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1. Asset Management Industry. General Overview

Number of Market Participants

Asset Management Companies (AMCs)

In Q3, according to UAIB, the number of asset management companies increased to 300. During this period, 5 companies were established and two withdrew from the market.

At the end of June, 281 AMCs managed from one to 54 funds, and 98.6% of all such AMCs managed at least one venture CII.

Collective Investment Institutions (CII)

In July-September, 66 new CII (mostly venture) were registered. Considering the closed funds, as of 30.09.2020 the total number of registered CII increased by 2023, by 2.6% for Q3.

The number of CII that reached the minimum assets ratio (formed, "established" funds) grew in the 12th consecutive quarter and reached 1443 (+ 3.3% in Q3 2020).

Non-State Pension Funds (NPFs)

As of September 30, 2020, there were 60 NPFs under management (excluding the NBU corporate fund), including 48 open-end, 6 corporate and 6 professional funds. A total of 34 AMCs managed NPF assets.

Insurance Companies (IC)

The number of insurance companies that transferred their assets to AMC management did not change in Q3, as well as the number of AMCs that provided the following services: as of September 30, 2020, one such company managed the assets of two insurance companies.

Assets under Management and NAV

All Institutional Investors

In July-September 2020, total total assets under AMC management accelerated quarterly growth to 6.1%, annual growth to 14.3%, and at the end of September crossed UAH 400 billion (UAH 400.177 million) for the first time.

Collective Investment Institutions (CII)

The total assets of all CII under management, including those that have not yet reached the standard, also grew by 6.1% in Q3 2020, and by 12.7% in September - to UAH 398.116 million.

Assets of current CII, which reached the minimum asset ratio ("established" CII), accelerated to 6.3% in Q3, and year on year to 16.0% in September. As of September 30, 2020, they reached UAH 394.410 million. Growth was recorded in open-ended, interval and venture funds.

The value of net assets of CII ("established") as of 30.09.2020 reached UAH 309.633 million. In Q3, its growth accelerated to 6.9%, and in September - to 17.2%.

Non-State Pension Funds (NPFs)

In July-September 2020, NPF assets managed by AMC slowed down quarterly growth to 5.9%, although they accelerated to 23.4% year on year. As of the end of September, they amounted to UAH 1.913 million.

Insurance Companies (IC)

The assets of the IC under the management of AMC also significantly slowed down growth in Q3 2020 - to 3.0%, and for the last year - to 66%. As of 30.09.2020, the volume of insurers' assets under management amounted to UAH 162 million.

2. IC Asset Management Market Results

In Q3 2020, the assets of insurance companies (ICs) managed by AMC slowed down to 3.0% (from 19.9% in Q2).

In the first 9 months of the year, these assets added 67.6%, while the growth for the last year in September slowed down to 65.7% (from 69.5% in June). The number

of insurance companies and AMCs involved in the management of these assets remained constant: two insurance companies and one AMC (Chart 1, Table 1).

As of September 30, 2020, the **assets of the IC under the management of AMC** amounted to **UAH 162 million**.

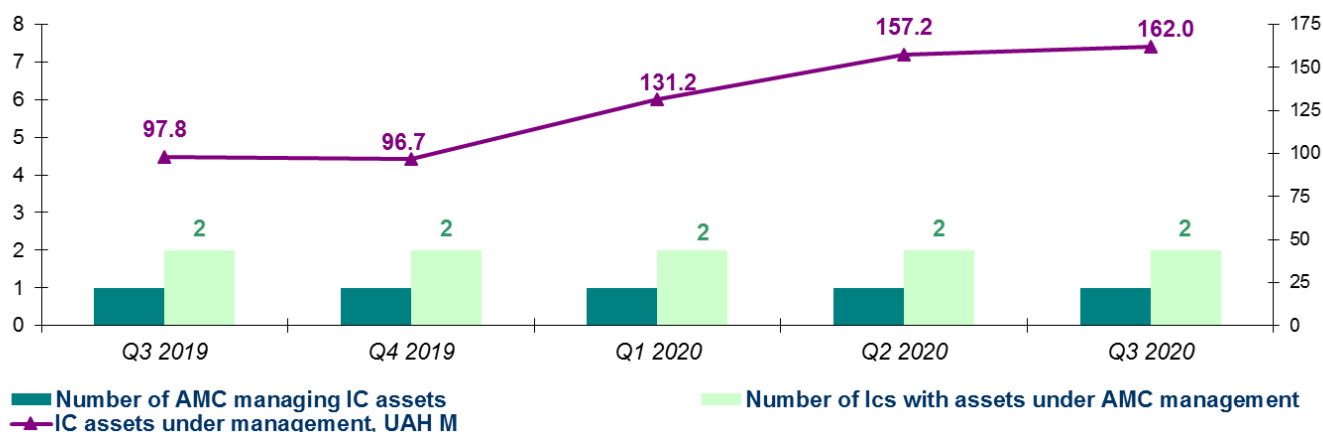


Chart 1. Dynamics of IC asset management in Q3 2019-2020

Table 1. Assets of insurance companies under AMC management in Q3 2019-2020

Period	Number of AMC managing IC assets	Number of ICs with assets under AMC management	IC assets under management, UAH M	Change of IC assets under management		
				quarterly	YTD	annual
Q3 2019	1	2	97.8	5.4%	22.4%	-13.2%
Q4 2019	1	2	96.7	-1.1%	21.1%	21.1%
Q1 2020	1	2	131.2	35.7%	35.7%	46.0%
Q2 2020	1	2	157.2	19.9%	62.7%	69.5%
Q3 2020	1	2	162.0	3.0%	67.6%	65.7%

In the structure of the IC's assets under management¹ in September 2020, as before, almost 100% were securities, namely government bonds (OVDPs).

In Q3, OVDPs rates generally declined slightly, but this did not affect the attractiveness of these instruments for asset management insurance companies. Against the background of mostly negative dynamics of stock indices

in July-September (from + 0.2% to -4.0% according to PFTS and UX indices) and increased uncertainty about the near future growth prospects in the global coronavirus crisis, equities remained out of the AMC managing insurance assets.

The increase in the amount of cash in the consolidated assets of the IC under AMC management in Q3 by 39% increased their weight in these assets from 0.02% in June to 0.03% in September (Chart 2).

¹ According to the data provided by the AMC in addition to the mandatory reporting.

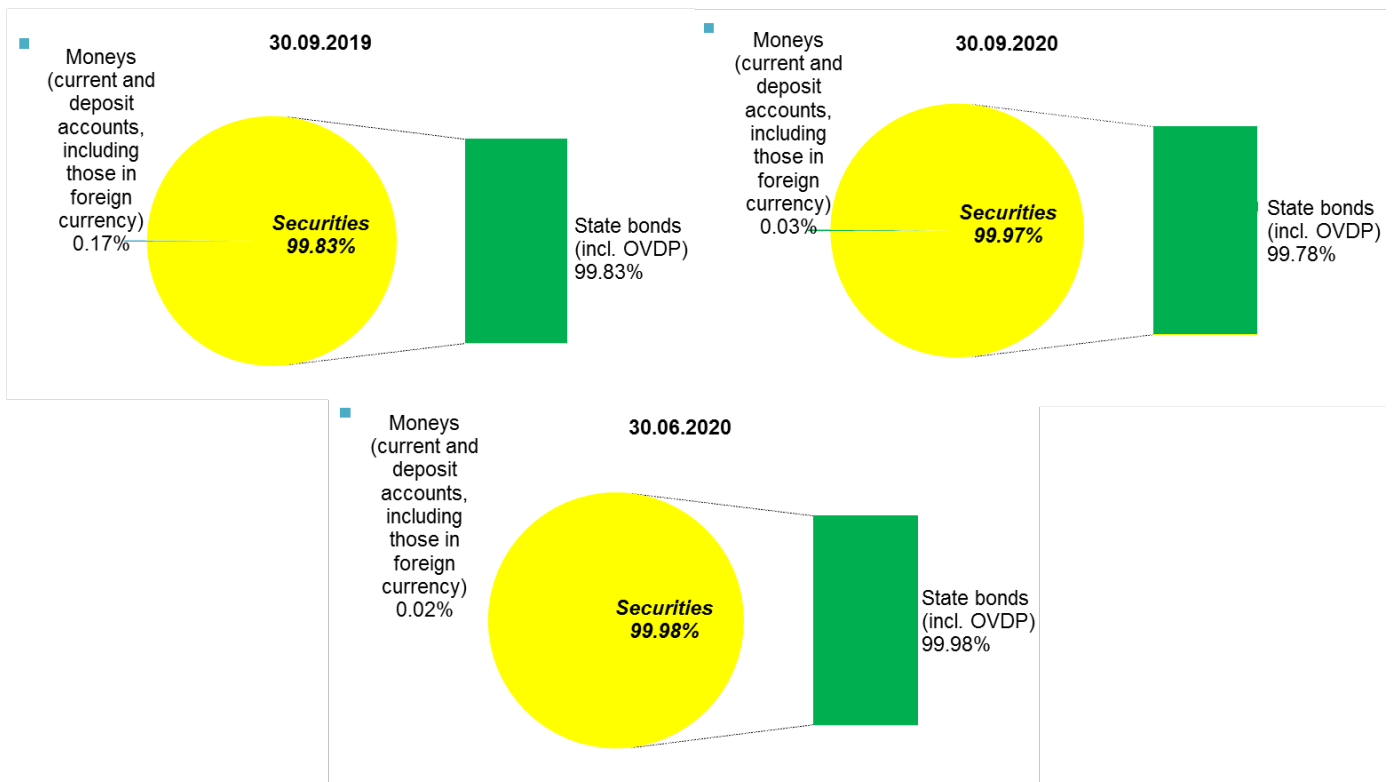


Chart 2. Dynamics of the structure of IC assets under AMC management in Q3 2020 and over the past year

See additional and statistical information on the UAIB website:

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