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'Expert-Rating' RA
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PRESS RELEASE

Against decreasing deposit rates, investments into funds appear all more attractive for the population

**Expert-rating' RA confirms the rating of JSC 'KINTO'
at the level uaAA.amc (very high stability level with a positive forecast)**

'Expert-rating' RA confirms the infrastructure rating of asset management company Private Joint-Stock Company 'KINTO' at the level **uaAA.amc** (very high stability level with positive forecast):

Table 1

Key performance indicators of JSC 'KINTO'

Indicators	First half of 2010	First half of 2009	Change, th. UAH, p.p.	Growth rate, %
Total net assets under AMC management, th. UAH	483629,61	404494,2	79135,41	19,56%
Half year change of net assets under AMC management, th. UAH	-72084,75	35477,78	-	-
Public funds net assets, th. UAH	415803,16	337638,52	78164,64	23,15%
Share of public funds in the net assets under AMC management	85,98%	83,47%	2,5 п.п.	-
Net value of NPF assets under AMC management, th. UAH	20555,3	11986,161	8569,139	71,49%
Share of pension funds in the net assets under AMC management	4,25%	2,96%	1,29%	43,58%
Number of funds under management including NPF (pc)	17	11	6	54,55%
Shareholders equity, th. UAH	89553,0	102953	-13400	-13,02%
Shareholders equity/net assets under AMC management	18,51%	25,45%	-6,94 п.п.	-
Authorized capital, th. UAH	66660,0	66000,0	660	1,00%
Proceeds, th. UAH	9444,0	8778,0	666	7,59%
Net profit (loss), th. UAH	-5714	-4327	-1387	-32,05%

Source: Company data, calculations by 'Expert Rating' RA

Confirming the rating the Agency was guided by following conclusions:

1. Net assets under KINTO control from 01.07.2009 to 01.07.2010 have grown on 19,6 %. As of July, 1st, 2010 net assets under control of KINTO made 483,6 mln UAH, 86 % of assets belonged to public funds. At the beginning of the second half of the year 2010 net assets of public funds under control of KINTO made 415,8 mln. UAH, which retained for the company the position of an absolute leader in operations scale in the segment of public funds management segment. From 01.07.2009 to 01.07.2010 net assets under KINTO control have grown on 23,15 %. The share of public funds in the net assets under the control of the company has increased from 83,5 to 86 %, due to that net assets of public funds grew faster. From 01.07.2009 to 01.07.2010 the number of funds under control of KINTO increased from 11 to 17. The company continued to expand the list of the products available for investors.

2. Unprofitable work of KINTO should be referred to negative tendencies. The company has completed the first half of the year 2010 with the loss at the rate of 5,7 million UAH, that was more on 32,05% compared with the same period of last year. Negative profitability of shareholders equity also grew from -4,2 % in the H1 of the year 2009 to 6,38 % in H1 of the year 2010. Due to non-profitable work shareholders equity decreased by 13 % to 89,55 mln UAH. The tendencies revealed by us, certainly, were evaluated as negative; however they did not bear threat for the stability of work of the company.

Loss ratio can be considered insignificant, especially against gain growth. So, in the first half of the year 2010 the company earnings grew on 7,6 % in comparison with the same period of 2009. Growth of KINTO profits was accompanied by the growth of company net assets and increase of the number of funds under management. According to the Agency, in the second quarter KINTO continued to invest in the expansion of business activity in the Ukrainian market of public funds. Against fast restoration of equity market in the country, such strategy is the only correct one and will ensure leadership of the company in the market of public institutes of joint investment. It should be reminded that in 2010 KINTO begun sale of securities of the funds ‘KINTO-autumn’, ‘KINTO-spring’, ‘KINTO-summer’.

3. The agency conducts regular monitoring of profitability of 10 funds operated by KINTO. Following the results of the first half of the year 2010, from 10 funds 5 have shown higher profitability, than it was possible to obtain under bank deposits at this time. The range of profitability of the funds, that are efficient from the point of view of bank investor fluctuated from 27,5 to 29,05%. Fund managers managed to do investments into funds ‘National’, ‘Synergy-5’, ‘Synergy-3’, ‘Classical’ and ‘Synergy-7’ more attractive, than bank deposits.

The funds ‘Synergy Bond’, ‘Synergy-4’, ‘Dostatok’, ‘KINTO-Equity’ and ‘Synergy Real Estate’ have shown unsatisfactory level of profitability in comparison with bank deposits (tab. 2).

Table 2

Profitability dat of KINTO funds

Fund name	Fund type	Profitability in H1 2010 (YOY) compound interest	Profitability in 2009
Narodny	Interval diversified unit investment fund	13,6% - (29,05%)	38,4%
Synergy - 5	Closed end non-diversified corporate investment fund	13,3% - (28,37%)	23,5%
Synergy - 3	Closed end non-diversified corporate investment fund	13,1% - (27,92%)	-13,4%
Classic	Open end diversified unit investment fund	12,9% - (27,46%)	20,6%
Synergy - 7	Closed end non-diversified corporate investment fund	12,9% - (27,46%)	-21,0%
Synergy Bond	Closed end non-diversified corporate investment fund	6,9% - (14,28%)	22,9%
Synergy- 4	Closed end non-diversified corporate investment fund	6,9% - (14,28%)	37,1%
Dostatok	Interval diversified unit investment fund	4,5% - (9,20%)	23,9%
KINTO – Equity	Open end diversified unit investment fund	1,8% - (3,63%)	25,8% (since the launch)
Synergy Real Estate	Closed end non-diversified corporate investment fund	0,1% - (0,2%)	1,0%

Source: Company data, calculations by ‘Expert Rating’ RA

The agency positively assesses the prospects of company development. The agency is confident that the expenses incurred by KINTO presently, which are directed on expansion of the list of the funds, proposed to investors and on retain of an essential share of the market of public funds, will return a good result in the long term of 3-5 years. 5 from 10 public funds of KINTO have shown good result: in the difficult period for AMC KINTO they managed to provide profitability of its funds higher, than on bank deposits.

Analytical service of RA ‘Expert-rating’