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1. Asset Management Industry. General Overview

Number of Market Participants

Asset Management Companies (AMCs)

In Q2 2021, the total number of asset management companies increased by one, to 307.

During April-June, 9 new AMCs were established and 8 ceased operations.

Of all AMCs, 287 managed between one and 66 funds, and more than 98% of such companies managed at least one venture CII.

Administrators of private pension funds (ANPFs)

The number of ANPFs in Q2 2021 did not change: 19. Among them, as before, there were 6 companies that carried out exclusively the activities of NPF administration, the rest - combined it with asset management.

Collective Investment Institutions (CIIs)

The total number of CII that reached the minimum assets (formed) ratio grew for the 15th consecutive quarter and at the end of June amounted to 1,560 (+ 2.4% for the quarter).

Non-State Pension Funds (NPFs)

The number of NPFs under management as of June 30, 2021 was 54 (excluding the corporate fund of the NBU), including 45 open, 3 corporate and 6 professional. A total of 32 AMCs managed NPF assets. There were 57 NPFs in the administration of 18 ANPF members of UAIB, including 47 open, 4 corporate and 6 professional.

Insurance Companies (ICs)

The number of insurance companies that transferred their assets to AMC management and the number of AMCs that provided such services did not change in Q2 2021: as of June 30, 2021, one such company continued to manage the assets of two insurance companies.

Assets under Management and NAV

All Institutional Investors

Total assets under AMC management accelerated growth in Q2 by 6.2% and as of June 30, 2021 reached UAH 477,350 million. Over the last 12 months of June, these assets grew by 26.6%.

Collective Investment Institutions (CIIs)

In Q2 2021, the total assets of all CII under management, including those that have not yet reached the standard, also grew by 6.2% in Q2 and by 26.6% in the last year. As of June 30, 2021, they amounted to UAH 475,122 million.

As of the end of June 2021, the assets of current CII, which reached the minimum assets (formed) ratio, reached UAH 467,861 million. In Q2 they grew by 6.0%, and in the last 12 months - by 26.1%.

The value of net assets of all formed CII as of the end of June 2021 reached UAH 355,173 million. In Q2 it added 4.5%, for the last year - 22.6%.

The total net movement of capital in open-ended CII in Q2 2021 for the first time since Q4 2019 was negative: - 9.6 million UAH. However, in the first half of the year it remained positive and significant - as well as the annual net inflow into the sector, which at the end of June amounted to UAH 63.8 million.

Non-State Pension Funds (NPFs)

In April-June 2021, NPF assets under AMC management grew by 2.8%, and by 13.7% over the year. As of June 30, 2021, they reached UAH 2,052 million. NPFs had UAH 2,060 million in assets administered by UAIB members.

Insurance Companies (ICs)

In Q2 2021, the assets of the IC under the management of AMC returned to growth: + 4.8%. Over the last 12 months, they grew by 12.1% and amounted to UAH 176 million at the end of June.

2. CII Asset Management Market Results

2.1. Number of AMCs and CIIs

The number of asset management companies at the end of June compared to March increased by one - only 307 (Chart 1). During this quarter, according to UAIB, 9 new AMCs were created, and 8 - ceased operations.

At the end of June 2021, there were 287 companies with managed funds (278 in March). They managed from one to 66 funds, and more than 98% of such companies managed at least one venture CII.

In April-June 2021, 66 new CII were registered, as in the previous three months, of which 59 were also

corporate funds, ie immediately after registration they were recognized as having taken place. A total of 65 new funds belonged to venture funds.

During Q2, 60 funds reached the standards (after the 61st in Q1), all of which were venture CII, 57 - corporate (CIF). The total number of CII that reached the minimum assets (formed) in April-June 2021 increased for the 15th consecutive quarter and in June amounted to 1560, ie increased by 37 or 2.4% for this quarter (after + 3.0% for the previous).

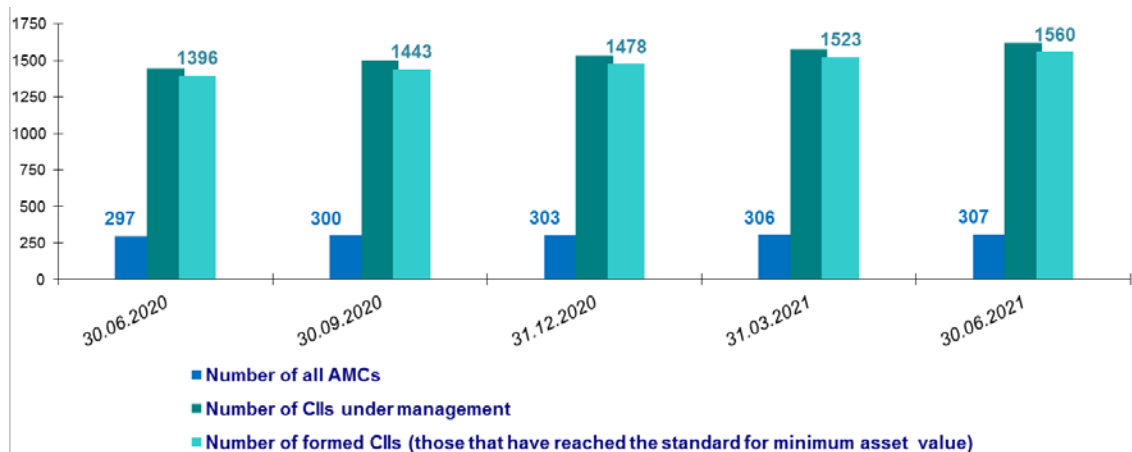


Chart 1. Dynamics of number of AMC and CII in Q2 2020-2021

Taking into account funds that withdrew from the market during the quarter, the number of formed active funds among venture CIFs increased by 49 (+ 7.2%), while venture UIFs continued to decrease: -16 (-2.2%, Table 1). Finally, the number of CIFs in the sector exceeded the number of mutual funds for the first time and by the end of June 2021 the former already covered 47.0% of all formed CII, and the latter - 45.1% (after 47.2% in March). The share of venture funds in general remained more than 92% (Chart 2). As of June 30, 2021, there were a total of 1,436 venture CII (+ 2.4% in Q2).

In other sectors, significant changes in the quantitative composition took place among closed-end non-diversified CIFs (excluding venture funds), where funds increased by six (+ 11.8%), but this was due to more complete reporting compared to the previous quarter. Also, among open-ended CII, three funds changed their appearance from diversified to specialized, so they became, respectively, 7 and 10. Among the interval CII in

April-June 2021, another diversified fund (-6.7%) was liquidated.

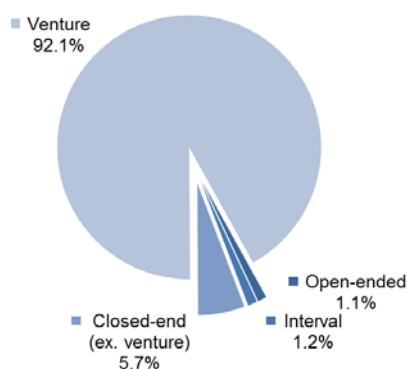
The number of CII that has not yet reached the minimum asset size, ie mutual funds among all CII managed by AMC, in Q2 2021 increased from 53 in early April to 57 in late June, or from 3.4% to 3.5% of all CII in management. Thus, the pool for the expansion of the industry due to the newly formed UIFs increased slightly during this period, but the main driver of quantitative growth of the industry remained new CIFs entering the market as formed CII at the same time as their state registration.

In the process of liquidation, according to UAIB, in June 2021 a total of 64 funds remained or started (4.1% of all recognized and operating CII, after 4.7% in March). Among them were: one open-ended, two interval and three closed-end diversified UIFs, 5 closed non-diversified UIFs, 52 venture UIFs and one CIF.

Table 1. Dynamics of number of CIIs that have reached compliance with standards, by types and legal forms in Q2 2020-2021

Date/Period	Total	UIF*									CIF*		
		O*	Os*	I*	Is*	CD*	CNN*	Cs*	Cq*	CV*	CNN*	Cq*	CV*
30.06.2020	1397	12	7	16	4	3	26	1	2	743	45	4	534
30.09.2020	1443	12	7	16	4	3	25	1	2	738	44	4	587
31.12.2020	1478	10	7	16	4	3	24	1	2	726	44	5	636
31.03.2021	1523	10	7	15	4	3	21	1	3	719	51	5	684
30.06.2021	1560	7	10	14	4	3	20	1	3	703	57	5	733
Q2 2021 change	37	-3	3	-1	0	0	-1	0	0	-16	6	0	49
	2.4%	-30.0%	42.9%	-6.7%	0.0%	0.0%	-4.8%	0.0%	0.0%	-2.2%	11.8%	0.0%	7.2%
YTD	82	-3	3	-2	0	0	-4	0	1	-23	13	0	97
	5.5%	-30.0%	42.9%	-12.5%	0.0%	0.0%	-16.7%	0.0%	50.0%	-3.2%	29.5%	0.0%	15.3%
Annual	163	-5	3	-2	0	0	-6	0	1	-40	12	1	199
	11.7%	-41.7%	42.9%	-12.5%	0.0%	0.0%	-23.1%	0.0%	50.0%	-5.4%	26.7%	25.0%	37.3%

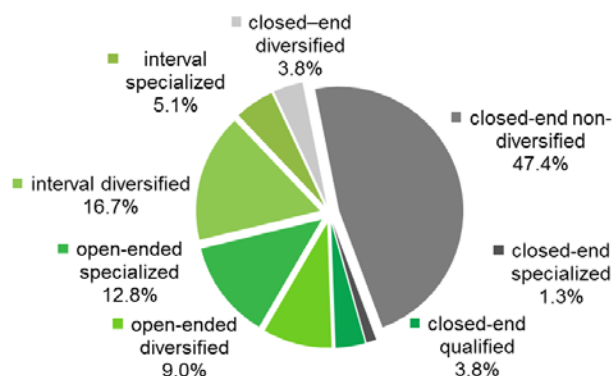
* O – open-ended diversified, Os – open-ended specialized, I – interval diversified, Is – interval specialized, CD – closed-end diversified, CNN – closed-end non-diversified non-venture, Cs – closed-end specialized, Cq – closed-end qualified, CV – closed-end non-diversified venture CII.


Chart 2. CIIs that have reached compliance with standards, by fund types as at 30.06.2021

CII with public offering in Q2 2021 increased by three to 78 (+ 4.0%) due to a fuller account of funds according to the submitted reports. One interval diversified fund came out of this sector, and three closed

non-diversified ones and one closed qualification fund were added (Table 2).

The number of AMCs managing CII with public placement did not change in April-June 2021: 31.


Chart 3. CIIs with public issue as at 30.06.2021
Table 2. Dynamics of number of CII with public issue in Q2 2020-2021

CII Type	Total	Open-ended			Interval			Closed-end				
		D*	S*	Total	D*	S*	Total	D*	N*	Q*	S*	Total
30.06.2020	82	12	7	19	15	4	19	3	39	1	1	44
30.09.2020	78	12	7	19	15	4	19	3	35	1	1	40
31.12.2020	76	10	7	17	15	4	19	3	35	1	1	40
31.03.2021	75	10	7	17	14	4	18	3	34	1	2	40
30.06.2021	78	7	10	17	13	4	17	3	37	1	3	44
Q2 2021 change	3	-3	3	0	-1	0	-1	0	3	0	1	4
	4.0%	-30.0%	42.9%	0.0%	-7.1%	0.0%	-5.6%	0.0%	8.8%	0.0%	50.0%	10.0%
YTD	2	-3	3	0	-2	0	-2	0	2	0	2	4
	2.6%	-30.0%	42.9%	0.0%	-13.3%	0.0%	-10.5%	0.0%	5.7%	0.0%	200.0%	10.0%
Annual	-4	-5	3	-2	-2	0	-2	0	-2	0	2	0
	-4.9%	-41.7%	42.9%	-10.5%	-13.3%	0.0%	-10.5%	0.0%	-5.1%	0.0%	-	0.0%

* D - diversified, S - specialized, N - non-diversified, Q - qualified.

There were 32 diversified and specialized CII with public issue, which reported for Q2 2021 - as in Q1 (Table 3). At the end of June, the same open-ended CII that belonged to this class at the beginning of the year and in March was included in equity funds according to the classification based on the structure of assets^{F1}. It had a share of 3.2% of all diversified and specialized CII with public placement (Chart 4).

Bond funds remained two open-ended CII, which accounted for 6.5% of all diversified and specialized CII with a public issue.

The mixed investment funds were again 26 CII: 11 open-ended, 9 interval and 6 closed-end CII. In June 2021, the share of this class in all diversified and specialized CII with public offering remained at 81.3%. One interval fund left the sector (and the market as a whole), the other was included in it, according to the reports received.

During Q2 2021, the "other" funds included the same two open-ended and one interval CII (9.7%).

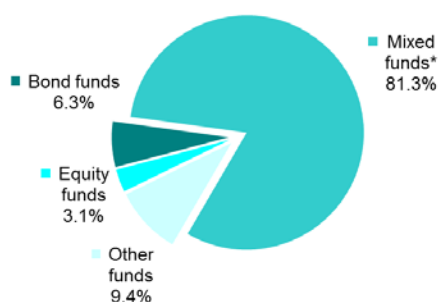


Chart 4. Diversified CII with public issue by fund types as at 30.06.2021

Table 3. Dynamics of diversified CII with public issue by fund types (according to asset structure) in Q2 2020-2021

Date/Period	Total	Equity funds	Bond funds	Mixed funds*	Other funds
30.06.2020	33	4	5	20	4
30.09.2020	32	3	3	1	25
31.12.2020	32	1	2	26	3
31.03.2021	32	1	2	26	3
30.06.2021	32	1	2	26	3
Q2 2021 change	0	0	0	0	0
	0.0%	0.0%	0.0%	0.0%	0.0%
YTD	0	0	0	0	0
	0.0%	0.0%	0.0%	0.0%	0.0%
Annual	-1	-3	-3	6	-1
	-3.0%	-75.0%	-60.0%	30.0%	-25.0%

* Funds that have equities, and bonds, and cash in their portfolios.

¹ See Rankings "CII (diversified public) - by fund classes" and Methods of ranking AMC and CII based on the results of their activities at the UAIB website: <http://www.uaib.com.ua>.

2.2. Regional Breakdown of AMCs & CII

In Kyiv and the capital region in 2021 the total number of current AMCs did not change and at the end of June was 215 (Chart 5). The number of newly created companies here was equal to the number of liquidated during this period.

In general, in the TOP-5 regions in terms of the number of AMCs in April-June 2021, there was one company more only in Dnipro - up to 22. This increased its market share from 6.9% in March to 7.2% in June. In other leading regions and in other regions of Ukraine, the number of AMCs has not changed. Finally, the weight of Kyiv and the capital region by the number of companies continued to decrease - from 70.3% to 70.0%

The number of AMCs in regions outside the TOP-5 did not change (31) and in June their market share was 10.1%, as in March.

The number of CII in management in Kyiv and the region in Q2 2021 increased by 25 (+ 2.1%), to 1207 funds, and in Ukraine as a whole - by 36 funds (+ 2.3%). Accordingly, the weight of Kyiv and the region according to this indicator decreased slightly: from 74.5% to 74.4% (Chart 6). Kharkiv and Lviv and their oblasts, where three additional funds each appeared (+ 3.2%), increased their market shares in this indicator in Q2 - within 6%. The share of Dnipro and the region increased from 5.7% to almost 5.9%, given the increase in the number of existing CII in management here by four (+ 4.4%).

In the regions of Ukraine outside the TOP-5, the number of funds in Q2 2021 also increased, but only by 1.1%, so their weight continued to decline - from 5.6% to 5.5%.

At the end of June 2021, the share of the largest cities and their regions in the distribution of CII assets in regional management grew further, mainly due to Lviv (+ 11.2%) and Dnipro (+ 9.7%). The weight of the first in terms of CII assets in management rose from 4.8% to more than 5.0%, the second - from 5.5% to 5.7%. The share of Kyiv in Q2 decreased - from 80.6% to 80.4%, with the increase in assets under management here "only" by 5.8%. Kharkiv increased its assets by 5.3%, so its weight dropped slightly - within 4.8%.

Regions of Ukraine outside the TOP-5 in terms of CII assets in management in Q2 2021 increased CII assets in management almost twice weaker than the leaders (+

3.3%), and, consequently, their share decreased slightly - from 2.5% to 2.4% .

Thus, during April-June 2021, the concentration of CII asset management in the TOP-5 regions by the number

of AMC's and funds continued to increase slightly. Also, in contrast to the previous quarter, it occurred in the distribution of CII assets in management, although in smaller regions they continued to grow.



Chart 5. Regional breakdown of the number of AMCs as at 30.06.2021

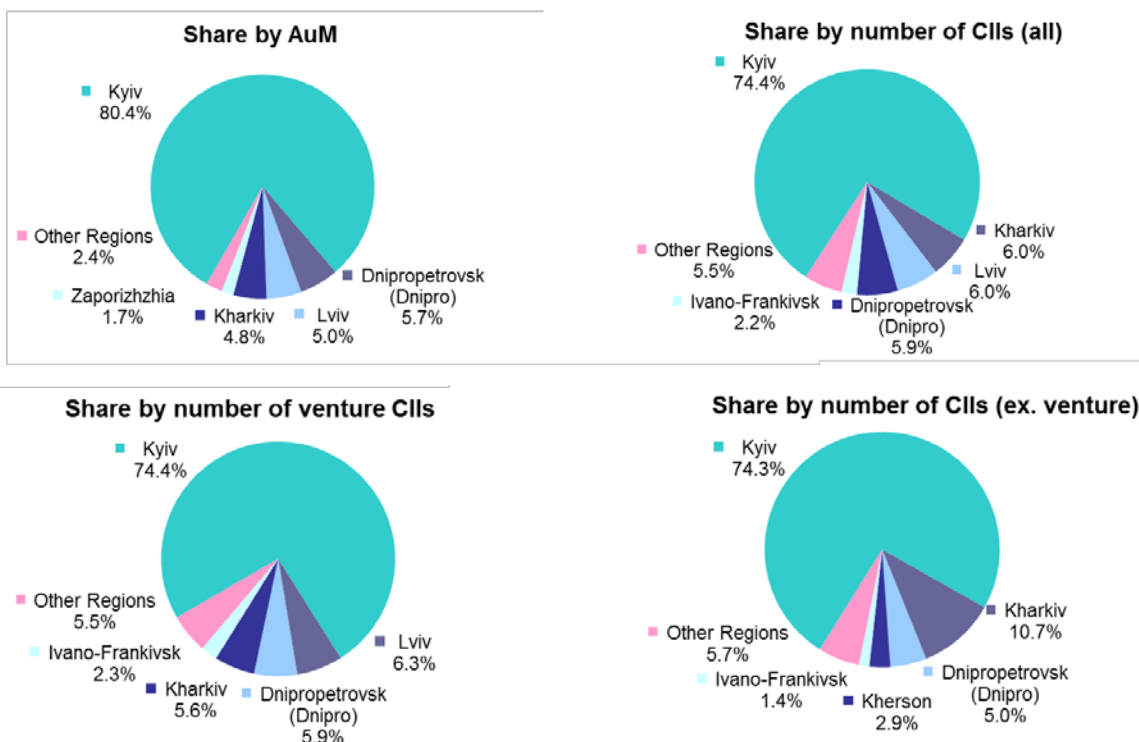


Chart 6. Regional distribution of CII by number and value of their assets under management as at 30.06.2021

2.3. Assets and Net Assets of CIIs

The total assets of all institutional investors in AMC management accelerated growth in Q2 2021: in April-June they added 6.2% (after + 5.8% in Q1) and reached UAH 477,350 million. From the beginning of the year, these assets grew by 12.4%, and for the last 12 months at the end of June - by 26.6% (after + 22.5% in March).

CII assets under management, including those that have not yet reached the minimum assets ratio, also grew by 6.2% in Q2 and by 26.6% in the last year. As of June 30, 2021, they amounted to UAH 475,122 million.

The total assets of existing CII, which were managed by AMC and reached the standards (formed), at the end of June 2021 reached 467,861 million UAH (Chart 7). In Q2, they grew by 6.0%, from the beginning of 2021 - by 13.0%, and the growth over the last 12 months in June accelerated to 26.1% (from 23.6% in March).

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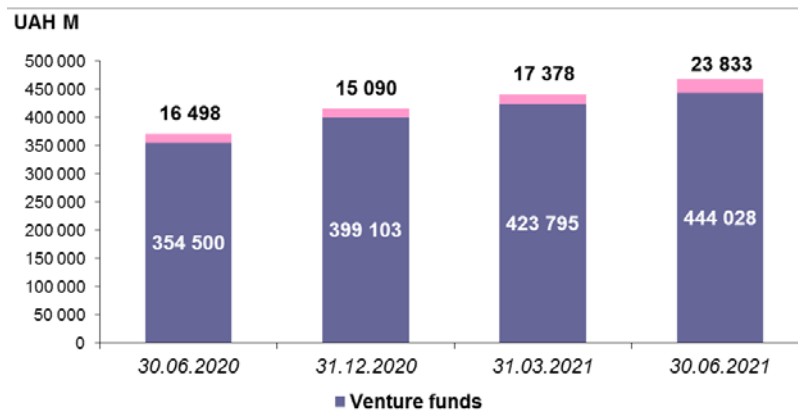


Chart 7. Dynamics of asset value of "established" CII under management in Q2 2020-2021

The value of net assets of CII formed at the end of June 2021 reached UAH 355,173 million. NAV of funds slowed down somewhat: + 4.5% for Q2 (from + 5.6% for Q1) and + 22.6% for the last year in June (from + 23.9% in

March). In the first half of 2021, it added 10.3%. Factors in this slowdown include lower fund growth in the venture sector and, to a lesser extent, capital outflows and lower returns in open-ended and interval CII.

Table 4. Dynamics of CII NAV, by fund type, in Q2 2021 and over the past year, UAH M

Funds	30.06.2020	31.12.2020	31.03.2021	30.06.2021	Q2 2021 change	YTD	Annual change
Open-ended	90.3	110.8	175.5	170.4	-2.9%	53.8%	88.7%
Interval	87.9	107.7	106.5	104.3	-2.0%	-3.1%	18.8%
Closed-end (ex.venture)	14 857.9	14 449.9	16 519.1	22 848.8	38.3%	58.1%	53.8%
with public issue	2 910.2	3 087.8	4 006.0	6 064.0	51.4%	96.4%	108.4%
with private issue	11 947.7	11 362.1	12 513.1	16 784.8	34.1%	47.7%	40.5%
All funds (ex. venture)	15 036.1	14 668.3	16 801.1	23 123.5	37.6%	57.6%	53.8%
Venture funds	274 649.1	307 360.4	323 145.2	332 049.7	2.8%	8.0%	20.9%
All funds	289 685.2	322 028.7	339 946.3	355 173.2	4.5%	10.3%	22.6%

* Acting CIIs that have reached the norms for minimal asset value, are managed by AMC and provided reports for the relevant period (as at the reporting date).

By CII sectors by types of funds and methods of placement, NAV of venture CII in Q2 2021 increased by 2.8%, from the beginning of the year - by 8.0%, and for the last 12 months - by 20.9% and at the end of June amounted to 332,050 million UAH, or more than 93% of total net assets of CII.

Open-ended CII, the number of which remained unchanged during April-June 2021, lost 2.9% of NAV during this period, but added 53.8% in the first half of the year. Annual growth slowed to 88.7% in June, from 102.8% in March. As of June 30, 2021, the net assets of the sector amounted to over UAH 170 million. The decrease in NAV was due to a significant net outflow of funds from fund investors, which was almost twice as large, and was restrained mainly by the positive dynamics of the stock market during this period and the return on other components of these CII assets.

Interval CII for the second consecutive quarter saw a decrease in net assets: -2.0%, after -1.1%, but maintained a positive dynamics over the year (+ 18.8% at the end of June).

There were five more closed-end CIIs with public placement, which reported for Q2 2021 (+ 16.1%) compared to Q1, and their quarterly NAV growth accelerated to + 51.4% (from + 29.7%) . Thus, the net assets of the sector have almost doubled since the beginning of 2021, and for the last 12 months in June - by 108.4% (after + 46.6% in March).

Closed-end CII with private placement (excluding venture) in April-June 2021 added more than a third of net assets (after + 10.1% in Q1). This was also facilitated by an increase in the number of reports of these CII by three (+ 7.0%). In the first half of the year, the NAV of the sector grew almost 1.5 times, and in the last year in June - by 40.5% (after + 4.4% in March).

The negative dynamics of NAV in Q2 2021 had a negligible impact on the shares of open-ended and interval funds in the net assets of all CII, which remained almost unchanged between 0.05% and 0.03%, respectively. The weight of closed-end CII jumped from 4.86% to 6.43%, including funds with public placement - from 1.2% to 1.7% (Chart 8).

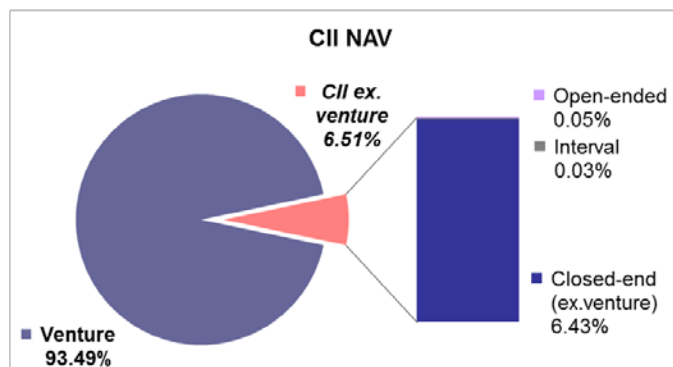


Chart 8. Distribution of CII NAV by fund types as at 30.06.2021

2.4. Net Capital Flow in Open-Ended CIIs

After an unprecedented inflow of capital to Ukrainian open-ended CII in February and for Q1 2021 as a whole, already at the beginning of Q2 additional inflows weakened significantly, and in May-June capital movements were mostly negative and determined a general decline in net assets, only partially offset by the positive dynamics of the stock market during this period.

In April, sales of open-ended CII certificates to investors outweighed their redemption by UAH 8.6 million, which was twice less than in March, but was 20

times higher than a year ago (Chart 9). More than ¾ of this inflow fell on one mixed investment fund.

In May, the largest net outflow of investors' funds occurred, which was higher than the result of the whole quarter (UAH -14.7 million). This outflow was almost 100% due to the dynamics of the same fund, which received the largest inflow in the sector in April. Additional contributions to the fund were recorded mainly after local corrections of the Ukrainian stock index during April-May. The largest daily outflow occurred after the correction from the May peak at the end of the month,

when the index had + 8% from the day of the largest inflow of investors into the last dates of April.

A similar picture was observed in June: the same fund lost more in the form of net outflow than the entire

sector, but the largest amount of redemption of the fund's certificates fell on the worst day - the local minimum on June 17, when the UX index lost more than 6%.

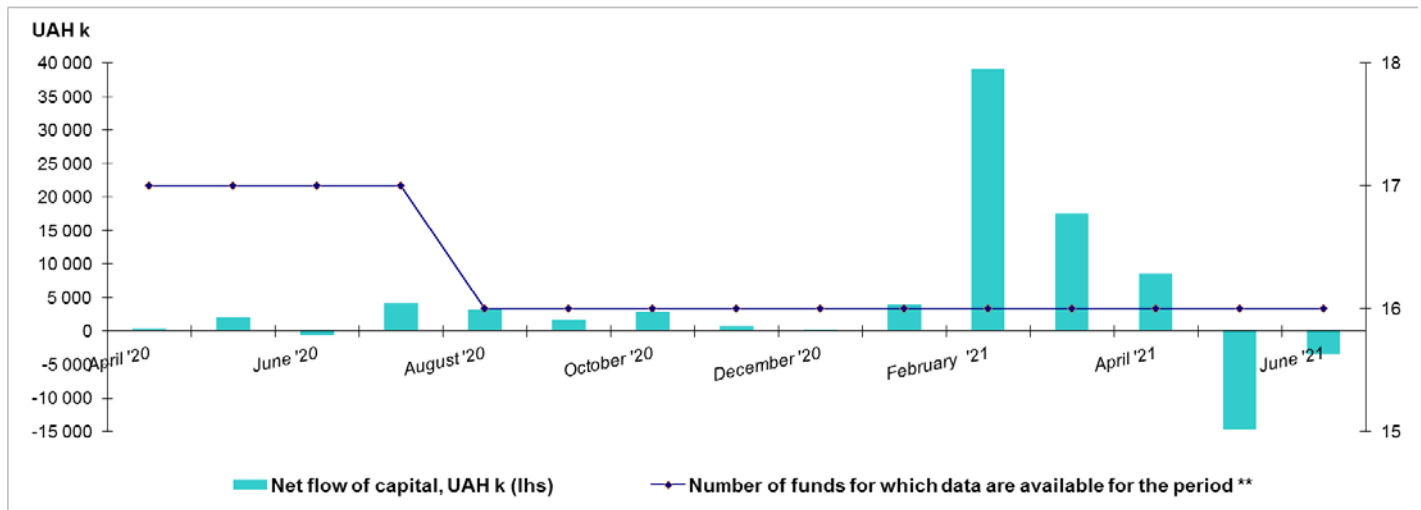


Chart 10. Monthly net flow of capital of open-ended CII in April 2020 - September 21 (based on daily data)

During Q2 2021, the number of open-ended funds with a net inflow ranged from 4-5 in April-May to two in June, and funds with a net outflow - from one in April to 3-5 in May-June.

Overall, the net outflow from the above fund exceeded the quarterly total of the open-ended CII sector, while the three funds - also predominantly mixed investments - had net sales in April-June.

Of all 16 open-ended CII reporting during Q2 2021, 9 had some capital movements. There were three funds with a net inflow, and their total additional revenues for the quarter amounted to UAH 3.8 million (after UAH 61 million for 4 funds in Q1).

There were 6 funds with a net outflow, and their total net losses from the exit of investors for Q2 2021

amounted to almost UAH 13.4 million (after -0.5 million UAH for 4 funds in Q1).

Retail resident investors reduced their funds in open-ended funds the most during this period, although their number increased here.

The total net movement of capital in open-ended CII in Q2 2021 for the first time since Q4 2019 was negative, but more than 6 times weaker than the inflow in the previous quarter: -9.6 million UAH (Chart 10). This was almost twice as much as the reduction in the NAV of the sector.

At the end of June 2021, the annual capital inflow to open-ended CII decreased compared to March: UAH +63.8 million (after UAH +75.0 million).

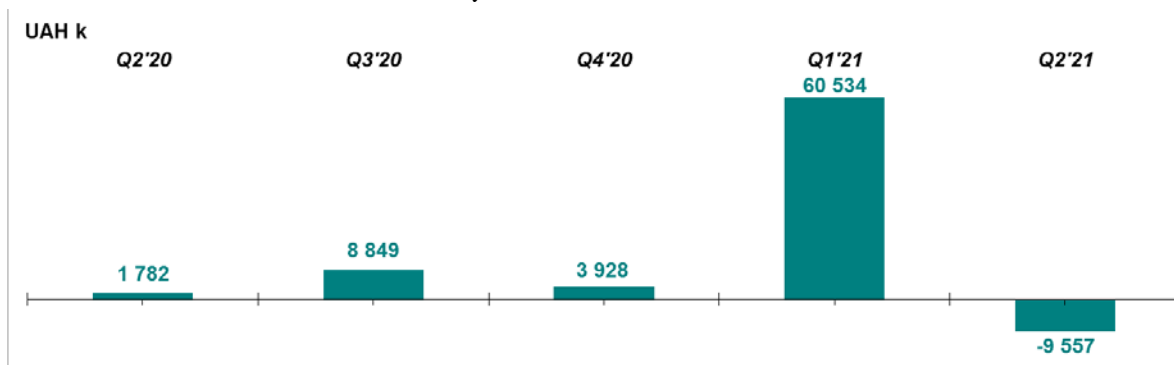


Chart 11. Net flow of capital of open-ended CII in Q2 2020-21, quarterly



At this time, the inflow of the collective investment industry in the European Union has intensified. Even though in the most attractive for investors class of funds - equities, which attracted record funds from investors in Q1, in Q2 net inflow decreased slightly, it remained significant and many times higher than in April-June last year. This came against the backdrop of increased investor confidence in a successful vaccination campaign in Europe and the world and - at the same time - optimistic indicators of economic recovery, which contributed to the rapid growth of global stock markets.

In total, in Q2 2021, the net inflow of capital to the EU investment fund industry, according to EFAMA, amounted to EUR 235 billion (after +EUR 201 billion in Q1 and +EUR 273 billion - a year ago)².

In UCITS³-funds, the net inflow for April-June 2021 amounted to EUR 212 billion (after +EUR 169 billion in Q1 and +EUR 272 billion - a year ago). Thus, these funds received 90% of the total additional revenues to the fund industry in the EU.

The most popular of UCITS among investors for the third consecutive quarter were equity funds, which attracted more than half of these net income: +EUR 115 billion (after +EUR 162 billion in Q1 and +EUR 39 billion - a year ago).

Bond funds in Q2 2021, by contrast, had a slightly stronger net inflow: EUR 48 billion (after EUR 46 billion in Q1), although a year ago they received almost twice as much (+EUR 84 billion). However, the inflow of UCITS mixed investment funds in April-June 2021 accelerated much more significantly than in Q1 and was many times

higher than a year ago: +EUR 51 billion (after +EUR 26 billion and +EUR 13 billion, respectively).

Once again, the only sector that experienced a net outflow of capital was money market funds: -EUR 12 billion (after -EUR 73 billion in Q1, +EUR 136 billion - a year ago).

AIF⁴ funds in Q2 2021 had a weaker net inflow compared to Q1: +EUR 22 billion (after +EUR 32 billion), which, however, was much higher than a year ago (+EUR 1 billion).

The most popular AIF among investors in April-June 2021 were still "other" funds⁵, which raised an additional EUR 35 billion (after +EUR 45 billion in Q1 and EUR 25 billion a year ago).

Also, net sales in Q2 2021 had mixed assets and real estate funds (+EUR 12 billion and +EUR 8 billion, respectively, after EUR 8 billion each in Q1 and -EUR 12 billion and +EUR 9 billion a year ago).

But AIF equity funds lost another EUR 20 billion for the quarter (after -EUR 29 billion in the previous, -EUR 6 billion a year ago). Bond funds also outflowed: -EUR 10 billion (after +EUR 8 billion in Q1, -EUR 15 billion a year ago).

Continued large-scale capital inflows into the European fund industry and the growth of stock markets, particularly in developed countries, contributed to the first-ever excess of UCITS and AIF net assets of EUR 20 trillion in May 2021. Finally, in Q2, the total NAV of funds in the EU increased by 4.1% (after + 4.5% in Q1) and as of June 30 amounted to EUR 20.5 trillion. Of these, more than 63% were in UCITS, whose net assets increased by 4.6% to EUR 12.4 trillion.

2.5. CII Investors

In Q2 2021, there were significant changes in the ownership structure of CII in general - due to the dynamics of closed-end (including venture) funds.

The largest category of CII participants remained resident legal entities, which held more than half of the

NAVs of these funds, but their share again decreased significantly: from 55.2% in March to 51.0% in June (Chart 11). This occurred in the context of a decrease in April-June of the total funds of these investors in CII as a whole by almost the same UAH 7 billion as they grew in the

² According to the available data on the 29 countries whose associations are members of EFAMA (24 EU member states, including Poland (former EFAMA member), as well as the United Kingdom, Liechtenstein, Norway, Switzerland and Turkey), see EFAMA Investment Fund Industry June Fact Sheet at: <http://www.efama.org>.

³ In this context, long-term UCITS funds are all classes of UCITS except money market funds. UCITS (Undertakings for Collective Investment in Transferable Securities) - enterprises for collective investment in negotiable securities (those that are in circulation in regulated markets); are open-ended funds with public placement of strict requirements for the composition, quality, liquidity and

structure of assets. Regulated by the relevant Directive (Directive 2009/65 / EC of 13 July 2009, as amended by Directive 2014/91 / EU of 23 July 2014) and other related acts of EU legislation.

⁴ AIF (Alternative Investment Funds) – alternative investment funds; in fact include all other regulated funds that are not UCITS. Companies that manage such funds are regulated by the AIFMD Directive (Directive 2011/61 / EU of 8 June 2011). Most Ukrainian CII are similar in their characteristics to AIF.

⁵ This category of AIF includes equity funds, bonds and mixed assets in Ireland due to the lack of data on their distribution by these sectors.

previous quarter (-3.5%). At the same time, the total funds of all other categories of CII investors increased in Q2, which exacerbated the decline in the weight of local enterprises in the net assets of funds.

By CII sectors, in open-ended and interval funds the funds of resident companies decreased insignificantly in Q2 2021, and in venture funds they decreased by UAH 8.7 billion, or 4.8% (after + 3.4% in Q1). Their share decreased from 56.8% in March to 52.7% in June. On the other hand, in closed-end (except for venture) funds, the funds of resident legal entities increased more than one and a half times, which contributed to an increase in their weight in the NAV of these CII from almost 25% to 26.9%.

In Q2 2021, resident individuals again increased their total funds in all CII sectors by types of funds and

methods of placement, except for open-end funds. In general, the total value of investments of these investors increased by over UAH 11 billion, or 13.8% (after + 9.7% in the 1st quarter), more than 88% of which fell on venture funds. Finally, the weight of local retail investors in the NAV of all CII increased further: from 23.6% in March to 25.7% in June (in venture CII - from 21.1% to 23.4%).

In open-ended CII in April-June 2021, the total investments of these investors decreased by 3.3% (after + 62.6% in the previous quarter), which was due to a significant outflow of capital from one of these funds in May. Finally, the share of local retail investors in the NAV of the sector decreased from 87.9% to 87.5%.

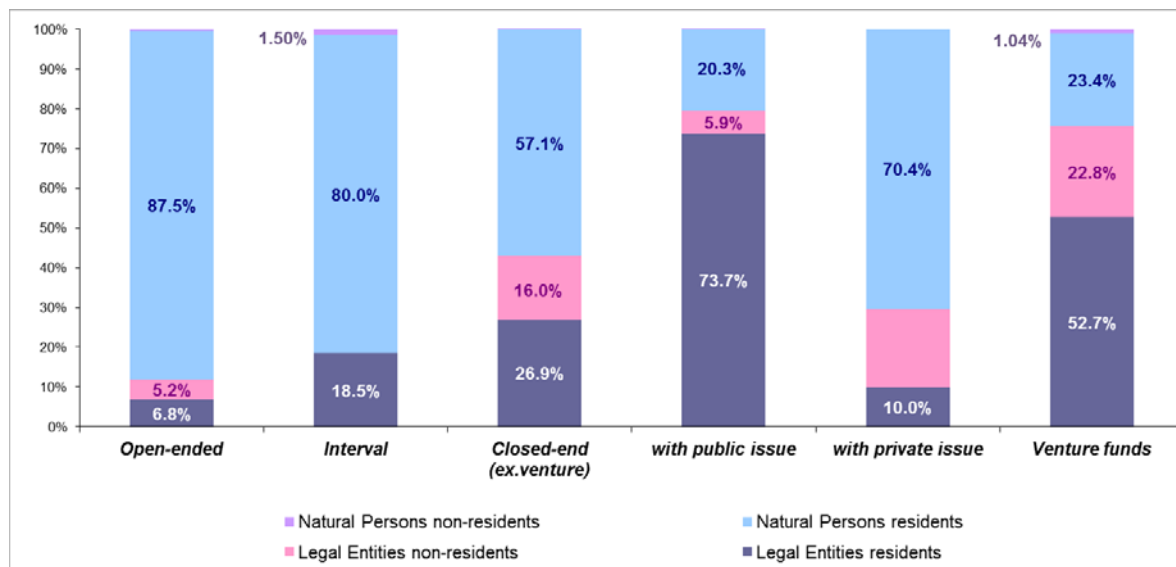


Chart 12. Investments in CII by category of investors as at 30.06.2021, share in NAV⁶

The total value of investments of all foreign investors in CII in Q2 2021, continuing the trend from the beginning of the year, increased, and at an accelerated pace - by UAH 10.8 billion (+ 14.9%). As before, this was mainly due to non-resident enterprises (+ UAH 9.4 billion or 13.4%), but this time the funds of foreign individuals also increased, and relatively much more rapidly - by 65.3%. The increase in non-residents' funds was due to investments in venture and other closed-end CII, while in open-ended and interval funds the total investments of non-residents decreased slightly. At the end of June 2021, 95.8% of foreign investments in all CII were held by non-

resident companies, and 95.4% of their funds were in venture funds.

In open-ended CII, the total value of investments of these participants in Q2 decreased by 0.5% (after + 5.3% in the previous quarter), but their weight rose from 5.1% in March to 5.2% in June due to a much larger reduction in resident funds here. On the other hand, investments of retail foreign investors in this CII sector increased by 2.1% in Q2 (after a twofold decrease in Q1), and their share in NAV of open-ended funds increased by 0.5%. The total weight of all non-residents in this sector increased in Q2

⁶ Excluding funds' bearer securities in circulation.

2021 from 5.4% to 5.7%. In venture funds it increased from 22.2% to 23.9%, and in all CII - from 21.2% to 23.4%.

The number of CII investors as of June 30, 2021 was 280,178 (Table 5). Of these, 98.9% were individuals resident in Ukraine, 96.6% were participants in interval funds⁷, 0.6% were open-ended funds, and 1.5% were venture funds.

The significant increase in the total number of CII participants in Q2 2021 - by 8.1% (after -0.1% in Q1) - was largely due to the reflection for the first time in the reporting of some investors of interval CII, which was previously reorganized from the old funds created before the adoption of the Law of Ukraine "On CII" (a number of their certificates were not registered, but bearer). Thus, at the end of June 2021, according to the reporting data, there were 8.2% more investors in interval CII than in March - 270,528.

However, the number of participants increased in April-June 2021 in all sectors of CII.

As of June 30, 2021, there were 1,656 of them in open-ended funds (+29, or 1.8% in Q2, after -2.9% in the previous quarter). The increase was entirely due to retail investors, who at the end of June were 1629 in this sector of CII.

The number of participants in closed-end CII with public placement increased by 66 in Q2 2021 (+ 1.9%, after 6.2% in Q1). 7 investors were added to those closed-end with private placement (+ 2.9%, after + 6.1%).

In venture CII in April-June 2021, investors increased by 194 (+ 4.9%, after + 2.0% in January-March). As of June 30, 2021, there were 4,153 of them in this CII sector.

Table 5. Investors of CII by categories, number and share of the total number as at 30.06.2021

Funds	Legal Entities				Natural Persons				TOTAL	Q2 2021
	residents		non-residents		residents		non-residents			
Open-ended	22	1.33%	2	0.12%	1 629	98.37%	3	0.18%	1 656	1.78%
Interval	21	0.01%	1	0.00%	270 487	99.98%	19	0.01%	270 528	8.25%
Closed-end (ex. venture)	312	8.12%	26	0.68%	3 492	90.91%	11	0.29%	3 841	1.94%
with public issue	153	4.26%	7	0.19%	3 421	95.29%	9	0.25%	3 590	1.87%
with private issue	159	63.35%	19	7.57%	71	28.29%	2	0.80%	251	2.87%
All funds (ex. venture)	355	0.13%	29	0.01%	275 608	99.85%	33	0.01%	276 025	8.11%
Venture funds	2 361	56.85%	334	8.04%	1 424	34.29%	34	0.82%	4 153	4.90%
All funds	2 716	0.97%	363	0.13%	277 032	98.88%	67	0.02%	280 178	8.06%

In terms of the contribution of various categories of participants, the growth in the total number of CII investors in Q2 2021 was mainly due to resident individuals, which increased among CII participants by 8.2% (after -0.1% in the previous quarter). At the same time, their presence has increased in all CII sectors. In particular, the number of local retail investors in open-ended funds increased by 29 in April-June (+ 1.8%, after -2.9% in Q1), and in closed-end funds - by 61 persons (+ 1.8%, after -6.5%). It also increased significantly in Q2 in venture CII - by 205 people (+ 16.8%, after + 7.2% in Q1).

In April-June 2021, on the contrary, the number of resident legal entities in CII decreased in CII in general (-36, or -1.3%, after + 0.3%) and in most sectors in

particular. At the same time, their number did not change in open-ended CII in this quarter, and in closed-end CII it increased by 5 (+ 3.4%, after + 1.4%). In venture funds, the number of local investors decreased by 21 (-0.9%, after -0.3% in the previous quarter), where their share decreased from 60% of all investors in March to less than 57% in June.

In June 2021, foreign companies and individuals still accounted for less than 0.2% of all CII investors as a whole. And although in Q2 their number increased by 27, the relative growth was weaker than all CII investors as a whole (+ 6.7%). Non-resident corporate investors increased their presence only in private funds with private issue (+15, or + 375.0%), while in closed-end funds with

⁷ This is due to the activities of several funds, which were reorganized from the former mutual funds into interval CII and which have a relatively large number of small participants.

public placement they decreased by one (-12.5%), and in venture funds - by three (-0.9%). In general, all CII increased by 11, ie by 3.1% (after -0.6% for the 1st).

The number of individual non-resident investors in CII in Q2 2021 increased by 16 (+ 31.4%, after + 2.0% in Q1). At the same time, the main increase was accounted for by venture funds (+13, or 61.9%, after + 5.0%), and symbolic growth also occurred in other closed-end CII sectors: one foreigner (+ 12.5%) was added to publicly available funds at the end of June, and with private

accommodation (except for venture) - two (in March, this category of investors was completely absent).

At the end of Q2 2021, the largest share of non-resident investors remained in venture CII: 8.8%, incl. more than 8% - corporate participants (after 8.5% in March).

In open-ended CII, the number of foreign investors did not change in Q2, and their share in the total number of participants in these funds remained within 0.3%.

2.6. CII Asset Structure

In the structure of CII assets in Q2 2021, securities and derivatives continued to lose weight in all sectors of closed-end CII, and in open-ended and interval CII it, in contrast to Q1, increased (Table 6, Chart 12). In the last two sectors, this was due to investments in corporate bonds (in open-ended - also in equities). The decrease in the share of capital market instruments in the assets of closed-end funds, in particular with private placement, was due to a decrease in total investments in both government and most corporate securities (except

promissory notes and derivatives). In interval funds, the increase in the share of securities was due to a relatively more significant reduction in other components of assets, but also investments of these funds in capital markets decreased by almost UAH 1 million, which was half the reduction of NAV in the sector.

The total value of all securities and derivatives in the assets of CII as a whole in Q2 2021, as in Q1, decreased - mainly due to venture and other closed-end CII with private placement.

Table 6. Changes in the structure of aggregated CII portfolios by fund types in Q2 2021

Asset Type / CII Type / Quaterly Change	Open-ended		Interval		Closed-end- with public issue		Closed-end- with private issue		Venture	
	p.p.	%	p.p.	%	p.p.	%	p.p.	%	p.p.	%
Other assets (Incl. R and CR)	-3.32	-55.4%	-5.26	-57.0%	9.49	13.7%	1.16	1.3%	0.25	0.3%
Real estate	-	-	-	-	1.00	1164.7%	0.38	1349.8%	0.31	10.8%
Cash and bank deposits	-2.63	-8.2%	4.54	53.7%	-2.55	-62.1%	-0.76	-56.5%	-0.17	-5.8%
Bank metals	-0.16	-23.9%	-	-	-0.02	-32.9%	0.00	-0.23	0.00	-1.9%
State bonds (OVDP)	-2.59	-6.7%	0.43	0.8%	-5.75	-42.8%	-0.01	-60.8%	-0.30	-38.9%
Municipal bonds	0.00	0.00	-	-	-0.19	-0.54	-0.03	-0.25	0.02	0.33
Equities	1.75	9.7%	0.05	0.2%	-2.23	-34.6%	-1.55	-26.0%	-0.12	-6.9%
Corporate bonds	6.94	194.7%	0.23	61.9%	1.39	47.5%	-1.59	-40.4%	-0.42	-12.6%
Promissory notes	-	-	-	-	-	-	0.05	36.1%	0.05	3.3%
Other securities	-	-	-	-	-1.13	-0.35	0.02	0.17	0.39	37.3%
Other assets (Incl. R and CR)	6.10	10.0%	0.72	0.9%	-7.92	-29.9%	-3.11	-30.3%	-0.39	-4.6%

Open-ended funds in April-June 2021 increased total investments in securities, due to equities and corporate bonds, and as of 30.06.2021 capital market instruments remained a key component of their assets, accounting for 67% (after 61% at the end of March). In interval funds, their weight increased much weaker, but as

before, in June 2021 it was the largest among all CII sectors - 83% of assets (after 82% in March). Government bonds (OVDPs) continued to hold the largest share in both sectors (Chart 12).

Stably high rates on government debt securities placed on the primary market in Ukraine in Q2 2021

became less attractive against the background of inflation, which increased during this period to values close to these rates. Nevertheless, OVDPs during this period remained the most popular tool for investing CII resources with public placement, in particular, open ones. However, the weight of OVDPs in the assets of the latter in April-June fell from 38.7% to 36.1% - with a decrease in government debt by 7.4% (after an increase of 77.5% in Q1). In interval CII, the OVDPs package decreased again - by 1.2% (after -1.5%), which reduced its weight in the sector's assets from 56.9% in March to 57.4% in June. In closed-end funds with public offering, the total value of OVDPs in assets decreased by almost 13%, and their weight decreased from 13.4% to 7.7%.

In June 2021, equities held a quarter of the assets of interval funds, and in open-ended CII their share increased from 18% to 20%, reflecting an increase in the total value of the package of these instruments in the funds of this sector by 8.8%.

Corporate bonds have reduced their presence in the assets of private-sector CII sectors, including venture. Instead, in all sectors of publicly available funds, both aggregate investment in these instruments and their weight in the corresponding assets increased in Q2.

Cash on current and deposit accounts of CII in banks in April-June 2021 decreased in the assets of CII as a whole by 0.8% (after + 40% in Q1), and their share decreased from almost 3% to less than 2.8%. By CII sectors, cash and deposits decreased in open-ended and closed-end publicly available funds, as well as in venture funds, in each of which the weight of the most liquid part of assets also decreased. In open-ended CII, in particular, this was probably due to a significant outflow of capital during May-June. In interval funds, where the volume of cash and deposits increased 1.5 times, in Q2, its share in assets as a whole increased from 8.5% to 13.0%.

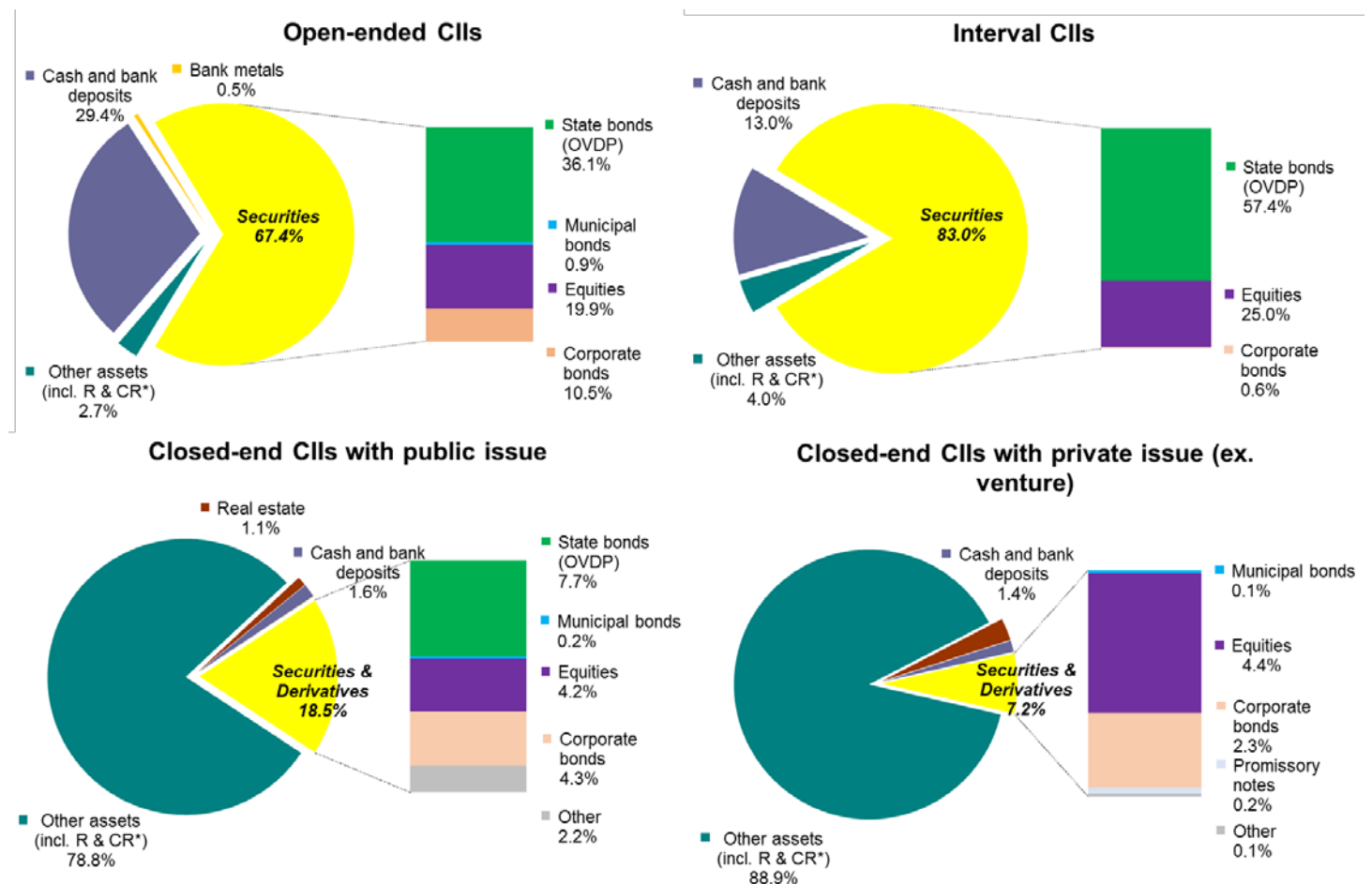


Chart 13. CII asset structure by fund types as at 30.06.2021

* R and CR – receivables and corporate rights (shares in capital other than equities).

"Other" assets⁸- the largest component of assets of venture and other closed-end funds - in the first increased in April-June 2021 by more than UAH 18 billion, or 5.0%. Finally, their weight in the assets of the sector increased insignificantly: from 85.8% to 86.0%, ie to UAH 381.5 billion (Chart 13).

The total value of real estate in venture funds in Q2 2021 increased by 16.0% and amounted to UAH 14 billion or 3.2% of the sector's assets at the end of June (from 2.8% in March).

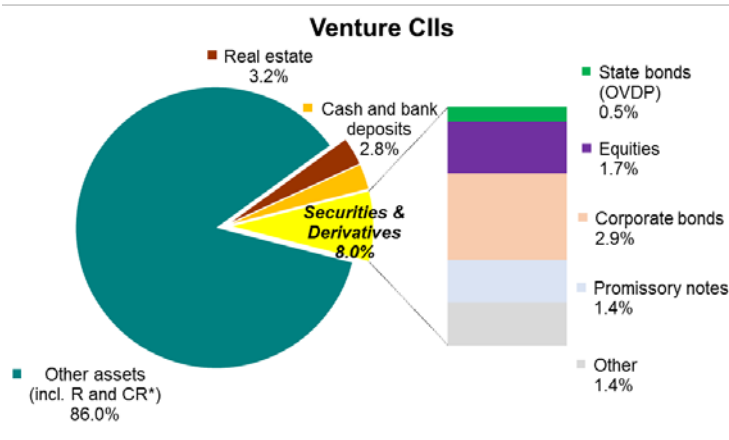


Chart 14. Structure of venture CII assets as at 30.06.2021

* R and CR - receivables (including loans) and corporate rights

The portfolio of securities and derivatives of all CII together in April-June 2021 lost 0.2% of the total value (after -0.9% in Q1) and as of 30.06.2021 was worth UAH 38,127 million (Table 7).

At the same time, consolidated corporate and government bonds (OVDPs) decreased the most (over UAH 1 billion for each type of instruments, or -7.7% and -31.7%, respectively, after + 7.9% and + 7.1% for Q1). Against the background of an increase in assets in promissory notes and derivatives (due to venture CII), this reduced the share of corporate and domestic government bonds in the consolidated CII financial portfolio from 38.5% and 10.4% in March to 35.6% and 7.1% in June, respectively.

Equities in the assets of all CII as a whole also decreased at a total value of 2.3% in Q2 (after -22.3% in Q1) - again mainly due to venture funds, while in open-ended CII the total value of equities in this period increased. The share of shares in the financial portfolio of all funds as a whole remained the second largest, but decreased from 22.8% at the end of March to 22.4% in June.

The volume of promissory notes in CII almost increased in Q2 2021 by 8.4%, and its share in the aggregate financial portfolio of funds - from 15.5% to 16.8%.

In April-June, municipal bonds increased by one third in total CII assets as a whole (after + 15.8% in Q1), and their share in the consolidated portfolio increased from 0.7% to 1.0%.

In this period, the consolidated package of other securities and derivatives in CII assets increased by another 42.4% (after + 20.4%), and their share in the financial portfolio of funds increased from 12.0% to 17.1%. Almost 98% of them were in venture CII.

Table 7. Portfolio of CII securities and derivatives, as at 30.06.2021

Security Type	Aggregate value of securities & derivatives in CII portfolio, UAH M	Share in the consolidated portfolio of securities of CII	Q2 2021 change, UAH M	Change, %
Corporate bonds	13 584.2	35.6%	-1 138.5	-7.7%
Equities	8 525.6	22.4%	-200.3	-2.3%
Promissory notes	6 422.2	16.8%	497.9	8.4%
State bonds (OVDP)	2 711.6	7.1%	-1 256.3	-31.7%
Municipal bond	369.0	1.0%	92.9	33.6%
Derivatives	6 514.8	17.1%	1 940.2	42.4%
Total	38 127.4	100.0%	-64.1	-0.2%

⁸ "Other" assets include corporate rights, expressed in forms other than securities, as well as receivables, including loans to companies in which CII have a share in the capital (for venture funds).

The value of the financial portfolio of the CIIs, except for venture ones, decreased by 0.4% in April-June 2021 (after + 13.4% in Q1). This was mainly due to a reduction in OVDPs and equities in closed-end and interval funds. At the end of June, this portfolio was worth UAH 2,624 million (Table 8).

Equities held the lead and almost did not lose weight: 41.5% in June after 41.7% in March, against the background of a sharp decline in investment in government and municipal bonds

The total value of CII investments, except for ventures, in OVDPs decreased by 11.4% in Q2 2021 (after + 7.4% in Q1) and at the end of June their share in the consolidated financial portfolio of these CII decreased from 26.5% to 23.6%. Thus, they lost to corporate bonds, whose package in these funds grew by 9.7% (after + 14.8%), and the weight in the portfolio of securities and derivatives of non-venture CII - from 24.2% in March to 26.6% in June.

Table 8. Portfolio of securities and derivatives of CII, excluding venture ones, as at 30.06.2021

Security Type	Aggregate value of securities & derivatives in CII portfolio, UAH M	Share in the consolidated portfolio of securities of CII	Q2 2021 change, UAH M	Change, %
Equities	1 087.9	41.5%	-10.3	-0.9%
Corporate bonds	699.0	26.6%	61.8	9.7%
State bonds (OVDP)	619.7	23.6%	-80.0	-11.4%
Municipal bond	26.5	1.0%	-4.5	-14.5%
Promissory notes	33.0	1.3%	14.7	80.9%
Derivatives	157.9	6.0%	6.6	4.4%
Total	2 623.9	100.0%	-11.6	-0.4%

Diversified CIIs increased the total value of their consolidated portfolio of financial instruments by 4.7% in Q2 2021 (after + 0.5% in the previous quarter). As of the end of June, this portfolio was worth UAH 71 million (Table 9).

Investments in OVDPs (+ 17.5%, after + 3.4%) and in corporate bonds (+ 436.8%, after -81.8%) contributed to the growth. Accordingly, they increased their shares in

the portfolio of these funds from 35.5% to 39.9% and from 0.6: to 3.1%.

Equities lost weight here - from 63.6% to 56.8%, decreasing in total value in assets of diversified CII by 6.5% in Q2 (after + 3.2% in Q1).

Municipal bonds (-1.1%, after + 6.7%) almost did not change the weight in the portfolio: 0.2%.

Table 9. Portfolio of securities and derivatives of diversified CII as at 30.06.2021

Security Type	Aggregate value of securities & derivatives in CII portfolio, UAH M	Share in the consolidated portfolio of securities of CII	Q2 2021 change, UAH M	Change, %
Equities	40.3	56.8%	-2.8	-6.5%
State bonds (OVDP)	28.3	39.9%	4.2	17.5%
Corporate bonds	2.2	3.1%	1.8	436.8%
Municipal bond	0.2	0.2%	0.0	-1.1%
Total	71.0	100.0%	3.2	4.7%

2.7. Rates of Return: CIIs and Other Areas of Investment

In the conditions of volatile, albeit mostly upward dynamics of markets in Q2 2021, the return on investment in six of the eight CII sectors decreased, but in half of them it remained positive. At the same time, two CII sectors that improved their results, in particular equity funds, also managed to outperform the main domestic stock indicator, the Ukrainian stock index UX, which grew by 4.6%. Significant variability of results in different sectors of CII was due, in particular, to a significantly wider range of securities in which funds invested (114 issues of equities and 415 issues of all securities in CII, except venture).

The leaders in terms of profitability for Q2 2021 among all major areas of investment for retail investors were closed-end CII with public offer, which showed an average of + 8.8% for the quarter (after + 2.5% in the previous one⁹, Chart 14). The range of indicators of various funds in the sector has significantly expanded: from - 32.4% to + 154.6%. Of the 30 CII, investment growth was again provided by more than half of the funds - 18 (60%, after 52% in Q1). Five of these funds were more profitable during this period than the UX index, 6 - than residential real estate, 8 - than the PFTS index and bank deposits in gold, 10 - at least offset inflation and were more profitable than hryvnia deposits, 23-25 - brought more income or less losses than bank deposits in US dollars and euros, respectively.

In April-June 2021, residential real estate in Ukraine rose by 3.6% in hryvnia terms (after + 6.1% in the previous quarter).

Bank term annual deposits in hryvnia this quarter provided the same level of income as in the previous - + 2.1%, while rates fell from 12% per annum in June 2020 to 9.5% in June 2021, previously falling even lower in December-March. Deposits in foreign currency in Q2 2021 were again unprofitable in hryvnia terms, in the face of the revaluation of the national currency and the subsequent reduction of rates on these deposits. Thus, deposits in US dollars yielded -2.1% (after -0.8% in Q1), in euros - -1.3% (after -5.2%). Bank deposits in gold in April-June 2021 returned to positive quarterly yield: + 2.7% (after -11.0%

in Q1). This was due to a more than 10% increase in the price of gold in April-May amid growing uncertainty about the pace of global economic recovery amid the ongoing Corona-crisis, after which it fell by more than 7% in June.

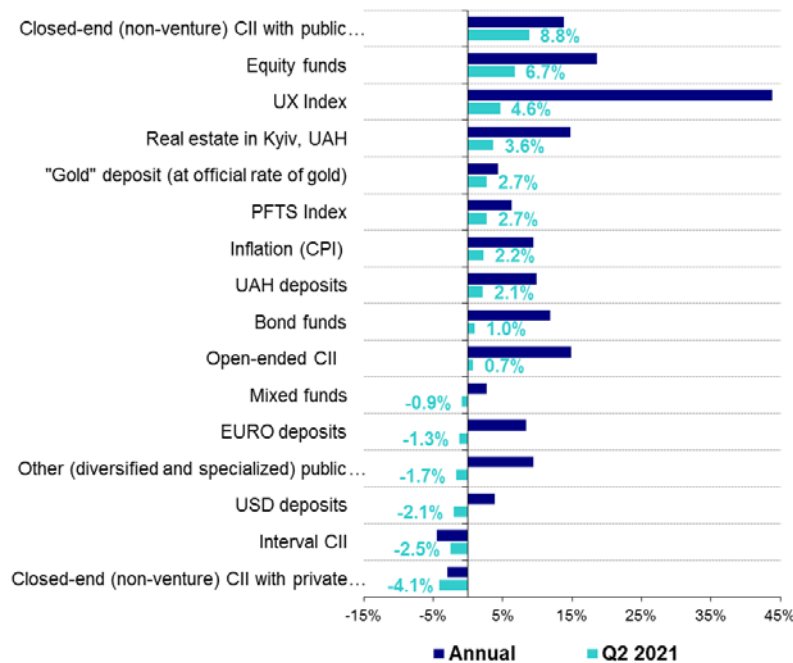


Chart 15. Rates of return – CIIs, deposits, equity indexes and inflation rates in Q2 2021 and over the past year¹⁰

Open CII, which were the leaders of the previous quarter in terms of return among CII by types of funds and methods of placement, in Q2 2021 provided an average of + 0.7% (after + 3.7%). The range of indicators of individual funds of this type decreased compared to the previous quarter: from -7.7% to + 6.7%. Of the 16 funds in Sector 10, they increased the value of their certificates in Q2 (63%, after 88% in Q1). Three open-ended funds brought their investors income greater than the growth of stock indices and than the annual "gold" deposit, four funds - more than offset losses from inflation, five returned more than hryvnia deposits, 13 returned more or lost less than annual bank deposits in Euro, and all but one - than USD deposits.

⁹ In order to adequately compare rates of return of different types of investment (types of assets), it is necessary to consider liquidity of CII, in particular, open-ended ones, which allow to exit investments on any working day without loss of profitability, as opposed to fixed-term bank deposits, which mainly involve the conversion of interest income at early repayment of deposits at current accounts (close to zero). At the same time, the calculated profitability of the CII does not take into account the possible commissions and other expenses when entering / leaving the funds. It also does not include taxation of investment income when leaving the fund and taxation of interest on deposits.

¹⁰ Euro bank deposits rate corrected. CIIs' rates of return are calculated based on the reporting data for Q1 2020 for 16 open-ended, 15 interval, 62 closed-end CII (including 29 funds with public issue and 33 funds with private issue), and according to the reporting data for previous periods. Inflation is calculated based on data of the State Statistics Service of Ukraine (before the previous month). Rates of return for real estate in USA dollars is calculated as the average of data on value of residential real estate in Kyiv from portals: <http://www.domik.net>, <http://100realty.ua>, <http://realt.ua>; in hryvnia - according to the portal: <http://100realty.ua>.



Interval CII in this period had one of the lowest average results: -2.5% (after + 2.4% in Q1), and most of these CII experienced a decrease in the cost of their certificates. However, one of them outperformed stock indices in terms of profitability, more than offset inflation losses and was more profitable than all types of annual bank deposits, 5 interval funds returned more or lost less than deposits in Euro, while 8 funds – than deposits in USD during this period.

Closed-end CII with private placement in Q2 2021 also worsened its average return: -4.1% (after + 2.6% in Q1). However, 9 of the 34 such funds had an increase in the value of certificates or equities.

In April-June 2021, the equity fund had the highest income among diversified and specialized funds with public issue by asset classes: + 6.7% (after + 1.3% in Q1), ahead of the Ukrainian stock index by more than 2%.

Next on the quarterly income were the leaders of Q1 bond funds, which in Q2 had an average of + 1.0% (after + 3.8%). The popularity of these funds has declined somewhat amid rising inflation and rising rates. However,

both funds in this class increased the value of their certificates and were more profitable than foreign currency deposits, which they were also ahead of in terms of liquidity, as they are open-ended CII.

Mixed funds in Q2 2021 had an average return of - 0.9% (after + 2.6% in Q1). However, in this class the results of some 26 funds varied significantly: three of them provided income greater than the growth of stock indices and than the annual "gold" deposit, four funds - more than offset losses from inflation, five - were more profitable than deposits in hryvnia.

In the first half of 2021, closed-end CII with public offering (+ 11.5%) and equity funds (+ 8.1%) were the most profitable, while closed-end CII with private placement (- 1.6%) had the lowest results.

At the end of June 2021, equity funds (+ 18.5%, after + 5.6% at the end of March) and open-ended CII (+ 12.4%, after + 12.4%) were the most profitable. The lowest average result for the last 12 months was again shown by interval CII (-4.5%, after -3.5%).

3. Summary

In April-June 2021, the asset management industry of CII in Ukraine accelerated the growth in the volume of assets under management, which was also facilitated by a steady increase in the number of funds.

The key trends of the asset management industry in Ukraine in Q2 2021 were:

- Further increase in the number of AMCs;
- Almost constant increase in the number of registered CII and the number of formed CII - almost only due to venture funds;
- Further acceleration of quarterly and annual growth of the total value of assets and NAV of all CII as a whole, while:
 - NAV of open-ended CII decreased in the quarter, but increased by one and a half times in six months - due to significant capital movements from / to funds;
 - Increasing the number of investors in CII - both by taking into account previously unregistered residents in interval funds, and additional sales to new investors in all sectors of CII;
 - Reduction of total investments of legal entities-residents of Ukraine in CII and their share in the total NAV of funds; further increase of investments by local

individual investors and non-residents - mainly in favor of venture and other closed-end funds;

- Further decrease in the total value and share of securities and derivatives in the assets of CII, in particular all sectors of closed-end funds, and in open-ended CII, in contrast to Q1 - their increase;
- Decrease in quarterly profitability in $\frac{3}{4}$ CII sectors by types of funds and asset classes, but preservation of positive indicators - in half of them.

The dynamics of the Ukrainian stock market was quite volatile during this period and, although the upward trend continued, along with higher inflation and almost unchanged yields on government bonds, this negatively affected the yields of most CII sectors that invest a significant share of their assets in securities. However, this did not hinder the steady growth of investments in private equity funds operating mainly outside organized markets.

As of the end of June 2021, the total value of available CII investments in the capital of Ukrainian companies in various sectors of the economy, including loans to them or their equities, bonds and promissory notes, amounted to about UAH 430 billion. In addition,



CII were creditors of the Government of Ukraine and local councils for a total of over UAH 3 billion, banks - for almost UAH 13 billion.

See additional and statistical information on the UAIB website:

- [The Ukrainian Fund Market in Figures](#)