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Press release

RA ‘Expert-Rating’ has confirmed the infrastructure stability rating of JSC ‘KINTO’ at the level **uaAA.amc**

On March, 23rd, 2011 RA ‘Expert Rating’ has confirmed infrastructure stability rating of the assets management company Private Joint-Stock Company ‘KINTO’ (USREOU code 16461855) following the results of 2010 at the level **uaAA.amc** (very high stability level). The probability of that AMC with the rating **uaAA.amc** will discharge its fiduciary duties to clients is very high.

Table

Key performance indicators of PJSC ‘KINTO’ in 2008–2010

Indicators	2010	2009	2008	Change, 2009-2010	Growth rate 2009-2010	Growth rate 2008-2010
Total net assets under AMC management, th. UAH	530703	459171	418464	71532	15,58%	26,82%
Growth rate of net assets under AMC management for 12 months	15,58%	9,73%	-59,88%	5,85 p.p.	-	-
Public funds net assets, th. UAH	467987	393088	365425	74899	19,05%	28,07%
Share of public funds in the net assets under AMC management	88,18%	85,61%	87,33%	2,57 p.p.	-	-
Net value of NPF assets under AMC management, th. UAH	23618	15984	9674	7634	47,76%	144,14%
Share of pension funds in the net assets under AMC management	4,45%	3,48%	2,31%	0,97 p.p.	-	-
Number of funds under management (pc)	19	15	15	4	26,67%	26,67%
Shareholders equity, th. UAH	83441	95267	107280	-11826	-12,41%	-22,22%
Shareholders equity/net assets under AMC management	15,72%	20,75%	25,64%	-5,03 p.p.	-	-
Authorized capital, th. UAH	66660	66660	66000	0	0,00%	1,00%
Proceeds, th. UAH	16037	19158	34490	-3121	-16,29%	-53,50%
Net profit (loss), th. UAH	-11826	-13993	-7529	2167	-	-
ROS (Net profit / Proceeds)	-73,74%	-73,04%	-21,83%	-0,70 p.p.	-	-
ROE, %	-14,17%	-14,69%	-7,02%	0,52 p.p.	-	-

Source: PJSC KINTO data, calculations by ‘Expert Rating’

Confirming the rating at so high level the analytical service of RA ‘Expert Rating’ was guided by the following conclusions:

1. As positive moments in the activity of AMC ‘KINTO’ the following should be regarded: growth of net wealth under management in 2010 by 15,58 %, including public funds by 19,05 % and NPF by 47,76 %, and increase in number of funds under management from 15 to 19. According to Agency, the company continues to expand its presence in the segment of public funds and NPFs, doing it successfully and confidently. By estimations of RA ‘Expert Rating’ at the beginning of 2011 KINTO remained the largest AMC of Ukraine on volumes of net assets of public (market) funds.

2. The Agency draws attention of investors to a number of negative tendencies in the activity of KINTO, all connected with negative dynamics of company key figures. So, in 2010 company proceeds dropped by 16,3 %, and for the last 2 years by 53,5 %. Shareholder equity of the company decreased in 2010 by 12,4 % and has reached the figure of UAH 83 m. The loss made UAH 11,83 m in 2010, that is by UAH 2,2 m less compared to 2009, however the company did not renew profitable work in 2010. No one of the named tendencies, according to analytical service of Agency, does renders an essential influence on the infrastructure rating of KINTO. The found tendencies do not entail essential risks of deterioration of KINTO financial condition. According to Agency, same as in 2009, in 2010 KINTO continued to invest resources into the increase of range of funds and maintenance of leading positions in the market of public funds. Similar strategy shall bring fruits when the Ukrainian economy will again enter the phase of fast growth.

3. 'KINTO' has implemented a number of additional services for the clients which allowed the company to raise comfort level of investors' operations.

Firstly, since October, 2010 investors of the company at acquisition of 'KINTO' funds' securities can use REPO and options transactions. By using these services the investors have the possibility to lower investment risks, having fixed the prices for securities of funds under 'KINTO' management.

Secondly, for the convenience of clients the company 'KINTO' in March, 2011 introduced electronic paperwork circulation with use of electronic digital signature. From now the investor can buy and sell securities of 'KINTO' funds from own home or office.

4. RA 'Expert Rating' positively estimates the results of 'KINTO' work on management of public funds in 2010. The Agency provides positive estimation after the analysis of the data on total profitableness of funds in 2010:

'Classical' open-end diversified unit investment fund: +22,2%
'KINTO-Equity' open-end diversified unit investment fund: +13,9%
'Narodny' ('Peoples') interval diversified unit investment fund: +29,8%
'Dostatok' ('Welfare') interval diversified unit investment fund: +7,8%
'Synergy-7' closed end non-diversified corporative investment fund: +29,6%
'Synergy-5' closed end non-diversified corporative investment fund: +17,1%
'Synergy-4' closed end non-diversified corporative investment fund: +15,1%
'Synergy-3' closed end non-diversified corporative investment fund: +18,9%
'Synergy Real Estate' closed end non-diversified corporative investment fund: +0,3%
'Synergy Bond' closed end non-diversified corporative investment fund: +4,6%
'Social standard' open end pension fund: +19,7%

From 11 KINTO funds monitored by RA 'Expert-rating', 7 have shown profitableness higher than bank deposits in 2010. The highest yield was shown by the funds 'KINTO-Narodny' (+29,8 %) and 'Synergy – 7' (+29,6 %). The Agency also draws attention of investors to that in March, 2011 the board of AMC 'KINTO' decided to pay dividends following the results of fund 'KINTO-SPRING' operations. The given event, according to Agency, highlights the efficiency of management of funds in KINTO.

Analytical service of RA Expert Rating