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FORMATION AND MANAGEMENT OF INVESTMENT PORTFOLIO OF PENSION SAVINGS OF THE PRIVATE PENSION FUNDS IN AN UNSTABLE ECONOMY

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ABSTRACT

The study of the mechanism for implementing the regional social projects through the integration development of regional budgets, the resources of non-state pension funds in order to achieve stable economic growth in the regions and the simultaneous resolution of social problems are the most important areas of this study. A set of issues related to changes, both in the development of the regional economy, and in the rethinking of the investment activities of the state and non-state pension funds and its social results in the implementation of regional social projects, creates a situation of particular relevance to the research topic. The basis of research in the field of constructing the investment portfolio models was laid in 1952 by Nobel laureate G. Markowitz. The portfolio investment topic began to be developed by the foreign scientists-researchers: J. V. Bailey, M. Scholes, R. Ingle, J. Tobin, W.F. Sharpe, J. Litner, G. J. Alexander, S. Ross, as well as Russian researchers: A.V. Melnikov, V.V. Dombrovsky, A.O. Nedosekin, E.V. Kozlov, V.I. Chugunov et al. At the same time, it was the pension problems in the scientific community that received attention primarily from the social or economic point of view. This is reflected in the works of M. Leibowitz, Ch. Trowbridge, J. Boule, L.M. Vicera, Z. Bodi et al.; in our country - in the works of A.K. Solovyov, V.M. Bonchik, A.G. Sholomitsky et al. The study purpose is to examine the features of managing the investment activity of a non-state pension fund in an unstable economy. The lack of clear algorithms and insufficient elaboration of economic models for the investment portfolio formation, taking into account the modern socio-economic trends, have determined the choice of research topic.

INTRODUCTION

In an unstable economy, the need to improve the quality of management of non-state pension funds, their reliability, as well as the development of forms and methods of managing companies, the formation of an attractive investment climate in modern Russia, determine the relevance of this study. In connection with the social and economic reforms carried out in the Russian Federation, including the pension system reform, the state seeks to shift more and more rights and responsibilities in the field of material security of the population in the period of old age to the employers and workers themselves. [1]

In the conditions of economic stagnation, it should be noted that the degree of studying the forms and types of activity of the non-state pension funds in resolving a set of socioeconomic issues in the subjects of the Russian Federation lags far behind the needs of domestic practice. In this regard, it is sometimes impossible to solve numerous pressing issues in the relevant areas. [2]

METHODS

The theoretical basis of the research is represented by the results of fundamental scientific works of leading domestic and foreign scientists devoted to the problems of analyzing the essence and efficiency of the non-state pension funds.

The system approach, decision theory, optimization methods, theory of managing the complex socio-economic objects, as well as the methods of logical system and economic-statistical analysis are used as the methodological basis for the study. The methods were used in various combinations at different study stages, depending on the goals and tasks to be solved. This combination of methods has helped to ensure the analysis reliability and the validity of conclusions made by the authors. [3]

RESULTS

The main results that make up the scientific novelty of the study include the solution of the following problems:

- -it is formulated the main objectives, outlined the tasks and formed the concept of managing the investment activities of a non-state pension fund in an unstable economy;
- -it is clarified the concept of a non-governmental pension fund as a non-profit organization in the field of social security through the relationship regulation and taking into account the interests of groups and/or individuals,
- -it is made a comparative analysis of the interpretation of the non-state pension fund;
- -it is clarified the system of indicators of assessing the efficiency of additional pension security in the non-state pension funds and the mechanism of its application,
- -it is determined the main factors stimulating the development of investment activity of the non-state pension fund,

KEY WORDS

integration, social protection, pension savings, private pension fund, non-commercial organization, social

Received: 14 May 2018
Accepted: 20 June 2018
Published: 23 June 2018

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- it is revealed the peculiarities of developing the market of non-state pension security as an important investment component in the largest industries: fuel-energy, oil-gas-chemical and machine-building.
- it is developed the proposals for further improvement of the investment activity of the non-state pension fund.

The results obtained by several methods differ depending on the information users. From the standpoint of public authorities, reliability and stability are the most important criteria, therefore, the indicators obtained in accordance with the methodologies of "Expert RA" and A.A. Talykova are important for them. The participants and potential investors of a non-government pension fund think that reliability is also a significant criterion along with the return on investment criterion, which is more oriented towards the methodology of A.A. Niyazbayeva. [4]

According to the methodology of A.S. Oshchepkova the performance ratio shall be of interest to all concerned users. It reflects the dynamics of any of the above effectiveness criteria.

Thus, the above methods are based on different indicators. They are interpreted differently, which indicates the need to refine the methodological base. The rating assignment is the most visible way of assessing the investment activity of a non-state pension fund. The main factor in building the funds' ratings is reliability.

DISCUSSION

Considering the interpretation of the notion of a non-state pension fund, one cannot notice a strong polarization in this definition. We share the point of view of V.I. Chugunov, who considers a non-state pension fund as a non-profit organization in the field of social security. This non-profit organization specializes in the accumulation of voluntary basis of pension contributions by the insured persons. It shall deal with investment and individual accounting of pension savings; appointment and payment of non-state pensions to the fund participants, as well as implementation of additional professional insurance for individuals. [Table 1]

Table 1: Comparative analysis of handling the non-state pension fund (by authors)

Author	Content of the non-government pension fund
V.I. Chugunov	The author considers a non-state pension fund as an independent legal entity that finances its activities from its own resources (part of income from placing the reserves and savings, as well as property to support the statutory activities) and the depositors' funds (target contributions) or at the expense of the founders. On the other hand, it is viewed as a social institution that has some obligations to the participants and concerned persons. Therefore, the pension reserves and pension savings are formed in its own property structure, respectively
N.A. Istomina	considers the non-state pension fund as an institutional investor that differs from the intermediary in that it assumes obligations to pay income from the invested funds.
D.V. Ermakov	defines a non-state pension fund as a special organizational and legal form of a non-profit organization that provides social security. This organization carries out the activities on non-governmental pension provision of fund participants in accordance with the non-state pension security contracts.

In today's economy, one of the important issues is investing money in various financial instruments. JSC "NPF Sberbank" is a special organizational and legal form of the non-profit social security organization. It allows investing free cash in order to obtain a pension in the future. Therefore, to evaluate the performance of JSC "NPF Sberbank", it is necessary to take into account the influence of inflation processes occurring within the economy on its investment activity.m [5]

In modern conditions, JSC "NPF Sberbanka" is a leader in the mandatory pension insurance market. Over the past six years, the amount of investing in its pension reserves has increased eight-fold. At the beginning of 2016, it amounted to 13,953,105 thousand roubles. The amount of pension savings of JSC "NPF Sberbank" also significantly increased by 241,326,484 thousand roubles from 1,995,975 thousand roubles in 2009 to 243,322,459 thousand roubles in early 2016. [Fig. 1]

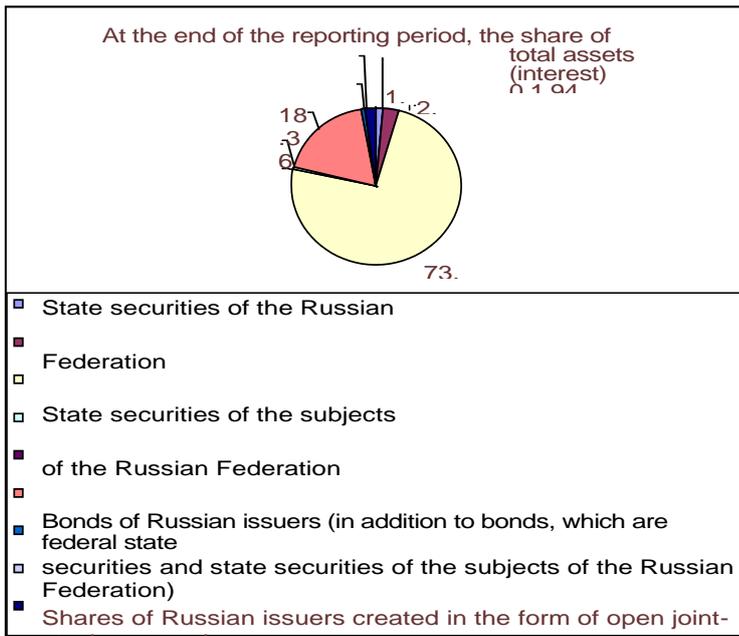


Fig. 1: Structure of the investment portfolio of JSC "NPF Sberbank" for compulsory pension insurance at the end of 2016.

The amount of income from investing pension savings of JSC "NPF Sberbank" increased by 16,315,528 thousand roubles in early 2016 compared with 2009. Therefore, the dynamics of the result of investing pension savings of JSC "NPF Sberbank" can be considered hopping.

At the beginning of 2016, the essential parts of the investment portfolio of JSC "NPF Sberbank" for mandatory pension insurance are investments in bank deposits and investments in bonds of Russian issuers. Investments in bank deposits and investments in bonds of Russian issuers are 44.49% and 36.81% respectively. The investment portfolio structure of JSC "NPF Sberbank" for mandatory pension insurance changed significantly at the end of 2016 compared with the beginning of the year. At the end of 2016, the main investment portfolio shares of JSC [6]

"NPF Sberbank" for mandatory pension insurance are investments in bonds of Russian companies (73.93%) and investments in cash in bank deposits (18.36%). This indicates that the Russian market has changed on the securities market.

Dynamics of investment activity indicators of JSC "NPF Sberbank" for 2010-2016 is presented in [Table 2].

Table 2: Dynamics of investment activity indicators of JSC "NPF Sberbank" for 2010-2016 (as of the beginning of the year)

Indicators	2016	2015	2014	2013	2012	2011	2010
Amount of pension reserves, thousand roubles	13,953,105	10,247,208	7,860,617	5,513,399	3,598,201	2,391,157	1,694,188
Pension contributions, million roubles	2,637.6	2,531.0	2,222.9	1,827.8	1,411.4	342.7	198.21
Amount of pension savings, thousand roubles	243,322,459	74,247,083	72,518,101	40,756,520	21,976,375	6,687,101	1,995,975
Amount of income from investing pension savings, thousand roubles	16,442,354	1,743,164	3,764,424	2,172,105	554,756	458,843	126,826

To assess the effectiveness of investment activities of JSC "NPF Sberbank", the following indicators are taken into account: number of clients; amount of payments; reliability; yield and reserve amount. The net profit of JSC "NPF Sberbank", despite the difficult macroeconomic conditions in 2016, increased by 2.5 times. It increased due to an increase in assets following the transition campaign of 2013-2015, increasing the return on investment and due to tight cost control. The main growth was observed in the following indicators: the amount of pension reserves has increased more than eight-fold and amounted to

13.953 billion roubles. The amount of income from investing pension savings has increased significantly and amounted to 16.442 billion roubles. [7,8]

Thus, JSC "NPF Sberbank" adheres to a cautious investment strategy with an optimal ratio of the profitability level and the reliability level. In 2017-2018, it is necessary to develop a personal individual planning program to increase the number of clients of JSC "NPF Sberbank" especially for the client. It is the individual approach to social benefits that affects an increase in future pensions. The individual pension plan is a supplement to the basic pension, the amount of which a future pensioner will form independently with the help of JSC "NPF Sberbank". All pension savings can be bequeathed to the heirs. At the same time, JSC "NPF Sberbank" shall increase the profitability on individual pension plans in the long term, so that it is higher than inflationary processes. [9]

SUMMARY

The organization of non-state pension funds became the solution of one of the urgent tasks on changing the social field of the Russian Federation. It is needed to move from the state pension security to the non-state pension insurance. The insurance nature of pension payments through the Pension Fund of the Russian Federation has significantly changed the essence of many aspects of the domestic pension system. First of all, it touched upon the ideology and organization of the pension rights accounting system. Despite all the difficulties and limitations in managing the financial resources of a non-state pension fund, it should be borne in mind that the investment of the fund's assets should ensure a long-term fulfillment of pension obligations in the sufficient amount.

In the context of economic stagnation, the management of the financial resources of a non-state pension fund has the ultimate goal to choose the most effective areas of use of pension reserves and own property. This is necessary to obtain the greatest investment profit for fulfilling the obligations to depositors and participants.

When assessing the reliability of a non-state pension fund, the following criteria can be proposed for use. The first criterion is the volume of pension reserves and pension savings, which characterizes the scale and size of the fund's activities. The second is the property cost to support the statutory activities. Since the fund's own resources are a source for the development of its investment activities, they characterize its financial stability and autonomy. [10]

The third criterion is the activity duration of the non-government pension fund in the pension market. This experience should allow making pension products as much as possible adapted to the needs of any client of the pension market. The most effective is the long-term functioning of the fund.

The fourth criterion is the composition of the founders of the non-state pension fund. It includes, as a rule, the largest economic entities with a stable financial position, extensive experience in the financial market and high profitability.

The fifth criterion is the business reputation of a non-state pension fund. This is the most important indicator of the fund's activities. The sixth criterion is the diversification of the fund's investment portfolio. In this regard, the financial instruments should be low- or risk-free, ensuring a rate of return above the inflation index. The seventh criterion is membership in the self-regulating organizations. It is necessary as an additional guarantee to ensure the fulfillment of the fund's obligations to the activity participants. In order to provide additional guarantees for the fulfillment by the organization's members of their obligations to the citizens, the membership in the self-regulating organizations creates its own reserve funds. Thus, the above criteria allow considering the effectiveness of a non-state pension fund based on the integration of quantitative and qualitative assessments, taking into account their dynamics. [11]

CONCLUSION

In modern conditions, the indicator of the effectiveness of financial resource management system for a non-state pension fund should be the solution of the following tasks:

- -the internal management information on liquidity risk should be an integral segment of the overall management information on the fund's risks and should be taken into account when assessing the external economic changes;
- -definition of limits should regulate a strict quantitative relationship between the operational limits and the liquidity risk level;
- -accounting for mandatory requirements of economic standards and formation of reserves in making optimal management decisions;
- -periodic analysis of the effectiveness of the fee financial resource management;
- -the developed free resource management technology should facilitate the adoption by the leadership of the non-state pension fund of more effective decisions on the allocation of financial resources - the decisions that are strictly substantiated by quantitative calculation. The effective use of the fund's free resources is achieved by placing the funds in volumes, which are larger than normal.

The social and economic effects of just creation of a pension accumulation system and effective investment of pension funds can be expressed not only in the pension system improvement. They can act as a measure of stabilizing the economic system of society and strengthening the financial markets. This will make a fairly optimistic forecast for an increase in the socio-economic development in the country, both in the medium and long term.

CONFLICT OF INTEREST

There is no conflict of interest.

ACKNOWLEDGEMENTS

The work is performed according to the Russian Government Program of Competitive Growth of Kazan Federal University.

FINANCIAL DISCLOSURE

None

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