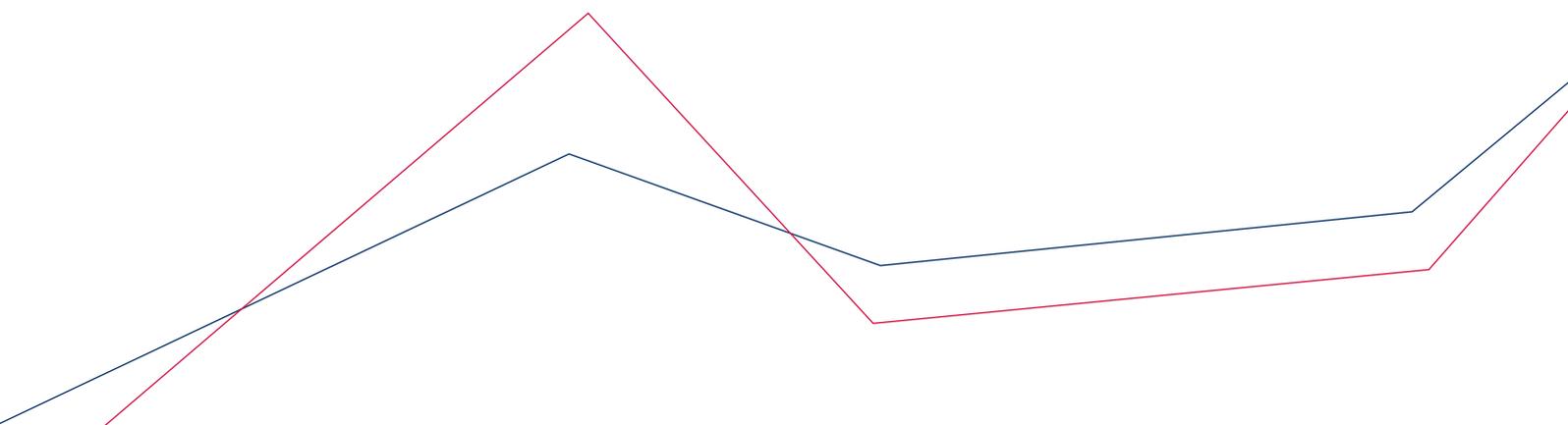


Pension Savings in Russia 2014

Moscow. 2015



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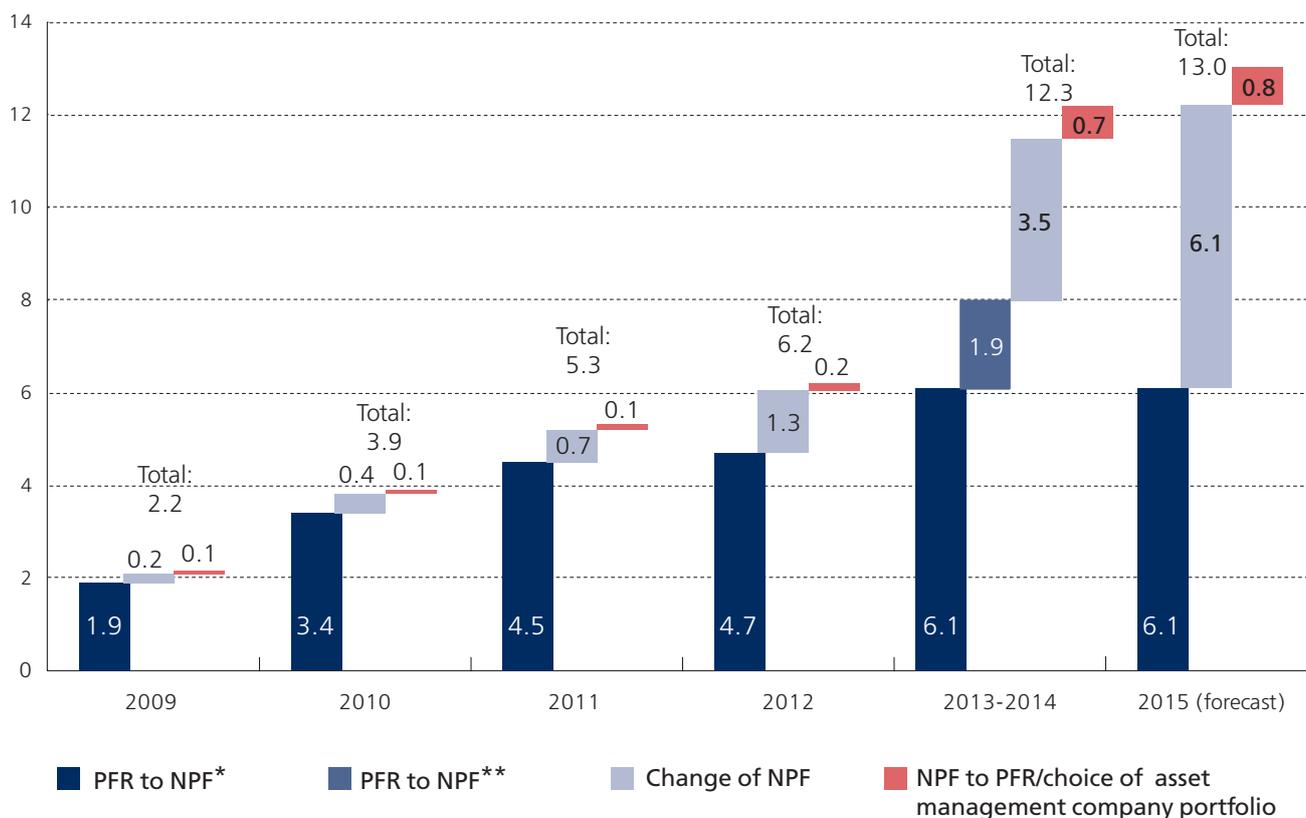
1. Key Market Indicators – Mandatory Pensions

2014 was the most difficult and challenging year in the entire history of Russian non-state pension funds (NPF's). The range of negative factors included: falling prices across the financial markets, as a result of which many pension funds showed accounting losses; uncertainty about the savings component of pension assets, including a freeze on contributions; and changes to regulatory and supervisory procedures, which altered the legal status of non-state pension funds and created of a System of guarantees. Last year NPF's received no new contributions to pension savings accounts and there was no change in the number of individuals covered.

In accordance with amendments to legislation, 2015 saw a decision to “unfreeze” personal applications submitted during the period 2013-2014. Applications to transfer savings to NPF's were approved by the Pension Fund of the Russian Federation (PFR) only in cases where the fund in question had been admitted to the guarantee programme by 31 March 2015, where the application concerned the choice of management company, or where the covered individual wished to transfer his account from a non-state fund back to the PFR. Funds that – for whatever reason – had not yet become joint-stock companies and joined the guarantee programme by the cut-off date saw an outflow of clients in 2013-2014 that, unlike in previous periods, was not offset by an inflow of new ones.

Over the past two years a total of 24.8 million applications were submitted to the PFR, 18.1 million in 2013 and 6.7 million in 2014. Of these, 12.3 million were reviewed and 10.4 million had been approved as of 31 May 2015.¹ The remaining 1.9 concerned NPF's that had not yet been admitted to the guarantee programme and so could not be approved at this time.

Figure 1.1. Personal applications for a new pension insurance provider (investment portfolio)



Source: PFR, our calculations and forecast

* number of applicants whose pension savings were transferred to one of 26 NPF's that had joined the guarantee programme as of 24.04.2015

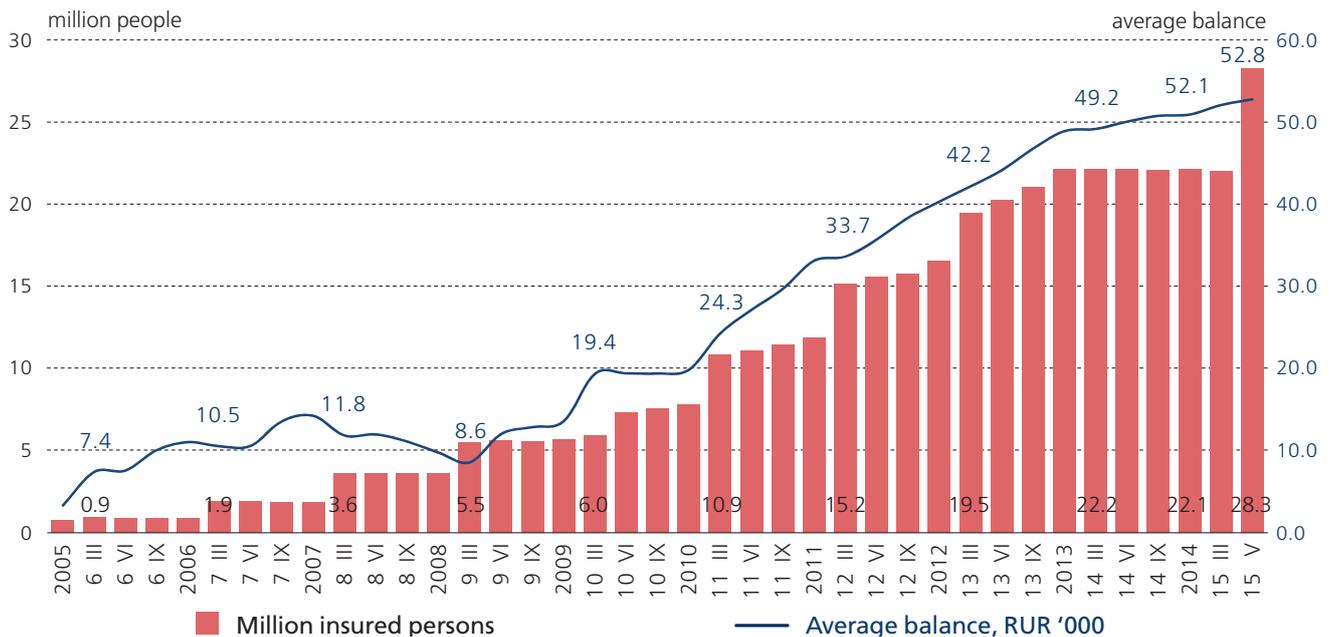
** number of applicants who requested that their pension savings be transferred to NPF's that had not joined the guarantee programme as of 24.04.2015

1 PFR. Public Annual Report for 2014.

The pension savings system was set up in 2002 and pension savings were first transferred to non-state pension funds in 2005. The process of instituting this new mandatory pension system – together with rapid growth in the asset management by NPF’s – is expected to continue until 2022-2027, when citizens born in 1967 reach retirement age and will receive the first pay-outs based on pension savings.

Following the 2013-2014 campaign the number of clients served by non-state pension funds reached 28.5 million, with an average individual account balance of R52 800.

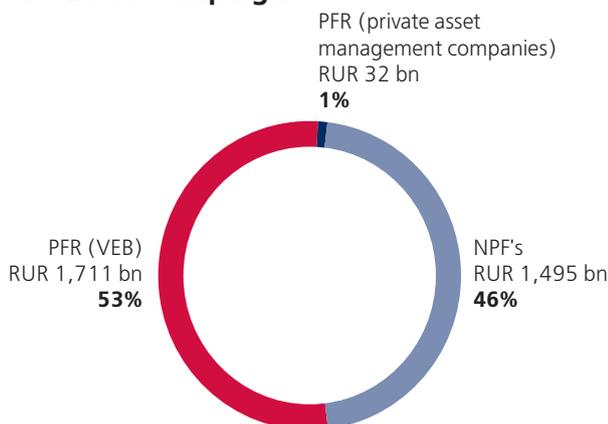
Figure 1.2. Growth in number of insured persons and average account balance (mandatory pensions)



Source: Bank of Russia, our calculations

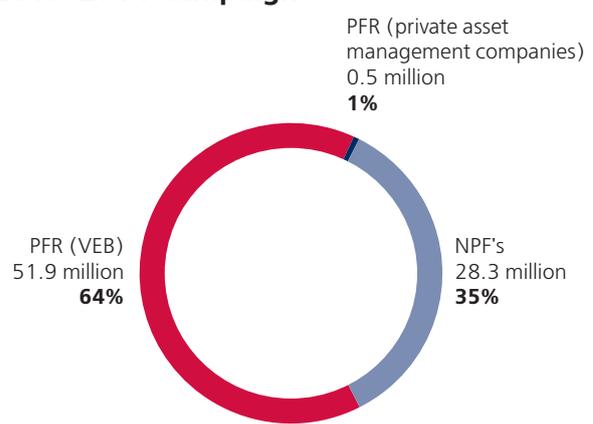
By mid-2015 the pension savings held by NPF’s had reached a total of nearly R1.5trn, or 46% of all pension savings in Russia. We estimate that more than 50% of citizens born in or after 1967 had by that time chosen a non-state pension fund to handle their mandatory pension coverage. If all age groups are included (i.e. together with the “excluded generation” of men born between 1953-1966 and women born between 1957-1966), NPF’s served approx. 35% of all individuals with pension savings accounts.

Figure 1.3. Distribution of pension savings between PFR and NPF’s following 2013-2014 Campaign



Source: PFR, our calculations

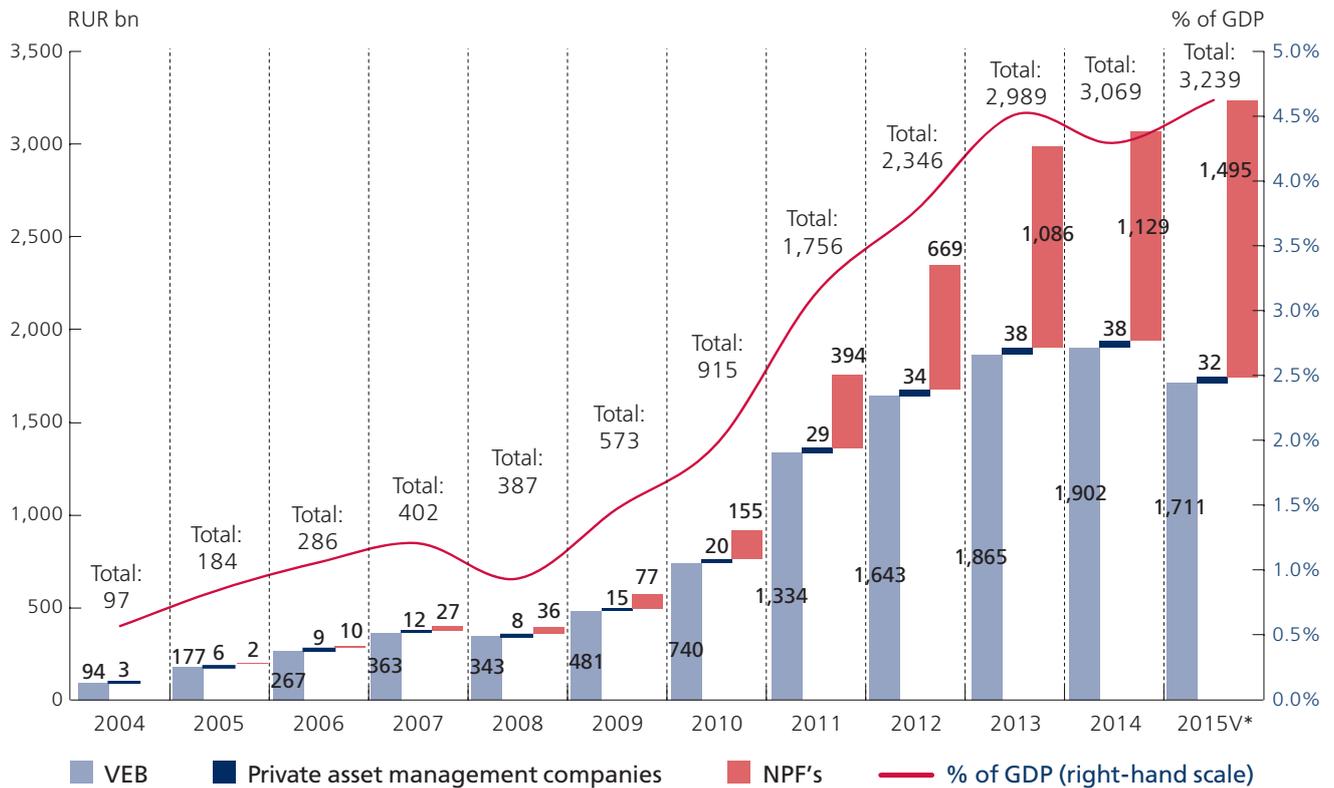
Figure 1.4. Distribution of insured parties between PFR and NPF’s following 2013-2014 Campaign



Source: PFR, our calculations

As of late May 2015 the Russian pension system as a whole held more than R3.2trn in pension savings, equivalent to 4.6% of GDP. This represents a significant investment resource. This year for the first time the pension Asset management companies by the state corporation VEB declined, falling to R1.7trn. The volume of pension savings managed by private asset management companies also declined, to R32bn.

Figure 1.5. Growth in Pension Savings



Source: Bank of Russia, PFR, Rosstat, our calculations*

At the same time the total volume of pension asset management by all market players (VEB, private asset management companies and NPF's) reached approx. R4.2trn at the end of May, equivalent to 6.0% of GDP.

2. Competitive Environment

The period 2013-2014 saw an acceleration in the process of consolidation among pension market players, along with shifts in ownership and the formation of pension fund groups. This disrupted the continuity of several data series on non-state pension funds as they were re-structured and their mandatory pension business was split off into separate joint-stock companies.

As before quasi-state NPF's manage a substantial 21.2% of pension savings; these funds are ultimately controlled by state-sector enterprises, state-owned banks and regional governments. The largest private-sector NPF's, however, control more than 61.2% of pension savings and serve 65.3% of the individuals covered.

* our estimate

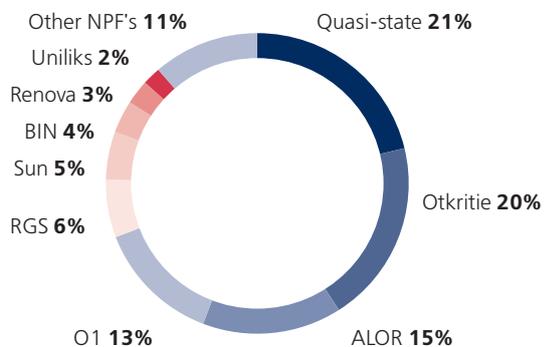
Table 2.1. Consolidation of NPF's

Group (NPF) ³	Savings, RUR mn	Market share (savings)	individuals covered, '000	Market share, individuals covered	Average account balance, '000 RUR
1 Quasi-state NPF's	243,948.9	21.2%	3,310.8	15.0%	73.7
Sberbank NPF	75,988.3	6.6%	1,058.7	4.8%	71.8
VTB Pension Fund	70,045.5	6.1%	1,069.1	4.9%	65.5
Gazfond Pension Savings	64,462.1	5.6%	733.2	3.3%	87.9
Khanty-Mansiysk	10,503.8	0.9%	137.2	0.6%	76.6
Transneft	6,502.3	0.6%	48.8	0.2%	133.3
Atomgarant	4,893.5	0.4%	57.1	0.3%	85.7
Neftegarant AO	4,418.6	0.4%	75.5	0.3%	58.6
DIF	4,091.3	0.4%	80.4	0.4%	50.9
Almaznaya Osen	2,159.6	0.2%	36.4	0.2%	59.3
Rostvertol	655.9	0.1%	11.6	0.1%	56.3
VNIIEF-GARANT	228.1	0.0%	2.9	0.0%	79.4
2 Otkritie Group	226,587.8	19.7%	3,573.2	16.2%	63.4
Lukoil-Garant OAO	152,474.5	13.3%	2,481.3	11.3%	61.4
NPF of Electric Power Industry	74,113.4	6.4%	1,091.8	5.0%	67.9
3 ALOR Group	170,970.1	14.9%	4,739.2	21.5%	36.1
KIT Finance	66,106.5	5.8%	1,976.5	9.0%	33.4
Promargofund	54,786.6	4.8%	1,738.2	7.9%	31.5
Nasledie	50,077.0	4.4%	1,024.4	4.6%	48.9
4 O1 Group	153,623.9	13.4%	2,804.1	12.7%	54.8
Future	114,841.2	10.0%	1,785.4	8.1%	64.3
StalFond	37,082.6	3.2%	997.8	4.5%	37.2
Telekom-Soyuz	1,700.1	0.1%	20.9	0.1%	81.5
5 RGS	71,829.7	6.3%	1,671.8	7.6%	43.0
6 Sun Group	59,066.4	5.1%	1,369.7	6.2%	43.1
SLP	34,322.9	3.0%	821.7	3.7%	41.8
Sunny Coast	15,937.2	1.4%	256.6	1.2%	62.1
Adekata-Pension	4,715.3	0.4%	181.5	0.8%	26.0
Sberegatelny	2,769.0	0.2%	79.6	0.4%	34.8
Uraloboronzavodsky	1,178.2	0.1%	28.6	0.1%	41.2
Sunny Time	109.2	0.0%	1.2	0.0%	92.7
Zashchita budushchego	34.7	0.0%	0.5	0.0%	74.1
7 BIN Group	40,244.4	3.5%	983.5	4.5%	40.9
European	15,912.3	1.4%	246.9	1.1%	64.4
Doverie	12,421.7	1.1%	401	1.8%	31.0
Regionfund	11,104.1	1.0%	319	1.4%	34.8
Education & Science	806.3	0.1%	16.6	0.1%	48.7
8 Renova Group	30,399.4	2.6%	502.7	2.3%	60.5
BIG	27,549.1	2.4%	473.1	2.1%	58.2
Vladimir	2,850.4	0.2%	29.6	0.1%	96.3
9 Uniliks Group	22,324.1	1.9%	417.5	1.9%	53.5
1 NPF	13,096.9	1.1%	301.5	1.4%	43.4
Mechel-Fund	7,774.3	0.7%	97.7	0.4%	79.6
NPF Metallurgov	1,176.1	0.1%	16.2	0.1%	72.5
TPP Fund	276.8	0.0%	2.1	0.0%	129.5
10.1 Other NPF's	130,271.6	11.3%	2,668.8	12.1%	48.8
10.2 Non-state NPF's (excl. RGS)	703,216.2	61.2%	2,668.8	65.3%	48.9
All NPF's	1,149,266.4	100.0%	22,041.2	100.0%	52.1

Source: Bank of Russia, our calculations

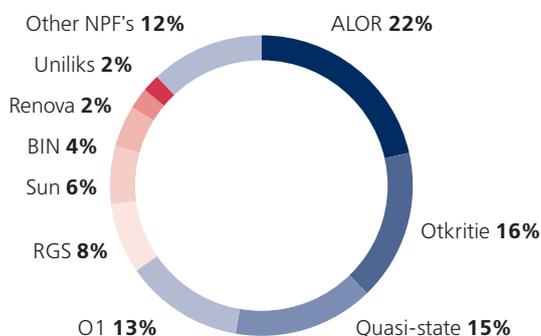
3 Groups based on media reports, information provided by NPF's and expert analysis

Figure 2.1. Pension Savings by NPF



Source: Bank of Russia, our calculations

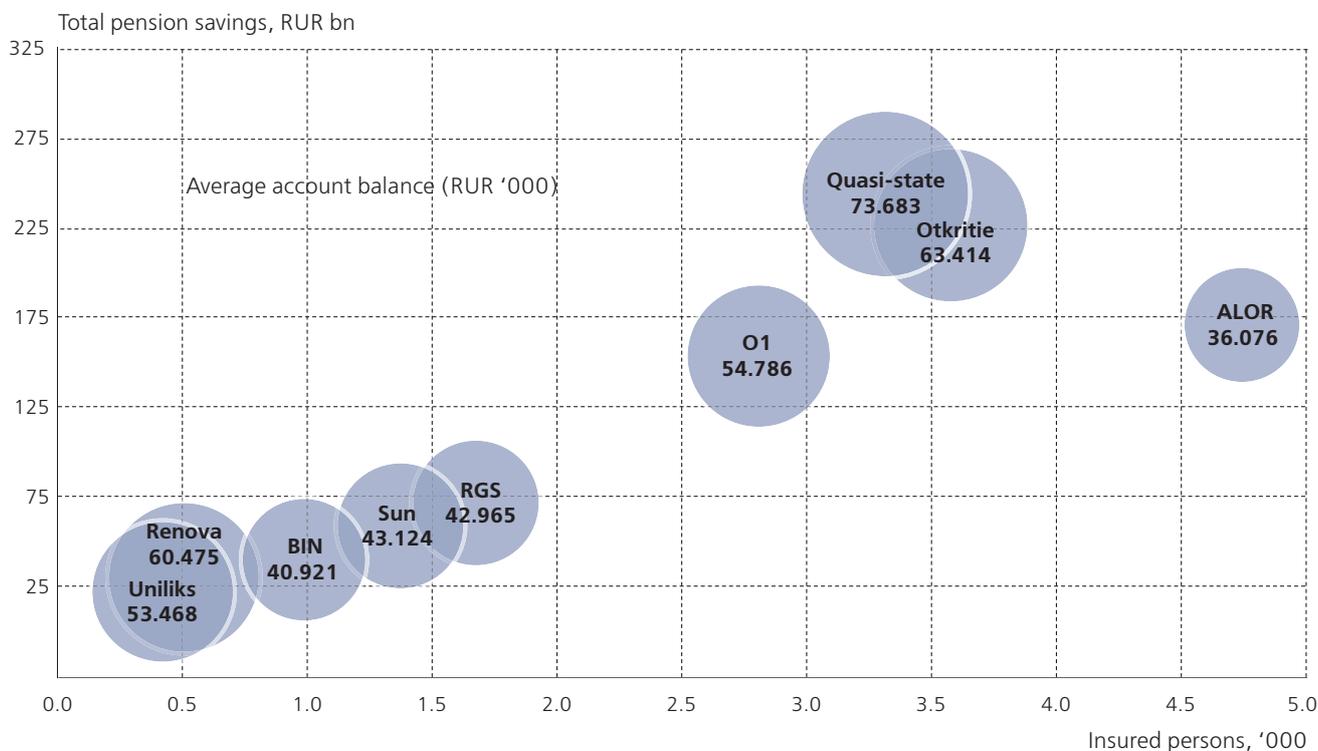
Figure 2.2. Insured Parties by NPF



Source: Bank of Russia, our calculations

Based on figures from the PFR and VEB, the 2013-2014 campaign led to some R400bn in new resources being placed under (guaranteed) management by non-state pension funds. Bank of Russia data to mid-2015 should reflect the impact of “unfreezing” pension savings, which could significantly alter the market positions of specific funds and groups.

Figure 2.3. Map of Major NPF's by Number of Insured Persons, Total Savings and Average Clients Balance



Source: our calculations

3. Returns on Pension Savings

Returns are clearly the key measure by which the performance of non-state pension funds is assessed. Our analysis looks at “net returns”, i.e. returns actually paid into the accounts of insured parties after subtracting remuneration paid to funds themselves, as well as asset management companies and specialised depositories.

This report presents figures for the return on invested pension savings at 56 NPF's covering some 86.3% of all individuals served by non-state pension funds and responsible for managing more than 84.6% of all pension savings held by NPF's.⁴

Russian legislation establishes specific procedures for the investment of pension savings: they may only be invested in “permitted asset classes”, limits are imposed on portfolio diversification and exposure to individual issuers, and all transactions with securities must take place on exchange. The Central Bank strictly regulates which banks are authorised to hold deposits and current accounts that contain pension savings.

In 2014 NPF's reported an average return of 4.81% per annum. Individuals who made no choice of NPF and whose pension savings therefore formed part of VEB's expanded portfolio saw a return of 2.6%. Individuals who chose to place their pension savings with a private management company's investment fund saw a return of 1.04%.

Last year's performance was shaped above all by the re-evaluation of securities at year's end. NPF's have invested as much as half of all pension savings in federal, regional and local government debt or corporate bonds. In the case of VEB, bonds of various types account for close to 80% of the portfolio.

Interestingly, NPF's' cumulative returns since 2009 have been considerably stronger and on average slightly exceeded inflation (58.67% versus 58.65%). They are also well above the cumulative return on VEB's expanded portfolio (44.25%).

⁴ As of the date of this report the remaining NPF's had not yet provided information on their returns or published it on their websites, nor was the information available in other sources that the author of this report considers reliable.

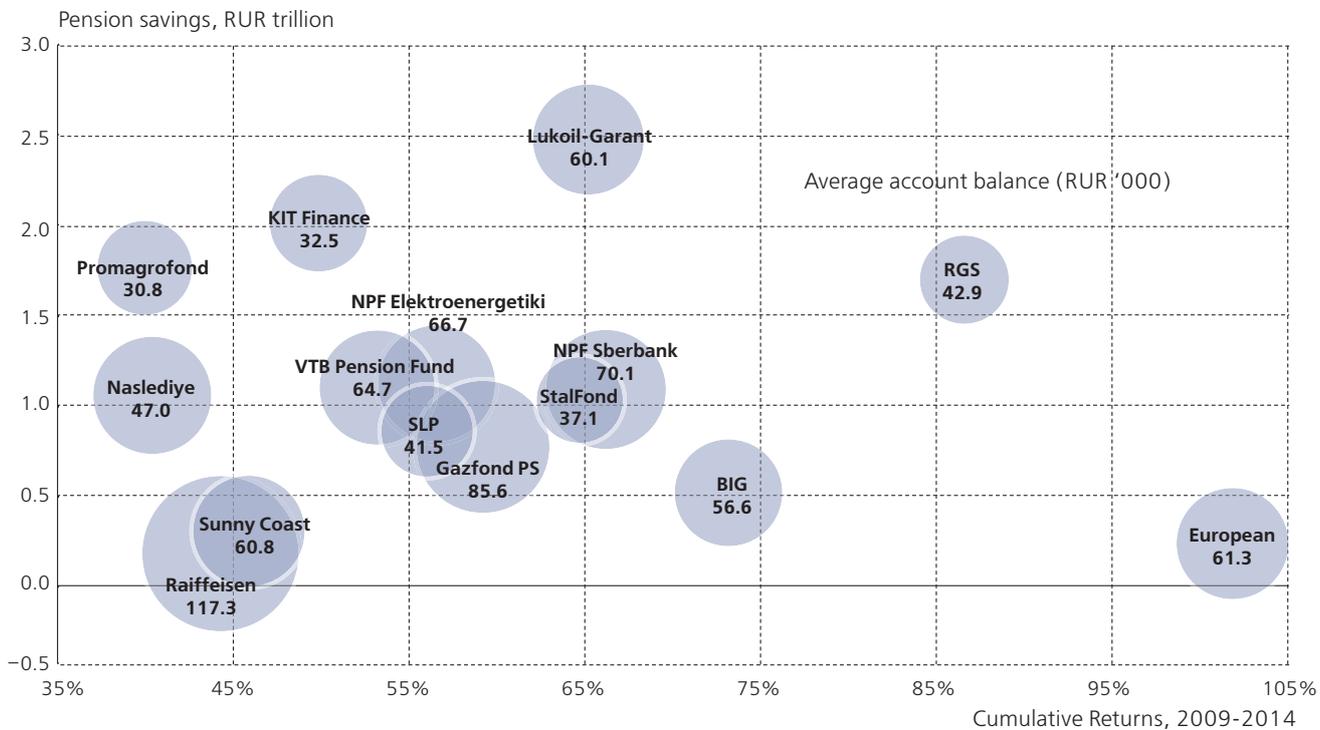
It is important to note that information published quarterly by the Bank of Russia on the returns earned by NPF's does not reflect actual returns to the accounts of insured parties and so cannot be used to assess the return on pension savings.

Table 3.1. Annual Returns – NPF's

Nº	Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
	VEB (government debt)					0.97%	4.73%	4.11%	6.94%	6.90%	-2.16%
	VEB (expanded portfolio)	8.71%	4.67%	4.99%	-0.43%	9.05%	6.95%	4.24%	8.41%	6.71%	2.56%
	Inflation	10.92%	9.00%	11.87%	13.28%	8.80%	8.78%	6.10%	6.57%	6.47%	11.35%
1	1 NPF	22.30%	18.60%	9.94%	0.00%	18.63%	10.90%	1.19%	5.80%	5.30%	3.13%
2	Avtovaz									5.17%	3.99%
3	Adekata-Pension								10.00%	8.40%	6.87%
4	Akvilon	0.00%	10.46%	4.92%	0.00%	28.93%	11.04%	0.00%	0.38%	5.93%	4.99%
5	Almaznaya Osen	7.60%	10.70%	6.10%	0.00%	1.68%	8.98%	0.82%	5.58%	3.90%	2.15%
6	Atomgarant				0.00%	18.10%	9.92%	1.33%	6.40%	6.72%	4.70%
7	Bashkortostan							15.00%	9.00%	3.77%	36.88%
8	BIG	14.90%	17.90%	6.40%	0.00%	24.40%	9.90%	2.82%	7.67%	7.25%	6.15%
9	Vladimir	7.15%	4.23%	6.35%	0.00%	21.30%	12.30%	1.01%	8.58%	7.46%	5.40%
10	VNIIEF-GARANT	10.70%	17.10%	8.12%	0.00%	10.00%	10.00%	0.96%	7.61%	6.17%	1.20%
11	Volga-Capital	17.00%	19.01%	7.50%	0.00%	8.00%	9.00%	0.25%	7.00%	4.84%	6.20%
12	VTB Pension Fund				0.00%	16.03%	9.23%	0.48%	8.68%	5.94%	4.41%
13	Gazfond Pension Savings	16.35%	15.48%	3.96%	0.00%	22.60%	9.24%	0.93%	7.73%	6.39%	2.72%
14	Gefest		16.58%	6.78%	5.24%	13.02%	11.04%	1.50%	7.01%	6.43%	0.27%
15	Doverie		10.00%	8.00%	0.00%	24.60%	9.00%	7.90%	9.87%	7.54%	7.27%
16	Doverie (Orenburg)				5.70%	27.93%	12.03%	3.01%	4.82%	6.41%	4.47%
17	European					18.23%	27.10%	6.70%	6.62%	6.56%	10.87%
18	Zashchita budushchego							0.00%	5.50%	8.50%	6.81%
19	Imperia					24.14%	5.00%	1.34%	6.00%	1.70%	0.00%
20	KIT Finance				10.35%	17.26%	9.98%	0.00%	6.70%	6.63%	2.06%
21	Lukoil-Garant OAO	12.03%	15.18%	9.53%	0.00%	20.07%	10.55%	1.99%	7.57%	6.65%	6.49%
22	Magnit					20.00%	9.80%	0.00%	9.74%	12.16%	2.50%
23	Nasledie	21.30%	18.00%	7.42%	0.00%	12.94%	9.34%	0.00%	6.75%	6.39%	0.00%
24	Neftegarant AO		20.10%	5.68%	-0.64%	13.84%	7.36%	4.58%	6.99%	6.89%	5.84%
25	New Age					27.18%	8.99%	0.78%	5.79%	4.73%	0.02%
26	NPF of Sberbank			0.00%	0.00%	30.02%	9.27%	0.00%	7.03%	6.72%	2.40%
27	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%
28	Obrazovanie				0.00%	27.13%	12.03%	3.40%	9.58%	8.40%	5.91%
29	Education & Science					15.20%	15.00%	7.00%	10.10%	7.62%	5.10%
30	DIF		17.02%	7.61%	0.00%	40.54%	16.01%	0.00%	6.99%	7.23%	6.48%
31	Povolzhsky				7.30%	18.04%	9.57%	5.01%	5.07%	8.14%	5.89%
32	Promargofund	11.14%	18.70%	7.88%	5.26%	14.07%	10.00%	2.84%	3.55%	4.46%	0.67%
33	Raiffeisen	8.27%	12.38%	5.73%	0.00%	10.46%	10.82%	0.00%	6.75%	6.33%	3.74%
34	RGS				0.00%	31.91%	11.35%	3.02%	7.99%	6.22%	7.53%
35	Regionfund					15.50%	10.50%	1.81%	7.13%	7.43%	2.30%
36	Rostvertol	9.60%	13.90%	4.70%	0.00%	1.61%	8.77%	3.25%	6.42%	7.09%	5.87%
37	Russian Standard							8.00%	9.00%	6.93%	11.20%
38	St. Petersburg	15.53%	24.31%	5.37%	0.00%	17.83%	12.84%	3.15%	7.10%	7.14%	2.04%
39	Sberegatelny								8.05%	8.50%	6.72%
40	SLP					12.50%	11.85%	1.36%	7.68%	6.19%	6.93%
41	Soglasie OAO						12.66%	7.63%	11.21%	11.44%	9.84%
42	Sunny Coast			0.00%	11.97%	10.07%	7.24%	4.66%	6.82%	7.03%	3.19%
43	Social Development	22.60%	22.60%	5.90%	0.00%	10.60%	9.10%	0.60%	6.10%	5.67%	0.47%
44	Social World		21.07%	10.63%	0.00%	9.20%	13.25%	0.00%	7.03%	6.53%	3.61%
45	Sotsium	12.11%	16.01%	11.88%	0.00%	11.88%	9.59%	1.43%	8.17%	5.74%	11.14%
46	StalFond	41.00%	21.50%	8.50%	0.00%	21.00%	11.00%	2.37%	6.01%	6.09%	6.49%
47	Surgutneftegaz OAO					43.55%	9.42%	1.28%	9.87%	6.45%	0.88%
48	Telekom-Soyuz		24.79%	10.09%	0.00%	25.74%	11.59%	1.88%	7.35%	5.74%	2.71%
49	CIP fund		10.46%	17.30%	0.00%	11.07%	21.84%	6.58%	7.31%	5.63%	2.13%
50	UMMC-Perspective		18.50%	5.42%	-32.61%	47.40%	10.70%	0.26%	6.39%	5.98%	2.19%
51	Uraloboronzavodsky	16.20%	15.84%	5.35%	0.00%	10.00%	10.50%	1.75%	6.05%	6.82%	2.56%
52	Uralsib	12.70%	13.10%	5.50%	0.00%	18.00%	11.59%	0.60%	7.50%	7.10%	2.10%
53	UFD		20.00%	14.60%	5.04%	20.23%	19.13%	0.87%	1.86%	6.61%	0.00%
54	Uchastiye						7.83%	0.00%	7.84%	7.27%	6.27%
55	Khanty-Mansiysk	16.40%	15.10%	13.14%	0.00%	12.50%	10.81%	2.17%	6.80%	6.61%	0.44%
56	Zerich					0.70%	5.60%	0.00%	5.53%	6.00%	0.00%
Average across funds		14.61%	16.51%	7.33%	0.45%	18.49%	11.02%	2.37%	7.09%	6.61%	4.81%
Number of funds		21	30	32	39	48	50	53	55	56	56

Source: Bank of Russia, Rosstat, PFR, our calculations

Figure 3.1. Map of Major NPF's by Cumulative Returns (2009-2014), Total Savings and Average Clients Balance



Source: our calculations

Table 3.2. Ranking of NPF's by returns, 2014

1	Bashkortostan	36.88%
2	Inflation	11.35%
3	Russian Standard	11.20%
4	Sotsium	11.14%
5	European	10.87%
6	Soglasiye OAO	9.84%
7	RGS	7.53%
8	Doverie	7.27%
9	NPF of Electric Power Industry	7.18%
10	SLP	6.93%
11	Adekata-Pension	6.87%
12	Zashchita budushchego	6.81%
13	Sberegatelny	6.72%
14	Lukoil-Garant OAO	6.49%
15	StalFond	6.49%
16	DIF	6.48%
17	Uchastiye	6.27%
18	Volga-Capital	6.20%
19	BIG	6.15%
20	Obrazovanie	5.91%
21	Povolzhsky	5.89%
22	Rostvertol	5.87%
23	Neftegarant AO	5.84%
24	Vladimir	5.40%
25	Education & Scince	5.10%
26	Akvilon	4.99%
27	Average	4.81%
28	Atomgarant	4.70%
29	Doverie (Orenburg)	4.47%
30	VTB Pension Fund	4.41%
31	Avtovaz	3.99%
32	Raiffeisen	3.74%
33	Social World	3.61%
34	Sunny Coast	3.19%
35	1 NPF	3.13%
36	Gazfond Pension Savings	2.72%
37	Telekom-Soyuz	2.71%
38	VEB (expanded portfolio)	2.56%
39	Uraloboronzavodsky	2.56%
40	Magnit	2.50%
41	NPF of Sberbank	2.40%
42	Regionfund	2.30%
43	UMMC-Perspective	2.19%
44	Almaznaya Osen	2.15%
45	CIP fund	2.13%
46	Uralsib	2.10%
47	KIT Finance	2.06%
48	St. Petersburg	2.04%
49	VNIIEF-GARANT	1.20%
50	Surgutneftegaz OAO	0.88%
51	Promargofund	0.67%
52	Social Development	0.47%
53	Khanty-Mansiysk	0.44%
54	Gefest	0.27%
55	New Age	0.02%
56	Imperia	0.00%
57	Nasledie	0.00%
58	UFD	0.00%
59	Zerich	0.00%
60	VEB (government debt)	-2.16%

Source: Bank of Russia, Rosstat, PFR

Table 3.3. Ranking by cumulative returns, 2009-2014

1	European	101.96%
2	DIF	99.17%
3	UMMC-Perspective	88.50%
4	Surgutneftegaz OAO	87.70%
5	RGS	86.64%
6	Doverie	85.73%
7	Obrazovanie	85.27%
8	Bashkortostan	78.05%
9	Education & Scince	76.53%
10	BIG	72.31%
11	Doverie (Orenburg)	72.03%
12	Vladimir	69.22%
13	CIP fund	66.97%
14	Telekom-Soyuz	66.66%
15	Magnit	66.23%
16	NPF of Sberbank	66.16%
17	Lukoil-Garant OAO	65.39%
18	Soglasiye OAO	65.06%
19	StalFond	64.67%
20	Povolzhsky	63.41%
21	St. Petersburg	60.58%
22	Akvilon	59.83%
23	Gazfond Pension Savings	59.13%
24	Average	58.67%
25	Inflation	58.65%
26	Sotsium	58.09%
27	UFD	56.89%
28	NPF of Electric Power Industry	56.49%
29	Atomgarant	56.39%
30	SLP	55.95%
31	Uralsib	55.71%
32	New Age	54.80%
33	Neftegarant AO	54.71%
34	VTB Pension Fund	53.09%
35	Regionfund	52.99%
36	1 NPF	52.95%
37	KIT Finance	49.75%
38	Social World	46.10%
39	Sunny Coast	45.77%
40	Khanty-Mansiysk	45.65%
41	Gefest	45.47%
42	VEB (expanded portfolio)	44.25%
43	Raiffeisen	44.14%
44	Uraloboronzavodsky	43.68%
45	Imperia	42.40%
46	VNIIEF-GARANT	41.24%
47	Volga-Capital	40.60%
48	Promargofund	40.52%
49	Nasledie	40.25%
50	Russian Standard	39.98%
51	Rostvertol	37.68%
52	Social Development	36.74%
53	Uchastiye	32.56%
54	Adekata-Pension	27.43%
55	Almaznaya Osen	25.19%
56	Sberegatelny	25.11%
57	VEB (government debt)	23.14%
58	Zashchita budushchego	22.26%
59	Zerich	18.95%
60	Avtovaz	9.37%

Source: Bank of Russia, Rosstat, PFR, our calculations

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

Table 3.4. Ranking of Asset Management Companies by Returns, 2014

1	Inflation	11.35%
2	Finam Management	7.41%
3	Metropol	6.04%
4	Analytical Center	4.98%
5	Metalloinvesttrust	4.28%
6	MDM	4.03%
7	Region Trust	3.91%
8	Ingosstrakh-Investments	3.85%
9	Solid Management	3.84%
10	Otkritie	3.21%
11	BIN Finam Group	2.95%
12	BFA	2.73%
13	Captain	2.57%
14	VEB (expanded portfolio)	2.56%
15	Leader	2.28%
16	Natsionalnaya	2.24%
17	Pension Saving Company	1.92%
18	OFG Invest	1.86%
19	VTB Capital Pension Reserve	1.83%
20	RFC-Capital	1.73%
21	Promsvyaz	1.27%
22	Average (for private investment companies)	1.04%
23	Region ESM	1.00%
24	Ak Bars Capital	0.87%
25	BKS (balanced)	0.83%
26	TKB BNP Paribas Investment Partners	0.81%
27	Trinfiko (conservative capital protection)	0.58%
28	Trinfiko (balanced)	0.54%
29	Region Portfolio Investments	0.50%
30	VTB Capital Asset Management	0.05%
31	Uralsib Management Company	-0.57%
32	Sberbank Asset Management	-0.66%
33	Pallada	-0.73%
34	Aton-Management	-0.80%
35	Agana (conservative)	-1.55%
36	Trinfiko (long-term growth)	-1.68%
37	VEB (government debt)	-2.16%
38	BKS (high revenue)	-2.52%
39	Agana (balanced)	-2.86%
40	Alfa-Capital	-3.53%
41	UM	-3.80%
42	Monomakh	-10.06%

Source: PFR, Rosstat, our calculations

Table 3.5. Ranking of Asset Management Companies by Cumulative Returns, 2009-2014

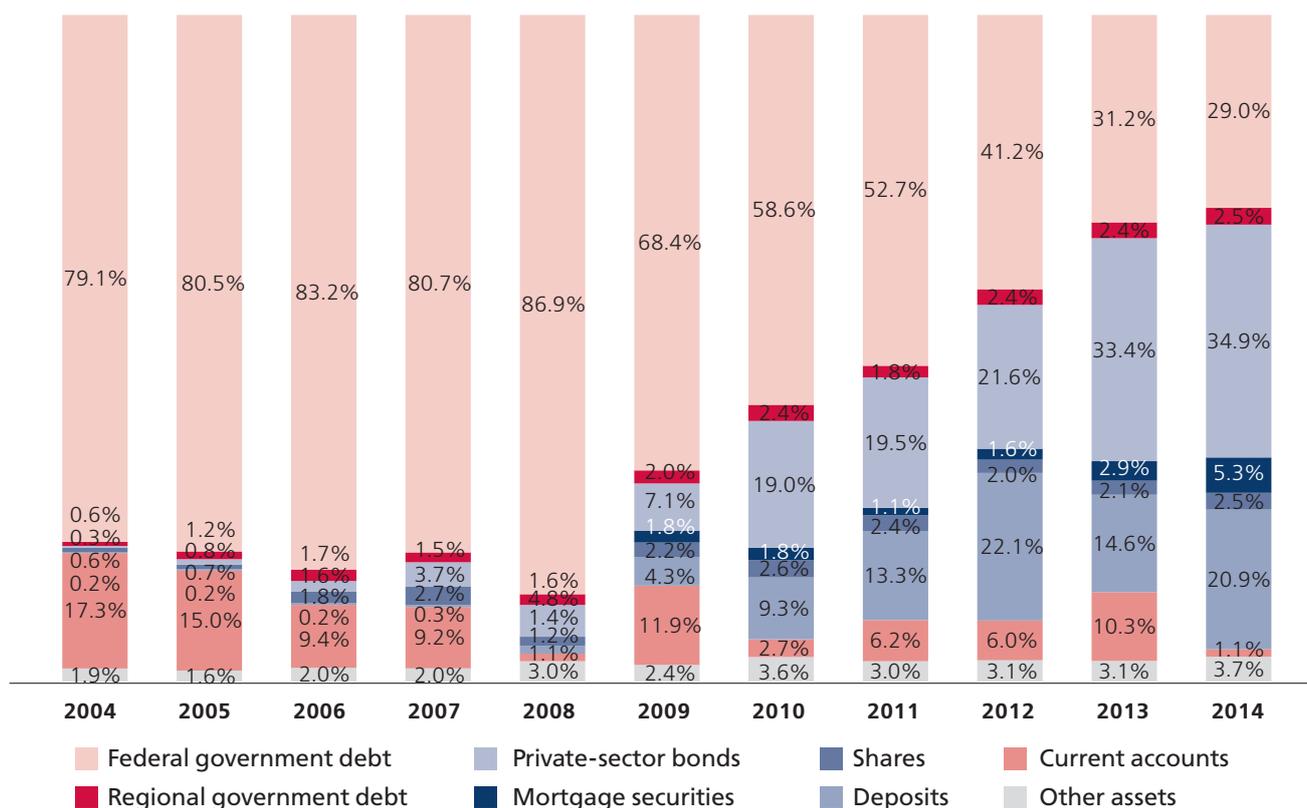
1	Solid Management	131.28%
2	Sberbank Asset Management	124.40%
3	Region Portfolio Investments	116.47%
4	RFC-Capital	113.67%
5	VTB Capital Asset Management	108.48%
6	MDM	99.89%
7	Agana (balanced)	94.10%
8	Analytical Center	87.22%
9	Monomakh	86.67%
10	TKB BNP Paribas Investment Partners	85.14%
11	Metropol	80.38%
12	Trinfiko (long-term growth)	80.10%
13	BKS (high-revenue)	79.12%
14	Captain	78.89%
15	Pension Saving Company	77.12%
16	Region ESM	73.45%
17	Trinfiko (balanced)	73.03%
18	Average (for private investment companies)	68.85%
19	BFA	68.80%
20	VTB Capital Pension Reserve	66.11%
21	Pallada	65.48%
22	BKS (balanced)	65.06%
23	Ak Bars Capital	64.23%
24	Metalloinvesttrust	60.25%
25	Region Trust	59.14%
26	Inflation	58.65%
27	Uralsib Management Company	55.95%
28	Promsvyaz	55.78%
29	BIN Finam Group	54.56%
30	Aton-Management	53.36%
31	Ingosstrakh-Investments	53.12%
32	Leader	52.50%
33	Otkritie	51.38%
34	UM	46.53%
35	OFG Invest	46.39%
36	VEB (expanded portfolio)	43.70%
37	Finam Management	41.64%
38	Natsionalnaya	39.32%
39	Alfa-Capital	31.18%
40	Agana (conservative)	26.58%
41	VEB (government debt)	21.71%
42	Trinfiko (conservative capital protection)	20.29%

Source: PFR, Rosstat, our calculations

4. The Structure of Invested Pension Savings

Most pension savings (based on all accounts managed by VEB, private investment companies and NPF's) have been invested in bonds. Over the past five years the share of corporate bonds has risen, offset by a decline in the share of federal government debt. As of 31 December 2014 bonds of all types accounted for 66.4% of the total, including 34.9% invested in private-sector debt instruments.

Figure 4.1. Structure of Invested Pension Savings



Source: Bank of Russia, PFR, our calculations

Bank deposits have become more attractive against a background of highly volatile financial markets and by the end of 2014 their share of the aggregate portfolio had risen to 21%. Above all this reflects legally-mandated advantageous terms for the deposit of pension savings: the list of banks authorised to handle such funds is controlled by the Bank of Russia and interest is due in full even if funds are withdrawn ahead of schedule. All players in the market for managing pension savings have shown interest in bank deposits.

Table 4.1. Share of bank deposits in portfolios held by NPF's, VEB and Asset management companies, 31.12.2014

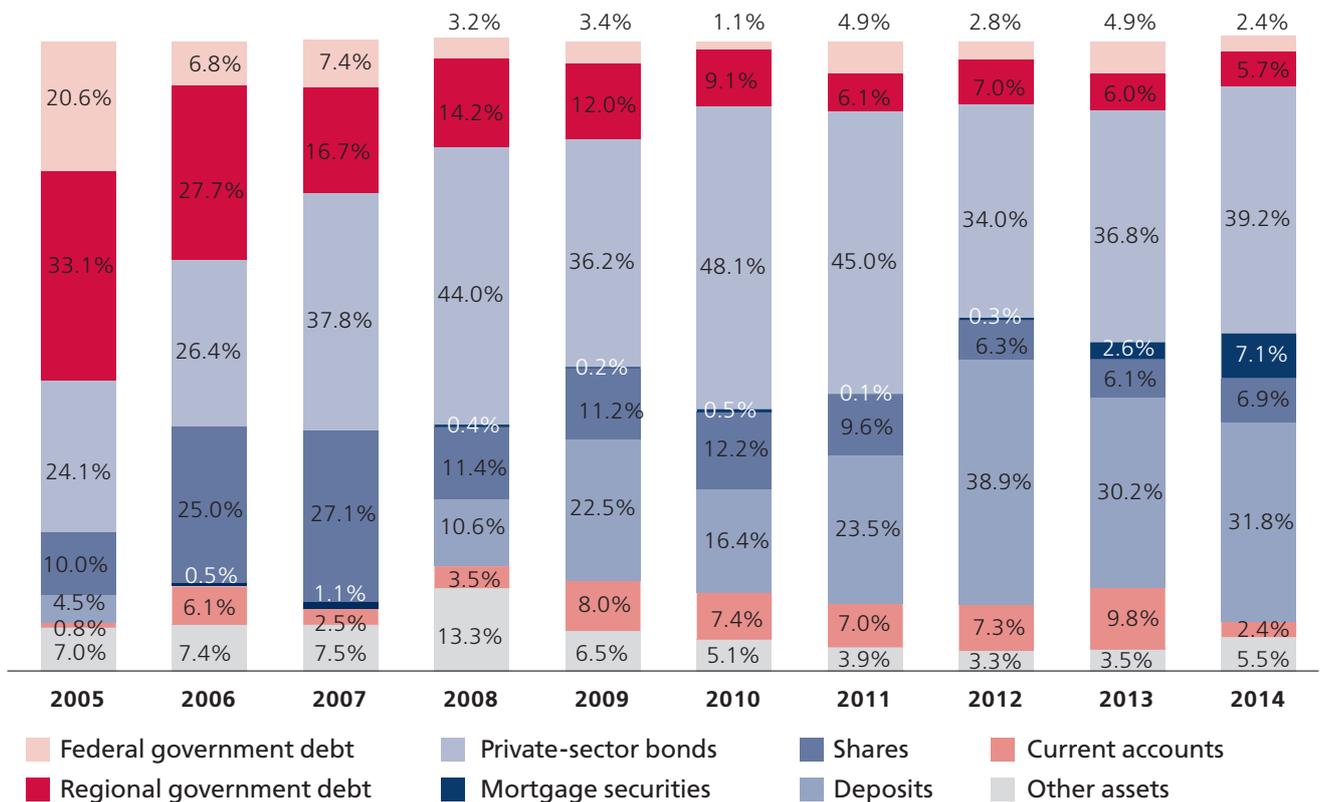
	Total	NPF's	VEB	Asset management companies
Share of deposits in total investment portfolio	20,9%	31,8%	14,8%	10,0%

Source: Bank of Russia, PFR, our calculations

In 2015 the Central Bank announced its intention to adjust the caps imposed on investments in the banking sector. In particular, for NPF's the cap on banking sector assets would be lowered from the current 80% to 40% of the total investment portfolio by the end of the year. This suggests that the structure of invested pension savings will shift further towards corporate and infrastructure bonds.

In the case of NPF's alone, federal government debt consistently accounts for only a small portion of the aggregate portfolio, while holdings of non-state bonds have been rising in recent years and as of 31 December 2014 made up 39.2% of the total. A new asset class – mortgage securities – accounted for 7.1%. Share holdings have held stable at 6-7% of the total in recent years.

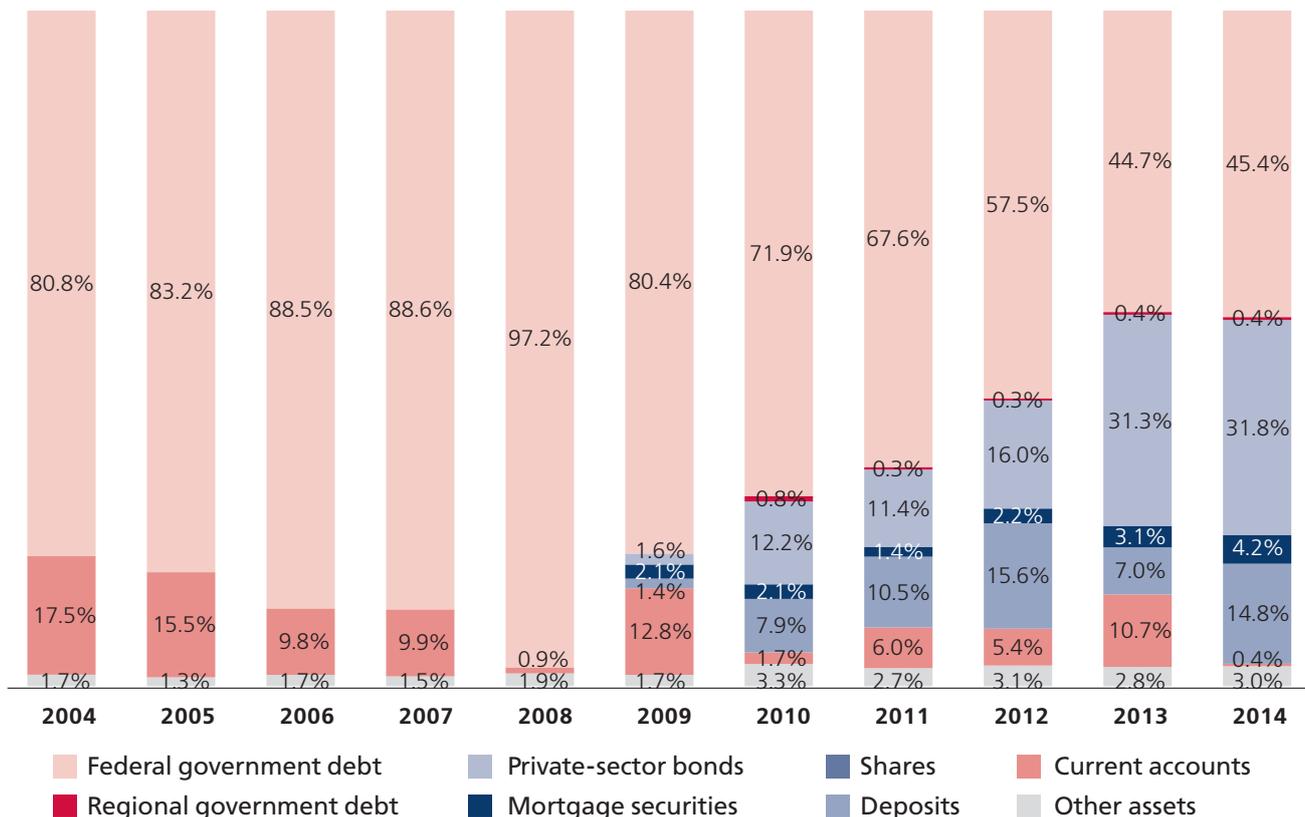
Figure 4.2. Structure of Investment Portfolios – NPF's



Source: Bank of Russia, our calculations

VEB's portfolio has traditionally been dominated by OFZ's, although in recent years their share of the total has gradually declined, reaching 45.4% at the end of 2014. Investments in non-state bonds have become considerably more important: this category includes debt issued by major state-sector enterprises and infrastructure bonds.

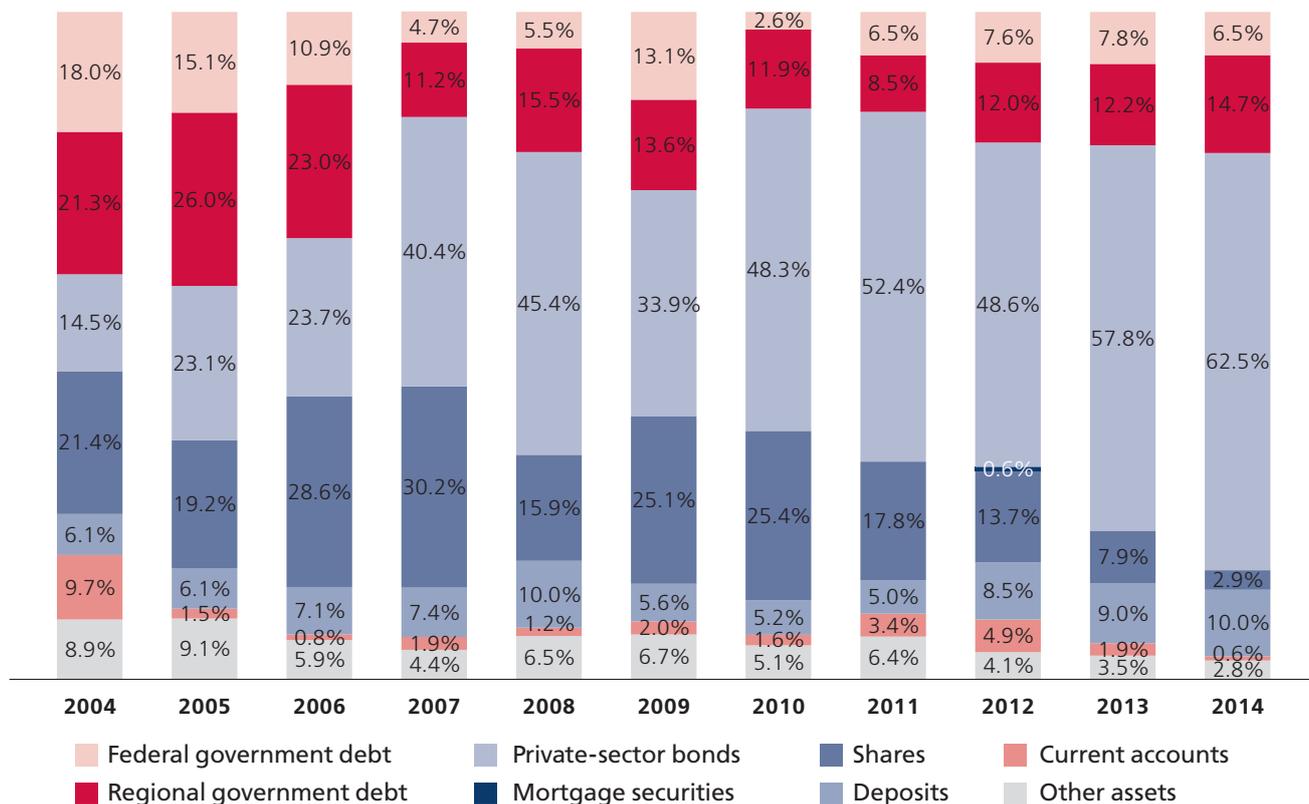
Figure 4.3. Structure of Investment Portfolios – VEB



Source: PFR, our calculations

Pension savings portfolios controlled by private asset management companies consist mainly of corporate bonds (62.5% of the total). Given negative trends in equity over the past few years, asset managers have preferred to take a conservative approach and held share holdings to no more than 2.9%.

Figure 4.4. Structure of Investment Portfolios – Private Management Companies



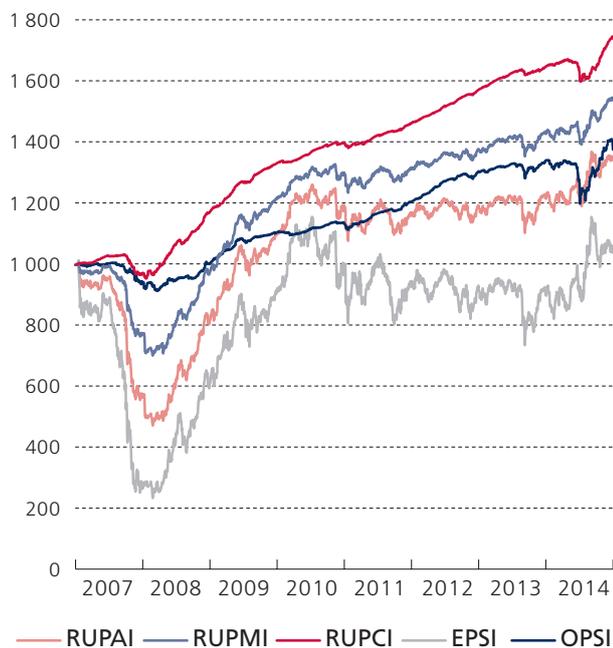
Source: PFR, our calculations

5. Moscow Exchange Pension Asset Indices

The primary benchmarks used in comparing returns on invested pension savings are the pension asset indices provided by the Moscow Exchange. These indices are compiled for various possible pension portfolios, in accordance with aggressive (RUPAI), balanced (RUPMI) or conservative (RUPCI) strategies. Two other indices reflect changes in market quotes for shares open to NPF's that invest pension savings (the EPSI sub-index) and allowable federal government bonds (OPSI, a sub-index for OFZ's).

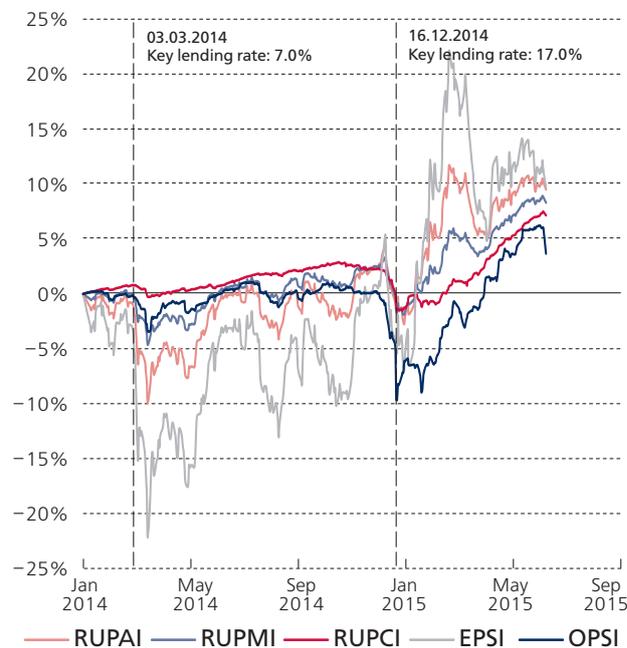
The Central Bank followed an active monetary policy in 2014, frequently changing its key lending rate. This was reflected in the price of financial assets and in the behaviour of market players.

Figure 5.1. Pension Asset Indices (from 2007)



Source: Moscow Exchange

Figure 5.2. Pension Asset Indices (from 01.01.2014)



Source: Moscow Exchange, Bank of Russia, our calculations

All of the indices were negative at the end of last year. The actual performance achieved by NPF's, VEB and private asset management companies was stronger, however, which indicates active management of their pension savings portfolios over the course of 2014.

Table 5.1. Growth in Pension Asset Indices from Start of Year

Index	2008	2009	2010	2011	2012	2013	2014
PAI	-49.7%	77.4%	35.4%	-7.8%	6.1%	3.8%	-1.8%
PMI	-27.6%	42.9%	23.4%	-1.4%	6.6%	5.9%	-1.0%
PCI	-2.1%	22.5%	11.7%	4.6%	7.2%	8.1%	-0.3%
EPSI	-72.6%	153.6%	56.4%	-18.4%	5.1%	1.4%	-6.5%
OPSI	-5.9%	9.7%	6.4%	4.1%	9.8%	5.8%	-6.5%

Source: Moscow Exchange, our calculations

Appendix 1. Key Indicators for NPF's in the Pension Savings Market*

NPF	Pension savings, RUR bn	Market share (by savings)	Total pension assets (RUR bn)	Pension savings as % of Total	insured individuals, '000	Market share by number insured	Average pension account balance, '000 RUR
1 Lukoil-Garant OAO (Otkritie)	152.47	13.27%	174.22	88%	2 481	11.26%	61.4
2 Future (O1)	114.84	9.99%	114.84	100%	1 785	8.10%	64.3
3 NPF of Sberbank (Quasi-state)	75.99	6.61%	86.59	88%	1 059	4.80%	71.8
4 NPF of Electric Power Industry (Otkritie)	74.11	6.45%	113.42	65%	1 092	4.95%	67.9
5 RGS	71.83	6.25%	72.14	100%	1 672	7.59%	43.0
6 VTB Pension Fund (Quasi-state)	70.05	6.09%	71.16	98%	1 069	4.85%	65.5
7 KIT Finance (ALOR)	66.11	5.75%	66.20	100%	1 977	8.97%	33.4
8 Gazfond Pension Savings (Quasi-state)	64.46	5.61%	64.46	100%	733	3.33%	87.9
9 Promargofund (ALOR)	54.79	4.77%	55.49	99%	1 738	7.89%	31.5
10 Nasledie (ALOR)	50.08	4.36%	64.43	78%	1 024	4.65%	48.9
11 StalFond (O1)	37.08	3.23%	41.19	90%	998	4.53%	37.2
12 SLP (Sun)	34.32	2.99%	34.33	100%	822	3.73%	41.8
13 BIG (Renova)	27.55	2.40%	29.92	92%	473	2.15%	58.2
14 Sunny Coast (Sun)	15.94	1.39%	15.94	100%	257	1.16%	62.1
15 European (BIN)	15.91	1.38%	16.13	99%	247	1.12%	64.4
16 Raiffeisen	15.41	1.34%	20.22	76%	129	0.58%	119.8
17 Natsionalny	13.76	1.20%	25.14	55%	323	1.47%	42.6
18 1 NPF (Uniliks)	13.10	1.14%	16.19	81%	302	1.37%	43.4
19 Sotsium	12.83	1.12%	14.35	89%	275	1.25%	46.6
20 Doverie (BIN)	12.42	1.08%	12.69	98%	401	1.82%	31.0
21 Regionfund (BIN)	11.10	0.97%	15.04	74%	319	1.45%	34.8
22 Khanty-Mansiysk (Quasi-state)	10.50	0.91%	26.69	39%	137	0.62%	76.6
23 Magnit	9.58	0.83%	9.59	100%	213	0.96%	45.1
24 Mechel-Fund (Uniliks)	7.77	0.68%	9.29	84%	98	0.44%	79.6
25 Social Development	7.71	0.67%	10.34	75%	140	0.64%	55.0
26 Transneft (Quasi-state)	6.50	0.57%	65.86	10%	49	0.22%	133.3
27 1 st Russian	6.09	0.53%	6.10	100%	195	0.88%	31.3
28 Obrazovanie	5.29	0.46%	5.62	94%	143	0.65%	36.9
29 Soglasnye OAO	5.22	0.45%	5.22	100%	176	0.80%	29.7
30 UMMC-Perspective	4.90	0.43%	6.38	77%	65	0.30%	75.2
31 Atomgarant (Quasi-state)	4.89	0.43%	13.00	38%	57	0.26%	85.7
32 Adekata-Pension (Sun)	4.72	0.41%	4.74	99%	182	0.82%	26.0
33 Neftegarant AO (Quasi-state)	4.42	0.38%	4.42	100%	75	0.34%	58.6
34 Strategy	4.34	0.38%	6.88	63%	87	0.39%	50.0
35 DIF (Quasi-state)	4.09	0.36%	5.40	76%	80	0.36%	50.9
36 Uralsib	3.95	0.34%	4.26	93%	59	0.27%	66.7
37 Blagovest	3.84	0.33%	4.70	82%	86	0.39%	44.6
38 Doverie (Orenburg)	3.73	0.32%	3.96	94%	107	0.48%	35.0
39 Surgutneftegaz OAO	3.42	0.30%	14.26	24%	20	0.09%	175.2
40 Russian Standard	3.27	0.28%	3.27	100%	108	0.49%	30.3
41 Volga-Capital	3.02	0.26%	3.89	78%	58	0.26%	51.9
42 Vladimir (Renova)	2.85	0.25%	6.04	47%	30	0.13%	96.3
43 Sbergatelny (Sun)	2.77	0.24%	2.79	99%	80	0.36%	34.8
44 Blagodenstvie	2.58	0.22%	3.79	68%	63	0.28%	41.1
45 Stroycomplex	2.52	0.22%	3.46	73%	46	0.21%	54.5
46 Almaznaya Osen (Quasi-state)	2.16	0.19%	12.77	17%	36	0.17%	59.3
47 Gefest	2.08	0.18%	2.37	88%	35	0.16%	59.3
48 Arel	2.04	0.18%	2.22	92%	40	0.18%	50.5
49 Zerich	2.03	0.18%	2.03	100%	62	0.28%	32.7
50 Siberian Capital OAO	1.84	0.16%	1.84	100%	46	0.21%	39.8
51 1 st Industrial Alliance	1.79	0.16%	4.33	41%	41	0.18%	44.0
52 Telekom-Soyuz (O1)	1.70	0.15%	23.01	7%	21	0.09%	81.5
53 Uraloboronzavodsky (Sun)	1.18	0.10%	1.25	95%	29	0.13%	41.2

* From 31.03.2015

Appendix 1. Key Indicators for NPF's in the Pension Savings Market* (continue)

NPF	Pension savings, RUR bn	Market share (by savings)	Total pension assets (RUR bn)	Pension savings as % of Total	'000 insured individuals	Market share by number insured	Average pension account balance, '000 RUR
54 NPF Metallurgov (Uniliks)	1.18	0.10%	2.27	52%	16	0.07%	72.5
55 UFD	1.01	0.09%	1.13	89%	23	0.10%	44.1
56 DIC	0.91	0.08%	1.53	60%	15	0.07%	61.5
57 Akvilon	0.87	0.08%	1.71	51%	11	0.05%	81.7
58 Uchastiye	0.81	0.07%	1.18	68%	9	0.04%	86.3
59 Education & Science (BIN)	0.81	0.07%	0.94	85%	17	0.08%	48.7
60 Rostvertol (Quasi-state)	0.66	0.06%	1.46	45%	12	0.05%	56.3
61 Professional	0.59	0.05%	3.62	16%	8	0.04%	74.2
62 New Age	0.57	0.05%	0.79	73%	16	0.07%	35.5
63 St. Petersburg	0.57	0.05%	1.65	34%	5	0.02%	106.6
64 Captain	0.54	0.05%	1.08	49%	6	0.03%	93.0
65 Bashkortostan	0.51	0.04%	0.51	100%	10	0.04%	53.7
66 Mosenergo	0.41	0.04%	0.82	50%	8	0.04%	49.9
67 Pravo	0.33	0.03%	0.34	98%	10	0.04%	33.4
68 CIP fund (Uniliks)	0.28	0.02%	1.92	14%	2	0.01%	129.5
69 Pension-Invest	0.28	0.02%	0.57	48%	3	0.01%	94.1
70 VNIIEF-GARANT (Quasi-state)	0.23	0.02%	2.81	8%	3	0.01%	79.4
71 Avtovaz	0.22	0.02%	1.32	17%	3	0.01%	74.6
72 Siberian Savings	0.20	0.02%	0.24	85%	4	0.02%	54.5
73 The Quiet Don	0.19	0.02%	0.20	97%	4	0.02%	43.2
74 Vremya	0.18	0.02%	0.31	59%	3	0.01%	61.3
75 Povolzhsky	0.17	0.02%	0.26	66%	5	0.02%	37.4
76 APK-Fond	0.16	0.01%	0.28	54%	3	0.01%	57.6
77 Doroga	0.14	0.01%	0.40	34%	3	0.01%	44.2
78 Sunny Time (Sun)	0.11	0.01%	0.30	37%	1	0.01%	92.7
79 Allianz	0.09	0.01%	0.78	11%	1	0.00%	113.7
80 Imperia	0.08	0.01%	0.31	26%	1	0.01%	67.7
81 Social World	0.06	0.00%	0.13	43%	0	0.00%	119.8
82 RPF	0.05	0.00%	0.10	52%	0	0.00%	141.9
83 Moskovia	0.04	0.00%	0.04	100%	1	0.00%	62.1
84 Zashchita budushchego (Sun)	0.03	0.00%	0.03	99%	0	0.00%	74.1
85 Garant-Prof	0.02	0.00%	0.07	24%	0	0.00%	46.6
86 Rodnik	0.01	0.00%	0.07	18%	0	0.00%	158.5
87 Sberfund	0.01	0.00%	0.01	64%	0	0.00%	154.6
Total	1,149.27	100.00%	2,072.40	55%	22,041	100.00%	52.1
Top 10	794.72	69.15%	1,596.64	50%	14,895	67.58%	53.4
Top 20	993.05	86.41%	1,863.77	53%	19,046	86.41%	52.1

* From 31.03.2015

Source: Bank of Russia, our calculations

Explanation:

Names in bold indicate funds that belong to a group of NPF's

Names in blue indicate funds that have joined the pension guarantee programme (as of 26.06.2015)

Appendix 2. NPFs' Cumulative Returns on Invested Pension Savings

No	Cumulative from the year:	2005	2006	2007	2008	2009	2010	2011	2012	2013
	VEB (government debt)					23.14%	21.96%	16.45%	11.85%	4.59%
	VEB (expanded portfolio)	71.58%	57.83%	50.80%	43.63%	44.25%	32.27%	23.67%	18.64%	9.44%
	Inflation	143.08%	119.15%	101.05%	79.72%	58.65%	45.82%	34.05%	26.34%	18.55%
1	1 NPF	143.91%	99.44%	68.16%	52.95%	52.95%	28.93%	16.26%	14.89%	8.60%
2	Avtovaz									9.37%
3	Adekata-Pension								27.43%	15.85%
4	Akvilon	85.23%	85.23%	67.69%	59.83%	59.83%	23.96%	11.64%	11.64%	11.22%
5	Almaznaya Osen	58.21%	47.04%	32.83%	25.19%	25.19%	23.12%	12.97%	12.06%	6.13%
6	Atomgarant				56.39%	56.39%	32.42%	20.47%	18.89%	11.74%
7	Bashkortostan							78.05%	54.82%	42.04%
8	BIG	148.36%	116.15%	83.34%	72.31%	72.31%	38.51%	26.03%	22.58%	13.85%
9	Vladimir	100.99%	87.57%	79.96%	69.22%	69.22%	39.50%	24.22%	22.98%	13.26%
10	VNIIEF-GARANT	97.96%	78.83%	52.71%	41.24%	41.24%	28.40%	16.73%	15.62%	7.44%
11	Volga-Capital	110.45%	79.87%	51.14%	40.60%	40.60%	30.18%	19.43%	19.13%	11.34%
12	VTB Pension Fund				53.09%	53.09%	31.94%	20.79%	20.21%	10.61%
13	Gazfond Pension Savings	122.28%	91.05%	65.44%	59.13%	59.13%	29.80%	18.82%	17.73%	9.28%
14	Gefest		90.57%	63.47%	53.09%	45.47%	28.71%	15.91%	14.20%	6.72%
15	Doverie		120.65%	100.59%	85.73%	85.73%	49.06%	36.76%	26.74%	15.36%
16	Doverie (Orenburg)				81.84%	72.03%	34.47%	20.03%	16.52%	11.17%
17	European					101.96%	70.82%	34.40%	25.96%	18.14%
18	Zashchita budushchego							22.26%	22.26%	15.89%
19	Imperia					42.40%	14.71%	9.25%	7.80%	1.70%
20	KIT Finance				65.25%	49.75%	27.71%	16.12%	16.12%	8.83%
21	Lukoil-Garant OAO	133.75%	108.65%	81.15%	65.39%	65.39%	37.75%	24.60%	22.17%	13.57%
22	Magnit					66.23%	38.53%	26.16%	26.16%	14.96%
23	Nasledie	115.64%	77.77%	50.65%	40.25%	40.25%	24.18%	13.57%	13.57%	6.39%
24	Neftegarant AO		95.10%	62.45%	53.72%	54.71%	35.90%	26.58%	21.04%	13.13%
25	New Age					54.80%	21.72%	11.68%	10.82%	4.75%
26	NPF of Sberbank			66.16%	66.16%	66.16%	27.79%	16.96%	16.96%	9.28%
27	NPF of Electric Power Industry	112.84%	90.29%	63.14%	56.49%	56.49%	39.58%	26.30%	23.81%	14.91%
28	Obrazovanie				85.27%	85.27%	45.73%	30.08%	25.80%	14.81%
29	Education & Science					76.53%	53.24%	33.25%	24.53%	13.11%
30	DIF		150.80%	114.33%	99.17%	99.17%	41.72%	22.16%	22.16%	14.18%
31	Povolzhsky				75.34%	63.41%	38.43%	26.34%	20.32%	14.51%
32	Promargofund	110.50%	89.40%	59.56%	47.91%	40.52%	23.18%	11.99%	8.89%	5.16%
33	Raiffeisen	85.43%	71.27%	52.40%	44.14%	44.14%	30.49%	17.75%	17.75%	10.31%
34	RGS				86.64%	86.64%	41.49%	27.07%	23.34%	14.22%
35	Regionfund					52.99%	32.46%	19.87%	17.74%	9.90%
36	Rostvertol	79.95%	64.19%	44.15%	37.68%	37.68%	35.50%	24.58%	20.65%	13.38%
37	Russian Standard							39.98%	29.61%	18.91%
38	St. Petersburg	143.01%	110.34%	69.21%	60.58%	60.58%	36.28%	20.78%	17.09%	9.33%
39	Sberegatelny								25.11%	15.79%
40	SLP					55.95%	38.62%	23.93%	22.27%	13.55%
41	Soglasiye OAO						65.06%	46.51%	36.13%	22.41%
42	Sunny Coast			63.21%	63.21%	45.77%	32.43%	23.48%	17.99%	10.45%
43	Social Development	117.65%	77.53%	44.80%	36.74%	36.74%	23.63%	13.32%	12.64%	6.17%
44	Social World		95.68%	61.63%	46.10%	46.10%	33.79%	18.14%	18.14%	10.38%
45	Sotsium	130.03%	105.18%	76.87%	58.09%	58.09%	41.30%	28.94%	27.12%	17.52%
46	StalFond	206.08%	117.08%	78.67%	64.67%	64.67%	36.09%	22.60%	19.77%	12.98%
47	Surgutneftegaz OAO					87.70%	30.75%	19.50%	17.99%	7.39%
48	Telekom-Soyuz		128.97%	83.48%	66.66%	66.66%	32.55%	18.78%	16.59%	8.61%
49	CIP fund		116.34%	95.86%	66.97%	66.97%	50.33%	23.38%	15.77%	7.88%
50	UMMC-Perspective		58.69%	33.92%	27.03%	88.50%	27.89%	15.52%	15.22%	8.30%
51	Uraloboronzavodsky	103.75%	75.34%	51.37%	43.68%	43.68%	30.62%	18.21%	16.17%	9.55%
52	Uralsib	109.40%	85.80%	64.28%	55.71%	55.71%	31.96%	18.26%	17.55%	9.35%
53	UFD		126.63%	88.86%	64.80%	56.89%	30.49%	9.54%	8.59%	6.61%
54	Uchastiye						32.56%	22.93%	22.93%	14.00%
55	Khanty-Mansiysk	120.78%	89.68%	64.79%	45.65%	45.65%	29.47%	16.84%	14.36%	7.08%
56	Zerich					18.95%	18.13%	11.86%	11.86%	6.00%
	Average across funds	116.01%	94.37%	66.76%	58.31%	58.67%	34.44%	22.48%	19.75%	11.74%
	Number of funds	21	30	32	39	48	50	53	55	56

Источник: Банк России, собственные расчеты

Appendix 3. NPFs' Annual Returns on Invested Pension Savings

Nº	Year:	2005	2006	2007	2008	2009	2010	2011	2012	2013
	VEB (government debt)					3.53%	4.05%	3.88%	3.80%	2.27%
	VEB (expanded portfolio)	5.55%	5.20%	5.27%	5.31%	6.30%	5.75%	5.46%	5.86%	4.61%
	Inflation	9.29%	9.11%	9.12%	8.74%	8.00%	7.84%	7.60%	8.11%	8.88%
1	1 NPF	9.33%	7.97%	6.71%	6.26%	7.34%	5.21%	3.84%	4.74%	4.21%
2	Avtovaz									4.58%
3	Adekata-Pension								8.42%	7.63%
4	Akvilon	6.36%	7.09%	6.68%	6.93%	8.13%	4.39%	2.79%	3.74%	5.46%
5	Almaznaya Osen	4.69%	4.38%	3.61%	3.26%	3.82%	4.25%	3.10%	3.87%	3.02%
6	Atomgarant				6.60%	7.74%	5.78%	4.77%	5.94%	5.71%
7	Bashkortostan							15.51%	15.69%	19.18%
8	BIG	9.52%	8.94%	7.87%	8.08%	9.49%	6.73%	5.96%	7.02%	6.70%
9	Vladimir	7.23%	7.24%	7.62%	7.80%	9.16%	6.88%	5.57%	7.14%	6.43%
10	VNIIEF-GARANT	7.07%	6.67%	5.43%	5.06%	5.92%	5.13%	3.94%	4.96%	3.66%
11	Volga-Capital	7.72%	6.74%	5.30%	4.99%	5.84%	5.42%	4.54%	6.01%	5.52%
12	VTB Pension Fund				6.27%	7.36%	5.70%	4.84%	6.33%	5.17%
13	Gazfond Pension Savings	8.32%	7.46%	6.49%	6.86%	8.05%	5.35%	4.41%	5.59%	4.54%
14	Gefest		7.43%	6.34%	6.27%	6.45%	5.18%	3.76%	4.52%	3.30%
15	Doverie		9.19%	9.09%	9.25%	10.87%	8.31%	8.14%	8.22%	7.40%
16	Doverie (Orenburg)				8.92%	9.46%	6.10%	4.67%	5.23%	5.44%
17	European					12.43%	11.30%	7.67%	8.00%	8.69%
18	Zashchita budushchego							5.15%	6.93%	7.65%
19	Imperia					6.07%	2.78%	2.24%	2.54%	0.85%
20	KIT Finance				7.44%	6.96%	5.01%	3.81%	5.11%	4.32%
21	Lukoil-Garant OAO	8.86%	8.52%	7.71%	7.45%	8.75%	6.61%	5.65%	6.90%	6.57%
22	Magnit					8.84%	6.73%	5.98%	8.05%	7.22%
23	Nasledie	7.99%	6.60%	5.26%	4.95%	5.80%	4.43%	3.23%	4.33%	3.15%
24	Neftegarant AO		7.71%	6.25%	6.33%	7.54%	6.33%	6.07%	6.57%	6.36%
25	New Age					7.55%	4.01%	2.80%	3.48%	2.35%
26	NPF of Sberbank			6.55%	7.52%	8.83%	5.03%	3.99%	5.36%	4.54%
27	NPF of Electric Power Industry	7.85%	7.41%	6.31%	6.61%	7.75%	6.90%	6.01%	7.38%	7.19%
28	Obrazovanie				9.21%	10.82%	7.82%	6.80%	7.95%	7.15%
29	Education & Science					9.94%	8.91%	7.44%	7.59%	6.35%
30	DIF		10.76%	10.00%	10.34%	12.17%	7.22%	5.13%	6.90%	6.85%
31	Povolzhsky				8.35%	8.53%	6.72%	6.02%	6.36%	7.01%
32	Promargofund	7.73%	7.35%	6.01%	5.75%	5.83%	4.26%	2.87%	2.88%	2.55%
33	Raiffeisen	6.37%	6.16%	5.41%	5.36%	6.28%	5.47%	4.17%	5.60%	5.03%
34	RGS				9.32%	10.96%	7.19%	6.17%	7.24%	6.87%
35	Regionfund					7.34%	5.78%	4.64%	5.59%	4.83%
36	Rostvertol	6.05%	5.66%	4.68%	4.67%	5.47%	6.26%	5.65%	6.46%	6.48%
37	Russian Standard							8.77%	9.03%	9.04%
38	St. Petersburg	9.29%	8.61%	6.80%	7.00%	8.21%	6.39%	4.83%	5.40%	4.56%
39	Sberegatelyn								7.75%	7.61%
40	SLP					7.69%	6.75%	5.51%	6.93%	6.56%
41	Soglasie OAO						10.54%	10.02%	10.83%	10.64%
42	Sunny Coast			6.31%	7.25%	6.48%	5.78%	5.42%	5.67%	5.10%
43	Social Development	8.09%	6.59%	4.74%	4.57%	5.35%	4.33%	3.18%	4.05%	3.04%
44	Social World		7.74%	6.19%	5.57%	6.52%	5.99%	4.25%	5.71%	5.06%
45	Sotsium	8.69%	8.31%	7.39%	6.76%	7.93%	7.16%	6.56%	8.33%	8.41%
46	StalFond	11.84%	8.99%	7.52%	7.39%	8.67%	6.36%	5.23%	6.20%	6.29%
47	Surgutneftegaz OAO					11.06%	5.51%	4.55%	5.67%	3.63%
48	Telekom-Soyuz		9.64%	7.88%	7.57%	8.89%	5.80%	4.40%	5.25%	4.21%
49	CIP fund		8.95%	8.77%	7.60%	8.92%	8.49%	5.39%	5.00%	3.87%
50	UMMC-Perspective		5.26%	3.72%	3.48%	11.14%	5.04%	3.67%	4.84%	4.07%
51	Uraloboronzavodsky	7.38%	6.44%	5.32%	5.31%	6.23%	5.49%	4.27%	5.12%	4.66%
52	Uralsib	7.67%	7.13%	6.40%	6.53%	7.66%	5.70%	4.28%	5.54%	4.57%
53	UFD		9.52%	8.27%	7.40%	7.80%	5.47%	2.30%	2.79%	3.25%
54	Uchastiye						5.80%	5.30%	7.12%	6.77%
55	Khanty-Mansiysk	8.24%	7.37%	6.44%	5.52%	6.47%	5.30%	3.97%	4.57%	3.48%
56	Zerich					2.93%	3.39%	2.84%	3.81%	2.96%
	Average across funds	7.92%	7.59%	6.53%	6.71%	7.91%	6.05%	5.13%	6.15%	5.67%
	Number of funds	21	30	32	39	48	50	53	55	56

Appendix 4. Major NPF Investors by Asset Class

Top 20 NPF's by holdings of federal government bonds, 31.12.2014

NPF	Share of total	Share of fund's portfolio
1 Nasledie	22.3%	12.5%
2 NPF of Sberbank	16.9%	6.1%
3 Khanty-Mansiysk	11.2%	30.1%
4 Gazfond Pension Savings	8.6%	3.6%
5 Future	8.3%	1.9%
6 Promargofund	4.8%	2.4%
7 VTB Pension Fund	4.2%	1.6%
8 KIT Finance	2.9%	1.2%
9 BIG	2.4%	2.4%
10 Zerich	2.2%	30.8%
11 UFD	1.2%	33.5%
12 UMMC-Perspective	1.1%	6.1%
13 Lukoil-Garant OAO	1.1%	0.2%
14 1 NPF	0.9%	2.0%
15 Magnit	0.9%	2.5%
16 Atomgarant	0.7%	3.8%
17 RGS	0.7%	0.3%
18 Education & Science	0.6%	22.6%
19 Russian Standard	0.6%	5.2%
20 Transneft	0.6%	2.3%
Share of top 5	67.2%	
Share of top 10	83.8%	
Share of top 20	92.1%	

Source: Bank of Russia, our calculations

Top 20 NPF's by holdings of non-state bonds, 31.12.2014

NPF	Share of total	Share of fund's portfolio
1 Future	12.9%	49.4%
2 Lukoil-Garant OAO	12.2%	36.2%
3 KIT Finance	7.5%	51.4%
4 NPF of Electric Power Industry	6.8%	40.6%
5 Promargofund	6.4%	53.1%
6 NPF of Sberbank	6.2%	36.8%
7 StalFond	5.9%	69.2%
8 Gazfond Pension Savings	5.6%	39.4%
9 Nasledie	5.6%	51.4%
10 VTB Pension Fund	4.5%	28.8%
11 RGS	4.1%	25.1%
12 BIG	1.8%	30.1%
13 1 NPF	1.5%	52.1%
14 Natsionalny	1.3%	41.1%
15 Mechel-Fund	1.2%	71.2%
16 Magnit	1.0%	46.2%
17 Sotsium	1.0%	33.4%
18 Raiffeisen	1.0%	27.8%
19 Doverie	0.9%	34.2%
20 Social Development	0.9%	52.9%
Share of top 5	45.7%	
Share of top 10	73.5%	
Share of top 20	88.0%	

Source: Bank of Russia, our calculations

Top 20 NPF's by holdings of regional government debt, 31.12.2014

NPF	Share of total	Share of fund's portfolio
1 Future	15.7%	8.7%
2 VTB Pension Fund	15.7%	14.4%
3 KIT Finance	10.0%	9.9%
4 Gazfond Pension Savings	9.5%	9.7%
5 NPF of Sberbank	9.4%	8.1%
6 Nasledie	8.1%	10.8%
7 Promargofund	7.7%	9.2%
8 Natsionalny	3.2%	15.2%
9 RGS	2.3%	2.0%
10 Transneft	2.1%	21.1%
11 Magnit	1.7%	11.4%
12 Raiffeisen	1.3%	5.3%
13 Regionfund	1.1%	6.4%
14 BIG	0.8%	2.0%
15 UMMC-Perspective	0.8%	11.0%
16 Russian Standard	0.8%	15.4%
17 Uralsib	0.8%	12.4%
18 Khanty-Mansiysk	0.7%	4.7%
19 NPF of Electric Power Industry	0.6%	0.5%
20 Telekom-Soyuz	0.6%	21.8%
Share of top 5	60.4%	
Share of top 10	83.8%	
Share of top 20	92.9%	

Source: Bank of Russia, our calculations

Top 20 NPF's by share holdings, 31.12.2014

NPF	Share of total	Share of fund's portfolio
1 RGS	19.7%	20.9%
2 NPF of Electric Power Industry	18.2%	18.8%
3 Lukoil-Garant OAO	15.4%	7.8%
4 VTB Pension Fund	9.3%	10.2%
5 StalFond	5.3%	10.8%
6 Future	5.0%	3.3%
7 SLP	4.9%	10.7%
8 European	3.6%	18.3%
9 Doverie	2.5%	16.2%
10 Sberfund RESO	2.0%	9.9%
11 NPF of Sberbank	1.5%	1.5%
12 1 st Russian	1.3%	15.8%
13 Magnit	1.2%	9.9%
14 Regionfund	1.1%	8.0%
15 1 NPF	1.0%	5.7%
16 Promargofund	0.8%	1.2%
17 Adekata-Pension	0.7%	11.4%
18 Blagodenstvie	0.7%	18.9%
19 Nasledie	0.7%	1.1%
20 Arel	0.7%	23.8%
Share of top 5	67.9%	
Share of top 10	86.0%	
Share of top 20	95.6%	

Source: FFMS, our calculations

Top 20 NPF's by holdings of mortgage securities, 31.12.2014

NPF	Share of total	Share of fund's portfolio
1 RGS	25.3%	29.2%
2 Future	16.7%	12.0%
3 VTB Pension Fund	8.5%	10.0%
4 Sberfund RESO	7.5%	39.4%
5 European	5.4%	29.5%
6 Doverie	5.0%	34.6%
7 1 NPF	4.6%	29.4%
8 StalFond	3.2%	7.1%
9 1 st Russian	2.9%	38.9%
10 Raiffeisen	2.7%	14.8%
11 Regionfund	2.1%	15.8%
12 KIT Finance	2.1%	2.7%
13 Nasledie	1.7%	2.9%
14 Adekata-Pension	1.6%	28.5%
15 Blagovest	1.6%	34.2%
16 Promargofund	1.4%	2.2%
17 Gazfond Pension Savings	1.3%	1.8%
18 Sbergatelnly	1.3%	37.3%
19 Siberian Capital OAO	0.9%	39.6%
20 Arel	0.7%	26.2%
Share of top 5	63.3%	
Share of top 10	81.7%	
Share of top 20	96.4%	

Source: Bank of Russia, our calculations

Top 20 NPF's by cash holdings, 31.12.2014

NPF	Share of total	Share of fund's portfolio
1 Lukoil-Garant OAO	49.6%	8.9%
2 Natsionalny	7.9%	15.8%
3 Volga-Capital	6.2%	55.4%
4 Sberfund RESO	5.8%	10.0%
5 Future	5.6%	1.3%
6 Stroycomplex	4.6%	50.6%
7 NPF of Sberbank	2.8%	1.0%
8 Nasledie	1.9%	1.1%
9 Magnit	1.5%	4.4%
10 Bashkortostan	1.5%	76.8%
11 SLP	1.4%	1.1%
12 Khanty-Mansiysk	1.0%	2.8%
13 Gefest	1.0%	13.0%
14 NPF of Electric Power Industry	0.9%	0.3%
15 StalFond	0.8%	0.6%
16 Surgutneftegaz OAO	0.7%	5.4%
17 Soglasie OAO	0.6%	3.1%
18 Telekom-Soyuz	0.6%	8.7%
19 Gazfond Pension Savings	0.5%	0.2%
20 Strategy	0.5%	2.9%
Share of top 5	75.0%	
Share of top 10	87.3%	
Share of top 20	95.3%	

Source: Bank of Russia, our calculations

Top 20 NPF's by bank deposits, 31.12.2014

NPF	Share of total	Share of fund's portfolio
1 Lukoil-Garant OAO	18.9%	45.4%
2 NPF of Sberbank	9.3%	44.5%
3 NPF of Electric Power Industry	7.9%	38.0%
4 Gazfond Pension Savings	7.8%	44.3%
5 Future	6.6%	20.5%
6 VTB Pension Fund	6.3%	32.6%
7 KIT Finance	6.0%	33.2%
8 BIG	4.7%	62.7%
9 Promargofund	4.4%	29.6%
10 RGS	4.3%	21.3%
11 Nasledie	2.3%	17.4%
12 Sotsium	2.3%	65.0%
13 Raiffeisen	2.1%	50.3%
14 European	1.1%	25.5%
15 StalFond	1.0%	9.7%
16 Khanty-Mansiysk	1.0%	36.3%
17 Soglasie OAO	1.0%	69.2%
18 Regionfund	1.0%	32.0%
19 Social Development	0.9%	41.1%
20 Sberfund RESO	0.9%	19.6%
Share of top 5	50.5%	
Share of top 10	76.2%	
Share of top 20	89.8%	

Source: Bank of Russia, our calculations

Top 11 NPF's by holdings of international financial organisation bonds, 31.12.2014

NPF	Share of total	Share of fund's portfolio
1 Future	37.7%	1.2%
2 VTB Pension Fund	26.4%	1.4%
3 Sberfund RESO	12.9%	3.0%
4 NPF of Electric Power Industry	6.9%	0.3%
5 NPF of Sberbank	4.1%	0.2%
6 1 NPF	3.4%	1.0%
7 Raiffeisen	2.5%	0.6%
8 Regionfund	2.5%	0.8%
9 Transneft	2.0%	1.1%
10 1 st Russian	1.2%	0.7%
11 StalFond	0.5%	0.1%
Share of top 5	88.0%	
Share of top 10	99.5%	
All NPF's	100.0%	

Top 20 NPF's by miscellaneous assets, 31.12.2014

NPF	Share of total	Share of fund's portfolio
1 SLP	51.9%	78.1%
2 Adekata-Pension	4.5%	49.9%
3 Blagovest	3.8%	51.4%
4 Future	3.7%	1.7%
5 Lukoil-Garant OAO	3.2%	1.1%
6 Nasledie	2.7%	2.9%
7 Promargofund	2.3%	2.2%
8 Sbergatelnny	2.2%	41.1%
9 Mechel-Fund	2.1%	14.7%
10 NPF of Sberbank	2.1%	1.5%
11 NPF of Electric Power Industry	2.1%	1.5%
12 KIT Finance	1.8%	1.5%
13 Siberian Capital OAO	1.8%	51.1%
14 RGS	1.6%	1.2%
15 StalFond	1.5%	2.1%
16 Natsionalny	1.3%	5.2%
17 Gazfond Pension Savings	1.3%	1.0%
18 VTB Pension Fund	1.2%	0.9%
19 Sberfund RESO	0.9%	3.0%
20 New Age	0.7%	60.1%
Share of top 5	67.1%	
Share of top 10	78.5%	
Share of top 20	92.7%	

Additional clarification and comments

For reading convenience the names of corporate entities (non-state pension funds, asset management companies and others) presented in this report, as well as the names of groups, may have been changed or abbreviated in such a way that they remain recognizable.

Data for returns on invested pension savings at NPF's was obtained directly from the funds' representatives and/or from public sources that the author of this report deems reliable, such as the funds' own websites, websites dedicated to the activities of the PFR and non-state pension funds, and media reports. In cases where the information in various sources differed, this report uses the source that the author deems most reliable.

The absence of information on returns at certain NPF's prior to 2009 and the absence of certain funds altogether indicates either that a fund did not handle mandatory pension accounts during the period under discussion 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 paid into individual pension accounts.

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