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## **1. Institutional Investor Asset Management & Pension Fund Administration Industries. General Overview**

### **Number of Market Participants**

#### **Asset Management Companies (AMCs)**

In Q1 2021, the total number of asset management companies increased by three to 306.

During January-March, 8 new AMCs were created, 5 - ceased operations.

278 AMCs managed from one to 62 funds, and almost 99% of such AMCs managed at least one venture CII.

#### **Administrators of private pension funds (ANPFs)**

The number of ANPFs in Q1 2021 did not change: 19. Among them were 6 companies that carried out exclusively the activities of NPF administration, the rest - combined it with asset management.

#### **Collective Investment Institutions (CIIs)**

In Q1 2021, 66 new CII were registered, and 61 funds reached the standards.

The total number of CII that reached the minimum assets (formed) ratio grew in the 14th consecutive quarter and amounted to 1,523 (+ 3.0% in Q1) at the end of March.

#### **Non-State Pension Funds (NPFs)**

The number of NPFs under management as of March 31, 2021 was 57 (excluding the NBU corporate fund), including 47 open, 4 corporate and 6 professional. A total of 34 AMCs managed NPF assets.

#### **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 Q1 2021: as of March 31, 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 increased by 5.8% in Q1 and as of March 31, 2021 reached UAH 449,426 million. Over the last 12 months, they accelerated growth to 25.2%.

#### **Collective Investment Institutions (CIIs)**

The total assets of all CII under management, including those that have not yet reached the standard, also grew by 5.8% in Q1 2021, and by 22.5% in the last year. As of March 31, 2021, they amounted to UAH 447,262 million.

As of March 31, 2021, the assets of current CII, which reached the minimum assets ratio (formed), reached UAH 441,172 million. In Q1 they grew by 6.5%, and in the year - by 23.6%. At the same time, the assets of venture CII added 6.2% and amounted to UAH 423,795 million at the end of March. However, in January-March 2021, the assets of open-ended CII accelerated their growth to + 57.8% and as of March 31, 2021 amounted to over UAH 176 million.

The total net flow of capital in open-ended CII in Q1 2021 was positive for the fifth time in a row and reached an unprecedented UAH 60.5 million. The annual net inflow into the sector was also the highest in its history: UAH +75.0 million.

The value of net assets of all formed CII as of March 31, 2021 reached UAH 339,946 million. In Q1 it grew by 5.6%, and for the year - by 23.9%.

#### **Non-State Pension Funds (NPFs)**

In January-March 2021, NPF assets under AMC management grew to 3.7%, and for the year - by 20.7%. As of March 31, 2021, they reached UAH 1,996 million.

#### **Insurance Companies (ICs)**

AMC's assets under AMC management decreased by 1.5% in Q1 2021, but increased by 28.2%.

## 2. IC Asset Management Market Results

Assets of insurance companies (IC) in AMC management in Q1 2021 decreased by 1.5% (after + 5.4% in Q4 2020), but at the end of March they remained higher than the average for the last 12 months - UAH 168.1 million (Chart 1, Table 1). The growth of these assets for the year

in March 2021 slowed down to + 28.2% (from + 76.6% in December 2020).

The number and composition of participants in this sector of the asset management industry did not change during this period: as of March 31, 2021, one AMC managed the assets of two insurance companies.

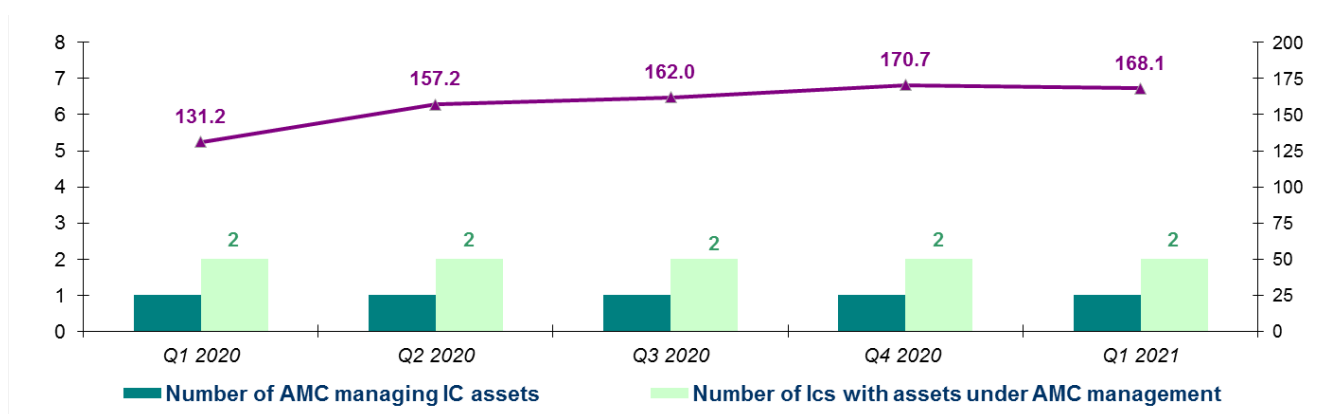


Chart 1. Dynamics of IC asset management in Q1 2020-2021

Table 1. Assets of insurance companies under AMC management in Q1 2020-2021

| 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 |
| 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%  |
| Q4 2020 | 1                                | 2  | 170.7                             | 5.4%                                 | 76.6% | 76.6%  |
| Q1 2021 | 1                                | 2  | 168.1                             | -1.5%                                | 28.2% | 28.2%  |

In the structure of the IC's assets under management<sup>1</sup> in March 2021, 99.74% were securities (after 99.88% at the beginning of the year). In Q1, this portfolio included not only government bonds (OVDPs, 98.2%), but also a small amount of corporate bonds - UAH 2.6 million (1.56%).

Some decrease in the weight of securities in the consolidated assets of the IC under management in January-March was due to a 3.2% decrease in investments in government bonds during this period, as well as a slight increase in other components of assets. In

general, OVDPs remained the most attractive tool for investing the assets of insurance companies in AMC management while maintaining higher interest rates on them (+ 1-2 percent of the pre-crisis level for annual and longer securities).

The amount of cash on bank, including term deposit, accounts of the IC managed by AMC in Q1 2021 decreased almost twice, and their share in the consolidated portfolio of these assets - from 0.12% to 0.07%, while "other" assets at the end of March amounted to 0.18%. (Chart 2).

<sup>1</sup> According to the data provided by the AMC in addition.

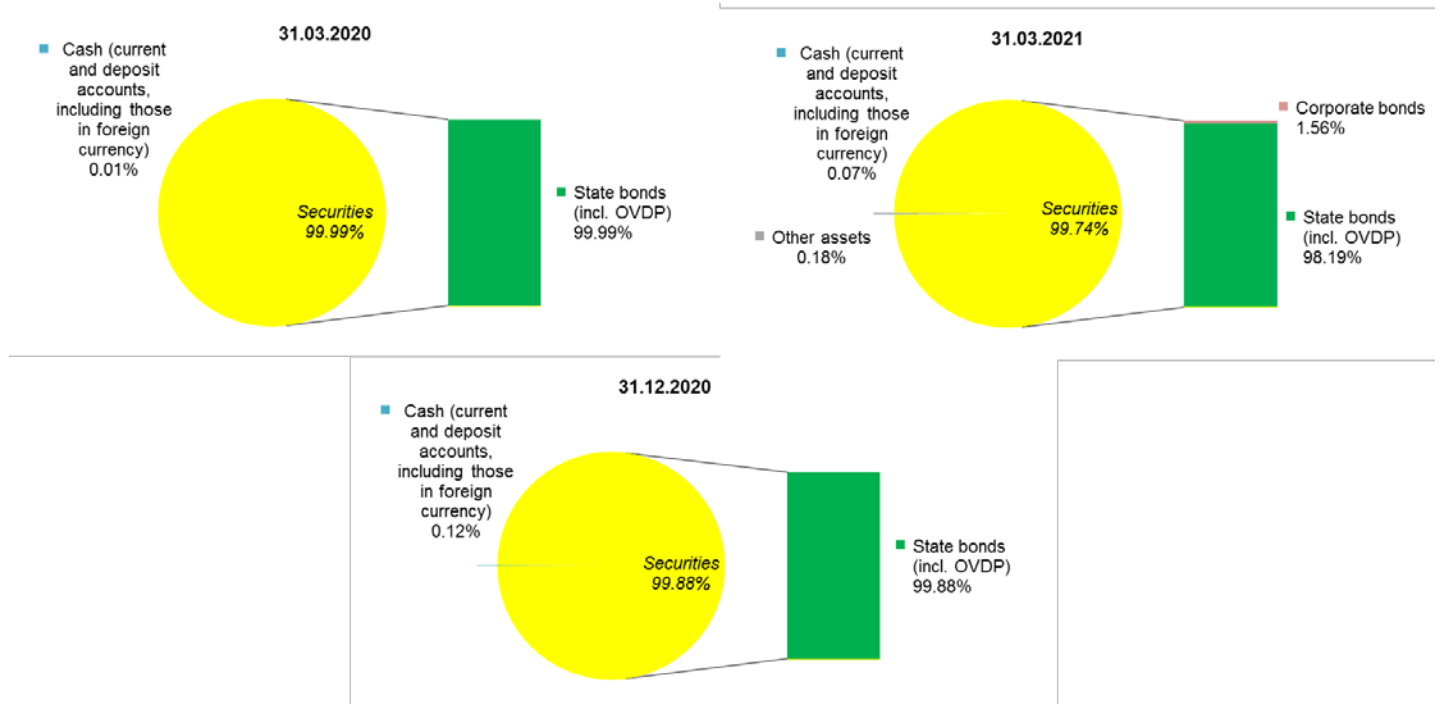


Chart 2. Dynamics of the structure of IC assets under AMC management in Q1 2021 and over the past year

See additional and statistical information on the UAIB website:

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