	Market share (insured persons)	Average account balance, thousand ₺
1 Quasi-state Group	478,852.3	24.0%	5,907.0	20.1%	81.1
NPF of Sberbank	328,517.3	16.5%	4,228.8	14.4%	77.7
VTB Pension Fund	116,695.0	5.8%	1,331.6	4.5%	87.6
Khanty-Mansiysk	12,045.3	0.6%	135.2	0.5%	89.1
Transneft	6,904.1	0.3%	46.2	0.2%	149.5
Neftegarant JSC	6,683.8	0.3%	71.0	0.2%	94.2
Atomfond JSC	4,460.3	0.2%	48.6	0.2%	91.7
Almaznaya Osen	2,762.5	0.1%	32.9	0.1%	83.9
Rostvertol	606.3	0.0%	10.0	0.0%	60.4
Avrovaz	177.7	0.0%	2.6	0.0%	68.0
2 Gazfond PS Group	373,354.6	18.7%	5,845.6	19.9%	63.9
Gazfond PS	149,687.8	7.5%	1,114.8	3.8%	134.3
KIT Finance	100,474.7	5.0%	2,124.7	7.2%	47.3
Promargofund	73,891.5	3.7%	1,808.2	6.2%	40.9
Nasledie	49,300.7	2.5%	797.9	2.7%	61.8
3 Otkritie Group	324,839.0	16.3%	3,793.6	12.9%	85.6
Lukoil-Garant JSC	236,781.2	11.9%	2,718.2	9.3%	87.1
NPF of Electric Power Industry	88,057.8	4.4%	1,075.4	3.7%	81.9
4 OI Group	247,369.8	12.4%	4,081.2	13.9%	60.6
Future	229,418.3	11.5%	3,728.2	12.7%	61.5
Uralsib	7,347.8	0.4%	107.4	0.4%	68.4
Russian Standard	5,357.3	0.3%	136.7	0.5%	39.2
Obrazovanie	3,521.6	0.2%	90.6	0.3%	38.9
Telekom-Soyuz	1,724.7	0.1%	18.2	0.1%	94.6
5 SAFMAR Group	236,504.1	11.8%	3,750.7	12.8%	63.1
European	127,385.4	6.4%	1,713.7	5.8%	74.3
Doverie	64,695.4	3.2%	1,478.8	5.0%	43.7
Safmar	29,238.8	1.5%	199.1	0.7%	146.8
Regionfund	11,323.9	0.6%	274.5	0.9%	41.3
Education & Science	3,860.5	0.2%	84.6	0.3%	45.6
6 RGS	153,856.0	7.7%	2,846.3	9.7%	54.1
7 Soglasie JSC	44,091.5	2.2%	1,004.5	3.4%	43.9
8 Renova Group	34,318.5	1.7%	451.3	1.5%	76.0
BIG	32,179.6	1.6%	430.4	1.5%	74.8
Vladimir	2,138.9	0.1%	20.9	0.1%	102.5
9 National	16,372.0	0.8%	308.9	1.1%	53.0
10 Sotsium	14,116.6	0.7%	244.4	0.8%	57.8
11 Magnit	12,348.1	0.6%	240.9	0.8%	51.3
12 Surgutneftegaz JSC	7,457.4	0.4%	20.9	0.1%	356.4
13 UMMC-Perspective	6,685.1	0.3%	71.3	0.2%	93.8
14 Social Development	6,469.9	0.3%	103.8	0.4%	62.3
15 DIF	4,838.0	0.2%	69.7	0.2%	69.4
16 Doverie (Orenburg)	4,115.8	0.2%	95.6	0.3%	43.0
17 Stroykomplex	2,880.0	0.1%	44.1	0.2%	65.3
18 Volga-Capital	2,315.2	0.1%	41.2	0.1%	56.2
19 Gefest	1,707.5	0.1%	25.8	0.1%	66.1
20 1st industrial alliance	1,628.6	0.1%	35.5	0.1%	45.9
21 Akvilon	800.1	0.0%	9.1	0.0%	88.1
22 OPC	799.6	0.0%	12.3	0.0%	64.9
23 Professional	518.6	0.0%	6.6	0.0%	79.0
24 Captain JSC	459.0	0.0%	5.1	0.0%	90.3
25 Allianz	89.8	0.0%	0.7	0.0%	128.1
Participants in the System of guarantees	1,976,787.1	99.0%	29,016.1	98.8%	67.8
NPFs out of the System of guarantees	19,230.8	1.0%	356.2	1.2%	54.0
All NPFs	1,996,018.0	100.0%	29,372.4	100.0%	68.0

Source: our own calculations based on data from the Bank of Russia

The average account of the largest NPF groups (as of 31.03.2016)

Source: our own calculations based on data from the Bank of Russia

Of the liquidated funds, the funds associated with Anatoly Motylyov (Sun Group, dissolved in 2015) and Yevgeny Novitsky (licensing lost in 2016) accounted for the largest amount of pension savings. The main reason for the revocation of the licenses of both group was the depreciation of assets, largely due to investments in low-quality financial instruments.

As a result of the termination of MPI activities of some pension funds, the pension savings of their clients were transferred to the PFR. And in the case of a lack of means, the Bank of Russia made up for the deficit.

Currently on the MPI market, there is a high concentration of pension business among the NPFs. By the end of the 1st quarter 2016 – i.e., after the completion of the transition campaign and the transfer of pension savings– the 10 largest NPFs accounted for 1,604.8 billion ₺, which represents 81.2% of pension savings of all non-state funds .

Compared to the previous year's reported data, the NPF of Sberbank pension savings funds increased more than 4 times (252.5 billion ₺), which raised the NPF in the ranking of funds by amount of PS from third to first place. The former long-time leader, Lukoil Garant JSC, became second, and Future, despite its 114.6 billion in new pension savings, dropped one notch to third place.

The NPF of Sberbank is also leading in the size of the client base, while last year the NPF held 8th place. The number of insured persons of this fund increased four times (fourth place by growth rate) and amounted to 3.2 million. Lukoil Garant JSC is in second place, and Future, even taking into account the merger with StalFond, moved into third place by number of MPI clients.

The NPF of Sberbank is also leading in the size of the client base, while last year the NPF held 8th place. The number of insured persons of this fund increased four times (fourth place by growth rate) and amounted

Main indicators of funds not included in the System of guarantees since the end of 2015 (as of 31.03.2016)

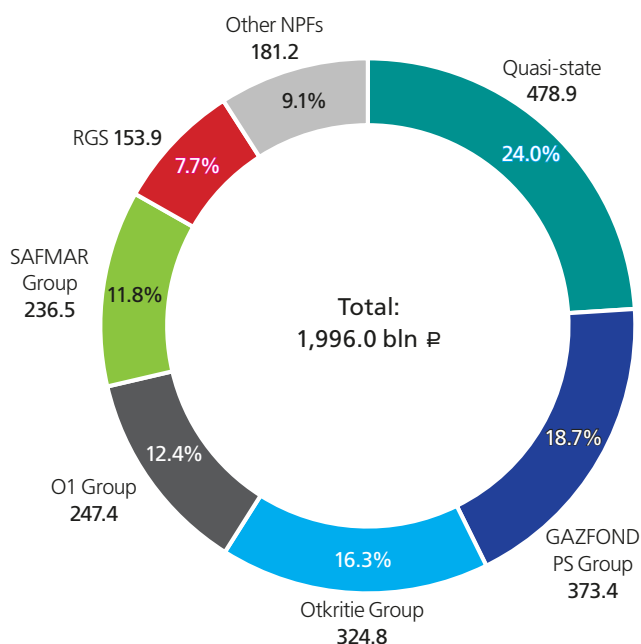
NPF Groups (NPF)	PS, mln ₹	Market share (PS)	Insured persons (mln)	Market share (insured persons)	Average account balance, thousand ₹
1 Novitsky Group	17,282.7	0.9%	334.5	1.1%	51.7
1 NPF	8,179.9	0.4%	189.6	0.6%	43.1
Mechel-Fund	6,337.9	0.3%	78.6	0.3%	80.6
Zerich	1,222.5	0.1%	36.9	0.1%	33.2
NPF Metallurgov	853.9	0.0%	13.0	0.0%	65.5
UFD	688.4	0.0%	16.3	0.1%	42.1
TPP Fund	251.4	0.0%	1.8	0.0%	138.6
2 St. Petersburg	484.3	0.0%	4.1	0.0%	118.5
3 Bashkortostan	398.9	0.0%	6.5	0.0%	61.1
4 Pension-Invest	263.9	0.0%	2.6	0.0%	102.9
5 Quasi-state Group	242.8	0.0%	2.8	0.0%	88.1
VNIEF-GARANT	242.8	0.0%	2.8	0.0%	88.1
6 Siberian Savings	172.0	0.0%	2.8	0.0%	61.6
7 Interregional	52.5	0.0%	0.3	0.0%	157.0
9 Social World	40.5	0.0%	0.3	0.0%	123.0
10 Golden age	32.9	0.0%	0.5	0.0%	67.0
11 Sberfund	9.1	0.0%	0.1	0.0%	182.6
NPFs out of the System of guarantees	19,230.8	1.0%	356.2	1.2%	54.0
Participants in the System of guarantees	1,976,787.1	99.0%	29,016.1	98.8%	68.1
All NPFs	1,996,018.0	100.0%	29,372.4	100.0%	68.0

Source: our own calculations based on data from the Bank of Russia

to 3.2 million. Lukoil Garant JSC is in second place, and Future, even taking into account the merger with StalFond, moved into third place by number of MPI clients.

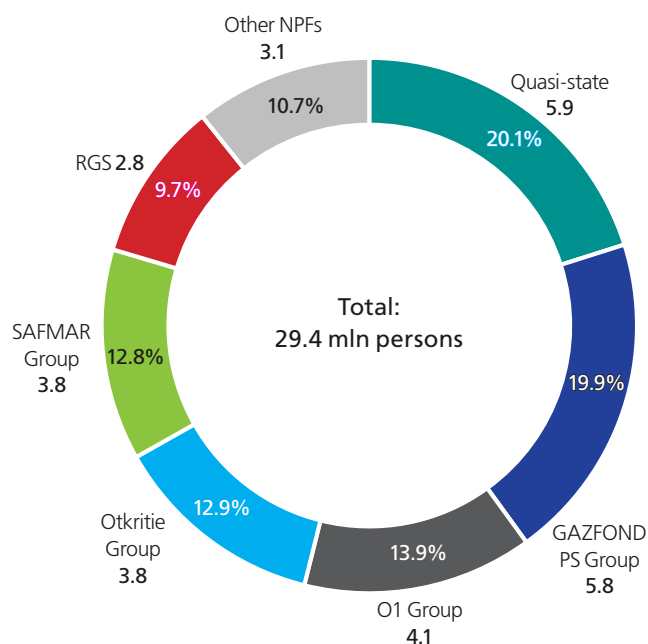
According to the 2015 results, the leaders in the number of pension benefits recipients were the funds whose core client base has historically been employees of friendly organizations. The three leading funds by this indicator accounted for more than half of all pensioners in NPFs.

Distribution of pension savings among NPFs (as of 31.03.2016, bln ₹)



Source: our own calculations based on data from the Bank of Russia

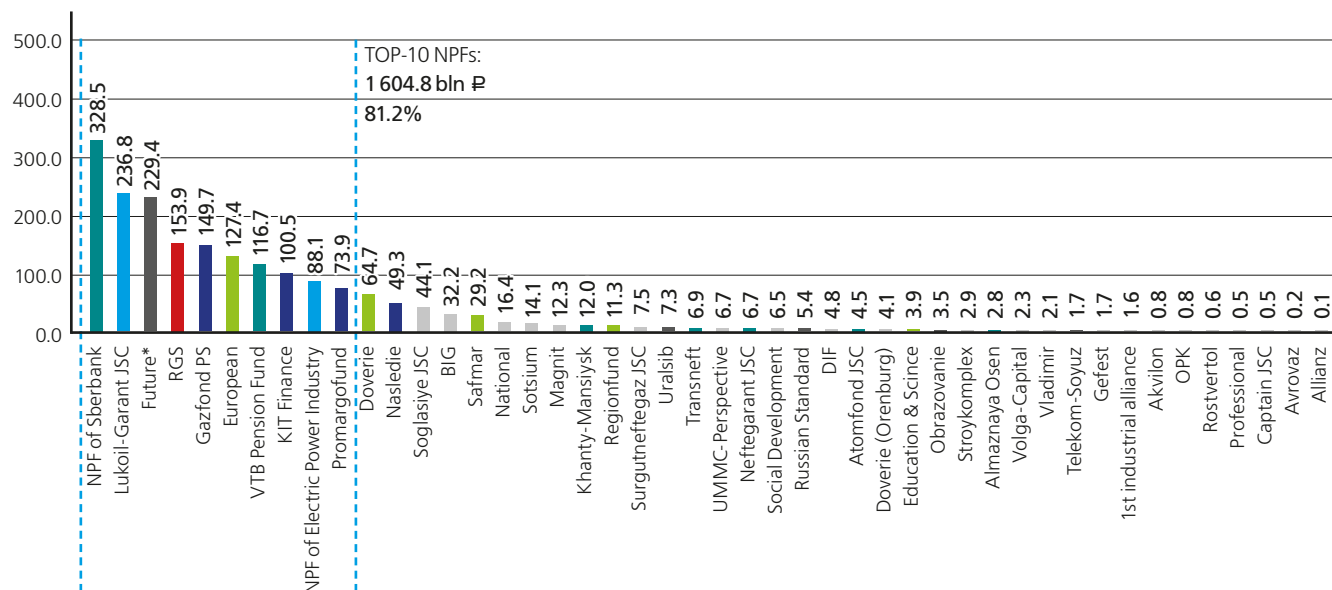
Distribution of insured persons among NPF Groups (as of 31.03.2016, mln persons)



Source: our own calculations based on data from the Bank of Russia

NPF ranking by amount of pension savings

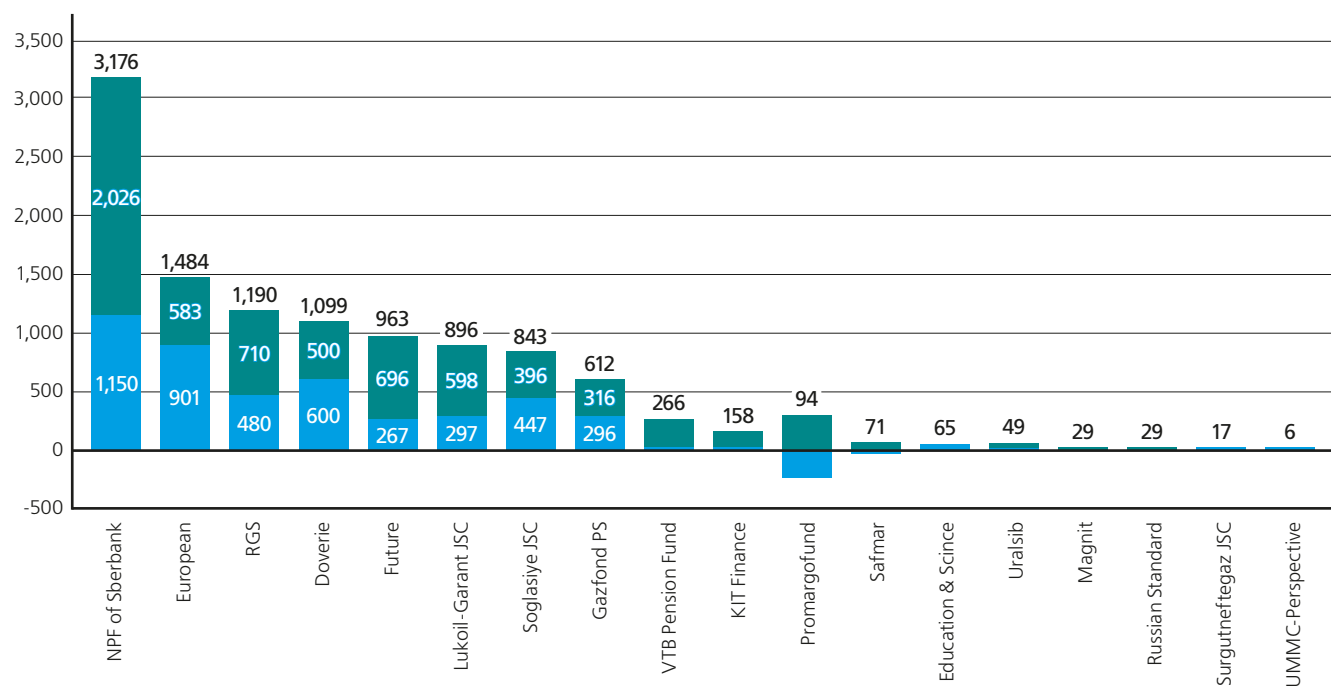
(among participants of System of guaranty, as of 31.03.2016, bln ₺)



Source: Bank of Russia

* Taking into account the StalFond merger in 2016

Ranking of the largest NPFs by attraction of insured persons as a result of the 2013-2014 and 2015 MPI Campaigns (thousand persons)



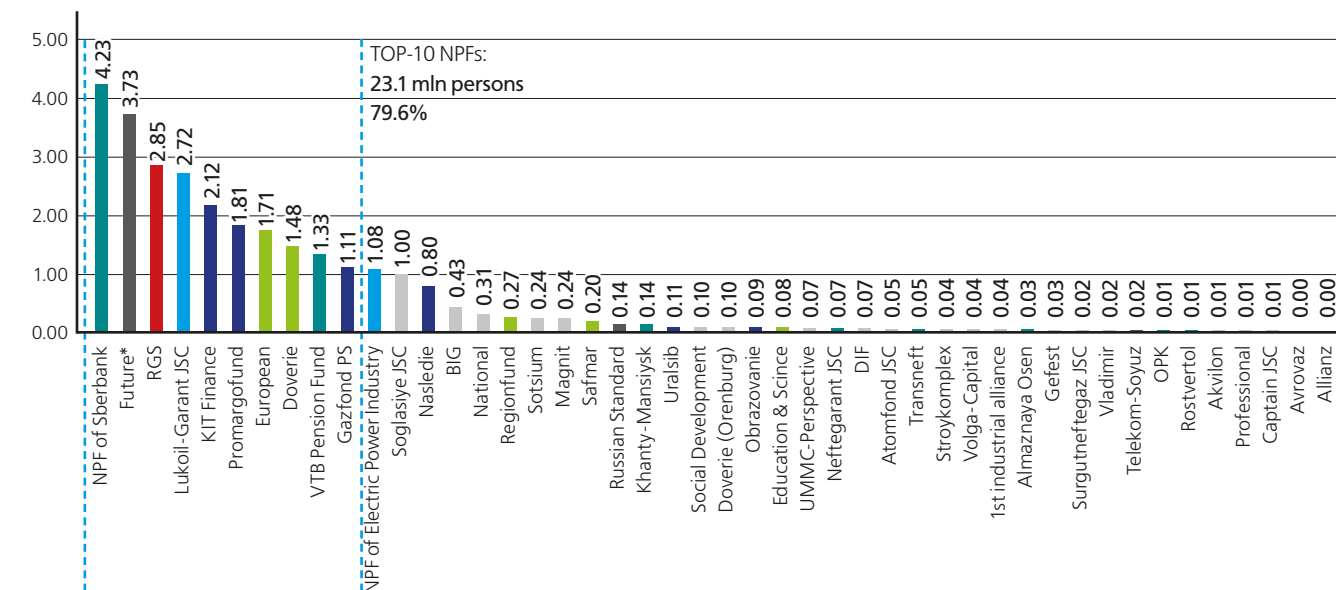
■ MPI Campaign 2015 ■ MPI Campaign 2013-2014

Source: our own calculations

Captive NPFs (created by subsidiaries), which in recent years have not engaged in attracting new clients on the open market, accounted for the largest portion of pensioners. Most likely due to increased legislative regulations and as a result of improving the technology of MPI market activities, many owners of these funds will prefer to divest themselves of their non-core assets. Another option is the abandonment of MPI activities and concentration on NPPs.

NPF ranking by the number of insured persons at the end of the 2015 MPI Campaign

(among participants of the System of guarantees, as of 31.03.2016, mln persons)

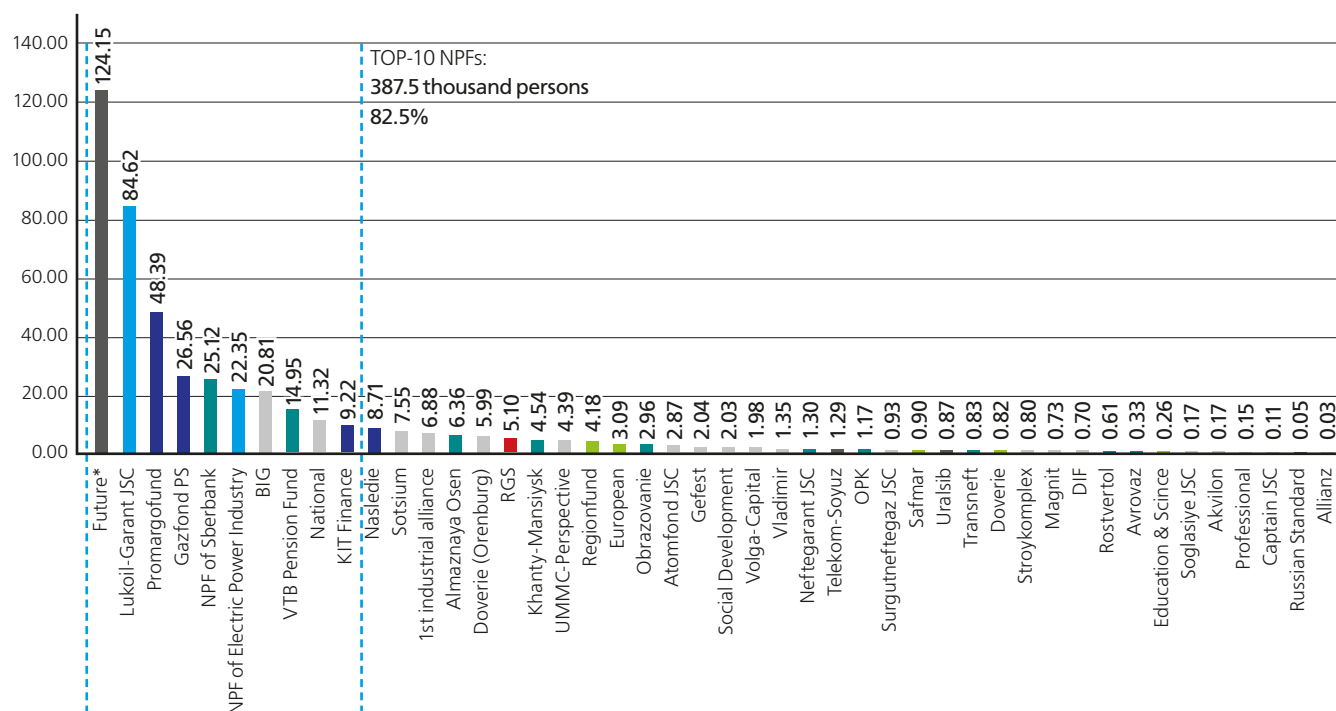


Source: Bank of Russia

* Taking into account the StalFond merger in 2016

NPF ranking by number of pensioners in the MPI (pension benefits recipients) in 2015

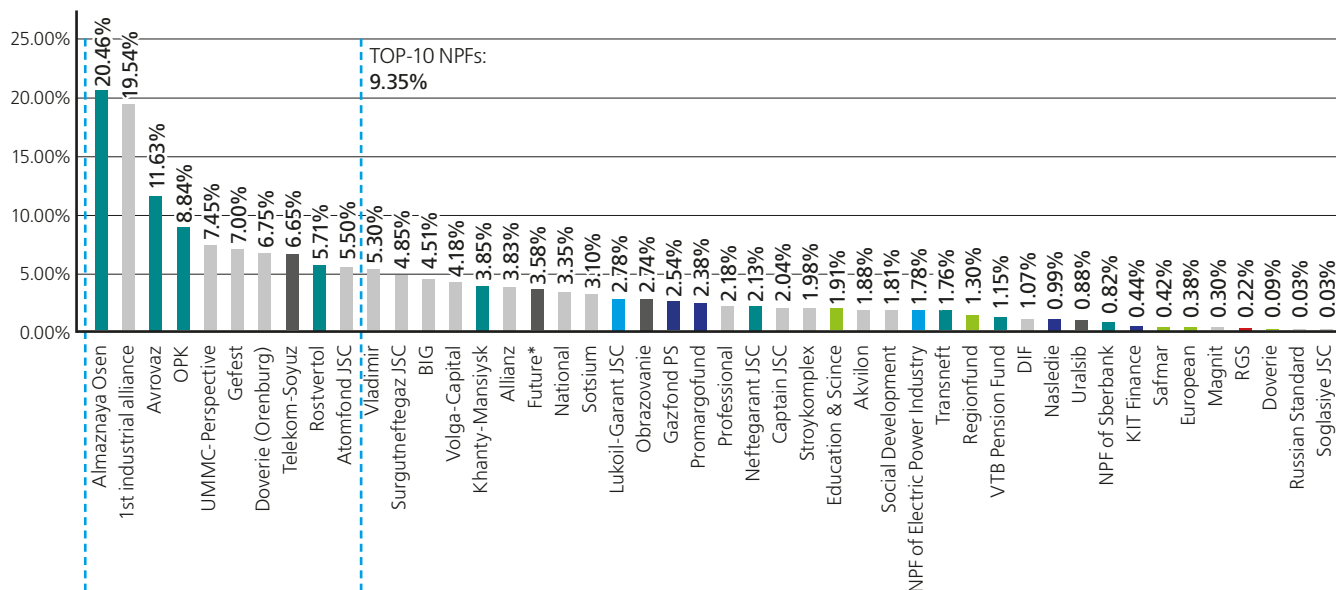
(among participants of the System of guarantees, as of 31.12.2015, thousand persons)



Source: Bank of Russia

* Taking into account the StalFond merger in 2016

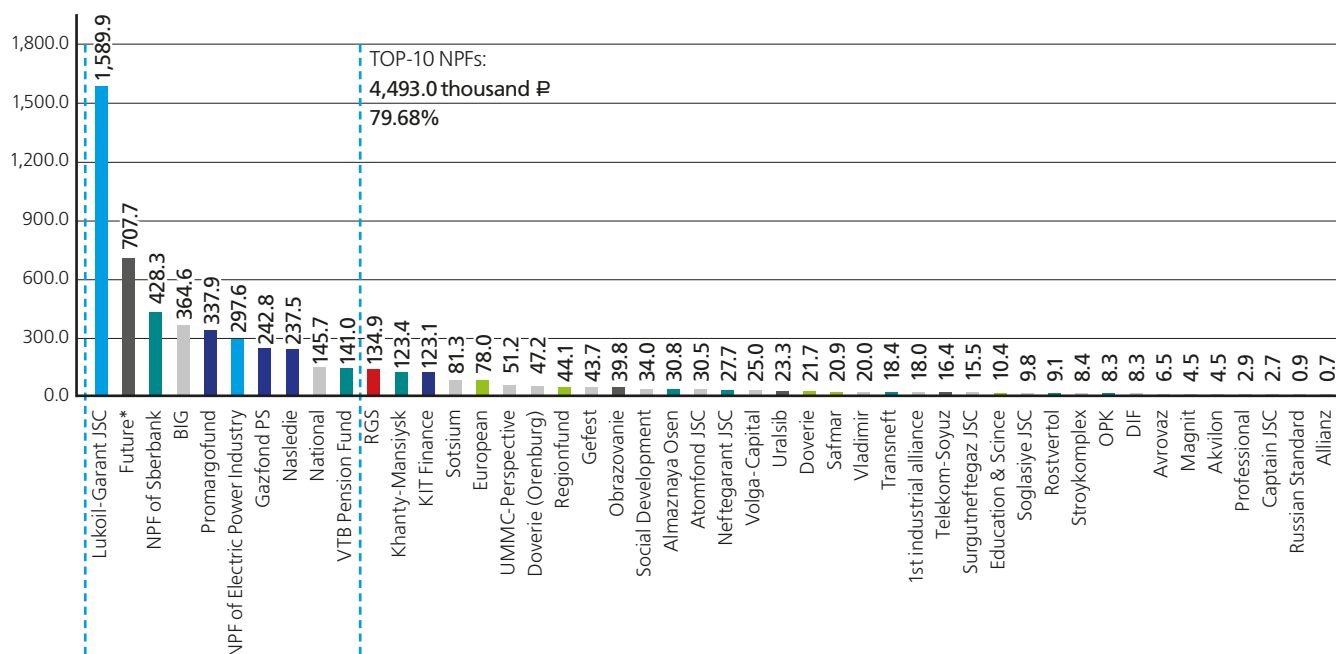
NPF ranking by share of pensioners (pension benefits recipients) in the MPI in 2015 (among participants of the System of guarantees, as of 31.12.2015)



Source: our own calculations based on data from the Bank of Russia

* Taking into account the StalFond merger in 2016

NPF ranking by amount of pension benefits in the MPI in 2015 (among participants of the System of guarantees, as of 31.12.2015, thousand ₺)

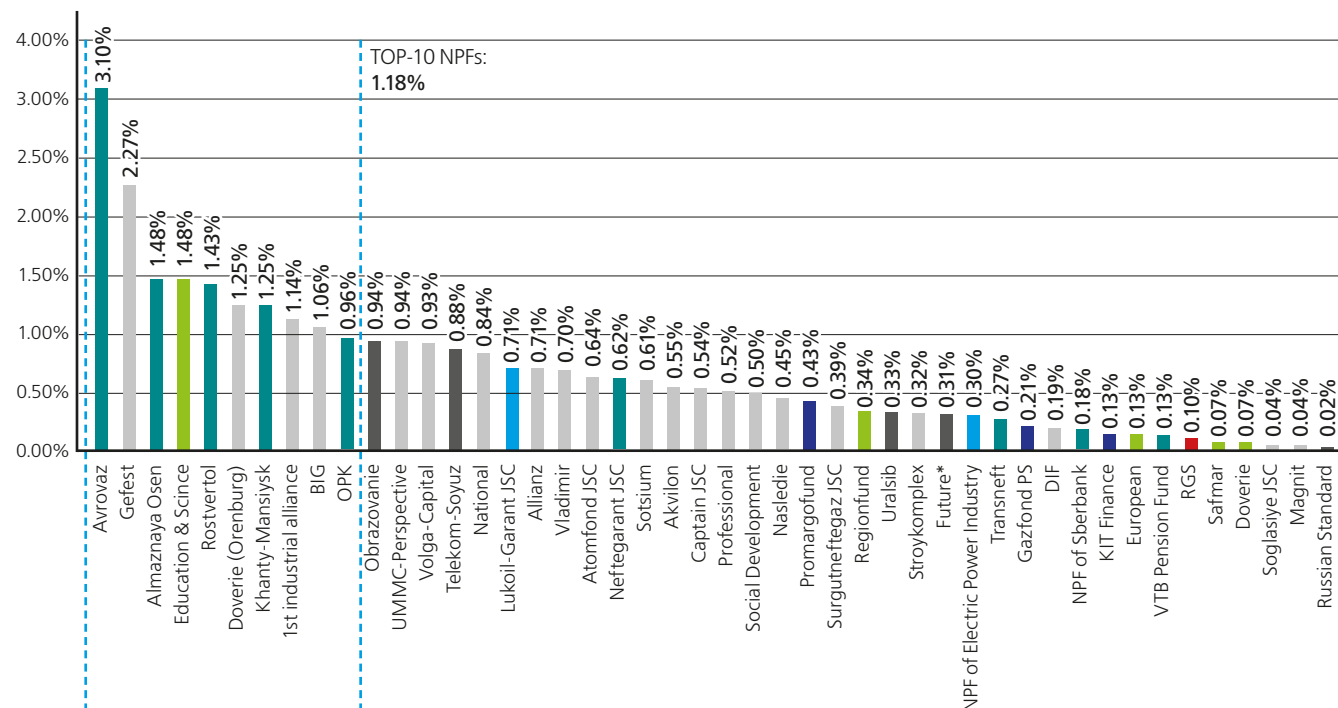


Source: Bank of Russia

* Taking into account the StalFond merger in 2016

NPF ranking by share of pension benefits in the total asset profile in the MPI in 2015

(among participants of the System of guarantees, as of 31.12.2015)

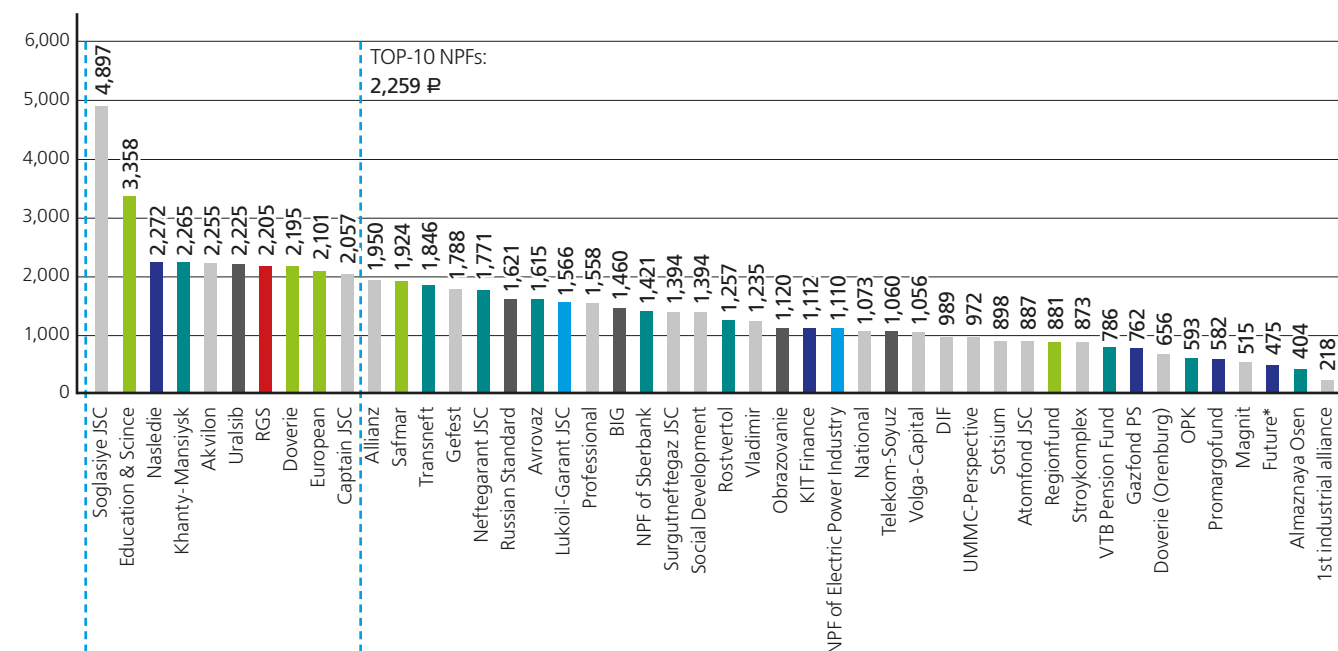


Source: our own calculations based on data from the Bank of Russia

* Taking into account the StalFond merger in 2016

NPF ranking by average monthly pension benefit in the MPI in 2015

(among participants of the System of guarantees, as of 31.12.2015, ₺)



Source: our own calculations based on data from the Bank of Russia

* Taking into account the StalFond merger in 2016

3. Rate of return on pension savings

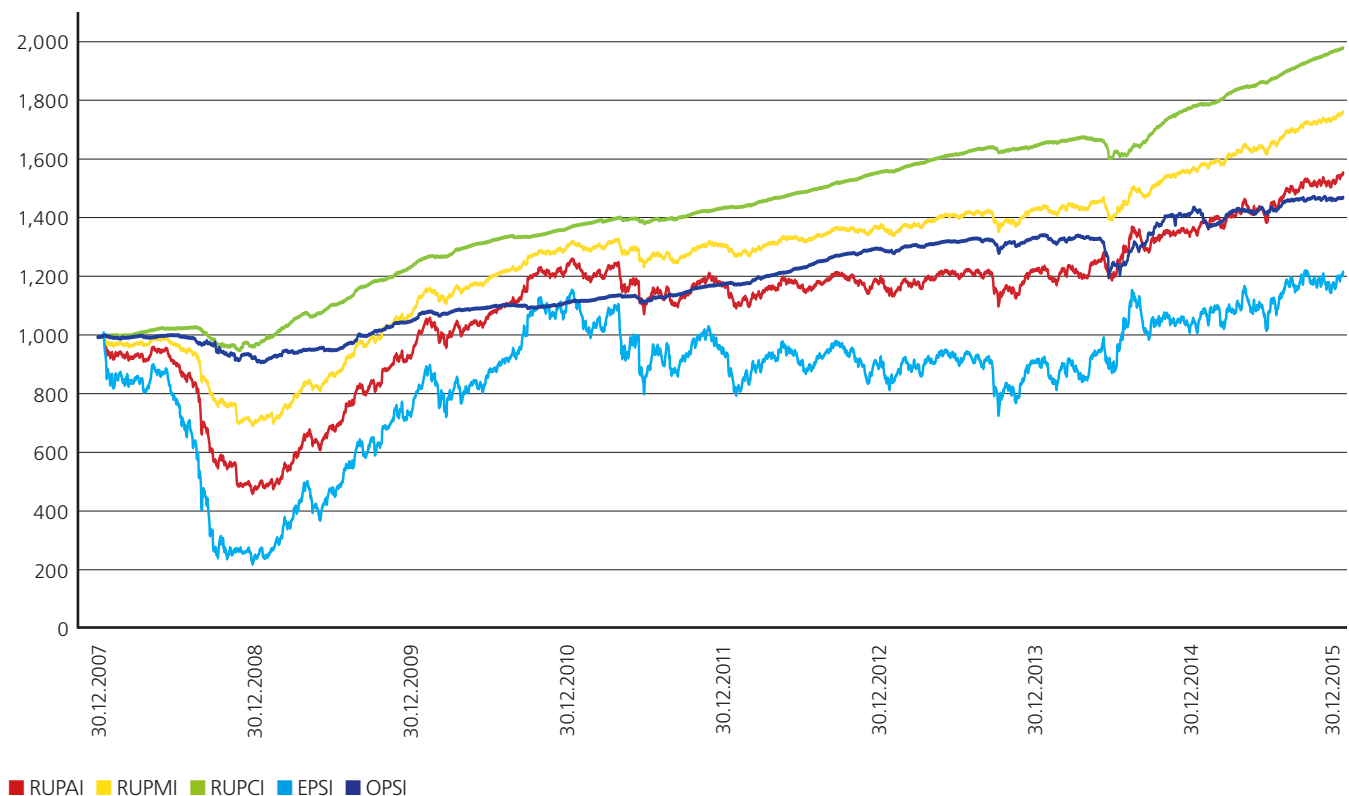
The key factor that characterizes the efficiency of pension savings is the rate of return. Within the framework of P&AC research, we study so called “net returns”, i.e. returns actually paid into accounts of insured people after subtracting remuneration paid to NPFs, AMCs and specialized depositories as well.

In contrast to the data on rate of returns of asset managing companies cooperating with NPFs, which are published on websites listed by the organization on a quarterly basis, the disclosure of information on rate of returns of NPFs is, unfortunately, still not a mandatory requirement and it is based on the good will of the funds. It should be considered that the rate of returns of NPFs published by the Bank of Russia on a quarterly basis does not reflect the actual rate of returns paid into accounts of insured parties, but only shows the level of the rate of returns earned by the fund. This is why this indicator cannot be used to calculate accumulated returns.

This section presents figures for the rate of return of invested pension savings, as of 31.12.2015, on 2 major VEB investment portfolios, 38 investment portfolios of 34 PAMCs and 46 NPFs (9 of them ceased their MPI activity in 2016). The analyzed NPFs, as of 31.12.2015, accumulated 87.20% of pension savings and served 88.20% of IPs of all non-state pension funds.

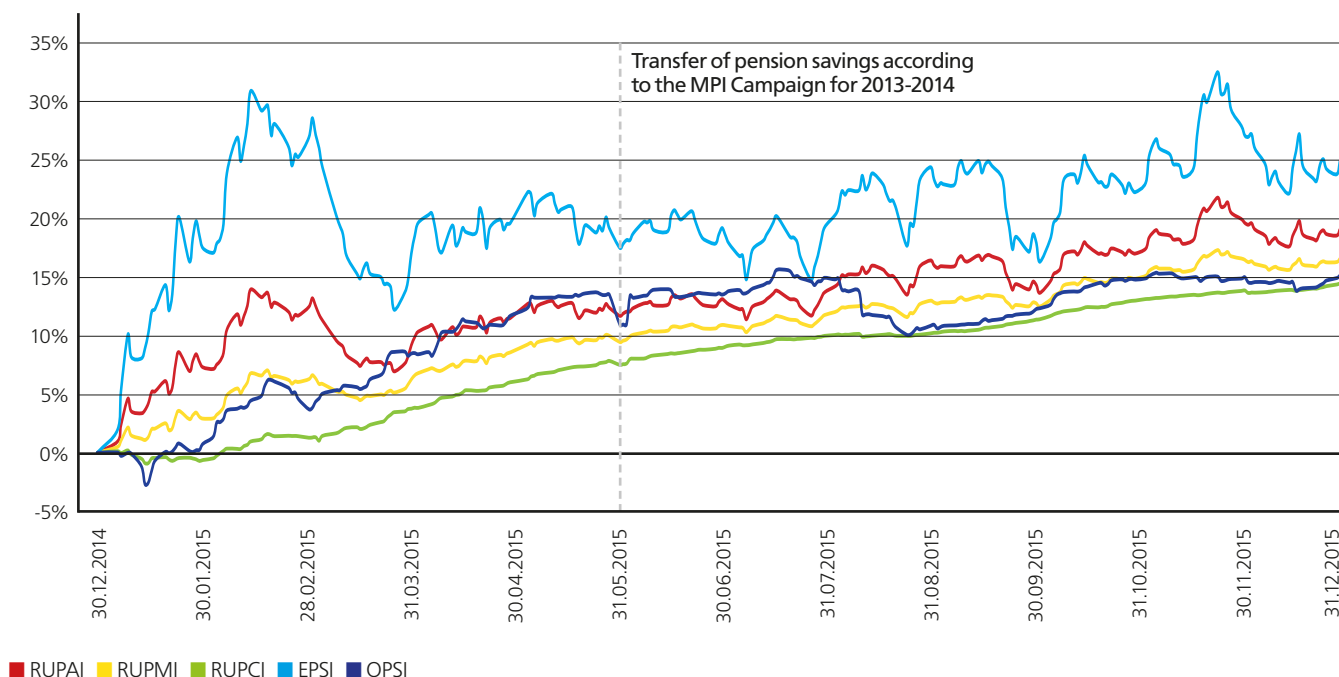
The remaining NPFs as of the moment of this review’s completion either did not provide the corresponding information on their rates of return, it was not disclosed on their websites or was not mentioned in other sources the Author deemed credible. There are 19 such funds which managed 12.87% of PS and 11,8% of IPs of all NPFs, including: Future (third place by amount of PS by the end of 2015), Soglasie JSC (17th place), Khanty-Mansiysk (22nd place) and Trasneft (25th place).

Change in pension asset indices for 2008–2015



Source: Moscow Exchange

Changes in pension asset indices during 2015



Source: Moscow Exchange

With an inflation of 12.94% for 2015 the yearly rate of return was:

- According to VEB (expanded investment portfolio, 46% of all PS of Russia) 13,30%;
- On average for investment portfolios of PAMCs : 15.22%;
- On average for NPFs: 15.22%.

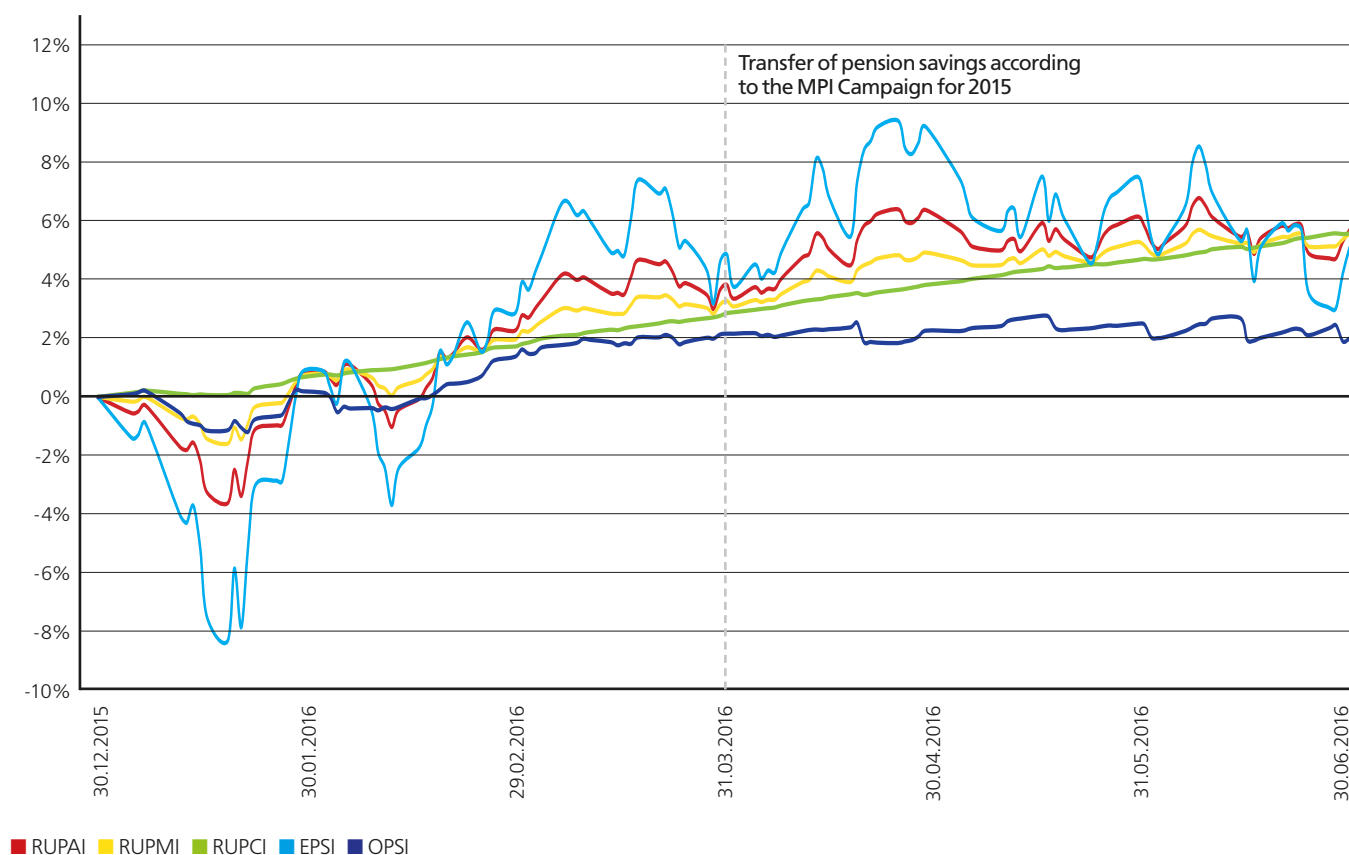
The performance of 2015, like last year, above all reflects the results of a re-evaluation of securities at year's end. NPFs, at that date, invested 56.2% of pension savings in federal, sub-federal, municipal and corporate bonds as well as international prime financial organizations' securities. In the case of VEB, bonds of this type amounted to 77.4% of the portfolio.

In view of inflation at 79.13% accumulated in the past 7 years, the best result on average was demonstrated by investment portfolios of PAMCs: 96.08%. The second place was taken by NPFs – 76.49% on average. The largest (expanded) investment portfolio of VEB earned 62.81%. If the best, rate of return-based, NPF needed 5 years to double pension savings for the insured parties, the leading PAMCs needed 7 years. **This, once again, confirms the effectiveness of pension savings and funded pension system in general** even considering the crisis and development amid relatively high inflation (8-9% on average).

The primary indicators, that allow for comparison of given NPF, VEB, and PAMC investment results with opportunities they had in 2015, are the pension asset indices provided by the Moscow Exchange (MOEX). These benchmarks allow to assess a change in price of possible portfolios of pension assets: aggressive (RUPAI), balanced (RUPMI) and conservative (RUPCI), as well as quotes based on change, which can be purchased by pension investors (the EPSI sub-index), and Russian Federal loan bonds (OPSI, sub-index for OFZ).

The following two factors gradually affected the rate of return of pension investors: general instability on the stock market (reduction of the key interest rate of the Bank of Russia and fluctuations on the capital stock market in the beginning and end of the year), and receiving pension savings in May by funds which entered the System of guarantees. By this means, pension funds – donors (which gave away more pension savings) were able to earn a considerable amount of their income within the first five months and kept earning for a considerably smaller number of clients during the rest of the year. On the contrary, many funds which increased the volume of their pension savings had to invest in the conditions of a slow-growing market, and their achieved results for the first half of the year were indistinctly spread among an increased (in some cases) client base in the end of the year.

Changes in pension asset indices in the 1st half of 2016



Source: Moscow Exchange

In 2014 the performance of NPFs, VEB and PAMCs turned out to be better than pension asset indices. However, in 2015 only some PAMC's overtook the conservative RUPCI index. The principle differences in investment strategies used by various participants of the MPI market – NPFs, VEB and PAMC – are illustrated in the annual performance indicators of effectiveness of pension saving investment.

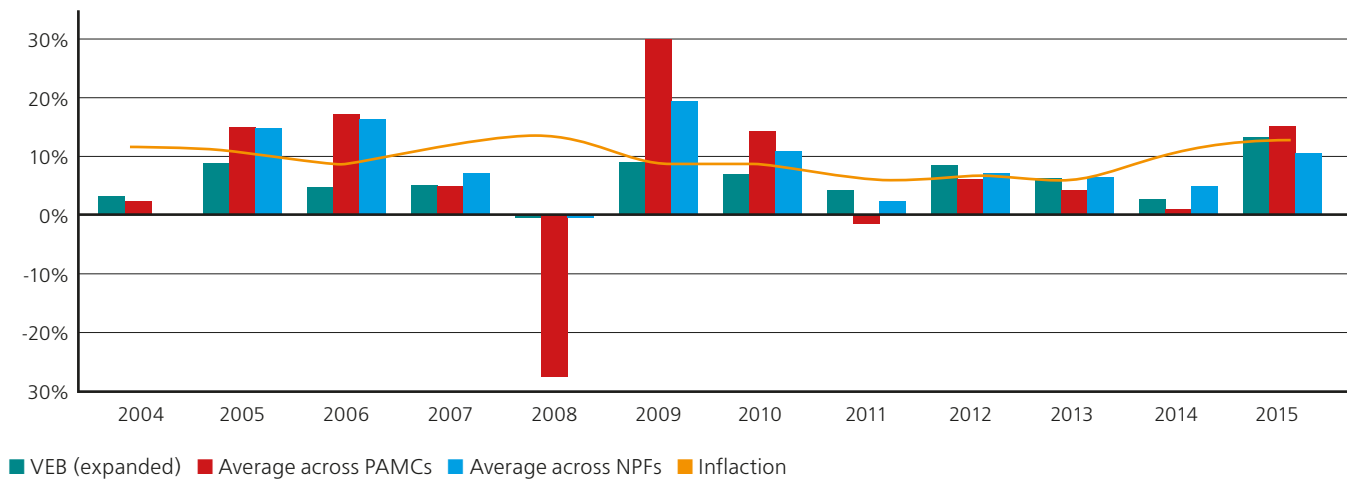
For first time the participants of the MPI market faced the large-scale necessity of covering big losses in the end of 2008. According to the then-version of the Law “On non-state pension funds”, investing pension savings had to be realized based on the principles of providing security, return, diversification and liquidity of such funds. Obviously, the very nature of investments does not provide the possibility to guarantee a break-even, which was vividly proved by the financial and economic crisis of 2008-2009. Nevertheless, in spite of the diversity of legal provisions, the vast majority of NPFs covered the losses, which resulted in investments, at their own expense and distributed the zero rate of returns into accounts of PH's. The Law “On non-state pension fund” did not, of course, apply to investment operations of NPFs (investment

Annual indicators of change in pension asset indices

Year	RUPAI	RUPMI	RUPCI	EPSI	OPSI	Inflation
2015	19.54%	16.73%	14.42%	26.12%	15.27%	12.91%
2014	-1.84%	-0.95%	-0.27%	-6.46%	-6.46%	11.35%
2013	3.82%	5.89%	8.14%	1.45%	5.77%	6.47%
2012	6.07%	6.63%	7.22%	5.10%	9.84%	6.57%
2011	-7.85%	-1.41%	4.62%	-18.35%	4.09%	8.78%
2010	35.41%	23.45%	11.72%	56.44%	6.41%	8.78%
2009	77.44%	42.89%	22.54%	153.60%	9.72%	8.80%
2008	-49.71%	-27.63%	-2.08%	-72.58%	-5.88%	13.28%

Source: our own calculations based on data from Moscow Exchange

Comparison of investment returns on pension savings and inflation in Russia



Source: our own calculations based on data from the PFR, Rosstat and NPFs

declarations of MC), this is why the state pension fund was able to recognize the losses gained by VEB and PAMCs.

In 2009 the fund market demonstrated essential growth which resulted in excellent performance demonstrated by NPFs and AMCs in the end of the year. Later, the non-state pension funds, having considered the situation of 2008, reduced their investment shares that had market risks and switched to the practice of breaking-even in the end of each year. This had to affect their rate of returns. This is why for the period of 2011-2014, NPFs beat PAMCs based on effectiveness but lost at the 2015 year-end as a result of the crisis.

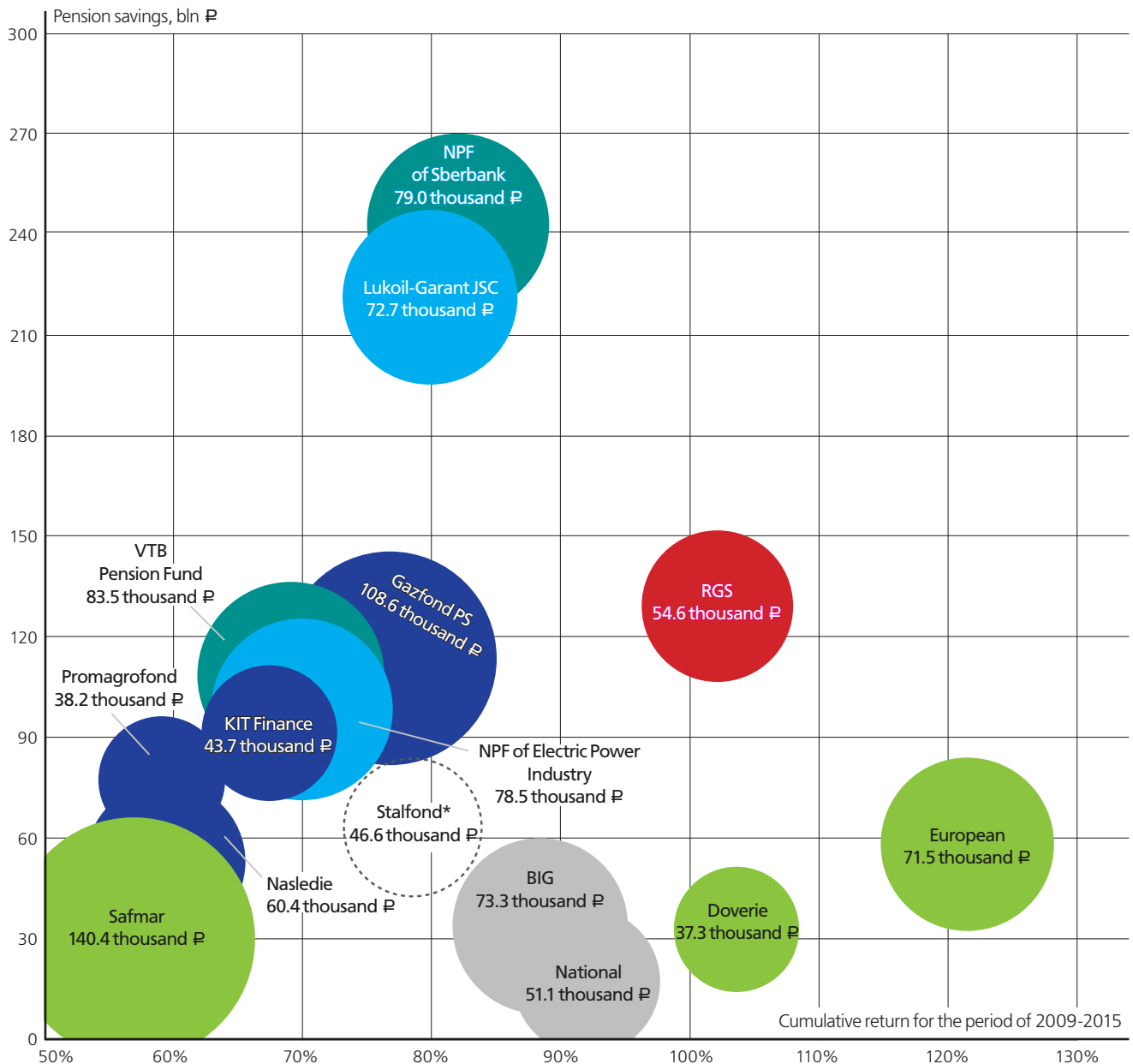
Data on annual rate of returns for NPFs

Nº	Indicator	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
	VEB (government securities)					0.97%	4.73%	4.11%	6.94%	5.66%	-2.16%	11.87%
	VEB (expanded)	8.71%	4.67%	4.99%	-0.43%	9.05%	6.95%	4.24%	8.41%	6.31%	2.56%	13.30%
	Inflation	10.92%	9.00%	11.87%	13.28%	8.80%	8.78%	6.10%	6.57%	6.47%	11.35%	12.91%
1	1 NPF	22.30%	18.60%	9.94%	0.00%	18.63%	9.26%	1.16%	5.80%	5.31%	3.13%	8.30%
2	Avrovaz									5.17%	3.99%	13.91%
3	Akvilon	0.00%	10.46%	4.92%	0.00%	28.93%	11.04%	0.00%	0.38%	5.93%	4.99%	8.40%
4	Almaznaya Osen	7.60%	10.70%	6.10%	0.00%	1.68%	8.98%	0.82%	5.58%	3.90%	2.15%	11.08%
5	Atomfond JSC				0.00%	18.10%	9.92%	1.33%	6.40%	6.72%	3.79%	8.54%
6	Bashkortostan							15.00%	9.00%	3.77%	36.88%	17.99%
7	BIG	14.90%	17.90%	6.40%	0.00%	24.40%	9.90%	2.82%	7.67%	7.25%	6.15%	9.34%
8	Vladimir	7.15%	4.23%	6.35%	0.00%	21.30%	12.30%	1.01%	8.58%	7.46%	5.40%	10.02%
9	VNIIEF-GARANT	10.70%	17.10%	8.12%	0.00%	10.00%	10.00%	0.96%	7.61%	6.17%	1.27%	11.12%
10	Volga-Capital	17.00%	19.01%	7.50%	0.00%	8.00%	9.00%	0.25%	7.00%	4.84%	6.20%	11.60%
11	VTB Pension Fund				0.00%	16.03%	9.23%	0.48%	8.68%	5.94%	4.41%	10.44%
12	Gazfond PS	16.35%	15.48%	3.96%	0.00%	22.60%	9.24%	0.93%	7.73%	6.39%	2.72%	11.07%
13	Gefest		16.58%	6.78%	5.24%	13.02%	11.04%	1.50%	7.01%	6.43%	0.27%	12.68%
14	Doverie		9.13%	8.60%	0.00%	24.55%	9.00%	7.90%	9.87%	7.54%	7.27%	9.68%
15	Doverie (Orenburg)				5.70%	27.93%	12.03%	3.01%	4.82%	6.41%	4.47%	9.39%
16	European					18.23%	27.10%	6.70%	6.62%	6.56%	10.87%	9.69%
17	Golden age											14.22%
18	Imperia					24.14%	5.00%	1.34%	6.00%	1.70%	0.00%	12.94%
19	KIT Finance				10.35%	17.26%	9.98%	0.00%	6.70%	6.63%	2.06%	11.79%
20	Lukoil-Garant JSC	12.03%	15.18%	9.53%	0.00%	20.07%	10.55%	1.99%	7.57%	6.65%	6.49%	8.75%
21	Magnit					20.00%	9.80%	0.00%	9.74%	12.16%	2.36%	11.68%
22	Nasledie	21.30%	18.00%	7.42%	0.00%	12.94%	9.34%	0.00%	6.75%	6.39%	0.00%	13.63%
23	National	20.70%	19.14%	6.76%	0.00%	34.00%	10.34%	2.88%	7.02%	5.10%	1.20%	10.90%
24	Neftegarant JSC		20.10%	5.68%	-0.64%	13.84%	7.36%	4.58%	6.99%	6.89%	5.84%	8.71%
25	NPF of Sberbank			0.00%	0.00%	30.02%	9.27%	0.00%	7.03%	6.72%	2.41%	9.55%
26	NPF of Electric Power Industry	11.85%	16.64%	4.25%	0.00%	12.12%	10.51%	2.01%	7.75%	7.21%	7.18%	8.58%
27	Obrazovanie				0.00%	27.13%	12.03%	3.40%	9.58%	8.40%	5.91%	9.43%
28	Education & Science					15.20%	14.93%	7.00%	10.10%	8.12%	5.10%	12.81%
29	DIF		17.02%	7.89%	0.00%	40.54%	16.01%	0.00%	6.99%	7.23%	5.97%	10.67%
30	Pension-Invest		8.62%	6.04%	0.00%	7.32%	10.42%	2.47%	6.27%	6.63%	4.78%	10.08%
31	Promargofund	11.14%	18.70%	7.88%	5.26%	14.07%	10.00%	2.84%	3.55%	4.46%	0.67%	13.20%
32	RGS				0.00%	31.91%	11.35%	3.02%	7.99%	6.22%	7.53%	8.31%
33	Regionfund					15.50%	10.50%	1.81%	7.13%	7.43%	2.30%	9.45%
34	Rostvertol	9.60%	13.90%	4.70%	0.00%	1.61%	8.77%	3.25%	6.42%	7.09%	5.87%	8.15%
35	Russian Standard							8.00%	9.00%	6.93%	11.20%	10.00%
36	St. Petersburg	15.53%	24.31%	5.37%	0.00%	17.83%	12.84%	3.15%	7.10%	7.14%	2.04%	12.31%
37	Safmar	8.27%	12.38%	5.73%	0.00%	10.46%	10.82%	0.00%	6.75%	6.33%	3.74%	8.84%
38	Social Development	22.60%	22.60%	5.90%	0.00%	10.60%	9.10%	0.60%	6.10%	5.67%	0.47%	9.97%
39	Social World		21.07%	10.63%	0.00%	9.20%	13.25%	0.00%	7.03%	6.53%	3.61%	8.22%
40	Sotsium	12.11%	16.01%	11.88%	0.00%	11.88%	9.59%	1.43%	8.17%	5.74%	11.14%	10.95%
41	StalFond	41.00%	21.50%	8.50%	0.00%	21.00%	11.00%	2.37%	6.01%	6.09%	6.49%	8.41%
42	Surgutneftegaz JSC					43.55%	9.42%	1.28%	9.87%	6.45%	0.88%	13.00%
43	Telekom-Soyuz		24.79%	10.09%	0.00%	25.74%	11.59%	1.88%	7.35%	5.74%	2.11%	7.92%
44	TPP Fund		10.46%	17.30%	0.00%	11.07%	12.76%	6.58%	7.31%	5.63%	2.13%	7.76%
45	UMMC-Perspective		18.50%	5.42%	-32.61%	47.40%	10.70%	0.26%	6.39%	5.98%	1.93%	12.11%
46	Uralsib	12.70%	13.10%	5.50%	0.00%	18.00%	11.59%	0.60%	7.50%	7.10%	2.10%	9.40%
Average for NPFs		14.74%	16.25%	7.17%	-0.19%	19.47%	10.88%	2.42%	7.16%	6.36%	4.83%	10.54%
Median for NPFs		12.40%	17.02%	6.58%	0.00%	18.05%	10.38%	1.46%	7.03%	6.43%	3.79%	10.01%
Number of NPFs		20	29	30	36	42	42	44	44	45	45	46

Source: Rosstat, PFR, NPFs

As on other financial markets, the sizes of pension funds do not directly affect the effectiveness of the investment activity. This is illustrated below in the Map of major NPF's by cumulative returns for the period of 2009-2015.

Map of cumulative returns for major NPFs for 2009–2015



Source: our own calculations based on data from NPFs

Data on annual rate of returns of AMCs

№	Indicator	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
	VEB (expanded)	3.09%	8.71%	4.67%	4.99%	-0.43%	9.05%	6.95%	4.24%	8.41%	6.31%	2.56%	13.30%
	VEB (government securities)						0.97%	4.73%	4.11%	6.94%	5.66%	-2.16%	11.87%
	Inflation	11.73%	10.92%	9.00%	11.87%	13.28%	8.80%	8.78%	6.10%	6.57%	6.47%	11.35%	12.91%
1	Agana (conservative)	2.87%	26.19%	23.22%	5.83%	-30.79%	7.87%	7.43%	2.47%	1.70%	6.46%	-1.55%	17.70%
2	Agana (balanced)	2.00%	22.92%	27.60%	6.18%	-40.46%	40.55%	24.14%	2.47%	5.34%	6.09%	-2.86%	14.97%
3	Ak Bars Capital	-1.31%	14.14%	13.27%	5.15%	-38.80%	31.78%	18.97%	0.64%	4.04%	-0.82%	0.87%	14.41%
4	Alfa-Capital	2.63%	7.97%	13.90%	3.19%	-21.38%	14.99%	9.06%	-4.94%	5.91%	7.68%	-3.53%	19.68%
5	Analytical Center	6.57%	15.45%	14.21%	8.06%	-41.12%	37.49%	17.18%	3.10%	4.96%	2.29%	4.98%	18.63%
6	Aton-Management	2.70%	15.67%	17.47%	6.00%	-27.10%	27.09%	11.02%	-5.17%	5.96%	9.05%	-0.80%	18.08%
7	BIN Finam Group	7.01%	10.02%	4.95%	4.61%	-25.75%	20.13%	10.47%	-3.93%	8.84%	8.20%	2.95%	13.95%
8	BKS (high revenue)	1.80%	16.31%	9.39%	3.27%	-28.33%	36.61%	17.36%	-1.07%	8.75%	6.53%	-2.52%	23.11%
9	BKS (balanced)	0.75%	12.52%	10.55%	4.65%	-21.07%	26.74%	13.88%	-2.13%	7.55%	7.75%	0.83%	11.98%
10	BFA	1.16%	9.96%	12.72%	4.59%	-23.60%	30.61%	8.80%	0.50%	8.41%	6.14%	2.73%	14.55%
11	VTB Capital Pension Reserve	0.90%	17.95%	13.62%	4.98%	-17.81%	24.34%	13.86%	1.22%	6.52%	6.87%	1.83%	18.83%
12	VTB Capital Asset Management	1.58%	15.34%	16.07%	3.98%	-32.98%	54.54%	18.30%	-1.41%	9.31%	5.77%	0.05%	18.59%
13	OFG Invest	3.10%	19.54%	15.61%	4.41%	-19.57%	25.88%	13.75%	-11.29%	6.20%	6.55%	1.86%	16.63%
14	Ingosstrakh-Investments	6.17%	11.37%	9.64%	5.86%	-31.02%	17.71%	11.04%	-2.22%	6.92%	7.90%	3.85%	13.16%
15	Kapital	4.79%	13.42%	15.69%	4.79%	-24.40%	30.53%	12.29%	0.93%	8.42%	8.74%	2.57%	12.21%
16	Leader	1.54%	17.33%	20.39%	5.04%	-14.86%	13.76%	11.64%	1.06%	9.07%	6.51%	2.28%	16.67%
17	MDM	1.43%	15.66%	14.78%	6.84%	-24.08%	37.34%	18.55%	3.58%	7.46%	6.04%	4.03%	12.86%
18	Metalloinvesttrust	1.91%	20.98%	26.77%	6.83%	-53.29%	15.91%	12.49%	1.84%	7.75%	7.41%	4.28%	15.26%
19	Metropol	11.45%	21.51%	17.10%	5.48%	-37.06%	33.71%	19.09%	-1.96%	4.58%	4.19%	6.04%	4.18%
20	Monomakh	2.47%	21.87%	26.10%	6.39%	-39.07%	46.37%	32.43%	1.14%	4.72%	1.09%	-10.06%	26.33%
21	Natsionalnaya	5.59%	11.04%	15.68%	7.10%	-35.87%	22.05%	12.93%	-12.63%	7.38%	5.38%	2.24%	12.42%
22	Otkritie	5.35%	12.79%	26.36%	4.71%	-3.97%	28.62%	12.22%	-4.98%	0.79%	6.12%	3.21%	12.93%
23	Pallada	0.85%	15.34%	13.66%	4.86%	-35.16%	26.67%	12.09%	0.85%	7.14%	8.66%	-0.73%	11.83%
23	Pension Saving Company	3.58%	8.94%	21.37%	6.78%	-32.55%	29.35%	12.71%	2.74%	8.57%	6.86%	1.92%	16.82%
24	Promsvyaz	9.04%	15.10%	13.61%	5.32%	-9.77%	20.54%	10.48%	2.71%	6.10%	5.99%	1.27%	8.93%
25	Region Portfolio Investments	2.00%	15.71%	20.72%	4.33%	-33.38%	62.48%	12.65%	2.48%	8.53%	5.80%	0.50%	16.74%
26	Region Trust	2.79%	7.83%	12.00%	5.11%	-0.82%	15.92%	10.31%	3.80%	8.28%	6.55%	3.91%	13.17%
27	Promsvyaz	0.01%	10.28%	9.78%	5.98%	-17.89%	27.30%	11.28%	2.83%	8.31%	8.85%	1.00%	23.90%
28	RFC-Capital	3.05%	8.19%	7.49%	5.85%	-25.92%	44.17%	24.63%	-0.16%	8.68%	7.74%	1.73%	10.85%
29	Sberbank Asset Management	-1.54%	34.31%	26.11%	4.14%	-51.52%	70.30%	21.07%	-5.84%	8.31%	7.42%	-0.66%	14.07%
30	Solid Management	1.39%	16.29%	24.38%	3.78%	-44.28%	55.73%	24.39%	-4.42%	10.36%	9.00%	3.84%	11.64%
31	TKB BNP Paribas Investment Partners	4.59%	10.39%	17.86%	5.66%	-32.84%	25.46%	16.04%	6.60%	9.72%	7.86%	0.81%	18.03%
32	Trinfiko (balanced)	2.75%	16.06%	15.79%	5.29%	-26.26%	48.06%	9.32%	2.76%	3.14%	0.33%	0.54%	13.36%
33	Trinfiko (long-term growth)	4.74%	19.79%	26.41%	6.34%	-44.54%	82.52%	13.15%	-6.56%	-0.43%	-4.66%	-1.68%	11.59%
34	Trinfiko (conservative capital protection)	3.52%	7.48%	4.94%	4.53%	-0.58%	15.64%	6.68%	-14.19%	5.90%	6.68%	0.58%	10.35%
35	UM	2.99%	6.12%	18.40%	3.54%	-17.50%	25.56%	12.51%	-5.21%	6.79%	6.52%	-3.80%	19.55%
36	Uralsib Management Company	1.66%	23.34%	23.18%	2.56%	-23.94%	21.97%	13.79%	-0.73%	7.64%	5.76%	-0.57%	16.21%
37	Finam Management	-5.20%	12.30%	17.23%	4.32%	-10.01%	11.22%	21.65%	-8.07%	0.32%	5.69%	7.41%	14.16%
Average for PAMCs		2.47%	14.88%	17.05%	4.85%	-27.48%	29.84%	14.32%	-1.32%	6.18%	4.32%	1.04%	15.22%
Median for PAMCs		2.06%	15.22%	15.93%	4.83%	-26.13%	25.65%	12.82%	0.19%	6.65%	5.80%	1.14%	14.48%

Source: Rosstat and PFR

Ranking of returns for NPFs for 2015

1	Bashkortostan	17.99%
2	Golden Age	14.22%
3	Avtovaz	13.91%
4	Nasledie	13.63%
5	VEB (expanded)	13.30%
6	Promargofund	13.20%
7	Surgutneftegaz JSC	13.00%
8	Imperia	12.94%
9	Inflation	12.91%
10	Education & Science	12.81%
11	Gefest	12.68%
12	St. Petersburg	12.31%
13	UMMC-Perspective	12.11%
14	VEB (government securities)	11.87%
15	KIT Finance	11.79%
16	Magnit	11.68%
17	Volga-Capital	11.60%
18	VNIIEF-GARANT	11.12%
19	Almaznaya Osen	11.08%
20	Gazfond PS	11.07%
21	Sotsium	10.95%
22	National	10.90%
23	DIF	10.67%
24	Average for NPFs	10.54%
25	VTB Pension Fund	10.44%
26	Pension-Invest	10.08%
27	Vladimir	10.02%
28	Median for NPFs	10.01%
29	Russian Standard	10.00%
30	Social Development	9.97%
31	European	9.69%
32	Doverie	9.68%
33	NPF of Sberbank	9.55%
34	Regionfund	9.45%
35	Obrazovanie	9.43%
36	Uralsib	9.40%
37	Doverie (Orenburg)	9.39%
38	BIG	9.34%
39	Safmar	8.84%
40	Lukoil-Garant JSC	8.75%
41	Neftegarant JSC	8.71%
42	NPF of Electric Power Industry	8.58%
43	Atomfond JSC	8.54%
44	StalFond	8.41%
45	Akvilon	8.40%
46	RGS	8.31%
47	1 NPF	8.30%
48	Social World	8.22%
49	Rostvertol	8.15%
50	Telekom-Soyuz	7.92%
51	CIP fund	7.76%

Source: Rosstat, PFR and NPFs

Ranking of cumulative returns for NPFs for 2009–2015

1	European	121.54%
2	DIF	119.37%
3	Surgutneftegaz JSC	112.10%
4	UMMC-Perspective	110.79%
5	Bashkortostan*	110.08%
6	Doverie	103.63%
7	Obrazovanie	102.74%
8	RGS	102.15%
9	Education & Science	99.95%
10	National	92.02%
11	BIG	88.40%
12	Doverie (Orenburg)	88.18%
13	Vladimir	86.17%
14	Magnit	85.39%
15	NPF of Sberbank	82.04%
16	St. Petersburg	80.35%
17	Lukoil-Garant JSC	79.86%
18	Inflation	79.13%
19	Telekom-Soyuz	78.81%
20	StalFond	78.52%
21	Gazfond PS	76.75%
22	Average for NPFs	76.59%
23	Sotsium	75.40%
24	Akvilon	73.25%
25	Median for NPFs	71.80%
26	Uralsib	70.35%
27	NPF of Electric Power Industry	69.92%
28	VTB Pension Fund	69.07%
29	Atomfond JSC	68.27%
30	Neftegarant JSC	68.18%
31	Regionfund	67.45%
32	KIT Finance	67.40%
33	CIP fund	66.52%
34	Gefest	63.91%
35	1 NPF	63.17%
36	VEB (expanded)	62.81%
37	Imperia	60.83%
38	Nasledie	59.36%
39	Promargofund	59.06%
40	Pension-Invest	58.71%
41	Social World	58.11%
42	VNIIEF-GARANT	57.06%
43	Volga-Capital	56.90%
44	Safmar	56.89%
45	Russian Standard*	53.97%
46	Social Development	50.37%
47	Rostvertol	48.90%
48	Almaznaya Osen	39.06%
49	VEB (government securities)	36.15%
50	Avtovaz*	24.58%
51	Golden Age*	14.22%

* Some funds have been investing pension savings for less than 6 years

Source: our own calculations based on data from the PFR, Rosstat and NPFs

Ranking of AMCs by returns for 2015

1	Monomakh	26.33%
2	Promsvyaz	23.90%
3	BKS (high revenue)	23.11%
4	Alfa-Capital	19.68%
5	UM	19.55%
6	VTB Capital Pension Reserve	18.83%
7	Analytical Center	18.63%
8	VTB Capital Asset Management	18.59%
9	Aton-Management	18.08%
10	TKB BNP Paribas Investment Partners	18.03%
11	Agana (conservative)	17.70%
12	Pension Saving Company	16.82%
13	Region Portfolio Investments	16.74%
14	Leader	16.67%
15	OFG Invest	16.63%
16	Uralsib Management Company	16.21%
17	Metalloinvesttrust	15.26%
18	Average for PAMCs	15.22%
19	Agana (balanced)	14.97%
20	BFA	14.55%
21	Median for PAMCs	14.48%
22	Ak Bars Capital	14.41%
23	Finam Management	14.16%
24	Sberbank Asset Management	14.07%
25	BIN Finam Group	13.95%
26	Trinfiko (balanced)	13.36%
27	VEB (expanded)	13.30%
28	Region Trust	13.17%
29	Ingosstrakh-Investments	13.16%
30	Otkritie	12.93%
31	Inflation	12.91%
32	MDM	12.86%
33	Natsionalnaya	12.42%
34	Kapital	12.21%
35	BKS (balanced)	11.98%
36	VEB (government securities)	11.87%
37	Pallada	11.83%
38	Solid Management	11.64%
39	Trinfiko (long-term growth)	11.59%
40	RFC-Capital	10.85%
41	Trinfiko (conservative capital protection)	10.35%
42	Promsvyaz	8.93%
43	Metropol	4.18%

Source: Rosstat and PFR

Ranking of AMCs' cumulative returns for 2009-2015

1	Solid Management	158.20%
2	Sberbank Asset Management	155.97%
3	Region Portfolio Investments	152.71%
4	VTB Capital Asset Management	147.24%
5	RFC-Capital	136.85%
6	Monomakh	135.82%
7	MDM	125.59%
8	Agana (balanced)	123.15%
9	Analytical Center	122.10%
10	BKS (high revenue)	120.51%
11	TKB BNP Paribas Investment Partners	118.53%
12	Promsvyaz	114.90%
13	Pension Saving Company	106.91%
14	Trinfiko (long-term growth)	100.97%
15	Kapital	100.73%
16	VTB Capital Pension Reserve	97.40%
17	Trinfiko (balanced)	96.15%
18	Average for PAMCs	96.08%
19	BFA	93.36%
20	Metropol	87.92%
21	Median for PAMCs	87.71%
22	Ak Bars Capital	87.90%
23	Pallada	85.06%
24	BKS (balanced)	84.83%
25	Metalloinvesttrust	84.71%
26	Uralsib Management Company	81.22%
27	Aton-Management	81.09%
28	Region Trust	80.10%
29	Inflation	79.13%
30	Leader	77.92%
31	BIN Finam Group	76.12%
32	UM	75.18%
33	Ingosstrakh-Investments	73.27%
34	Otkritie	70.96%
35	OFG Invest	70.74%
36	Promsvyaz	69.70%
37	VEB (expanded)	62.81%
38	Finam Management	61.69%
39	Alfa-Capital	56.99%
40	Natsionalnaya	56.63%
41	Agana (conservative)	48.99%
42	VEB (government securities)	36.15%
43	Trinfiko (conservative capital protection)	32.75%

Source: our own calculations based on data from PFR and Rosstat

Data on cumulative returns for NPFs (as of 31.12.2015)

Nº	Indicator	since 2005	since 2006	since 2007	since 2008	since 2009	since 2010	since 2011	since 2012	since 2013	since 2014
	VEB (government securities)					41.99%	40.63%	34.28%	28.98%	20.60%	12.82%
	VEB (expanded)	94.15%	78.59%	70.63%	62.52%	63.21%	49.67%	39.94%	34.25%	23.83%	16.05%
	Inflation	174.46%	147.44%	127.01%	102.92%	79.13%	64.65%	51.36%	42.65%	33.86%	25.73%
1	1 NPF	160.20%	112.75%	79.39%	63.17%	63.17%	37.54%	25.89%	24.44%	17.62%	11.69%
2	Avtovaz									24.58%	18.46%
3	Akvilon	100.79%	100.79%	81.78%	73.25%	73.25%	34.38%	21.02%	21.02%	20.56%	13.81%
4	Almaznaya Osen	75.74%	63.33%	47.54%	39.06%	39.06%	36.76%	25.49%	24.47%	17.89%	13.47%
5	Atomfond JSC				68.27%	68.27%	42.48%	29.62%	27.92%	20.22%	12.65%
6	Bashkortostan							110.08%	82.68%	67.59%	61.50%
7	BIG	171.56%	136.34%	100.46%	88.40%	88.40%	51.45%	37.81%	34.03%	24.48%	16.06%
8	Vladimir	121.12%	106.37%	97.99%	86.17%	86.17%	53.48%	36.67%	35.30%	24.61%	15.96%
9	VNIIEF-GARANT	120.13%	98.85%	69.81%	57.06%	57.06%	42.78%	29.80%	28.57%	19.47%	12.53%
10	Volga-Capital	134.86%	100.74%	68.67%	56.90%	56.90%	45.28%	33.29%	32.95%	24.26%	18.52%
11	VTB Pension Fund				69.07%	69.07%	45.71%	33.40%	32.76%	22.16%	15.31%
12	Gazfond PS	146.89%	112.19%	83.75%	76.75%	76.75%	44.17%	31.97%	30.76%	21.38%	14.09%
13	Gefest		114.73%	84.19%	72.50%	63.91%	45.03%	30.61%	28.68%	20.25%	12.98%
14	Doverie		141.34%	121.14%	103.63%	103.63%	63.49%	49.99%	39.01%	26.52%	17.65%
15	Doverie (Orenburg)				98.91%	88.18%	47.10%	31.30%	27.47%	21.61%	14.28%
16	European					121.54%	87.38%	47.42%	38.17%	29.59%	21.61%
17	Imperia					60.83%	29.55%	23.38%	21.75%	14.86%	12.94%
18	KIT Finance				84.73%	67.40%	42.76%	29.81%	29.81%	21.66%	14.09%
19	Lukoil-Garant JSC	154.21%	126.91%	97.00%	79.86%	79.86%	49.80%	35.50%	32.86%	23.51%	15.81%
20	Magnit					85.39%	54.49%	40.70%	40.70%	28.22%	14.32%
21	Nasledie	145.03%	102.00%	71.19%	59.36%	59.36%	41.10%	29.05%	29.05%	20.89%	13.63%
22	National	194.80%	144.24%	105.00%	92.02%	92.02%	43.30%	29.87%	26.23%	17.95%	12.23%
23	Neftegarant JSC		112.10%	76.60%	67.11%	68.18%	47.74%	37.61%	31.58%	22.99%	15.06%
24	NPF of Sberbank			82.04%	82.04%	82.04%	40.01%	28.14%	28.14%	19.72%	12.19%
25	NPF of Electric Power Industry	131.10%	106.62%	77.14%	69.92%	69.92%	51.55%	37.14%	34.44%	24.77%	16.38%
26	Obrazovanie				102.74%	102.74%	59.47%	42.35%	37.67%	25.63%	15.90%
27	Education & Science					99.95%	73.56%	51.02%	41.14%	28.19%	18.56%
28	DIF		176.95%	136.67%	119.37%	119.37%	56.09%	34.55%	34.55%	25.76%	17.28%
29	Pension-Invest		82.80%	68.30%	58.71%	58.71%	47.88%	33.93%	30.70%	22.99%	15.34%
30	Promargofund	138.29%	114.40%	80.62%	67.43%	59.06%	39.44%	26.77%	23.27%	19.04%	13.96%
31	RGS				102.15%	102.15%	53.25%	37.63%	33.59%	23.71%	16.47%
32	Regionfund					67.45%	44.97%	31.20%	28.87%	20.29%	11.97%
33	Rostvertol	94.62%	77.57%	55.90%	48.90%	48.90%	46.54%	34.73%	30.49%	22.62%	14.50%
34	Russian Standard							53.97%	42.57%	30.80%	22.32%
35	St. Petersburg	172.92%	136.23%	90.04%	80.35%	80.35%	53.06%	35.64%	31.50%	22.78%	14.60%
36	Safmar	101.83%	86.41%	65.87%	56.89%	56.89%	42.03%	28.16%	28.16%	20.06%	12.91%
37	Social Development	139.35%	95.23%	59.24%	50.37%	50.37%	35.96%	24.62%	23.87%	16.75%	10.49%
38	Social World		111.77%	74.91%	58.11%	58.11%	44.79%	27.85%	27.85%	19.45%	12.13%
39	Sotsium	155.22%	127.65%	96.24%	75.40%	75.40%	56.77%	43.06%	41.04%	30.39%	23.31%
40	StalFond	231.82%	135.34%	93.69%	78.52%	78.52%	47.54%	32.91%	29.84%	22.48%	15.45%
41	Surgutneftegaz JSC					112.10%	47.75%	35.03%	33.32%	21.35%	13.99%
42	Telekom-Soyuz		145.66%	96.86%	78.81%	78.81%	42.21%	27.44%	25.09%	16.52%	10.20%
43	CIP fund		115.76%	95.33%	66.52%	66.52%	49.92%	32.96%	24.75%	16.25%	10.06%
44	UMMC-Perspective		77.46%	49.75%	42.05%	110.79%	43.01%	29.18%	28.85%	21.11%	14.27%
45	Uralsib	129.08%	103.26%	79.72%	70.35%	70.35%	44.37%	29.37%	28.60%	19.63%	11.70%
Average for NPFs		142.69%	112.61%	82.89%	73.47%	76.59%	47.76%	35.41%	32.01%	23.18%	15.84%
Median for NPFs		139.35%	112.10%	81.20%	71.43%	71.80%	45.50%	32.94%	30.16%	21.66%	14.28%
Number of NPFs		21	29	30	36	42	42	44	44	45	45

Source: our own calculations based on data from the PFR, Rosstat and NPFs

Data on cumulative returns for AMCs (as of 31.12.2015)

№ Indicator	since 2004	since 2005	since 2006	since 2007	since 2008	since 2009	since 2010	since 2011	since 2012	since 2013	since 2014
VEB (expanded)	99.65%	93.67%	78.15%	70.21%	62.12%	62.81%	49.30%	39.59%	33.91%	23.53%	16.20%
VEB (government securities)						36.15%	34.84%	28.76%	23.67%	15.64%	9.45%
Inflation	206.66%	174.46%	147.44%	127.01%	102.92%	79.13%	64.65%	51.36%	42.65%	33.86%	25.73%
1 Agana (conservative)	74.56%	69.69%	34.47%	9.13%	3.12%	48.99%	38.11%	28.55%	25.46%	23.36%	15.88%
2 Agana (balanced)	125.66%	121.24%	79.99%	41.06%	32.86%	123.15%	58.77%	27.89%	24.81%	18.48%	11.68%
3 Ak Bars Capital	54.29%	56.34%	36.97%	20.92%	14.99%	87.90%	42.59%	19.85%	19.09%	14.47%	15.41%
4 Alfa-Capital	60.74%	56.62%	45.06%	27.36%	23.42%	56.99%	36.52%	25.18%	31.68%	24.32%	15.45%
5 Analytical Center	98.59%	86.35%	61.41%	41.33%	30.78%	122.10%	61.54%	37.86%	33.71%	27.39%	24.54%
6 Aton-Management	95.28%	90.13%	64.38%	39.94%	32.01%	81.09%	42.49%	28.34%	35.34%	27.73%	17.13%
7 BIN Finam Group	69.02%	57.95%	43.57%	36.79%	30.77%	76.12%	46.61%	32.72%	38.15%	26.93%	17.31%
8 BKS (high revenue)	111.39%	107.65%	78.53%	63.20%	58.04%	120.51%	61.42%	37.55%	39.04%	27.85%	20.01%
9 BKS (balanced)	91.36%	89.93%	68.79%	52.68%	45.89%	84.83%	45.84%	28.06%	30.85%	21.66%	12.91%
10 BFA	93.74%	91.52%	74.16%	54.51%	47.73%	93.36%	48.05%	36.07%	35.40%	24.90%	17.68%
11 VTB Capital Pension Reserve	130.32%	128.25%	93.52%	70.33%	62.24%	97.40%	58.75%	39.43%	37.75%	29.32%	21.01%
12 VTB Capital Asset Management	134.31%	130.66%	99.99%	72.30%	65.71%	147.24%	59.98%	35.24%	37.17%	25.49%	18.65%
13 OFG Invest	104.31%	98.16%	65.77%	43.40%	37.34%	70.74%	35.64%	19.24%	34.42%	26.57%	18.80%
14 Ingosstrakh-Investments	64.03%	54.50%	38.73%	26.53%	19.53%	73.27%	47.21%	32.57%	35.57%	26.80%	17.52%
15 Kapital	118.64%	108.64%	83.96%	59.02%	51.75%	100.73%	53.78%	36.95%	35.68%	25.14%	15.09%
16 Leader	128.23%	124.76%	91.57%	59.12%	51.48%	77.92%	56.41%	40.10%	38.63%	27.10%	19.33%
17 MDM	146.40%	142.93%	110.04%	82.99%	71.27%	125.59%	64.26%	38.56%	33.78%	24.49%	17.40%
18 Metalloinvesttrust	44.06%	41.36%	16.85%	-7.83%	-13.72%	84.71%	59.36%	41.67%	39.10%	29.10%	20.19%
19 Metropol	97.84%	77.51%	46.09%	24.76%	18.27%	87.92%	40.54%	18.01%	20.37%	15.10%	10.47%
20 Monomakh	140.74%	134.95%	92.78%	52.88%	43.70%	135.82%	61.12%	21.66%	20.28%	14.86%	13.63%
21 Natsionalnaya	45.91%	38.18%	24.45%	7.58%	0.45%	56.63%	28.33%	13.64%	30.06%	21.12%	14.94%
22 Otkritie	158.13%	145.02%	117.22%	71.91%	64.18%	70.96%	32.92%	18.45%	24.66%	23.68%	16.55%
23 Pallada	66.36%	64.95%	43.02%	25.83%	20.00%	85.06%	46.10%	30.34%	29.24%	20.63%	11.01%
23 Pension Saving Company	104.10%	97.04%	80.87%	49.03%	39.57%	106.91%	59.96%	41.93%	38.14%	27.24%	19.07%
24 Promsvyaz	129.92%	110.86%	83.19%	61.25%	53.11%	69.70%	40.77%	27.43%	24.06%	16.93%	10.32%
25 Region Portfolio Investments	150.27%	145.37%	112.05%	75.66%	68.37%	152.71%	55.54%	38.07%	34.72%	24.13%	17.33%
26 Region Trust	133.05%	126.74%	110.27%	87.75%	78.63%	80.10%	55.37%	40.84%	35.68%	25.30%	17.60%
27 Promsvyaz	126.46%	126.43%	105.32%	87.02%	76.47%	114.90%	68.82%	51.70%	47.54%	36.21%	25.14%
28 RFC-Capital	122.56%	115.97%	99.63%	85.72%	75.46%	136.85%	64.29%	31.82%	32.04%	21.49%	12.77%
29 Sberbank Asset Management	115.54%	118.91%	62.99%	29.24%	24.10%	155.97%	50.31%	24.15%	31.84%	21.73%	13.32%
30 Solid Management	118.98%	115.99%	85.73%	49.32%	43.88%	158.20%	65.80%	33.29%	39.45%	26.36%	15.93%
31 TKB BNP Paribas Investment Partners	111.02%	101.76%	82.77%	55.08%	46.77%	118.53%	74.19%	50.11%	40.82%	28.35%	18.99%
32 Trinfiko (balanced)	110.28%	104.65%	76.33%	52.29%	44.65%	96.15%	32.48%	21.18%	17.93%	14.34%	13.97%
33 Trinfiko (long-term growth)	87.98%	79.48%	49.82%	18.52%	11.45%	100.97%	10.11%	-2.69%	4.15%	4.60%	9.71%
34 Trinfiko (conservative capital protection)	61.08%	55.60%	44.77%	37.96%	31.97%	32.75%	14.79%	7.60%	25.39%	18.41%	11.00%
35 UM	93.66%	88.03%	77.20%	49.65%	44.53%	75.18%	39.52%	24.00%	30.82%	22.51%	15.01%
36 Uralsib Management Company	118.34%	114.79%	74.14%	41.37%	37.84%	81.22%	48.58%	30.57%	31.53%	22.20%	15.54%
37 Finam Management	89.42%	99.81%	77.93%	51.79%	45.51%	61.69%	45.38%	19.51%	30.01%	29.59%	22.62%
Average for PAMCs	103.33%	97.86%	71.96%	47.56%	40.37%	96.08%	48.74%	29.67%	31.43%	23.31%	16.34%
Median for PAMCs	107.29%	100.79%	76.76%	49.49%	43.79%	87.91%	48.31%	30.46%	32.88%	24.41%	16.24%

Source: our own calculations based on data from the PFR and Rosstat

Data on the average annual rate of return for NPFs (as of 31.12.2015)

Nº	Indicator	since 2005	since 2006	since 2007	since 2008	since 2009	since 2010	since 2011	since 2012	since 2013	since 2014
	VEB (government securities)					5.14%	5.85%	6.07%	6.57%	6.44%	6.22%
	VEB (expanded)	6.22%	5.97%	6.12%	6.26%	7.25%	6.95%	6.95%	7.64%	7.39%	7.72%
	Inflation	9.61%	9.48%	9.54%	9.25%	8.68%	8.67%	8.64%	9.29%	10.21%	12.13%
1	1 NPF	9.08%	7.84%	6.71%	6.31%	7.24%	5.46%	4.71%	5.62%	5.56%	5.68%
2	Avtovaz									7.60%	8.84%
3	Akvilon	6.54%	7.22%	6.87%	7.11%	8.17%	5.05%	3.89%	4.88%	6.43%	6.68%
4	Almaznaya Osen	5.26%	5.03%	4.42%	4.21%	4.82%	5.36%	4.65%	5.63%	5.64%	6.52%
5	Atomfond JSC				6.72%	7.72%	6.08%	5.33%	6.35%	6.33%	6.14%
6	Bashkortostan							16.00%	16.26%	18.78%	27.08%
7	BIG	9.51%	8.98%	8.03%	8.24%	9.47%	7.16%	6.62%	7.60%	7.57%	7.73%
8	Vladimir	7.48%	7.51%	7.89%	8.08%	9.28%	7.40%	6.45%	7.85%	7.61%	7.69%
9	VNIIEF-GARANT	7.44%	7.12%	6.06%	5.81%	6.66%	6.12%	5.36%	6.48%	6.11%	6.08%
10	Volga-Capital	8.07%	7.22%	5.98%	5.79%	6.65%	6.42%	5.91%	7.38%	7.51%	8.87%
11	VTB Pension Fund				6.78%	7.79%	6.48%	5.93%	7.34%	6.90%	7.38%
12	Gazfond PS	8.56%	7.81%	6.99%	7.38%	8.48%	6.29%	5.71%	6.93%	6.67%	6.81%
13	Gefest		7.94%	7.02%	7.05%	7.31%	6.39%	5.49%	6.51%	6.34%	6.29%
14	Doverie		9.21%	9.22%	9.30%	10.69%	8.54%	8.45%	8.58%	8.16%	8.47%
15	Doverie (Orenburg)				8.98%	9.45%	6.64%	5.60%	6.25%	6.74%	6.90%
16	European					12.03%	11.03%	8.07%	8.42%	9.02%	10.28%
17	Imperia					7.02%	4.41%	4.29%	5.04%	4.73%	6.27%
18	KIT Finance				7.97%	7.64%	6.11%	5.36%	6.74%	6.75%	6.81%
19	Lukoil-Garant JSC	8.85%	8.54%	7.82%	7.61%	8.75%	6.97%	6.26%	7.36%	7.29%	7.61%
20	Magnit					9.22%	7.52%	7.07%	8.91%	8.64%	6.92%
21	Nasledie	8.49%	7.28%	6.16%	6.00%	6.88%	5.91%	5.23%	6.58%	6.53%	6.60%
22	National	10.33%	9.34%	8.30%	8.50%	9.77%	6.18%	5.37%	6.00%	5.66%	5.94%
23	Neftegarant JSC		7.81%	6.52%	6.63%	7.71%	6.72%	6.59%	7.10%	7.14%	7.27%
24	NPF of Sberbank			6.88%	7.78%	8.93%	5.77%	5.08%	6.39%	6.18%	5.92%
25	NPF of Electric Power Industry	7.91%	7.53%	6.56%	6.85%	7.87%	7.17%	6.52%	7.68%	7.65%	7.88%
26	Obrazovanie				9.24%	10.62%	8.09%	7.32%	8.32%	7.90%	7.66%
27	Education & Science					10.40%	9.63%	8.59%	9.00%	8.63%	8.89%
28	DIF	9.70%	10.72%	10.05%	10.32%	11.88%	7.70%	6.11%	7.70%	7.94%	8.29%
29	Pension-Invest		6.22%	5.95%	5.94%	6.82%	6.74%	6.02%	6.92%	7.14%	7.40%
30	Promargofund	8.21%	7.93%	6.79%	6.65%	6.86%	5.70%	4.86%	5.37%	5.98%	6.75%
31	RGS				9.20%	10.58%	7.37%	6.60%	7.51%	7.35%	7.92%
32	Regionfund					7.64%	6.39%	5.58%	6.55%	6.35%	5.82%
33	Rostvertol	6.24%	5.91%	5.06%	5.10%	5.85%	6.58%	6.14%	6.88%	7.03%	7.00%
34	Russian Standard							9.02%	9.27%	9.36%	10.60%
35	St. Petersburg	9.56%	8.98%	7.39%	7.65%	8.79%	7.35%	6.29%	7.09%	7.08%	7.05%
36	Safmar	6.59%	6.43%	5.78%	5.79%	6.64%	6.02%	5.09%	6.40%	6.28%	6.26%
37	Social Development	8.26%	6.92%	5.31%	5.23%	6.00%	5.25%	4.50%	5.50%	5.30%	5.11%
38	Social World		7.79%	6.41%	5.89%	6.76%	6.36%	5.04%	6.33%	6.10%	5.89%
39	Sotsium	8.89%	8.57%	7.78%	7.28%	8.36%	7.78%	7.42%	8.98%	9.25%	11.05%
40	StalFond	11.52%	8.94%	7.62%	7.51%	8.63%	6.70%	5.86%	6.75%	6.99%	7.45%
41	Surgutneftegaz JSC					11.34%	6.72%	6.19%	7.46%	6.66%	6.77%
42	Telekom-Soyuz		9.40%	7.82%	7.54%	8.66%	6.04%	4.97%	5.76%	5.23%	4.97%
43	CIP fund		7.99%	7.72%	6.58%	7.56%	6.98%	5.86%	5.68%	5.15%	4.91%
44	UMMC-Perspective		5.90%	4.59%	4.49%	11.24%	6.14%	5.25%	6.54%	6.59%	6.90%
45	Uralsib	7.83%	7.35%	6.73%	6.89%	7.91%	6.31%	5.29%	6.49%	6.16%	5.69%
Average for NPFs		8.30%	7.77%	6.88%	7.07%	8.38%	6.69%	6.18%	7.15%	7.16%	7.58%
Median for NPFs		8.26%	7.81%	6.83%	6.97%	8.04%	6.45%	5.86%	6.81%	6.75%	6.90%
Number of NPFs		21	29	30	36	42	42	44	44	45	45

Source: our own calculations based on data from the PFR, Rosstat and NPFs

Data on the average annual rate of return for AMCs (as of 31.12.2015)

Nº Indicator	since 2004	since 2005	since 2006	since 2007	since 2008	since 2009	since 2010	since 2011	since 2012	since 2013	since 2014
VEB (expanded)	5.93%	6.19%	5.94%	6.09%	6.23%	7.21%	6.91%	6.90%	7.57%	7.30%	7.80%
VEB (government securities)						4.51%	5.11%	5.18%	5.45%	4.96%	4.62%
Inflation	9.79%	9.61%	9.48%	9.54%	9.25%	8.68%	8.67%	8.64%	9.29%	10.21%	12.13%
1 Agana (conservative)	4.75%	4.92%	3.01%	0.98%	0.38%	5.86%	5.53%	5.15%	5.83%	7.25%	7.65%
2 Agana (balanced)	7.02%	7.49%	6.05%	3.90%	3.62%	12.15%	8.01%	5.04%	5.70%	5.82%	5.68%
3 Ak Bars Capital	3.68%	4.15%	3.20%	2.13%	1.76%	9.43%	6.09%	3.69%	4.46%	4.61%	7.43%
4 Alfa-Capital	4.03%	4.16%	3.79%	2.72%	2.67%	6.66%	5.33%	4.59%	7.12%	7.53%	7.45%
5 Analytical Center	5.88%	5.82%	4.90%	3.92%	3.41%	12.07%	8.32%	6.63%	7.53%	8.40%	11.60%
6 Aton-Management	5.74%	6.02%	5.10%	3.80%	3.53%	8.85%	6.08%	5.12%	7.86%	8.50%	8.23%
7 BIN Finam Group	4.47%	4.24%	3.68%	3.54%	3.41%	8.42%	6.58%	5.83%	8.42%	8.27%	8.31%
8 BKS (high revenue)	6.44%	6.87%	5.97%	5.59%	5.89%	11.96%	8.31%	6.58%	8.59%	8.53%	9.55%
9 BKS (balanced)	5.56%	6.00%	5.37%	4.81%	4.83%	9.17%	6.49%	5.07%	6.95%	6.75%	6.26%
10 BFA	5.67%	6.09%	5.70%	4.95%	5.00%	9.88%	6.76%	6.35%	7.87%	7.69%	8.48%
11 VTB Capital Pension Reserve	7.20%	7.79%	6.83%	6.10%	6.24%	10.20%	8.01%	6.87%	8.34%	8.95%	10.00%
12 VTB Capital Asset Management	7.35%	7.89%	7.18%	6.23%	6.52%	13.80%	8.15%	6.22%	8.22%	7.86%	8.93%
13 OFG Invest	6.13%	6.41%	5.18%	4.09%	4.05%	7.94%	5.21%	3.58%	7.68%	8.17%	8.99%
14 Ingosstrakh-Investments	4.21%	4.03%	3.33%	2.65%	2.25%	8.17%	6.66%	5.80%	7.91%	8.24%	8.41%
15 Kapital	6.74%	6.91%	6.29%	5.29%	5.35%	10.47%	7.44%	6.49%	7.93%	7.76%	7.28%
16 Leader	7.12%	7.64%	6.72%	5.30%	5.33%	8.58%	7.74%	6.98%	8.51%	8.32%	9.24%
17 MDM	7.80%	8.40%	7.70%	6.94%	6.96%	12.32%	8.62%	6.74%	7.55%	7.58%	8.35%
18 Metalloinvesttrust	3.09%	3.20%	1.57%	-0.90%	-1.83%	9.16%	8.08%	7.21%	8.60%	8.89%	9.63%
19 Metropol	5.85%	5.36%	3.86%	2.49%	2.12%	9.43%	5.84%	3.37%	4.74%	4.80%	5.10%
20 Monomakh	7.60%	8.07%	6.78%	4.83%	4.64%	13.04%	8.27%	4.00%	4.73%	4.73%	6.60%
21 Natsionalnaya	3.20%	2.98%	2.21%	0.81%	0.06%	6.62%	4.25%	2.59%	6.79%	6.60%	7.21%
22 Otkritie	8.22%	8.49%	8.07%	6.20%	6.39%	7.96%	4.86%	3.44%	5.66%	7.34%	7.96%
23 Pallada	4.33%	4.66%	3.64%	2.59%	2.30%	9.19%	6.52%	5.44%	6.62%	6.45%	5.36%
24 Pension Saving Company	6.13%	6.36%	6.11%	4.53%	4.26%	10.95%	8.14%	7.25%	8.41%	8.36%	9.12%
25 Promsvyaz	7.18%	7.02%	6.24%	5.45%	5.47%	7.85%	5.87%	4.97%	5.54%	5.35%	5.03%
26 Region Portfolio Investments	7.94%	8.50%	7.81%	6.46%	6.73%	14.16%	7.64%	6.66%	7.74%	7.47%	8.32%
27 Region Trust	7.31%	7.73%	7.72%	7.25%	7.52%	8.77%	7.62%	7.09%	7.93%	7.81%	8.44%
28 Promsvyaz	7.05%	7.71%	7.46%	7.20%	7.36%	11.55%	9.12%	8.69%	10.21%	10.85%	11.87%
29 RFC-Capital	6.89%	7.25%	7.16%	7.12%	7.28%	13.11%	8.63%	5.68%	7.20%	6.70%	6.19%
30 Sberbank Asset Management	6.61%	7.38%	5.01%	2.89%	2.74%	14.37%	7.03%	4.42%	7.16%	6.77%	6.45%
31 Solid Management	6.75%	7.25%	6.39%	4.56%	4.65%	14.51%	8.79%	5.91%	8.67%	8.11%	7.67%
32 TKB BNP Paribas Investment Partners	6.42%	6.59%	6.22%	5.00%	4.91%	11.82%	9.69%	8.46%	8.93%	8.67%	9.08%
33 Trinfiko (balanced)	6.39%	6.73%	5.84%	4.78%	4.72%	10.10%	4.80%	3.92%	4.21%	4.57%	6.76%
34 Trinfiko (long-term growth)	5.40%	5.46%	4.13%	1.91%	1.36%	10.49%	1.62%	-0.54%	1.02%	1.51%	4.74%
35 Trinfiko (conservative capital protection)	4.05%	4.10%	3.77%	3.64%	3.53%	4.13%	2.33%	1.48%	5.82%	5.79%	5.35%
36 UM	5.66%	5.91%	5.89%	4.58%	4.71%	8.34%	5.71%	4.40%	6.95%	7.00%	7.24%
37 Uralsib Management Company	6.72%	7.20%	5.70%	3.92%	4.09%	8.86%	6.82%	5.48%	7.09%	6.91%	7.49%
38 Finam Management	5.47%	6.50%	5.93%	4.75%	4.80%	7.11%	6.43%	3.63%	6.78%	9.02%	10.73%
Average for PAMCs	6.00%	6.30%	5.46%	4.29%	4.18%	9.93%	6.77%	5.27%	7.03%	7.21%	7.85%
Median for PAMCs	6.26%	6.54%	5.86%	4.57%	4.64%	9.43%	6.79%	5.46%	7.36%	7.55%	7.82%

Source: our own calculations based on data from the PFR and Rosstat

4. Directions of pension savings investment

Pension savings have lately become one of the key elements of the Russian security market's support, in spite of "freezing" new contributions in the funded pension and other restrictions. It is especially evident on the bond market, where the long-term and conservative nature of pension funds investment plays a role. Fixed-income assets continue to remain the main aim of pension funds investment. Over the course of the last four years, the share of bonds in the total portfolios of NPFs, VEB and PAMC almost did not change and stayed at 2/3 of all investments of the pension savings funds. At the same time, the total volume of the capital bond market exceeded 13.6 trillion ₽, and the investment into this market from the pension savings volume reached 2.5 trillion ₽ (equivalent to 19%).

However, in spite of the general stability of the share of bonds, the structure of this element is strongly drifting in the direction of reducing government (mainly, federal) and increasing corporate bonds each year. If by the end of 2012 Federal loan bonds amounted at 41.2% and corporate ones were at 21.6% in the structure of the total investment portfolio, by the end of 2015 the situation became the opposite. It is mostly explained by the limited growth of the federal bonds market. In particular, NAUFOR suggests that in 2015 the Federal loan bonds market did grow by 18.8% (up to 5.6 trillion ₽) in terms of nominal value (9.2% of the GDP), but it actually faced reduction of the exchange's turnover. The secondary market (at actual cost, without repo transactions and placement of funds) decreased 6.7%, down to 3.6 trillion ₽. Therefore, NPFs, VEB and PAMCs are the holders of about 15% of all federal bonds (0.9 trillion ₽).

Since the financial and economic crisis of 2008-2009, the bond market of the entities of the Russian Federation has been in an unstable position. According to NAUFOR, for ten years since late 2005, the share of sub-federal bonds in the structure of the capital bond market of Russia has reduced from almost 11% to 4%. As the budgetary situation has been worsening lately, the regions prefer comparably cheap budget loans to more expensive borrowings on the public market. As a result, by the end of 2015, according to NAUFOR, the amount of sub-federal market of government bonds amounted to 576 billion ₽. However, in spite of this fact, investments from PS are still rather significant and comprise approximately 15% of all bond of the entities of the Russian Federation.

On the one hand, the corporate bond market, estimated at 8.1 billion ₽, remains to be the main suppliers of instruments for pension savings investments. On the other hand, pension funds are becoming the key national holders of Russian corporate bonds. By the end of 2015, pension investors purchased about 20% of corporate bonds for almost 1.6 billion ₽ of pension savings.

In 2015, pension funds faced significant restrictions, among which were the following:

- investing under the conditions of the limited volume of the bond market (aside from an insufficient market growth, the restricting factor remains to be the deficit of securities admitted to trading);
- weakening of the exchange rate of the ruble resulted in a drop in prices on energy carriers;
- fluctuations of interest rates (decreases in January, August-September and December of 2015);
- decrease of investment rankings, including governmental;
- decrease in the rate of returns resulted in reducing the key interest rate of the Bank of Russia and retaining the demand on capital bonds.

Solving these problems, as well as expanding the debt securities market protected from inflation (e.g., OFZ-PK – bonds with a varying income coupon, connected to RUONIA and OFZ-IN – bonds with a nominal indexed according to the inflation rate) could push pension investors to increase the share of bonds in their portfolios in 2015.

Two more key groups of bonds with fixed rates of return are considered to be mortgage-backed securities of various types, including mortgage participation certificates (MPC) and deposits. The volume of investments in mortgage-backed securities exceeded the 2% rate in the total investment portfolio of pension investors in 2012 and reached 4% by the end of 2015. On the horizon of 2-3 years, we see no basis for a significant growth of the share of mortgage-backed securities because of a regular pressure on this instrument from the Bank of Russia. It is most likely that the value of MPCs for NPFs' and AMCs' portfolios will be decreasing, and pension investors' desire to invest in real estate will be satisfied from closed-end mutual funds (CEMF).

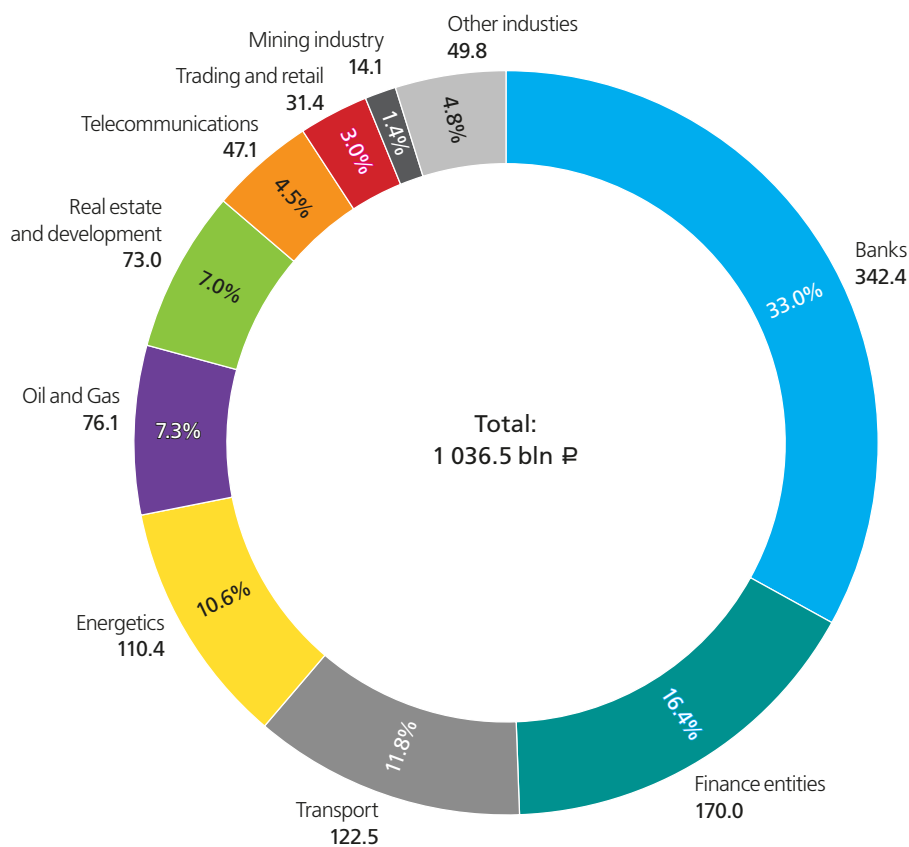
Deposit investments also have negative dynamics: minus 3.1 percentage points up to 17.8% within a year. On the one hand, in 2015, it was possible to earn more on the bond market, where the rate of return of OFZs in the 1st quarter of the previous year equaled to 15-17%, while, in January 2015, the weighted average interest rate on capital deposits of non-financial organizations for the period of more than 1 year was 13.6% per annum according to the Bank of Russia. On the other hand, the Bank of Russia launched a range of new

restrictions on pension savings investment. In particular, the limits on investing in credit institutions' deposits with a maturity of more than 3 months were reduced. Starting on 01.07.2015 their maximum share was set at 60%, and since the beginning of 2016 it has been even lower – 40%. Moreover, in the beginning of the previous year, the Bank of Russia introduced additional restrictions on investing in related parties. New rules were also set in relation to the placement of pension savings funds on the settlement accounts of banks – participants of related financial holdings.

Stocks, on the contrary, demonstrated the growth of their shares in the total investment portfolio of NPFs, VEB and PAMCs, especially because of the demand on NPFs. In spite of the average dividends profitability at 5%, capitalization of all the elements on the domestic organized securities market increased by 24.2% for the year, which provided the best rate of return of the Moscow Interbank Stock Exchange ruble index for the last 5 years. In the case of retained interest towards the privatization of state corporations, for example, Rosneft, Bashneft, VTB and Alrosa, the proportion of shares will continue growing.

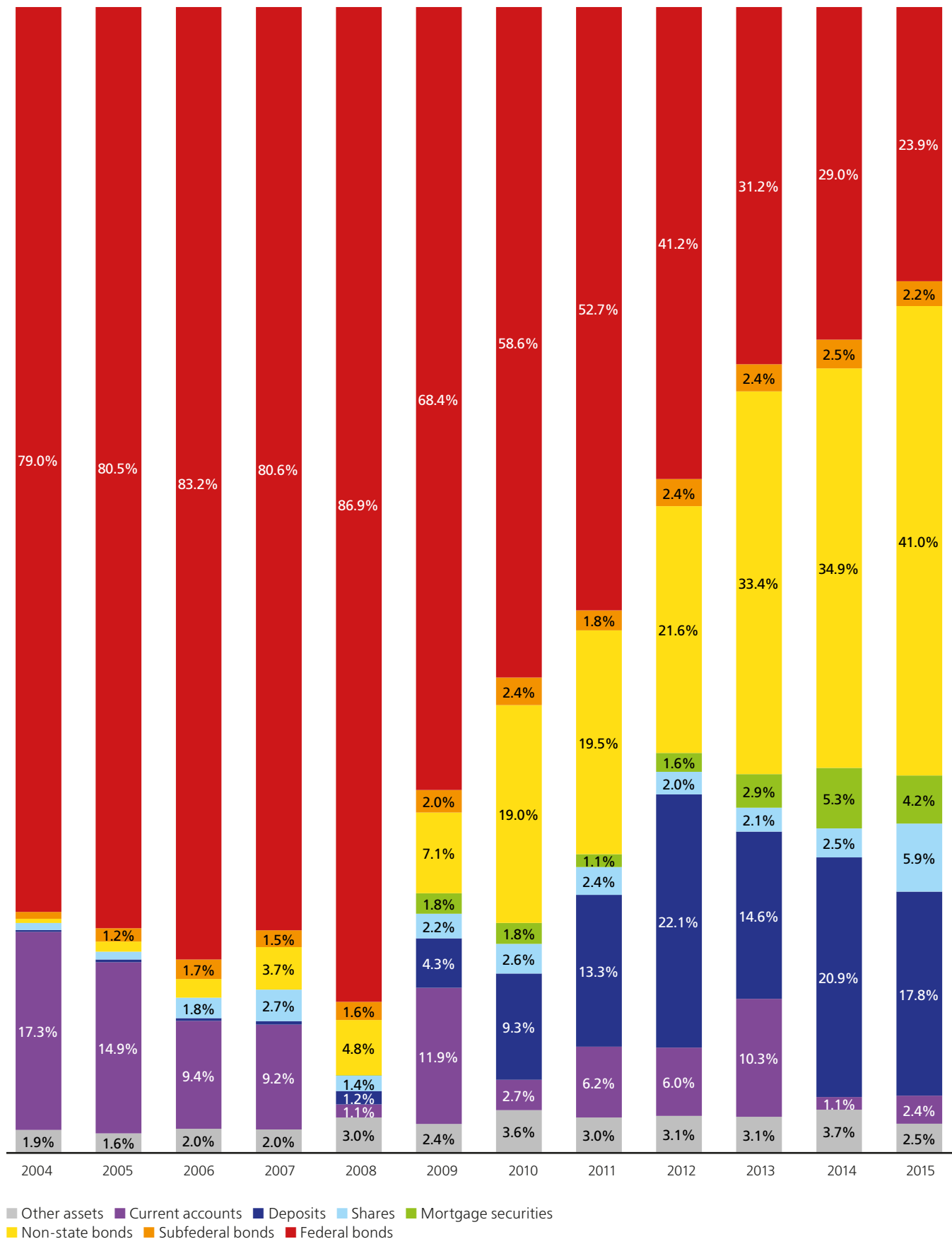
The branch structure of PS investments as of the end of 2015 illustrates that NPFs face one more essential problem of the national financial market – a deficit of securities admitted by the legislation to invest pension savings from a real sector of the economy. Up to 50% of all investments in corporate shares and bonds belonged to bank and financial branches.

The branch structure of pension savings investments of NPFs in shares and corporate bonds (as of 31.12.2015, bln ₺)



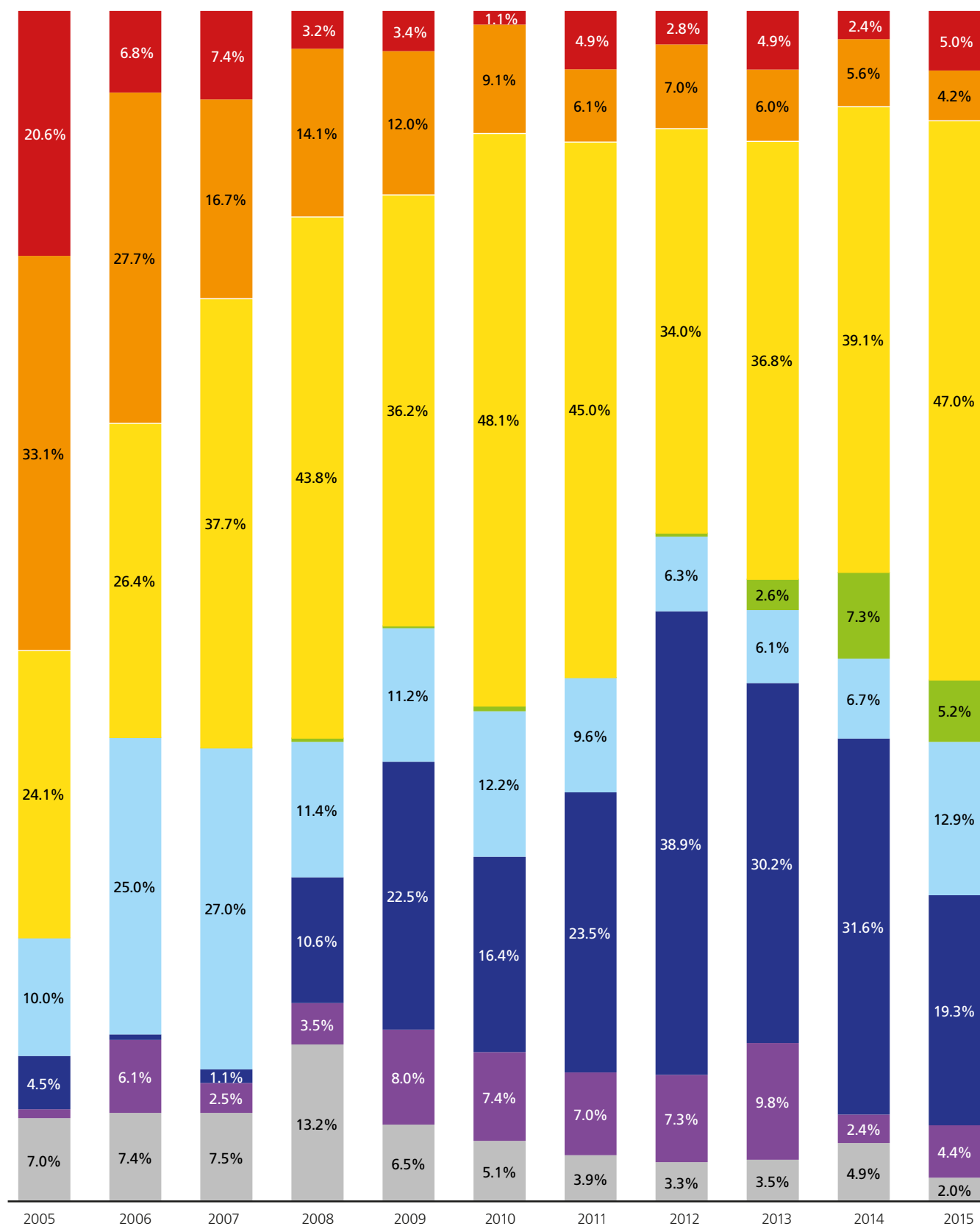
Source: our own calculations based on data from the Bank of Russia

Changes in the structure of investment portfolios of NPFs, VEB and PAMCs



Source: our own calculations based on data from the Bank of Russia and PFR

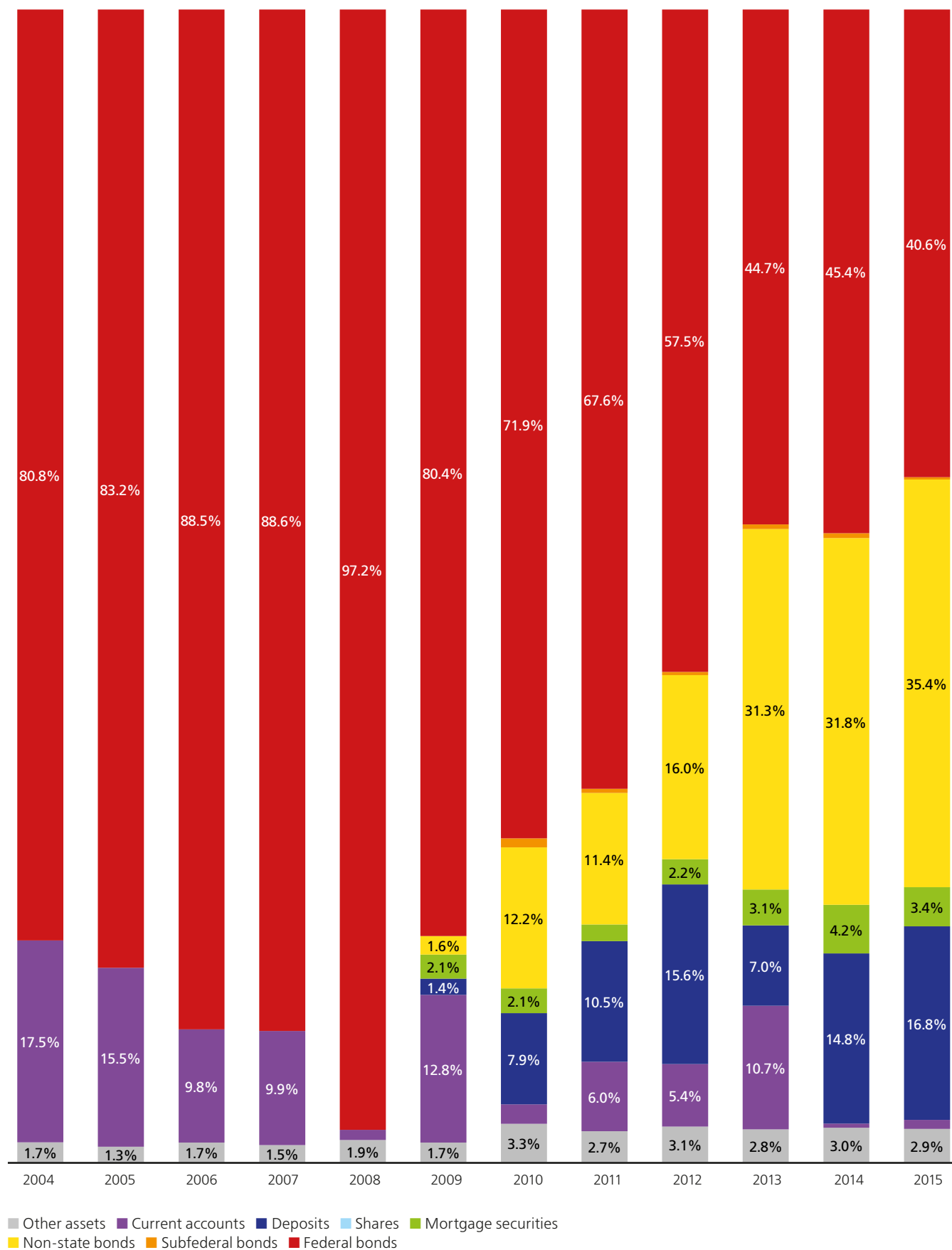
Changes in the structure of investment portfolios of NPFs



■ Other assets ■ Current accounts ■ Deposits ■ Shares ■ Mortgage securities
 ■ Non-state bonds ■ Subfederal bonds ■ Federal bonds

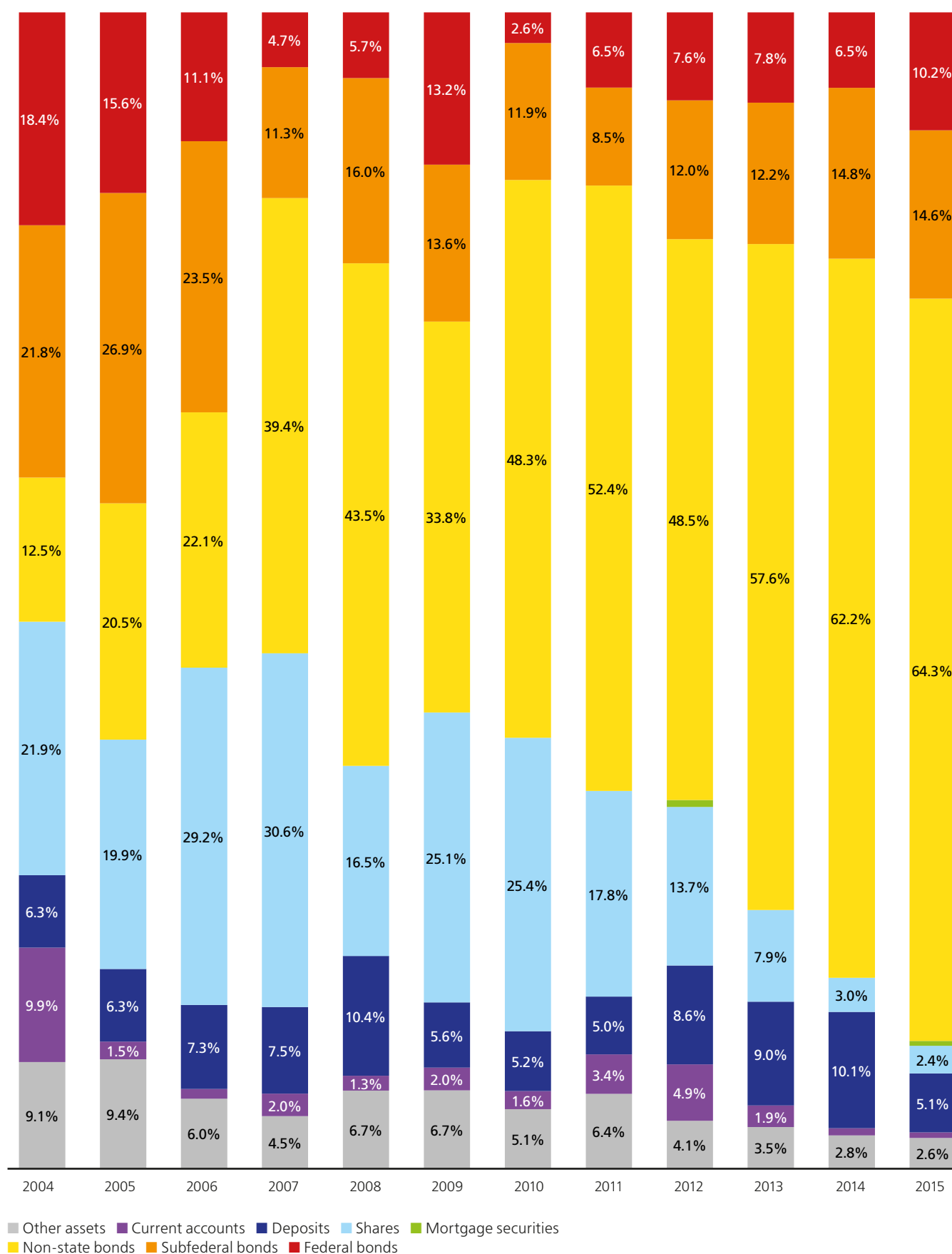
Source: our own calculations based on data from the Bank of Russia

Changes in the structure of investment portfolios of VEB



Source: our own calculations based on data from the PFR

Changes in the structure of investment portfolios of PAMCs



Source: our own calculations based on data from the PFR

TOP-20 NPF's by holdings of federal bonds (as of 31.12.2015)

Nº	NPF	bln ₹	Share of total	Share of fund's portfolio
1	Gazfond PS	16.4	18.9%	portfolio
2	KIT Finance	14.7	16.9%	15.7%
3	Promargofund	14.3	16.4%	18.0%
4	Nasledie	9.8	11.3%	18.1%
5	VTB Pension Fund	5.8	6.7%	5.2%
6	NPF of Sberbank	4.0	4.6%	1.6%
7	Khanty-Mansiysk	3.0	3.4%	29.6%
8	Safmar	2.4	2.7%	7.8%
9	RGS	2.2	2.5%	1.7%
10	Lukoil-Garant JSC	1.7	2.0%	0.8%
11	Future	1.7	2.0%	1.0%
12	Uralsib	1.3	1.5%	18.0%
13	National	1.1	1.2%	6.0%
14	Transneft	0.8	0.9%	10.7%
15	UMMC-Perspective	0.6	0.7%	11.5%
16	NPF of Electric Power Industry	0.6	0.7%	0.6%
17	European	0.5	0.6%	0.8%
18	Sotsium	0.5	0.5%	3.5%
19	Obrazovanie	0.5	0.5%	10.8%
20	Bashkortostan	0.5	0.5%	94.0%
Share of TOP-5		61.0	70.3%	
Share of TOP-10		74.3	85.5%	
Share of TOP-20		82.3	94.8%	
All NPFs		86.8	100.0%	

Source: our own calculations based on data from the Bank of Russia

TOP-20 NPF's by holdings of non-state bonds (as of 31.12.2015)

Nº	NPF	bln ₹	Share of total	Share of fund's portfolio
1	NPF of Sberbank	182.3	22.3%	portfolio
2	Future	71.5	8.8%	43.4%
3	Lukoil-Garant JSC	71.3	8.7%	31.9%
4	Gazfond PS	65.1	8.0%	55.9%
5	KIT Finance	54.4	6.7%	58.2%
6	Promargofund	47.1	5.8%	59.3%
7	VTB Pension Fund	44.0	5.4%	39.7%
8	RGS	34.3	4.2%	26.2%
9	Nasledie	33.9	4.1%	62.2%
10	StalFond	30.5	3.7%	47.2%
11	European	28.5	3.5%	47.9%
12	NPF of Electric Power Industry	25.9	3.2%	25.7%
13	Doverie	12.6	1.5%	37.5%
14	BIG	12.5	1.5%	36.0%
15	Safmar	11.6	1.4%	37.9%
16	National	11.3	1.4%	63.9%
17	Sotsium	9.2	1.1%	68.2%
18	1 NPF	6.3	0.8%	62.5%
19	Regionfund	6.0	0.7%	45.6%
20	Soglasiye JSC	5.9	0.7%	26.6%
Share of TOP-5		444.4	54.4%	
Share of TOP-10		634.1	77.7%	
Share of TOP-20		764.0	93.6%	
All NPFs		816.5	100.0%	

Source: our own calculations based on data from the Bank of Russia

TOP-20 NPF's by holdings of subfederal bonds (as of 31.12.2015)

Nº	NPF	bln ₹	Share of total	Share of fund's portfolio
1	KIT Finance	13.7	18.8%	14.6%
2	Gazfond PS	12.1	16.7%	10.4%
3	VTB Pension Fund	9.3	12.8%	8.4%
4	Promargofund	9.3	12.8%	11.7%
5	NPF of Sberbank	6.8	9.3%	2.7%
6	Nasledie	6.4	8.8%	11.7%
7	Magnit	3.4	4.7%	26.7%
8	National	1.9	2.5%	10.5%
9	RGS	1.2	1.7%	0.9%
10	Khanty-Mansiysk	0.7	1.0%	7.1%
11	Transneft	0.7	1.0%	10.0%
12	Gefest	0.7	1.0%	35.7%
13	Regionfund	0.6	0.8%	4.4%
14	NPF of Electric Power Industry	0.5	0.7%	0.5%
15	Obrazovanie	0.5	0.7%	11.4%
16	UMMC-Perspective	0.5	0.7%	8.6%
17	Uralsib	0.4	0.6%	6.1%
18	European	0.3	0.4%	0.5%
19	Sotsium	0.3	0.4%	2.1%
20	1 NPF	0.3	0.4%	2.6%
Share of TOP-5		51.1	70.3%	
Share of TOP-10		64.7	89.0%	
Share of TOP-20		69.5	95.5%	
All NPFs		72.8	100.0%	

Source: our own calculations based on data from the Bank of Russia

TOP-20 NPF's by holdings of mortgage securities (as of 31.12.2015)

Nº	NPF	bln ₹	Share of total	Share of fund's portfolio
1	RGS	28.0	30.8%	21.4%
2	European	16.9	18.6%	28.4%
3	Future	11.8	13.0%	7.2%
4	Doverie	10.1	11.1%	30.2%
5	StalFond	5.2	5.8%	8.1%
6	VTB Pension Fund	5.1	5.6%	4.6%
7	NPF of Electric Power Industry	2.1	2.3%	2.1%
8	KIT Finance	1.9	2.1%	2.1%
9	Russian Standard	1.9	2.1%	34.5%
10	1 NPF	1.9	2.1%	18.5%
11	Mechel-Fund	1.3	1.4%	18.8%
12	Lukoil-Garant JSC	1.1	1.2%	0.5%
13	Gazfond PS	0.8	0.9%	0.7%
14	Promargofund	0.7	0.8%	0.9%
15	Nasledie	0.5	0.5%	0.9%
16	Strategy	0.3	0.4%	7.9%
17	Zerich	0.3	0.3%	18.7%
18	Soglasiye JSC	0.2	0.3%	1.1%
19	NPF Metallurgov	0.2	0.2%	18.4%
20	Transneft	0.2	0.2%	2.4%
Share of TOP-5		72.1	79.2%	
Share of TOP-10		85.0	93.4%	
Share of TOP-20		90.6	99.5%	
All NPFs		91.0	100.0%	

Source: our own calculations based on data from the Bank of Russia

TOP-20 NPF's by share holdings (as of 31.12.2015)

Nº	NPF	bln ₺	Share of total	Share of fund's portfolio
1	Lukoil-Garant JSC	73.0	32.6%	32.6%
2	NPF of Electric Power Industry	39.3	17.5%	39.0%
3	Future	30.1	13.4%	18.3%
4	RGS	25.6	11.4%	19.6%
5	StalFond	21.0	9.4%	32.5%
6	European	10.0	4.5%	16.8%
7	Doverie	8.4	3.7%	24.9%
8	Regionfund	2.8	1.2%	21.0%
9	Safmar	2.4	1.1%	8.0%
10	Soglasie JSC	2.1	0.9%	9.4%
11	Gazfond PS	1.5	0.7%	1.3%
12	Magnit	1.3	0.6%	10.4%
13	NPF of Sberbank	1.2	0.5%	0.5%
14	Promargofund	1.0	0.5%	1.3%
15	1 NPF	0.7	0.3%	7.2%
16	DIF	0.5	0.2%	11.8%
17	Mechel-Fund	0.5	0.2%	6.6%
18	BIG	0.4	0.2%	1.2%
19	Nasledie	0.3	0.1%	0.6%
20	KIT Finance	0.3	0.1%	0.3%
Share of TOP-5		189.0	84.3%	
Share of TOP-10		214.7	95.8%	
Share of TOP-20		222.5	99.2%	
All NPFs		224.2	100.0%	

Source: our own calculations based on data from the Bank of Russia

TOP-20 NPF's by cash holdings (as of 31.12.2015)

Nº	NPF	bln ₺	Share of total	Share of fund's portfolio
1	Future	23.5	30.7%	14.3%
2	Lukoil-Garant JSC	21.2	27.6%	9.5%
3	Soglasie JSC	5.8	7.5%	25.7%
4	RGS	5.7	7.4%	4.4%
5	Safmar	4.1	5.3%	13.3%
6	NPF of Electric Power Industry	3.8	5.0%	3.8%
7	NPF of Sberbank	2.2	2.9%	0.9%
8	KIT Finance	1.6	2.1%	1.7%
9	Gazfond PS	1.5	2.0%	1.3%
10	Strategy	1.0	1.4%	25.4%
11	Nasledie	0.8	1.1%	1.6%
12	StalFond	0.8	1.1%	1.3%
13	Telekom-Soyuz	0.6	0.8%	32.4%
14	Neftegarant JSC	0.5	0.7%	11.1%
15	Promargofund	0.5	0.6%	0.6%
16	Russian Standard	0.4	0.6%	7.7%
17	Magnit	0.3	0.5%	2.7%
18	Surgutneftegaz JSC	0.3	0.4%	7.8%
19	Khanty-Mansiysk	0.2	0.3%	2.4%
20	Akvilon	0.2	0.3%	30.8%
Share of TOP-5		60.2	78.6%	
Share of TOP-10		70.3	91.8%	
Share of TOP-20		75.2	98.2%	
All NPFs		76.6	100.0%	

Source: our own calculations based on data from the Bank of Russia

TOP-20 NPF's by deposits (as of 31.12.2015)

Nº	NPF	bln ₺	Share of total	Share of fund's portfolio
1	Lukoil-Garant JSC	52.5	15.6%	23.5%
2	NPF of Sberbank	45.3	13.5%	18.4%
3	VTB Pension Fund	43.3	12.9%	39.1%
4	RGS	32.2	9.6%	24.7%
5	NPF of Electric Power Industry	25.6	7.6%	25.4%
6	BIG	21.4	6.4%	61.5%
7	Future	21.3	6.4%	13.0%
8	Gazfond PS	17.2	5.1%	14.7%
9	Safmar	9.4	2.8%	30.7%
10	Soglasie JSC	7.8	2.3%	35.0%
11	StalFond	5.6	1.7%	8.7%
12	KIT Finance	5.1	1.5%	5.4%
13	Promargofund	4.8	1.4%	6.0%
14	Regionfund	3.3	1.0%	24.9%
15	Sotsium	3.3	1.0%	24.1%
16	National	2.8	0.8%	15.9%
17	Magnit	2.8	0.8%	21.7%
18	Atomfond JSC	2.6	0.8%	53.4%
19	European	2.3	0.7%	3.9%
20	Khanty-Mansiysk	2.1	0.6%	20.9%
Share of TOP-5		199.0	59.3%	
Share of TOP-10		276.1	82.2%	
Share of TOP-20		310.7	92.5%	
All NPFs		335.7	100.0%	

Source: our own calculations based on data from the Bank of Russia

TOP-6 NPF's by holdings of international financial organisation bonds (as of 31.12.2015)

Nº	NPF	bln ₺	Share of total	Share of fund's portfolio
1	VTB Pension Fund	1.0	61.4%	0.9%
2	NPF of Electric Power Industry	0.3	15.4%	0.2%
3	UFD	0.2	9.9%	19.0%
4	1 NPF	0.1	7.6%	1.2%
5	Transneft	0.1	4.4%	1.0%
6	Almaznaya Osen	0.0	1.3%	1.0%
Share of TOP-5		1.6	98.7%	
Share of TOP-6		1.6	100.0%	
All NPFs		1.6	100.0%	

Source: our own calculations based on data from the Bank of Russia

TOP-20 NPF's by miscellaneous assets
(as of 31.12.2015)

№	NPF	bln ₺	Share of total	Share of fund's portfolio
1	NPF of Sberbank	4.8	14.4%	1.9%
2	Future	4.4	13.2%	2.7%
3	Lukoil-Garant JSC	2.8	8.6%	1.3%
4	NPF of Electric Power Industry	2.7	8.0%	2.6%
5	VTB Pension Fund	2.1	6.3%	1.9%
6	KIT Finance	1.9	5.7%	2.0%
7	Gazfond PS	1.8	5.5%	1.6%
8	Promargofund	1.7	5.1%	2.1%
9	RGS	1.4	4.1%	1.0%
10	Nasledie	1.3	4.0%	2.4%
11	StalFond	1.0	3.1%	1.6%
12	European	0.9	2.8%	1.6%
13	Strategy	0.7	2.1%	17.1%
14	1 NPF	0.6	1.9%	6.3%
15	Mechel-Fund	0.5	1.6%	7.9%
16	Safmar	0.5	1.6%	1.7%
17	Doverie	0.4	1.3%	1.3%
18	National	0.4	1.1%	2.1%
19	BIG	0.3	1.1%	1.0%
20	Obrazovanie	0.3	0.8%	5.9%
Share of TOP-5		16.8	50.4%	
Share of TOP-10		24.9	74.8%	
Share of TOP-20		30.7	92.3%	
All NPFs		33.2	100.0%	

Source: our own calculations based on data from the Bank of Russia

Additional clarifications and comments

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For reading convenience some of the names of non-state pension funds, asset management companies and other organizations presented in this report have been changed in such a way that they remain recognizable.

Data for rate of returns on invested pension savings at NPFs was obtained from public sources that the author of this report deems reliable, such as websites dedicated to the activities of the PFR. NPFs and asset management companies, company websites for NPFs and asset management companies, and media reports. In case where the information in various sources differed, this report uses the source that the author deems more reliable.

The absence of information on pension savings investment returns at certain NPFs prior to 2009 and the absence of certain funds altogether indicates either that a fund did not handle mandatory pension insurance before 2009 or that it failed to respond to the author’s request for information.

To calculate the return on invested pension savings at asset management companies, including the state corporation Vnesheconombank (VEB), this analysis drew on performance measures published by the Pension Fund of the Russian Federation, including the investment portfolio growth coefficient, which was used to calculate the actual returns into individual pension accounts.

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www.p-a-c.ru

121069, Moscow, ul. Sadovaya-Kudrinskaya, bld. 2/62/35, str. 1
tel./fax: +7(495) 532-40-05



Evgeny Biezbardis

biezbardis@p-a-c.ru