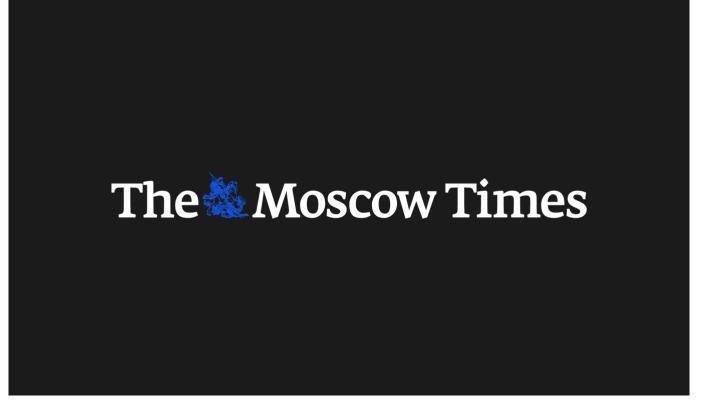


A Quarter of Private Pension Funds Post Losses in the First Half of 2013

By Vladimir Goryachev

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Of 59 local pension fund portfolios managed by 48 private companies, 15 posted a loss in the first half of the year, according to Russian Pension Fund data.

The biggest loser was Interfin Capital, which posted a 30.7 percent loss during the period, followed by two portfolios managed by Trinfiko, which lost 30.4 and 15 percent of their value, respectively, Vedomosti reported.

Last year, the volume of assets managed by private pension funds reached 1.54 trillion rubles (\$46.6 billion), almost equaling the 1.63 trillion rubles managed by Vneshekonombank in the Russian Pension Fund.

The stock market declined for five straight months after reaching a peak in January, with the exception of a small correction in May. Between April and June, the MICEX ruble index fell 7.5 percent, while the RTS dollar index shrunk by 12.6 percent.

Only a fifth of all shares traded on the Moscow exchange gained in value over the first six months of the year, the report said.

Trinfiko chief Dmitry Blagov, who took over the company last week, said its portfolios included stocks that fell faster than the market overall. The company has adjusted its investment strategy, he said, and reduced market risks. Trinfiko's third "conservative" portfolio gained 8.1 percent in the first half of the year.

A spokesperson of Interfin Capital explained the company's poor performance by the large proportion of energy and metallurgical company stock in the portfolio, which have seen their capitalizations collapse this year.

But the market's recovery in recent months has alleviated the damage, he said.

Alyans Investments posted the best result: a 16.4 percent gain. Though the share of stocks in the portfolio was almost 45 percent, the fund invested mainly in companies in the consumer sector such as Magnit, MobileTeleSystems, Sberbank and LUKoil, which outperformed the market, portfolio manager Oleg Popov said.

Overall, all the big private pension funds were able to keep from falling below the rate of inflation, 6.5 percent, as well as beat the results of Vneshekonombank, which manages the public pension savings in the state Pension Fund and reported a 6.62 percent gain.

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