



## Ukrainian fund industry highlights

### September 2022 YTD:

## **continued, although slower, growth in spite of the full-scale russian aggression**

After start of the the **full-scale russian aggression and invasion of Ukraine on 24 February 2022**, the national securities markets regulator NSSMC imposed temporary ban on almost all transactions effectively stopping the domestic markets.

The activities were **resumed on 8 August 2022 (22 August for open-ended funds)** reflecting the stabilised financial conditions in Ukraine under the martial law and the willingness and ability of most of the market participants to resume their activities and serve their investors – while supporting the economy of the country and its people.

**Ukrainian asset management industry**, among others, has faced many challenges of the wartime and most of the local AMCs were able to address them, some by relocating within Ukraine.

**AuM of the ‘established’<sup>1</sup> domestic Collective Investment Institutions (CIIs) grew by 4.8% (in UAH terms) since the beginning of 2022 through the end of September, to reach UAH 545.2 billion (EUR 15.3). Annual growth rate in September 2022 slowed down to 9.9%, from 27.0% a year ago.**

More specifically:

- **‘Venture’<sup>2</sup> funds** in the corporate form were essentially the only driver of the industry expansion as their number increased by 2.8% over the first 9 months of 2022 while their share grew to 54% of the total CIIs number (for all venture CIIs, it grew to more than 93%);
  - total **AuM of the formed venture CIIs grew by 6.3%** (while there were 5.8% more reports of these funds as compared to end-2021);
  - total **NAV added 9.2% YTD in September to surpass UAH 400 billion** for the first time raising its share in the total Ukrainian funds’ NAV to 95.7% from 93.6% a year ago;
- Other CII categories, including all of the sectors of **publicly offered funds** (open-ended, interval and closed-end ones<sup>3</sup>) experienced NAV decrease over January through September 2022 and annually.

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<sup>1</sup> Formed funds which have reached compliance with the minimal asset value regulatory requirement.

<sup>2</sup> Venture CIIs are closed-end ‘non-diversified’ funds with private issue only, mainly investing in private equity and debt, with the lowest restrictions on their activity as compared to other fund categories.

<sup>3</sup> See fund classification on the UAIB website: <https://www.uaib.com.ua/en/invest-in-ukraine/cii-manual>



**Number of formed CIIs increased for the fifth consecutive year in 2022, to 1757 funds at end September (+2.7% YTD, +8.2% annually).**

➤ **In open-ended CIIs (all publicly offered):**

- **Total NAV contracted by 2.5% in January-September 2022**, although just by 1.6% annually and amounted to **UAH 176 million**.
  - the decline in the sector was solely due to market dynamics and the respective negative revaluation of the portfolios while the net capital flow into these funds remained positive both over the 9 months of 2022 and annually;
- **Net sales since January through September 2022** (except for the period between 24 February and 22 August when they were prohibited) amounted to **UAH 2.2 million**, keeping the annual net inflow positive at UAH 2.4 million;
- **Domestic retail investors still had nearly 88% in open-ended funds' NAV at end September 2022**, same as 12 months ago, and also still comprised more than 98% of all of the sector investors;
- There were also still **5 foreign investors** (non-resident institutional/corporate and individual ones) in open-ended funds in September 2022 having 5.2% in the sector's total NAV.

**Number of non-resident investors in all CIIs** in total rose from 395 in September 2021 to 419 at the beginning of 2022 to **428 at end September this year**.

**Number of AMCs in Ukraine was among the few key industry figures that contracted in the first 9 months of 2022 (-5), to 308.**

- Out of those, 268 remained active and reported on their investment and/or pension funds under management for Q3 2022, in particular:
  - Almost 99% of them had at least one venture CII under management;
  - Nine AMCs managed acting 16 open-ended funds, and 31 had 77 publicly offered CIIs in total;
  - Furthermore, 32 had 57 pension funds under management, and one managed assets of one insurance company.



**Number of non-state pension fund administrators (ANPFs) remained stable in since last year: 19.**

- Among them there were still **6 companies which had only NPF administrator's licence**, while others conducted both institutional investor asset management activity and the one of pension fund administration.

**NPFs with assets under administration of the ANPFs (57 III-pillar funds, excluding the NBU's corporate pension fund<sup>4</sup>) had UAH 2,306 of assets at end September 2022 (+5.1% YTD and 8.7% annually).**

- Meanwhile, **NPF' assets under management of AMCs (56 NPFs) grew by 5.6% in January-September 2022** while the annual rate decelerated to 8.7% (from 10.8% a year ago). The AuM of these funds reached **UAH 2,303 million**.

**Insurance Companies' assets under management of AMCs contracted by almost 30% in September 2022 YTD** mainly due to the termination of the asset management manate by one of the two insurers during the year. They also contracted by 28% annually, to stand at **UAH 135 million at end September**.

Full **UAIB Q3 & 9M 2022** report in four parts in English will be available later here:

<https://www.uaib.com.ua/en/analituaib/publ-ici-quart>

See more market statistics on the UAIB website: [The Ukrainian Fund Market in Figures](#)

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<sup>4</sup> The National Bank's of Ukraine corporate NPF, which is managed by the NBU itself, had roughly half of the total NPFs' AuM.