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PRESS-RELEASE

(Translation from Russian)

RA «Expert-Rating» confirms the rating of JSC AMC «KINTO» at the level **uaAA.amc**

August 29, 2012 at the meeting of the rating committee of RA «Expert-Rating» it was decided to confirm the infrastructural rating of JSC AMC «KINTO» at the level **uaAA.amc** according to the national scale. Confirming the rating of the Company at a high level, the Agency was based on the analysis results of the activity of AMC «KINTO» in the 1 half of 2012.

Table 1

Key performance indicators of JSC «KINTO» in the 1 half of 2012

Indicators	I half of 2012 (01.07.2012)	I half of 2011 (01.07.2011)	Change, th. UAH, p.p.	Growth rate, %
Total net assets under AMC management, th. UAH	281399,57	465421,91	-184022,34	-39,54%
Change of net assets under AMC management for 12 months, th. UAH	-184022,34	-67719,09	-116303,25	-171,74%
Net assets of public funds, th. UAH	223718,08	407103,85	-183385,77	-45,05%
Proportion of public funds in net assets under AMC management	79,50%	87,47%	-7,97 p.p.	-
Net value of NPF assets under AMC management, th. UAH	21638,39	24518,28	-2879,89	-11,75%
Proportion of pension funds in the net assets under AMC management	7,69%	5,27%	2,42 p.p.	-
Number of funds under management including NPF	18	21	-3	-
Shareholders equity, th. UAH	74850	79070	-4220	-5,34%
Shareholders equity/net assets under AMC management ratio	26,6%	16,99%	9,61 p.p.	-
Authorized capital, th. UAH	66660,0	66660,0	0	0,00
Revenues, th. UAH	3542,0	5863,0	-2321	-39,59%
Net profit (loss), th. UAH	-1389,0	-4371	+2982	-
ROE, %	-1,86%	-5,53%	-	-

Source: data of the Company, calculations by RA «Expert-Rating»

1. In the period from 01.07.2011 to 01.07.2012 net assets under AMC management have decreased from UAH 465,422 mln down to UAH 281,4 mln, i.e. by 39,54%. This decrease has mainly occurred due to the reduction of net assets of public funds. Thus, as of 01.07.2012 net assets of public funds have amounted to UAH 223,718 mln that is by 45,05% less than as of 01.07.2011. That has been caused by prolonged adverse conditions that have arisen in the domestic stock market.

However, on May 29, 2012 AMC «KINTO» has introduced a new open-end mutual fund «KINTO-Kaznacheskiy». According to the strategy of the fund, main areas of resource inputs are shares, banking metals and fixed income instruments (government, municipal and corporate bonds). The investment strategy of the Fund is to place funds in those segments of the financial market, which are able to preserve the investors' funds from depreciation due to inflation and devaluation of hryvnia.

2. Net value of NPF assets, as well as of public funds, has also decreased: from UAH 24,518 mln (on 01.07.2011) down to UAH 21,638 mln (on 01.07.2012), i.e. by 11,75%. But the proportion of pension funds in assets under AMC management continues growing and as of 01.07.2012 it has amounted to 7,69%. At the present day AMC «KINTO» is one of the few Ukrainian companies, in assets of which NPFs occupy a significant proportion that can stabilize the dynamics of asset value under the Company's management in future.

3. In the 1 half of 2012 revenues of the Asset management company «KINTO» have amounted to UAH 3,542 mln that is by 39,59% less than the indicator in the 1 half of 2011. But, at the same time, the Company has managed to significantly decrease its loss: from UAH 4,371 mln down to UAH 1,389 mln, or by 68,22%. Similar dynamics indicates that in the near future KINTO will be able to conduct the profitable activity if external environment contributes that.

Table 2

Data on the profitability of JSC «KINTO» public funds according to the results of the 1 half of 2012 (p.p.)

Fund	01.01.2012 – 01.07.2012	01.01.2011 – 01.07.2011	Net asset value as of 01.07.2012, UAH
'Classical' open-end diversified mutual fund	-2,23%	-20,26%	26378743,78
'KINTO-Equity' open-end diversified mutual fund	-49,40%	-35,00%	4837026,17
'Narodny' interval diversified mutual fund	-6,58%	-15,61%	11557755,24
'Dostatok' interval diversified mutual fund	1,94%	-13,26%	15411576,54
'Synergy-7' closed-end non-diversified corporative investment fund	-19,34%	-43,11%	5833412,35
'Synergy-5' closed-end non-diversified corporative investment fund	-34,21%	-14,48%	37000909,88
'Synergy-4' closed-end non-diversified corporative investment fund	-58,80%	-29,79%	58610039,14
'KINTO-Spring' closed-end non-diversified mutual fund	-22,34%	-19,71%	650587,3
'KINTO-Summer' closed-end non-diversified mutual fund	-14,62%	-20,65%	720701,56
'KINTO-Autumn' closed-end non-diversified mutual fund	-20,58%	-18,93%	671027,84
'KINTO-Winter' closed-end non-diversified mutual fund	-22,64%	-15,05%	627382,23
'UX index' closed-end non-diversified mutual fund	-33,31%	-	2101094,64
'Synergy Real Estate' closed-end non-diversified corporative investment fund	-5,44%	-6,56%	22389884,8
'Synergy Club' ('Synergy Bond') closed-end non-diversified corporative investment fund	-42,63%	-44,67%	15365234,75
'KINTO-Kaznacheskiy' open-end diversified mutual fund	-	-	5 448,22
'Social standard' open-end pension fund	-2,09%	-3,55%	21 532 957,84
'Pension for all' open-end pension fund	-5,90%	-	24 298,51
Total:	-21,13%	-21,47%	223 718 080,79

Source: data of the Company, calculations by RA «Expert-Rating»

4. In the period from 01.01.2012 to 01.07.2012 the average loss ratio of the Company's public funds has amounted to 21,13% that is slightly lower than the same indicator in the 1 half of 2011. Stock indices UX and PFTS have demonstrated the loss ratio of 34,52% and 33,72%, accordingly, in the 1 half of 2012. If you look at the Table 2, where the performance results of the Company's public funds are presented, you may see that most of funds have worked more effectively than the market according to the results of the 1 half of 2012. This fact confirms the work efficiency of managers of JSC «KINTO».

Therefore, despite a significant decrease in the value of net assets under AMC «KINTO» management, the Company has managed to decrease the loss ratio of operations and to introduce a new fund, meeting the interests of investors in conditions of declining economic growth.

Analytical service of RA «Expert-Rating»