



NATIONAL BANK OF SERBIA

INSURANCE SUPERVISION DEPARTMENT
PENSION FUNDS SUPERVISION DIVISION

VOLUNTARY PENSION FUNDS IN SERBIA

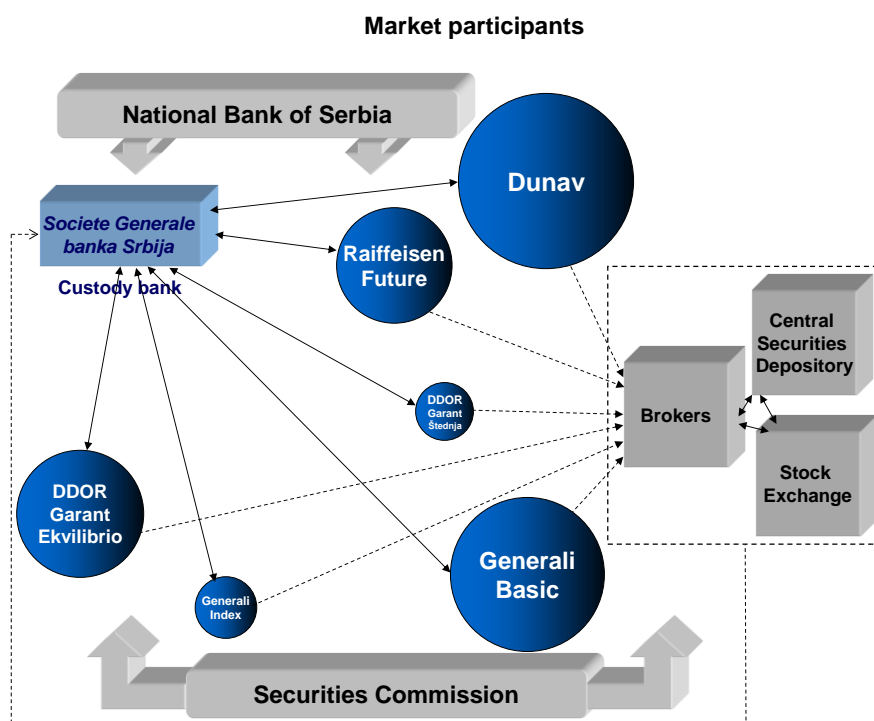
Second Quarter Report 2017

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1. Market participants

At end-Q2 2017 the market of voluntary pension funds (VPFs) included four companies managing seven VPFs, one custody bank and five agent banks.¹



At end-Q2 2017, a total of 123 persons were employed in VPF management companies, up by three persons from the previous quarter.

Based on completed professional examination and the fulfilment of other requirements, by end-Q2 2017 the NBS issued 710 licenses to sales agents.

By end-Q2 2017, 86 sales agents were engaged by management companies and 418 by intermediary banks.

¹ Raiffeisen banka a.d. Beograd, Societe Generale banka Srbija a.d. Beograd, NLB banka a.d. Beograd, Addiko Bank a.d. Beograd and Sberbank a.d. Beograd.

2. VPF net assets

At end-Q2 2017, net assets of VPFs came at RSD 34.1 bn, up by 2.1% quarter-on-quarter. The changes in the value of net assets reflect changes in net contributions,² withdrawals of funds and investment returns. In Q2 2017, total contributions amounted to RSD 824.2 mn, withdrawals to RSD 356.2 mn, and investment returns to RSD 250.7 mn.

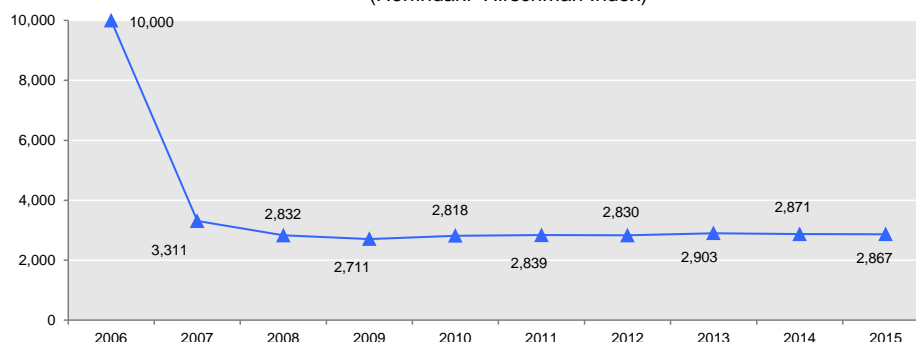
At end-Q2 2017 net assets came at RSD 34.1 bn.

End-of-period net assets of the VPF sector
(in RSD bn)

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	
										Q1	Q2
3.1	4.6	7.2	9.9	12.5	16.0	19.7	23.6	28.9	32.8	33.4	34.1

Source: National Bank of Serbia.

End-of-period sector concentration
(Herfindahl–Hirschman Index)



Source: National Bank of Serbia.

Measured by the Herfindahl Hirschman index (HHI), market concentration in the sector at end-Q2 2017, amounted to 2,829 points, which indicates high concentration in the VPF market.

According to the size of VPF net assets relative to total net assets of the sector, two funds were classified as “large” and two as “medium”. Together, they made up 96% of the market, with the largest fund accounting for around 41%.

Number of funds by groups divided by market share
(in units)

Share in net assets (%)	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	
											Q1	Q2
Large (20 and above)	3	2	2	3	2	2	2	2	2	2	2	2
Medium (5 - 19,99)	-	2	3	1	2	2	2	2	2	2	2	2
Small (0 - 4,99)	4	6	5	4	5	5	2	2	3	3	3	3

Source: National Bank of Serbia.

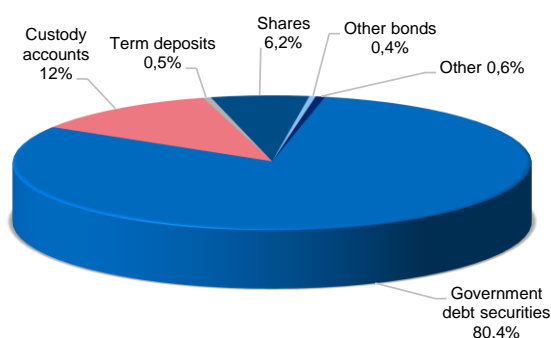
² Net contributions are total contributions minus the front-load fee.

3. Structure of VPF assets

At end-Q2 2017, the structure of investment of VPF assets remained broadly unchanged. Government bonds accounted for the major part of VPF assets – 80.4%. Balances in custody accounts and bank time deposits made up 12.5%, shares 6.2%, and other securities (the EBRD's bond) 0.4% of total VPF assets. Investment in real estate, units of open-end investment funds and receivables made up the category "other" which accounted for 0.6%.

Most assets were invested in government debt instruments – 80.4%.

Structure of VPF assets

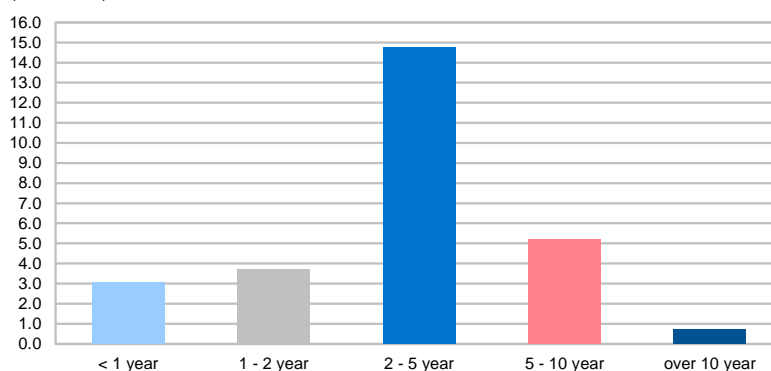


Source: National Bank of Serbia.

At end-Q2 2017, 11.1% of government debt instruments were with maturity of up to one year, 13.5% between one and two years, 53.8% between two and five years, 19% between five and ten years, and 2.6% over ten years.

The average maturity of assets³ invested in government debt securities was 3.9 years.

Maturity structure (government fixed-income securities)
(in RSD bn)



Source: National Bank of Serbia.

At end-Q2 2017, 86.9 % of total assets were in dinars and 13.1% of total assets were in a foreign currency (EUR and USD).

³ The maturity of instruments weighted by their share in total investment in government debt instruments.

4. Return on investment

At end-Q2 2017, the FONDex⁵ reached 2,628.24 points.⁵ The return of the FONDex, as the weighted average return of all funds, came at 0.75% in Q2, or 5.4% for the past year. Since the start of VPF operation⁶ the return of the FONDex has equalled 9.5%.

Market value of issued dinar-denominated government debt instruments, by maturity (in RSD bn)

Maturity	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017
3m	-	-	-	-	-
6m	-	0.7	-	0.8	-
12m	112	9.8	7.5	17	-
18m	-	-	-	-	-
24m	10.5	-	-	24.5	23.1
36m	28.1	17.2	38.3	-	37.4
60m	-	-	-	-	-
84m	-	28.0	23.9	-	-
120m	0.1	-	-	0.8	-
Total	49.9	55.7	69.7	27.1	60.5

Source: Ministry of Finance.

Given the structure of VPF investment, the return is influenced by the change in the yield curve on government debt instruments,⁷ change in the prices of shares, level of the key policy rate and banks' interest rates, and changes of the dinar exchange rate against the euro and the dollar.

The volume of issues in the primary market of government debt instruments (T-bills and treasury bonds) decreased from Q1 2017.

Accepted rate of issued dinar-denominated government debt instruments, by maturity

Maturity	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017
3M	-	-	-	-	-
6M	-	2.7%	-	2.6%	-
12M	4.0%	3.6%	3.5%	3.5%	-
18M	-	-	-	-	-
24M	4.3%	-	-	4.7%	4.7%
36M	5.4%	5.0%	4.7%	-	5.0%
60M	-	-	-	-	-
84M	-	6.0%	5.6%	-	-
120M	4.2%	-	-	4.0%	-

Source: Ministry of Finance.

⁴ The FONDex shows movements in investment units of all VPFs in the market.

⁵ The initial FONDex value of 1,000 points was recorded on 15 November 2006 when the first VPF began to operate.

⁶ Annual rate.

⁷ A decline in the interest rate leads to an increase in the prices of debt instruments and vice versa. The prices of longer-maturity instruments are more sensitive to interest rate changes.

The total market value of issues of long-term dinar-denominated government instruments in Q2 2017 was RSD 60.5 bn. The most issued were three-year (RSD 37.4 bn) and two-year securities (RSD 23.1 bn).

Market value of issued euro-denominated government debt instruments, by maturity (in EUR bn)

Maturity	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017
12m	98.4	123.9	49.6	49.6	52.7	59.7
24m	119.7	108.3	23.0	74.0	71.4	49.6
36m	144.3	148.7	-	44.2	92.8	90.0
60m	71.8	-	98.2	-	97.6	99.1
84m	-	-	-	-	-	-
120m	-	-	-	-	-	-
180m	-	-	-	71.3	-	-
Total	434.3	380.8	170.7	239.1	314.6	298.4

Source: Ministry of Finance.

Accepted rate of issued euro-denominated government debt instruments, by maturity

Maturity	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017
12m	1.1%	0.9%	0.8%	0.8%	0.7%	0.6%
24m	1.8%	1.2%	1.1%	1.1%	1.1%	1.0%
36m	3.3%	2.6%	-	1.7%	1.9%	1.9%
60m	3.5%	-	2.9%	-	2.7%	2.7%
84m	-	-	-	-	-	-
120m	-	-	-	-	-	-
180m	-	-	-	4.2%	-	-

Source: Ministry of Finance.

Q2 2017 saw the issue of euro-denominated government debt instruments worth EUR 298.4 mn – five-year (EUR 99.1 mn) at the rate of 2.7%, three-year (EUR 90 mn) at the rate of 1.9%, one-year (EUR 59.7 mn) at the rate of 0.6% and two-year (EUR 49.6 mn) at the rate of 1%.

The prices of Belgrade Stock Exchange (BSE) shares, measured by BELEX15⁸ fell by 2.9% in Q2 2017 (reaching 711.32 at end-June). The index rose by 17.6% over the past year.

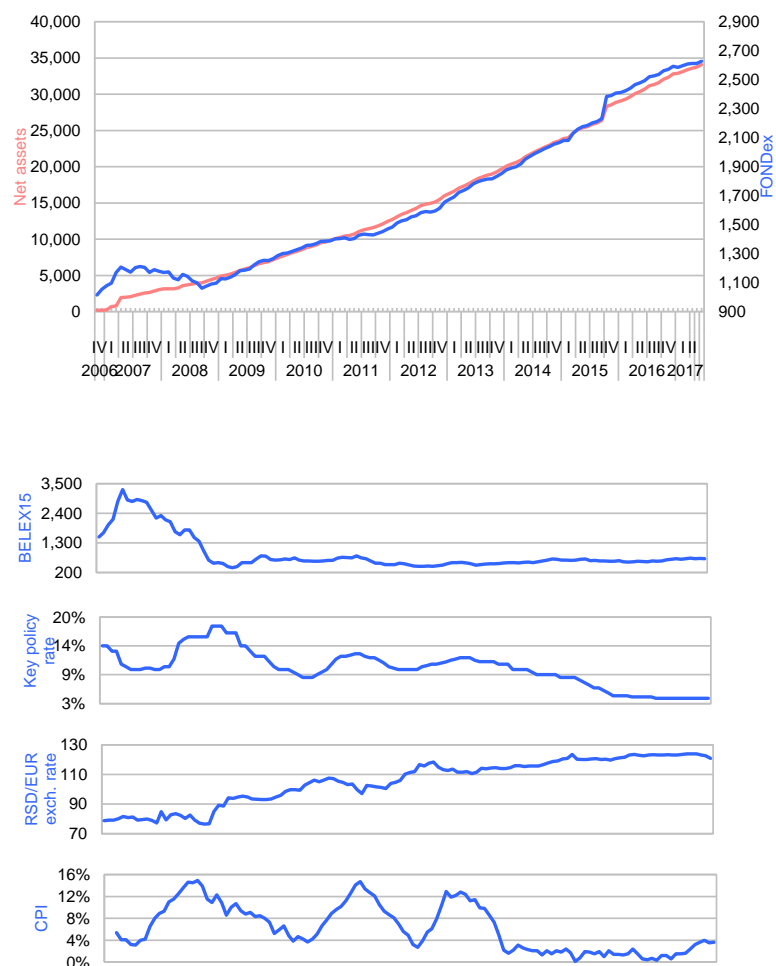
The key policy rate equalled 4% at end-June 2017. The level of interest rates earned by funds on dinar balances in custody accounts mirrored movements in the key policy rate.

In Q2 2017, the dinar appreciated vis-à-vis the euro, rising by around 2.5% relative to end-Q1 2017. In the same period, the dinar gained 9% against the US dollar.

Price growth rates came at 0.8%, -0.5% and 0.2% in April, May and June, respectively. Consumer prices gained 3.6%⁹ in June 2017, as compared to the same month last year.

⁸ Of the total investment in shares, the bulk pertained to shares covered by BELEX15, which means that BELEX15 is a relevant benchmark for shares in the fund's portfolio.

Movements in net assets, FONDex and key indicators since the start of VPF operation
(in RSD mn, units, %)



Source: National Bank of Serbia, Belgrade Stock Exchange, Statistical Office.

⁹ Source: Statistical Office of the Republic of Serbia.

5. Fees charged by management companies

The Law on Voluntary Pension Funds and Pension Schemes sets out that management companies charge fees for their services and account transfer to fund members. Company fees entail contribution and management fees. The contribution fee may not exceed the actual transfer costs.

Though fees are among the parameters that members should consider when choosing a fund, they should not be viewed in isolation. The level of fees is contingent on the fund's investment policy and its investment activity. As a rule, funds actively investing in more complex instruments are intended for younger persons who pay contributions over a longer horizon. Such funds charge higher fees, but assume a higher degree of risk and are expected to post higher returns. On the other hand, a fund investing passively in safer financial instruments should charge lower fees. A fund's investment policy, i.e. planned investment of fund members' assets, the expected return, the level of risk assumed by a fund (and a member), and fees charged by companies, should all be taken into account when opting for a fund.

Since the start of operation, companies have charged a 2% management fee, while the contribution fee declined and came to 1.8% in Q2 2017. The relative proportion of the two fees has changed – at the start of VPF operation, contribution fees were higher, while at end-Q2 2017 the management fee accounted for around 92% of the total fees charged. This came about as a result of a rise in VPF net asset value and an ever-larger base to which management fees are applied. The contribution fee, though visible in the first instance, is not the largest cost incurred by a member. It is paid only once, as a front-load fee.

The management fee is calculated daily against the value of VPF net assets and is included directly in the investment unit value, meaning that the calculated and published investment unit value is exclusive of the management fee.

In Q2 2017, the management fee equalled RSD 166.6 mn. Over the past year, the management fee equalled RSD 647.8 mn and profit reached RSD 1.7 bn.

Fees charged by management companies

(in RSD mn)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	
											Q1	Q2
Contribution fee	42.9	56.9	54.9	59.4	57.9	60.1	58.7	55.4	53.0	56.8	14.5	14.7
Management fee	37.77	73.5	117.3	171	220	284	357.8	432.79	514.86	614.36	162.4	166.6

Source: National Bank of Serbia.

6. Trading in securities

VPF trading volumes equalled RSD 6 bn in Q2 2017.

The share of VPFs in BSE trading was around 4.2% at end-Q2 2017.

VPF securities trading (in RSD bn)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	
										Q1	Q2
Securities trading	1.7	13.1	14.9	19.3	13.2	12.9	21.2	14.5	11.5	3.7	6.0
Purchases	1.8	8.1	8.1	10.6	7.1	9.0	12.1	7.9	6.4	2.3	3.1
Belgrade Stock Exchange	0.8	0.4	1.3	0.7	0.3	0.4	0.5	0.9	1.1	0.8	0.3
Unregulated market	0.3	0.4	0.3	1.3	0.1	0.7	0.9	1.8	1.1	0.9	0.4
Auctions of government sec	0.0	7.3	6.5	8.6	6.7	7.9	10.7	5.2	4.2	0.7	2.4
Sales	0.4	0.4	0.8	3.8	4.2	2.0	5.4	3.6	3.0	1.0	2.2
Belgrade Stock Exchange	0.1	0.1	0.6	0.4	0.3	0.6	0.3	0.5	1.9	0.9	0.3
Unregulated market	0.3	0.3	0.2	3.4	3.9	1.4	5.0	3.2	1.1	0.0	1.9
Maturity	0.2	4.6	6.1	4.9	2.0	2.0	3.7	2.9	2.1	0.4	0.7
Purchase to sale and maturity ratio	2.4	1.6	1.2	1.2	1.1	2.3	1.3	1.2	7.5	1.7	1.1
Share in total BSE trading (in%)	12%	11%	8.0%	3.8%	2.6%	3.4%	4.1%	6.1%	6.7%	13.3%	10.3%

Source: National Bank of Serbia, Belgrade Stock Exchange.

7. Transaction costs

Transaction costs incurred in the purchase, sale and transfer of securities (Central Securities Depository fees, stock exchange fees, tax charges) and the costs of current maintenance of real estate property that fund assets are invested in, are charged against fund assets. Other costs are charged against the assets of management companies.

At end-Q2 2017, Central Securities Depository fees, charged against VPF assets, accounted for a bigger portion of transaction costs than stock exchange fees, whereas brokerage fees made up the bulk of costs paid by management companies from their assets.

Amount of transaction costs (in RSD mn)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	
											Q1	Q2
Total	10.0	5.3	7.4	9.5	7.0	4.7	6.0	6.2	5.6	7.3	3.6	2.4
Brokerage fees	4.5	2.2	3.8	4.5	2.9	2.0	2.5	2.0	1.3	2.3	2.0	0.9
Custody bank fees	1.8	1.5	2.0	2.4	2.2	1.5	1.9	2.0	2.0	2.0	0.4	0.5
Stock exchange fees	1.6	0.8	0.4	1.1	0.8	0.3	0.6	0.6	0.8	1.0	0.7	0.3
Central Securities Depository fees	1.0	0.6	1.2	1.5	1.1	0.9	0.9	1.6	1.6	2.0	0.4	0.6
Other fees	1.1	0.2	-	-	-	-	0.1	0.0	-	0.0	0.1	0.2

Source: National Bank of Serbia.

8. Number and structure of VPF users

At end-Q2 2017, 186,670 VPF users¹⁰ were in the accumulation phase.¹¹ Total membership contracts¹⁵ stood at 254,213.¹²

VPF users accounted for 9.4%¹³ of total employees.

Number of contracts and users

(in thousand)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	
											Q1	Q2
No. of contracts	158.5	201.6	215.7	220.4	234.4	240.4	244.5	252.1	258.1	250.5	252.5	254.2
No. of users	-	156.0	165.2	166.8	174.9	179.8	183.5	188.0	190.5	183.6	185.2	186.7
Percentage of active users (in %)	-	416%	36.0%	43.9%	35.1%	30.5%	30.3%	31.3%	25.3%	28.5%	28.8%	317%

Source: National Bank of Serbia.

Structure of users by payment dynamics (in units and %)

	Period	No. of users	Share (%)
	1 month	59,253	32%
Users receiving benefits	3 months	64,071	34%
	6 months	66,228	35%
	12 months	69,358	37%
	From the start of membership (1)	166,323	89%
No holdings (2)		20,347	11%
Total (1+2)		186,670	

Source: National Bank of Serbia.

The amount of accumulated funds depends on the amount of contributions, returns earned by the fund, level of fees, and the length of the accumulation phase. As the level of contributions and the period of accumulation increase, and funds earn returns, average balances in members' individual accounts go up. The average amount of funds accumulated in the accounts of members who have made at least one contribution payment was around RSD 205,000 and is constantly rising.

Average accumulated funds at the period-end

(in RSD thousand)

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	
										Q1	Q2
-	34.6	52.2	70.5	84.5	105.3	127.3	148.3	179.4	200.6	202.5	204.9

Source: National Bank of Serbia.

¹⁰ The number of users is the number of members of one or more VPFs. This number is smaller than the number of membership contracts as a significant number of users have more than one membership contract in one or several funds.

¹¹ VPF membership has two phases – the accumulation phase (when contributions are made) and the withdrawal phase (when the accumulated funds are withdrawn).

¹² The number of membership contracts is the sum total of individual membership contracts and the number of members of all pension schemes.

¹³ The source for the number of employees: National Bank of Serbia.

At end-Q2 2017, the number of users who are members of two or more VPFs was 39,760 or 21% of the total number of users.

In terms of gender composition and the respective amounts of funds, Q2 2017 saw no significant changes relative to prior periods. Men remained dominant, accounting for 59% of all users.

Number of users by number of funds in which they are members
(in units)

No. of funds	No. of users
1	146,910
2	31,828
3	7,785
4	133
5	10
6	2
7	2
Total	186,670

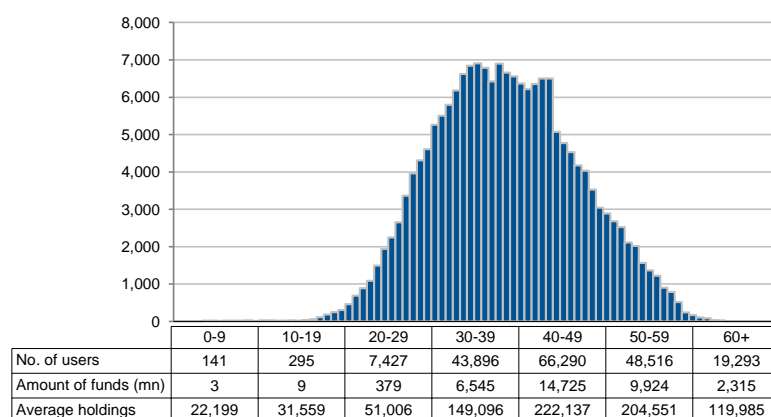
Source: National Bank of Serbia.

Number of users by membership contract
(in units)

No. of contracts	No. of users
1	135,435
2	38,997
3	9,212
4	2,282
5	530
6	157
7	39
8	8
9	9
10	1
Total	186,670

Source: National Bank of Serbia.

Distribution of users and accumulated funds by age
(in units, RSD)



Source: National Bank of Serbia.

At end-Q2 2017, the average age of VPF users was around 46 years, with users aged 30–50 making up the dominant share of around 59%. Such user structure has not changed since the start of VPF operation. Further, the percentage of users above the age of 53 was similar as in prior years, accounting for 26% of the total.

9. Contributions, withdrawals and transfers

In Q2 2017, of total contributions, individual payments accounted for 33%, employer contributions for 28.2% and pension schemes for 38.8%. The ratio has stayed broadly unchanged for the past eight years.

Net contribution payments came at RSD 809.5 mn in Q2 2017.

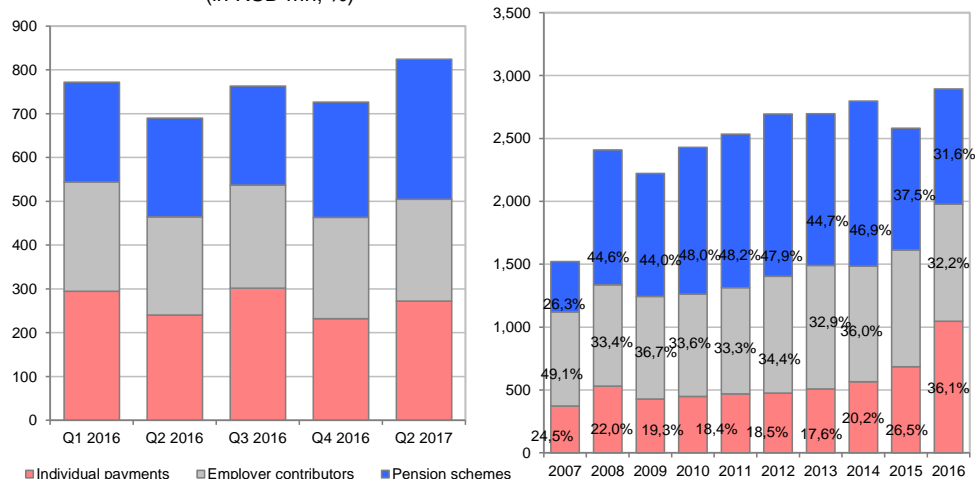
Total contributions

(in RSD bn)

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	
										Q1	Q2
150	2.25	2.22	2.43	2.53	2.70	2.70	2.80	2.58	2.89	0.73	0.82

Source: National Bank of Serbia.

Volume and structure of total contributions (in RSD mn, %)



Source: National Bank of Serbia.

Though the Law allows for individual contributions, most contributions are made through employers who, in this way, display a high level of responsibility towards their staff. Ample potential for further growth in the membership base are companies with high staffing levels. This way, employees and employers can save up since contributions from employers' funds up to RSD 5,589¹⁴ per employee per month are exempt from the household income tax and contributions for mandatory social insurance. Payments in the same amount made by the employer through wage garnishment are also tax-exempt. This represents an additional incentive to employees and employers to direct a part of contributions to saving in VPFs.

Withdrawals are generally lump-sum. Though this contradicts the nature of VPFs, which assumes the use of accumulated funds over a longer period, such practice of

¹⁴ Under Government decree, this amount is adjusted for previous-year inflation once a year.

withdrawal is expected as members entitled to withdrawal are not long-standing fund members and their accumulated sum is therefore relatively small. The next period is likely to see an increase in scheduled and other types of withdrawals, as the accumulation phase lengthens and the accumulated sum goes up.

Total withdrawals
(in RSD mn)

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	
										Q1	Q2
1414	384.6	448.5	458.1	517.6	751.7	945.2	1213.4	1226.2	1195.6	330.4	356.2

Source: National Bank of Serbia.

Withdrawals rise from year to year as a result of system development. Namely, as contributions and net assets increase and the third pillar matures, the amount of withdrawals will also rise in absolute terms.

In Q2 2017, total withdrawals amounted to RSD 356.2 mn.

Transfers represent inter-fund transfers. A member may transfer a part or all of his assets from one fund to another, covering only the actual transfer costs.

In Q2 2017 transfers came at RSD 104.8 mn.

Total inter-fund transfers
(in RSD mn)

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	
										Q1	Q2
19.5	235.1	141.5	216.1	165.9	72.3	137.17	126.3	219.7	267.5	48.8	104.8

Source: National Bank of Serbia.

10 Financial statements

10.1 Regulatory framework

Management companies keep business books and compile financial statements in accordance with the accounting and auditing law and NBS regulations.

Separately from their own, management companies also keep business books and compile financial statements for the VPFs they manage.

Pursuant to the Law on Voluntary Pension Funds and Pension Schemes, a management company is required to submit to the NBS its annual financial statement for the company, within which it discloses separately the financial statements of the VPFs it manages, and the external auditor's report as at 31 March of the current year for the prior year.

NBS decisions regulate the form and content of financial statements of companies and VPFs, based on which companies are required to submit their balance sheet, income statement, cash flow statement, statement of changes in equity, statement of other income, statistical annex of the management company, including the balance sheet of the VPFs – statement of net assets, income statement, statement of changes in net assets and cash flow statement.

10.2 Financial statements of VPF management companies

As at 31 December 2016, the balance sheet total of management companies equalled around RSD 1,357 mn, up by around RSD 115 mn (9.3%) relative to 31 December 2015, when it stood at around RSD 1,242 mn. The increase in the balance sheet total was a result of higher profit earned by management companies in 2016. The bulk of assets were invested in RS government securities (50% of total assets vs. 52% in 2015). On the other hand, the share of equity in total liabilities remained unchanged, accounting for around 95% in 2016 as well. The liquidity of management companies was high.

Management companies are required to keep their equity levels above the statutory minimum of EUR 1 mn in the dinar equivalent. At industry level, the ratio of total equity to statutory minimum was around 2.6 (2.42 at end-2015). Therefore, at end-2016, management companies held on average around 160% more equity than the prescribed minimum.

In the review period, a management company's equity per user was around RSD 6,991 (RSD 6,168 in 2015). This indicator rose by around 13% in 2016 as total equity at sector level went up. In 2016, each dinar of net assets of VPFs was covered with 0.04 dinars of a management company's equity, the same as in the prior year. Before 2013, the ratio of equity to total net assets of VPFs was on a downward path as VPF net assets grew faster than equity. In 2016, the above ratio remained flat from prior years.

	2012.	2013.	2014.	2015.	2016.
Total equity ratio	142	173	196	242	26
Equity per user	4,475	4,325	5,046	6,168	6,991
Equity to total net assets ratio	0.05	0.04	0.04	0.04	0.04

In 2016, management companies continued to operate at a profit. As all companies recorded a positive result in 2016, their total profit was around RSD 326 mn (RSD 269 mn in 2015). It should be noted, however, that the management companies' result does not affect the assets of fund members as company assets are separated from fund assets.

In 2016, all companies earned a profit from fund management. Revenue from core activity consisted of contribution fees (RSD 57 mn) and management fees (RSD 610 mn), which gained around RSD 102 mn on 2015 (RSD 565 mn). Contribution fees fell by 7% from a year earlier, while management fees rose by 19% in the same period. The said contribution revenues made up around 89% of all revenue (87% in 2015). Total management costs (relating to investment of fund assets, marketing, custody bank and intermediary services and other fund management costs) amounted to around RSD 41 mn in 2016 (RSD 36 mn in 2015). The profit earned from fund management came at around RSD 626 mn (RSD 529 mn in 2015).

Within total revenues, interest earnings also held a significant share, measuring around RSD 61 mn or 8% of total revenues in 2016 (vs. RSD 67 mn in 2015).

Expenditures were dominated by wage costs which came at around RSD 215 mn (RSD 200 mn in 2015) or 51% of total expenditures.

In 2016, management companies recorded a total ROE of 26.5% (25.4% in 2015) and the ROA of 25.1% (24.1% in 2015). Also, profit recorded per user and contribution shows an upward tendency relative to previous years.

	2012.	2013.	2014.	2015.	2016.
ROE	115%	20.4%	25.3%	25.4%	26.5%
ROA	10.7%	19.3%	24.1%	24.1%	25.1%
Profit per user	538	896	1,188	1,424	1,742
Profit per contribution	0.04	0.05	0.08	0.1	0.11
Ratio of fees revenue to number of users	1,927	2,241	2,618	2,987	3,568
Ratio of fees revenue to total revenue	78.0%	85.0%	85.0%	87.0%	89.0%

10.3 Financial statements of VPFs

As at 31 December 2016, total fund assets equalled close to RSD 33 bn, compared to RSD 29 bn at end-2015. Hence, during 2016, total fund assets gained around RSD 4 bn or 13%. Government securities still dominate total assets, making up around 77% of total fund assets (83% at end-2015).

The obligations of VPFs, which include obligations towards their management companies and obligations arising from membership and operation, amounted to around RSD 69 mn at end-2016 (vs. RSD 78 mn in 2015). As at 31 December 2016, net fund assets were around RSD 32.8 bn, i.e. total net assets rose by around RSD 3.9 bn (14%) from the level recorded as at 31 December 2015 (at end-2015, net fund assets equalled around RSD 28.9 bn).

During 2016, all seven funds recorded a positive result – total profit at the sector level amounted to around RSD 2.3 bn (vs. around RSD 4 bn in 2015).

Total revenue in 2016 came at RSD 6.5 bn (RSD 7.3 bn in 2015), while total fund expenditures were around RSD 4.2 bn (RSD 3.3 bn in 2015).

The ratio of profit to average total fund assets in 2016 was 7.4% (15.2% in 2015), which means that the funds recorded an average profit of RSD 0.07 per dinar of assets.

	2012.	2013.	2014.	2015.	2016.
Rate of return on total assets	11.6%	11.0%	10.7%	15.2%	7.4%