



## **Contents**

<i>1. Institutional Investor Asset Management &amp; Pension Fund Administration Industries.</i>	
<i>General Overview</i>	<i>2</i>
<i>2. NPF Asset Management Market Results</i>	<i>3</i>
<i>2.1. Number of NPFs and AMCs managing their assets</i>	<i>3</i>
<i>2.2. NPF assets managed by AMC and total assets of pension funds</i>	<i>3</i>
<i>3. NPF administration activity results</i>	<i>4</i>
<i>3.1. Number of participants, depositors, pension contracts</i>	<i>4</i>
<i>3.2. Pension contributions &amp; payments</i>	<i>5</i>
<i>3.3. Structure of NPF assets</i>	<i>7</i>



## **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. NPF Asset Management Market Results

### 2.1. Number of NPFs and AMCs managing their assets

The non-state pension fund asset management industry continued to grow in Q1 2021, in terms of the value of fund assets. The number of professional market participants decreased insignificantly: according to UAIB as of March 31, 2021, there were 34 companies that managed NPF assets, of which 31 AMCs managed the assets of 47

open NPFs, 4 - assets of 4 corporate NPFs and 6 - assets of 6 professional NPFs. In total, at the end of March 2021, there were 57 pension funds under management<sup>1</sup> (Table 1).

Thus, open NPFs accounted for more than 82% of the total number of pension funds managed.

Table 1. Number of NPFs under AMC management by fund types in Q1 2021

NPF Type	31.03.2020	31.12.2020	31.03.2021	Q1 2021 change	Annual change
Open	48	47	47	0.0%	-2.1%
Corporate	6	6	4	-33.3%	-33.3%
Professional	6	6	6	0.0%	0.0%
<b>Total</b>	<b>60</b>	<b>59</b>	<b>57</b>	<b>-3.4%</b>	<b>-5.0%</b>

\* Excluding NBU CNPF.

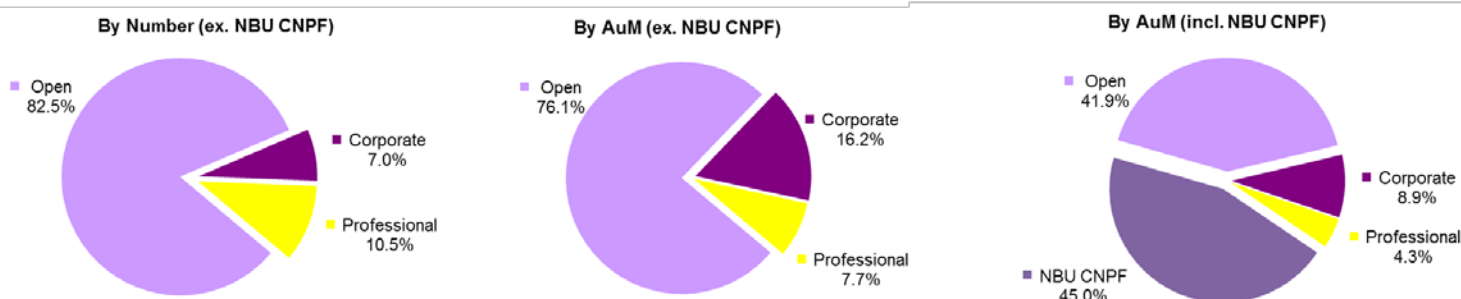


Chart 1. Breakdown of number of NPFs and their assets under AMC management by fund types as at 31.03.2021

### 2.2. NPF assets managed by AMC and total assets of pension funds

The total assets of all NPFs, including the NBU NPF, according to UAIB and the corporate fund of the National Bank, increased to UAH 3,628 million, ie in Q1 2021 they increased by 2.8% (after + 0.6% in the previous quarter, + 16.8% for the last 12 months). This was facilitated by a further increase in the number of NPF participants by 0.4% and depositors by 3.5%. In addition, the amount of investment income of NPFs grew by 2.6% in January-March. This helped to curb the negative impact on the dynamics of NPF assets, caused by 1.5 times the growth rate of payments from funds over the growth rate of contributions to them: pension payments

increased by 3.9% in Q1 2021, and contributions - by 2.6%.<sup>2</sup>

In January-March 2021, the share of the NBU's NPF in the total assets of pension funds decreased from 45.5% to 45.0% (Chart 1), as its assets grew more slowly than other NPFs in general (+ 1.7%).

Assets of non-state pension funds managed by AMC in Q1 2021, according to UAIB, increased by 3.7% (after + 0.6% in Q4 2020, + 20.7% for the last 12 months) and as of the end of March reached UAH 1,996 million (excluding the NBU). The share of open NPFs in the value

<sup>1</sup> Excluding the NBU corporate pension fund.

<sup>2</sup> According to NSSMC.

of assets under management was 76.1% (at the beginning of the year - over 75%).

In Q1 2021, the assets of open NPFs grew relatively the most: + 4.7% in January-March (after + 0.6% in October-December 2020). Over the last year, they increased by 23.2%, also the largest among the NPF sectors by type of funds. At the end of March 2021, the assets of open pension funds under management reached UAH 1,519 million. At the same time, the number of funds in this sector, for which reports were received, in March was one less than at the end of last year.

In professional pension funds, assets under management were second in the quarterly growth rate (+ 1.9% in Q1 2021, after + 1.0% in Q4 2020), and their annual growth remained the lowest among the NPF sectors - +9.9 %. The volume of these funds at the end of March amounted to UAH 154 million.

Corporate NPFs managed by AMCs (excluding NBU CPFs) grew by 0.1% in Q1 2021 (after + 0.2% in Q4 2020) and as of the end of March the assets of these NPFs remained at UAH 323 million. In March, they added 15.4%.

As of March 31, 2021, corporate NPFs remained the largest in terms of average assets under management, with the conditional average fund among them being three times higher than the average open NPF and four times higher than the professional average: UAH 107.6 million against UAH 33.7 million and UAH 25.7 million, respectively. At the end of 2020, the lowest number of operating funds of this type, for which reports were received, remained - three, as at the beginning of the year. Another fund of the 4 corporate NPFs managed by AMC had assets close to zero.

*Table 2. NPF assets under AMC management by fund types in Q1 2021 and its change over the past year*

NPF Type	31.03.2020		31.12.2020		31.03.2021		Change of NPF assets managed in Q1 2021,%	Annual change, %	Annual change, UAH M	The average value of fund as at 31.03.2021, UAH M
	Assets, UAH M	Number of NPFs reported	Assets, UAH M	Number of NPFs reported	Assets, UAH M	Number of NPFs reported				
Open	1 233.1	46	1 450.1	46	1 518.7	45	4.7%	23.2%	285.6	33.7
Corporate	279.9	4	322.6	3	322.9	3	0.1%	15.4%	43.0	107.6
Professional	140.5	6	151.5	6	154.4	6	1.9%	9.9%	13.9	25.7
<b>Total*</b>	<b>1 653.4</b>	<b>56</b>	<b>1 924.2</b>	<b>55</b>	<b>1 995.9</b>	<b>54</b>	<b>3.7%</b>	<b>20.7%</b>	<b>342.5</b>	<b>37.0</b>
NBU CNPF	1 453.1	1	1 605.8	1	1 632.3	1	1.7%	12.3%	179.2	-
<b>Total**</b>	<b>3 106.5</b>	<b>57</b>	<b>3 529.9</b>	<b>56</b>	<b>3 628.3</b>	<b>55</b>	<b>2.8%</b>	<b>16.8%</b>	<b>521.8</b>	<b>66.0</b>

\* Excluding NBU CNPF.

As at 31.03.2020 - according to the National Financial Services Commission of Ukraine, starting from 31.12.2020 - data of AMC reports on NPF under management and data of CNPF NBU.

### **3. NPF administration activity results**

#### **3.1. Number of participants, depositors, pension contracts**

In Q1 2021, 17 administrators submitted to UAIB data on 55 pension funds, which accounted for 98% of all NPFs administered by members of the Association (and 96% of all NPFs managed by UAIB members).

The number of participants in these NPFs at the end of March 2021 was 871.2 thousand people. In January-March, the number of participants in 54 funds,

for which data are also available at the beginning of the year, increased by almost 4,000 people (0.5%).

Among the participants of all the above-mentioned 55 NPFs, 57.8% were men and 42.2% were women. The largest subcategories were persons aged 25 to 50 years in each group, which together accounted for almost 55% of all NPF participants (Chart 2).

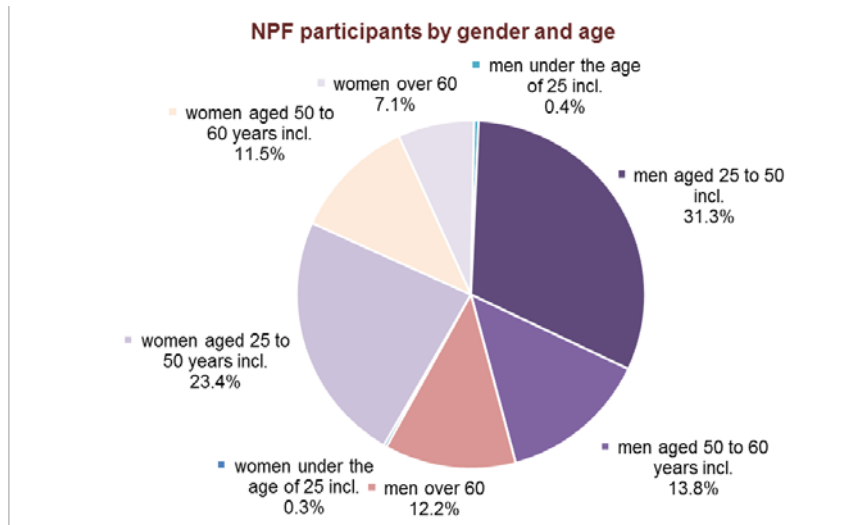


Chart 2. Number of NPF participants as at 31.03.2021

The number of NPF depositors reporting for Q1 2021 was 81.4 thousand people. In January-March, individual depositors increased by almost 3,000 people (after +3.1 thousand people in October-December 2020). In January-March, the total number of depositors in 54 funds, for which data are also available at the beginning of the year, increased by 3.1 thousand people (4.5%).

The total number of pension contracts of these funds in March 2021 reached 87.3 thousand units. As of March 31, 2021, 97.5% of depositors of 55 NPFs in the administration of UAIB members are individuals with whom 92.2% of all pension contracts were concluded, or 80.6 thousand units. (Chart 3). In 54 funds, for which data are also available at the beginning of the year, it increased in Q1 by 3.1 thousand units. (4.2%).

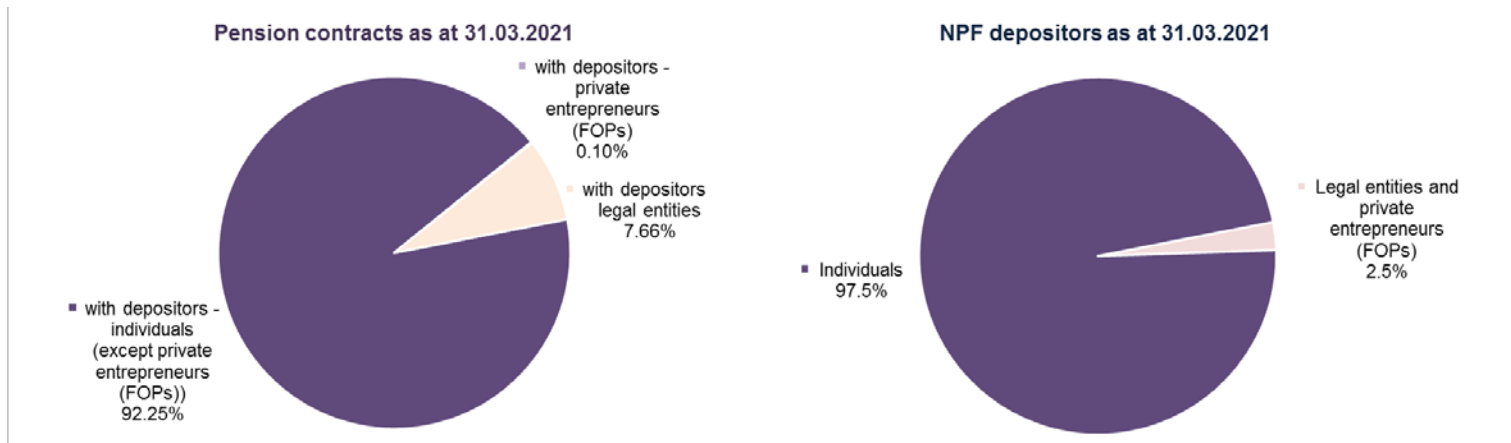


Chart 3. Number of NPF depositors and number of concluded pension contracts as at 31.03.2021

### 3.2. Pension contributions & payments

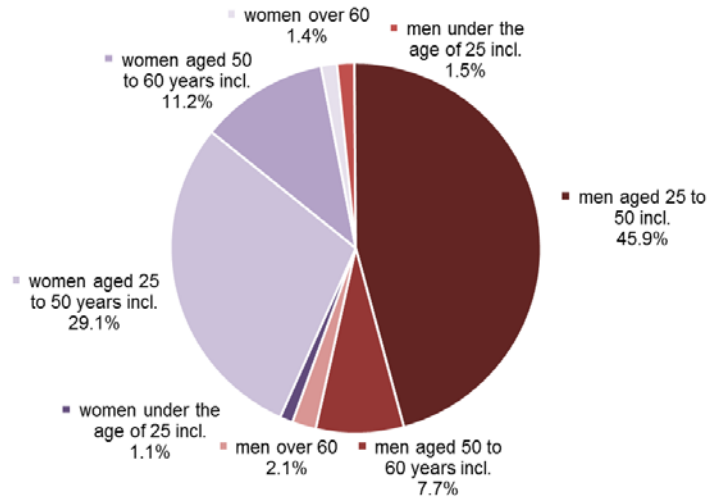
Pension contributions received by 55 reported NPFs in Q1 2021 amounted to UAH 48.2 million. Of these, 57.2% of deductions were in favor of men, 42.8% - in favor of women, and the largest two subcategories of both groups (25-50 years) provided 75% of quarterly contributions

(Chart 4). As of March 31, 2021, these funds received a total of UAH 1,435.3 million in pension contributions, of which 59.3% were from legal entities, the remaining 40.7% were paid by individuals or transferred to funds from other financial institutions.

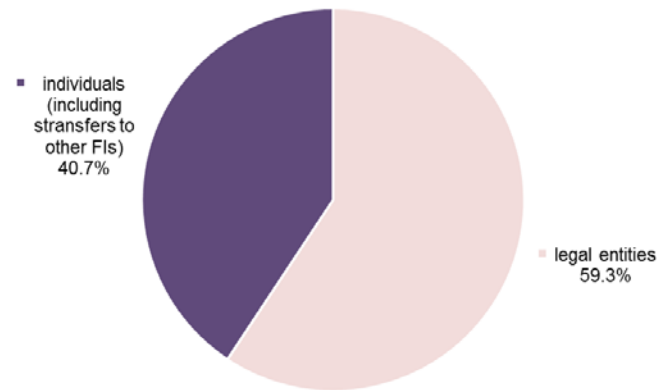
In January-March, the amount of pension contributions in 54 funds, for which data are also available

at the beginning of the year, increased by UAH 48.0 million or by 3.5%.

**Pension contributions in Q1 2021 by gender and age**



**Pension contributions as at 31.03.2021**



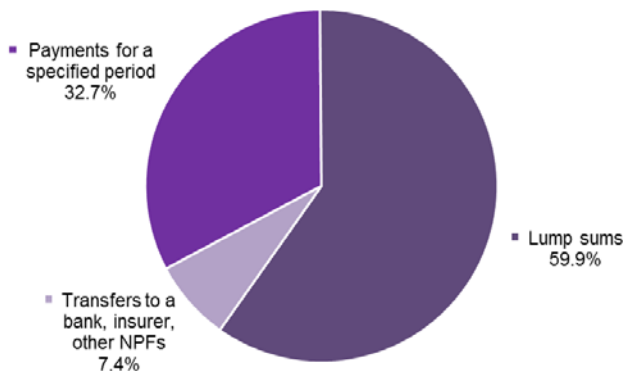
*Chart 4. Pension contributions in Q1 2021*

Pension payments from all analyzed 55 NPFs for Q1 2021 amounted to almost UAH 17 million. Of these, about 60% were one-time payments, one-third were fixed-term payments, and 7.4% were transfers to banks, insurers or other NPFs (Chart 5). As of March 31, 2021, these pension funds paid or transferred to other financial institutions UAH 513.9 million, of which almost 70%

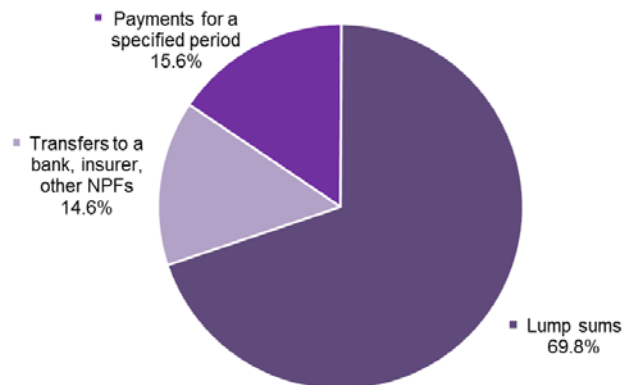
were one-time payments, 15.6% were fixed-term payments, and the remaining 14.6% were transfers to other financial institutions.

For 54 funds, for which data are also available at the beginning of the year, the amount of pension payments in January-March increased by UAH 16.9 million or 3.5%.

**Pension payments in Q1 2021**



**Pension payments as at 31.03.2021**



*Chart 5. Pension payments out of NPFs in Q1 2021*

The total amount of pension funds on the individual pension accounts of the participants, ie the net assets of 55 NPFs in the administration of the reporting UAIB members, as of March 31, 2021 amounted to UAH 2,000.8

million. The NAV of 54 funds, for which data are also available at the beginning of the year (UAH 1,966 million in March), increased by UAH 52.2 million (2.7%) in Q1 2021.



The amount of return on investment of their assets as of March 31, 2021 increased to UAH 1,079.4 million for the entire period of their activity. Investment income of 54 funds, for which data are also available at the beginning of the year (UAH 1,061 million in March), grew by UAH 21.0 million (2.0%) in Q1. Thus, more than half of the increase in NAV of these NPFs was provided by additional (net) contributions.

According to the Information on the state and development of private pension provision of Ukraine as of

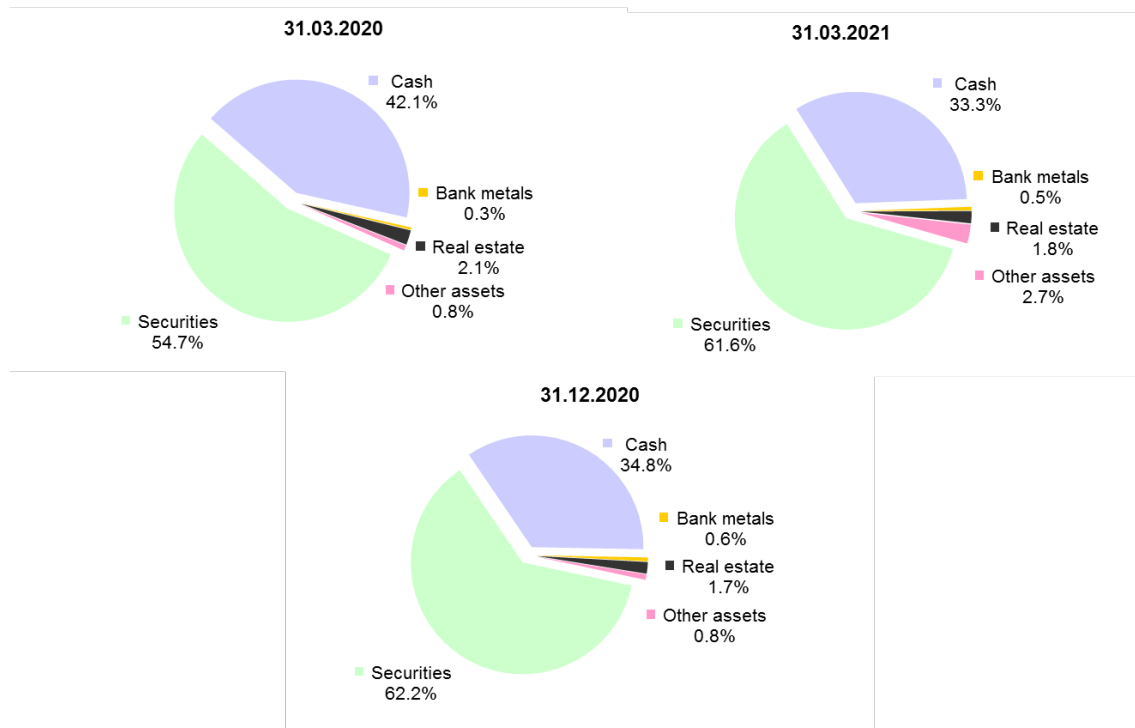
March 31, 2021, published by the NSSMC<sup>3</sup>, the weighted average change in the net asset value of pension assets for the year in March was + 11.7% (after + 11.4% as of December 31, 2020). Thus, the average yield of NPFs was slightly higher compared to residential real estate (+ 11.2%), one-year OVDPs (+ 10.7%), annual term deposits in hryvnia (+ 10.8%), in foreign currency (+ 1.4-6.3% on deposits) in US dollars and euros, respectively) and in gold (+ 5.8%), and also significantly exceeded the inflation rate (8.5%)<sup>4</sup>.

### 3.3. Structure of NPF assets

In the structure of NPF assets under AMC management, the share of securities in Q1 2021 decreased insignificantly: from 62.2% in early January to 61.6% in March (Chart 6). This was due to a relatively weaker growth in the total value of pension funds' investments in capital markets instruments compared to all assets as a whole (+ 3.4% vs. + 4.3%), against a 3.6-fold increase in "other" assets from a low base. As of the end of March, the volume of investments in stock instruments of all NPFs in the administration of ANPF - UAIB members increased by

36.7% over the last 12 months, and their share in the assets of these funds - by 7 percentage points.

Cash in bank accounts (including deposit accounts) in Q1 2021 remained the second largest component of all NPF sectors. In January-March, the volume of funds in the administration of UAIB members remained almost unchanged, although in open NPFs they increased slightly, and in professional NPFs they decreased significantly. The share of money in the assets of these NPFs decreased from 34.8% at the beginning of 2021 to 33.3% in March.



*Chart 6. Dynamics of the structure of the aggregated portfolio of NPFs (excluding the NBU CNPF) in Q1 2021 and over the past year*

3 [https://www.nssmc.gov.ua/wp-content/uploads/2021/06/npf\\_1\\_kv-2021.doc](https://www.nssmc.gov.ua/wp-content/uploads/2021/06/npf_1_kv-2021.doc)  
 4 Inflation is calculated according to the State Statistics Service of Ukraine, the profitability of real estate in hryvnia - according to the value of residential real

estate in Kyiv on the portal "Capital estate": <http://100realty.ua>; return on deposits - according to banks, yield on OVDPs - according to the NBU.

*Table 3. Structure of NPF assets under AMC management by fund types as at 31.03.2021, UAH M*

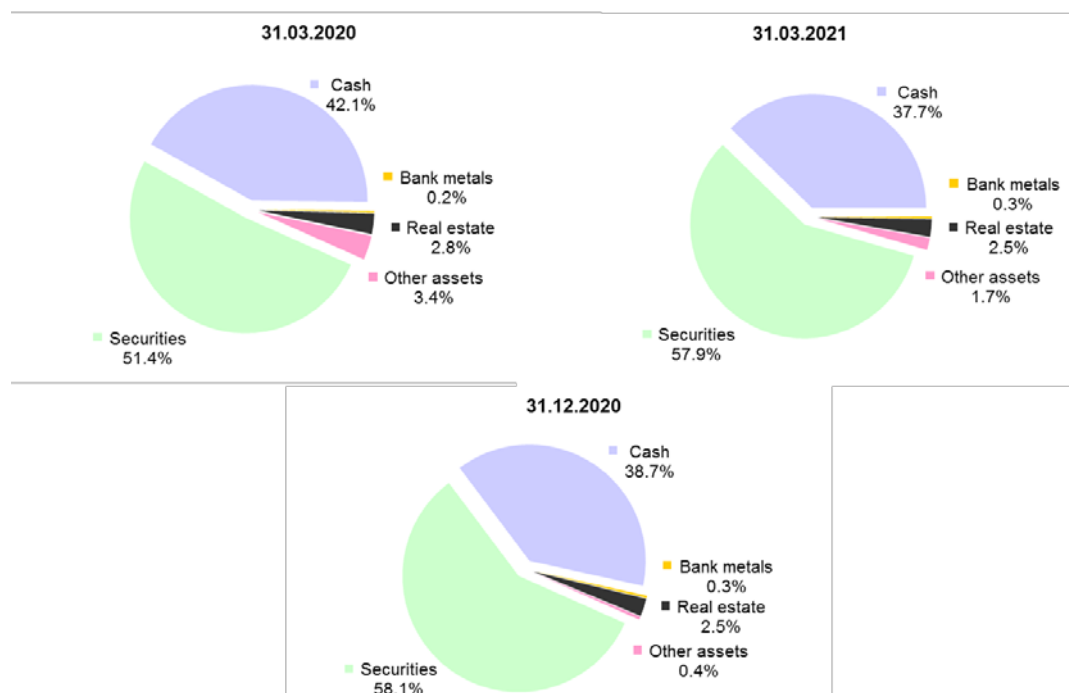
NPF type	Securities	Cash	Bank metals	Real estate	Other assets
Open	913.6	527.6	10.5	28.6	49.7
Corporate	208.3	113.9	0.0	0.0	0.7
Professional	114.9	27.8	0.0	7.0	4.6
<b>Total</b>	<b>1 236.8</b>	<b>669.3</b>	<b>10.5</b>	<b>35.6</b>	<b>55.1</b>

For the entire NPF industry, taking into account the corporate fund of the NBU, in Q1 2021 the weight of securities in assets also decreased: from 58.1% to 57.9% (Chart 7). The volume of stock assets of all NPFs as a whole increased by 2.7%, while total assets - by 3.1% - due to faster growth of assets in real estate (+ 3.8%) and in other investments and receivables (four times).

Cash in banks grew by only 0.3%, so against this background, their weight in the assets of all NPFs in January-March 2021 decreased from 38.7% to 37.7%.

Assets in bank metals decreased by 4.8%, but due to their traditionally small volume it had almost no effect on changes in the structure of NPF assets as a whole.

Over the last year, the total value of investments of all NPFs in securities as a whole increased by 31.8%, which against the background of the general growth of fund assets by 17.2% during this period increased the weight of the former by 6.5 percentage points.



*Chart 7. Dynamics of the structure of the aggregated portfolio of NPFs (including the NBU CNPF) in Q1 2021 and for the year*

As for certain investment instruments among securities, the consolidated portfolio of NPFs in the administration of UAIB members in government bonds (including OVDPs) increased by 0.7%, to over UAH 918 million as of March 31, 2021. Their share in the assets of these NPFs, respectively, remained the largest among financial instruments - 45.7% in March (after 47.3% at the beginning of 2021, Chart 8). The popularity of OVDPs as

the main tool for preserving and increasing pension funds was supported by higher government borrowing rates, amid the ongoing economic crisis, and the lowest risks compared to other instruments.

Assets in municipal bonds, as before, in March 2021 were only in NPFs in the administration of UAIB members and in Q1 they increased to 105 million UAH, but only by 1.5%, which was almost three times slower than the assets



of these pension funds as a whole, therefore the share of these instruments here decreased from 5.4% to 5.2%.

In January-March, the consolidated portfolio of corporate bonds in the assets of these NPFs grew by 15.7% to UAH 171 million, and its weight jumped from 7.7% to 8.5%.

Equities, which remained the least interesting instrument for NPFs in Q1 2021 and had a total value of only UAH 43 million in their assets, increased at the total value in the quarter by 26.6%, while the Ukrainian stock indices grew by 3.5-15.9% over this period. Their share in NPF assets in the administration of UAIB members

increased from 1.8% in early January to 2.1% in late March.

As at the end of March 2021, only open and professional NPFs had real estate in their assets, totaling almost UAH 36 million. The increase in real estate prices contributed to an increase in these assets by 10.3% as compared with the beginning of the year - due to open funds, while the total value of professional assets did not change (UAH 7 million). Finally, the share of real estate in the assets of all NPFs (except the NBU fund) increased from 1.7% at the beginning of the year to 1.8% in March, and, in particular, in open NPFs - from 1.7% to 1.9%, while in professional - decreased from 1.7% 4.6% to 4.5%.

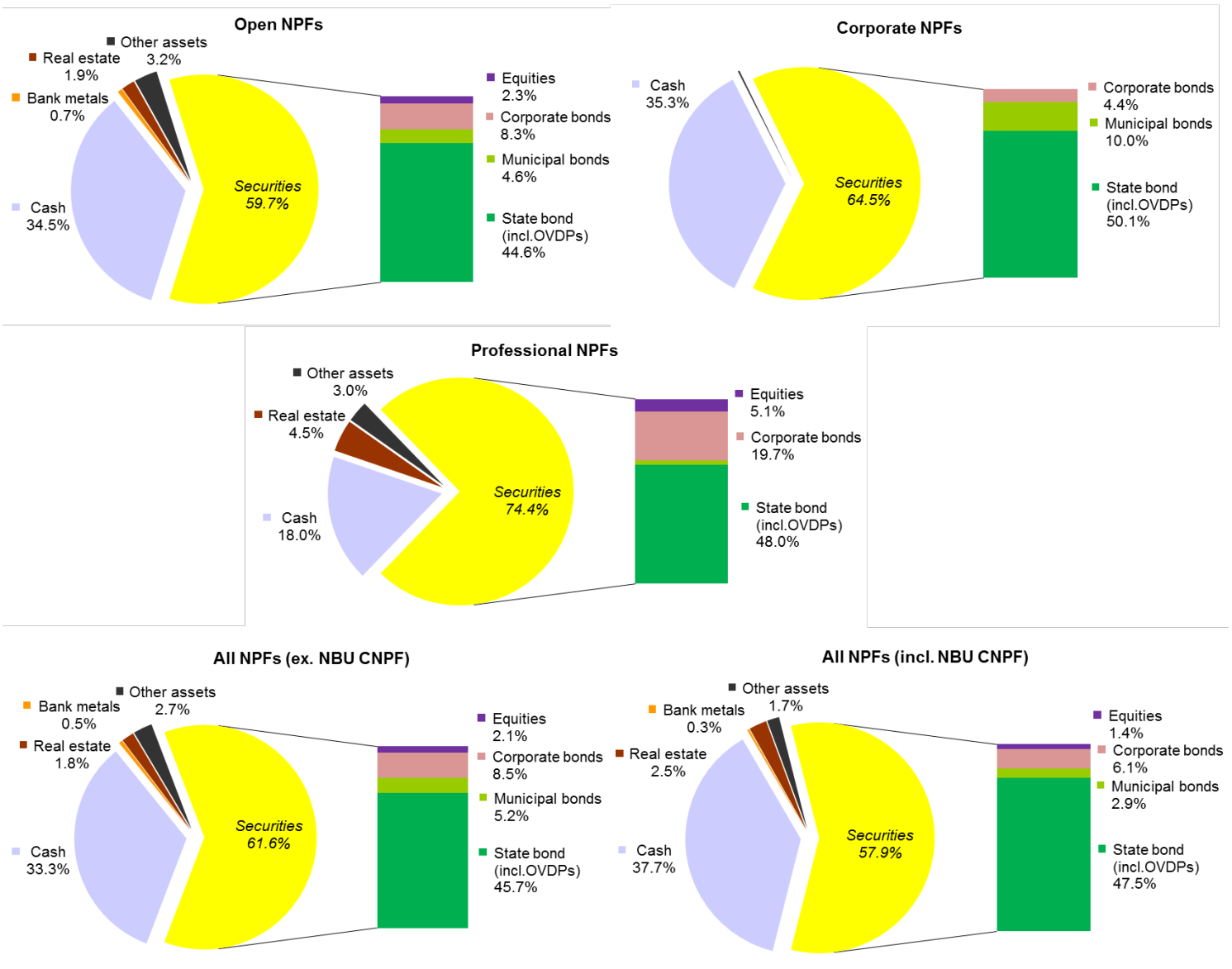


Chart 8. Structure of NPF assets by fund types as at 31.03.2021



Bank metals at the end of March 2021, were still in the assets of only open NPFs, where their total value decreased by 4.8% in Q1, amid a further decline in the price of gold in the continuation of the decline at the end of last year. However, assets in bank metals were traditionally

insignificant (UAH 10 million) and their weight changed insignificantly in January-March: from 0.8% to 0.7% in open funds and from 0.6% to 0.5% in assets of all NPFs as a whole (except for the NBU fund).

---

***See additional and statistical information on the UAIB website:***

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