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1. Asset Management Industry. General Overview

Number of market participants

Asset Management Companies (AMC)

In the 4th quarter of 2018, the number *of asset management companies* increased by 4, to **296**, that is, it returned to the level as at the beginning of the year. In October-December 5 new AMCs were created, while one was closed. The number of newly created and closed during the year AMCs equaled 12.

Collective Investment Institutions (CII)

27 new CII were registered in the 4th quarter, and 91 - for the whole year 2018. Taking into account funds, which were closed, as at 31.12.2018, the total number *of registered CII*, increased by 1.1% for the 4th quarter and by 4.8% for the year, to **1,783**.

Number of CII, which have reached norms for minimum asset value (formed ones), grew for the fifth quarter in a row - up to **1,228** (+1.6% for the 4th quarter, +5.2% for the year).

In total, at the end of 2018, 283 AMCs managed from one to 37 funds, and more than 99% of all of such AMCs managed at least one venture fund.

Non-State Pension Funds (NPFs)

Number *of NPFs under management* as at 31.12.2018 remained at the level of **58** (excluding the NBU corporate fund), including 45 open, 7 corporate and 6 professional ones. In total, there were 34 AMCs managing NPF assets.

Insurance Companies (IC)

Number of IC that had transferred their assets under AMC management in December of 2018 decreased to **2** – along with the termination of activity on managing of IC assets by one of AMC among two companies that provided such services. So as at 31.12.2018, only one AMC had assets of insurance companies under its management.

Assets under Management and NAV

All Institutional Investors

Total assets under AMC management increased by 4.7% for the 4th quarter and as at December 31, 2018 amounted to **UAH 314,820.9 M**. Annual growth for the whole year 2018 was **18.7%**.

Collective Investment Institutions (CII)

Total assets of all CIIs under management, including those that have not yet reached the norms, increased by more than 4.7% in the 4th quarter, and for the whole year by 18.8%, to **UAH 313,327.2 M**.

Assets of operating CII that have reached the norm for minimal asset value ("recognized" CII) grew by 1.1% in the fourth quarter, and for the full year 2018 - by 7.7% (after +14.5% in 2017) and as at 31.12.2018 amounted to **UAH 296.8 bln**. Growth slowed down due to some decrease of number of closed-end funds with private and public placement and in conditions of closing of a number of funds in the sector of venture CII, despite general increase of the number of these funds.

Net asset value of formed CII ("recognized" ones) in the 4th quarter of 2018 increased by 1.4%, and for 2018 - by 5.7% (after +18.5% in 2017). As at December 31, 2018 it has reached **UAH 235,833.2 M**.

Non-State Pension Funds (NPFs)

NPF assets under AMC management increased in the 4th quarter of 2018 by 2.6% and for the year - by 14.3% (after +15.2% in 2017). As at 31.12.2018, they reached **UAH 1,364.1 M**.

Insurance Companies (IC)

ICs' assets under AMC management decreased by 28.9% for the 4th quarter of 2018 and by 35.2% for the year (after +127.5% in 2017). As at 31.12.2018, these assets amounted to **UAH 80.0 M**.

2. Performance of IC Asset Management Market

In the 4th quarter of 2018, the assets of insurance companies (IC) under AMC management for the second time in the year decreased, together with **the reduction of the number of ICs with assets under AMC management from 3 to 2** and along with termination of asset management activity by one of two AMC that provided such services (Chart 1).

Thus, as at 31.12.2018, only **one AMC** managed assets of insurance companies.

Assets of IC under management for the 4th quarter of 2018 decreased by 28.9%, and for the year 2018 - by 35.2% (after +127.5% in 2017). As at 31.12.2018, these assets amounted to **UAH 80.0 M.** (Table 1).



Chart 1. Dynamics of IC asset management in 2009-2018 and in Q1-Q4 2018

Table 1. Assets of insurance companies under AMC management in 2018

Date/Period	Number of AMC with IC assets under management	Number of IC with assets under AMC management	IC assets under management, UAH M	Change of IC assets under management		
				quarter	YTD	annual
Q4 2017 / 2017	2	6	123.6	41.3%	26.5%	-
Q1 2018	2	6	106.6	-13.8%	-13.8%	54.1%
Q2 2018	2	4	107.6	1.0%	-12.9%	29.1%
Q3 2018	2	3	112.6	4.6%	-8.9%	28.8%
Q4 2018 / 2018	1	2	80.0	-28.9%	-35.2%	-35.2%

In the structure of IC assets under management¹ in December of 2018, 99.98% were securities (after 99.88% in September), 96.96% of which were *in state bonds*. Thus, the share of *OVDPS'* portfolio in these assets declined somewhat in the fourth quarter

due to a reduction of the aggregate value of investments in state bonds at a higher pace, than of the IC assets under management as a whole (-29.7%).

This process was also accelerated by the slight growth of *equities* portfolio (+7.5%), that increased their

¹ According to the data which were additionally provided by AMC.

share in IC assets under management by one and a half times in the fourth quarter - up to 3%, and for the year - more than in three times (Chart 2).

IC assets under AMC management, which were *in bank accounts*, decreased in December of 2018 to almost zero.

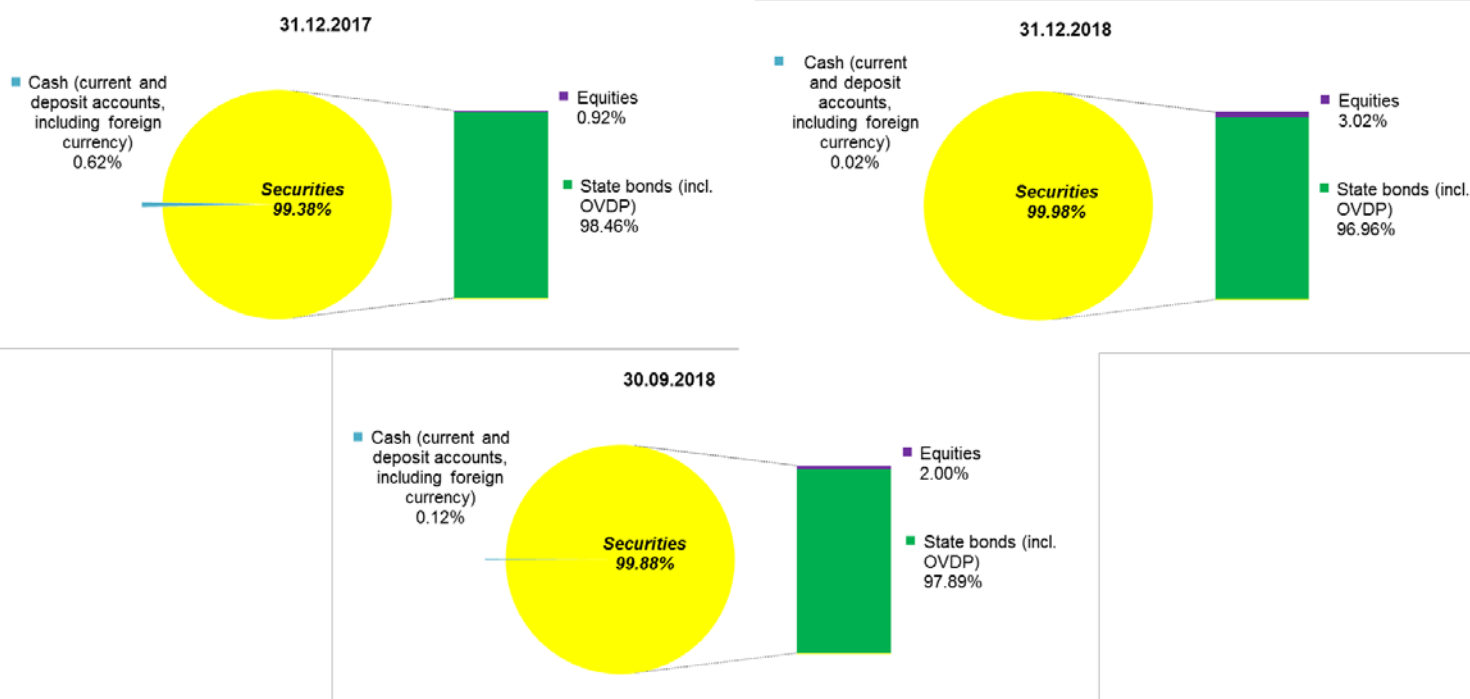


Chart 2. Dynamics of the structure of assets of insurance companies under AMC management in Q4 2018 and 2018

See additional and statistical information on the UAIB website:

- [The Ukrainian Fund Market in Figures](#)
- [Daily Fund Data](#)
- [Analytical Statistics and Reviews of Publicly Offered Investment Funds: Weekly; Monthly](#)
- [Quarterly & Annual Asset Management Industry Reviews](#)
- [Ranking: AMC Rankings; CII Rankings \(by fund types and by fund classes\)](#)

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