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1. Asset Management Industry. General Overview

Number of Market Participants

Asset Management Companies (AMCs)

In the 3rd quarter of 2018, the **number of asset management companies increased to 292**. During July-September, 5 new AMCs entered the market, while 4 - turned off their activities.

Collective Investment Institutions (CII)

During this period, 27 new CIIs were registered. Taking into account the funds closed during the quarter, as at September 30, 2018, the total number of **registered CII** increased by 2.0%, **to 1763**.

Number of CII that have reached the norm for minimum asset value (formed ones) increased for the fourth consecutive quarter - **to 1209** (+0.5%, after +3.2% in the 2nd quarter). Slowdown of growth of the number of funds occurred in the conditions of closing of a number of funds in the background of withdrawal from the market of several AMCs.

In total, by the end of September 2018, 277 AMCs managed from one to 35 funds, and over 94% of all such AMCs managed by at least one venture fund.

Non-State Pension Funds (NPFs)

Number of NPFs under management as at September 30, 2018 was invariably equal to **58** (excluding the NBU corporate fund), including 45 open, 7 corporate and 6 professional ones. Total NPF assets were managed by 35 AMCs.

Insurance Companies (IC)

Number of **ICs that transferred their assets under AMC management**, at the end of September of 2018, decreased to 3, and the number of relevant AMCs remained unchanged (2).

Assets under Management and NAV

Total assets under AMC management as at September 30, 2018 amounted to **UAH 300,696.2 M**, having increased by 3.9% for the 3rd quarter, by 13.4% from the beginning of 2018 and by 19.4% for the year from September of 2017

Collective Investment Institutions (CII)

The total assets of all CII under management, including those that have not yet reached the norm, **increased by 3.9% in the 3rd quarter of 2018 to UAH 299,183.8 M**.

Assets of acting CII that have reached the norm for minimum asset value ("recognized" CII) increased for the third quarter by 4.7% (after +2.2% in Q2 2018), **to UAH 293,559.6 M¹**. This happened in the context of an increased number of funds reporting data (+2.2%). *From the beginning of 2018*, the total assets of recognized CII increased by 6.7%, *and by 12.4% over the annual period* (September of 2018 to September of 2017).

The net asset value of the formed CII (operating funds that have reached the standards) in the third quarter of 2018 **increased by 4.2%** (after +1.5% in Q2 2018). *During 9 months of 2018* it increased by 4.2%, *and annual growth in September accelerated to +8.7%* (from 3.7% in June). As at 30.09.2018, it amounted to **UAH 232 626.4 M**.

Non-State Pension Funds (NPFs)

Assets of NPFs under AMC management in the 3rd quarter of 2018 increased by 5.1% (after +3.9% in Q2 2018). As at 30.09.2018, they reached **UAH 1,329.1 M**.

Insurance Companies (IC)

Assets of IC under AMC management for the third quarter of 2018 increased by 4.6% (after +1.0% in Q2 2018). Thus, the annual growth of the sector in September slowed down slightly to +28.8% (from 29.1% in June). As at September 30, 2018, these assets amounted to **UAH 112.6 M**.

¹ Data on CII assets for this and previous quarters indicated below have been specified (assets of part of venture CIF that have not been taken into account earlier are added).

2. IC Asset Management Market Results

In the 3rd quarter of 2018, the assets of insurance companies (IC) under AMC management continued to grow moderately.

The **number of ICs that transferred their assets under AMC management** has decreased from 4 in June to **3** in September, while the number of companies that manage them did not change during this period - such services were provided for IC by **2 AMC** (Chart 1).

Assets of IC under management for the 3rd quarter of 2018 **increased by 4.6%**. This reduced the decrease of these assets from the beginning of the year of 2018 to the end of September to **-8.9%**. Annual positive dynamics somewhat slowed down (to **+28.8%**, Table 1). As at September 30, 2018, these assets amounted to **UAH 112.6 M**.

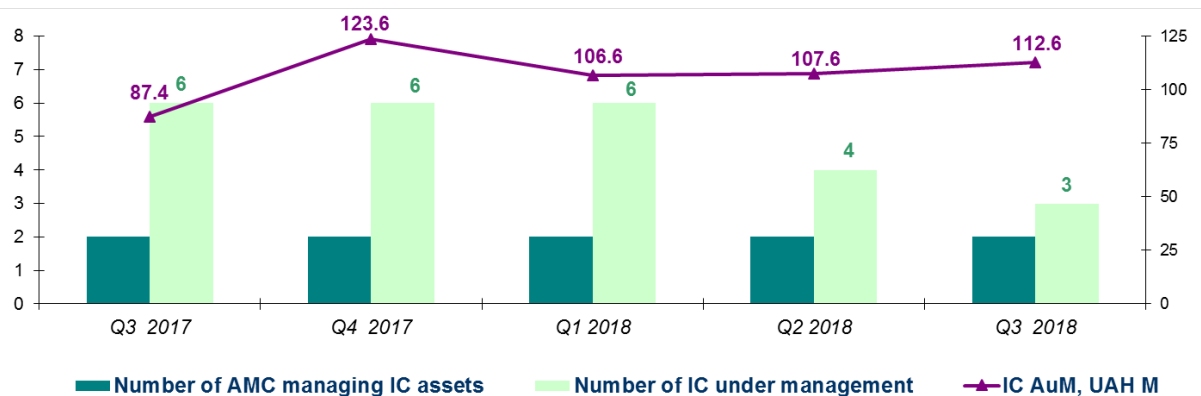


Chart 1. Dynamics of IC Asset Management in Q3 of 2017-18

Table 1. Assets of Insurance Companies under AMC Management in Q3 of 2017-18

Period	Number of AMC managing IC assets	Number of IC under management	IC AuM, UAH M	Change of IC assets under management		
				for the quarter	YTD	Annual
Q3 2017	2	6	87.4	26.5%	61.0%	80.4%
Q4 2017	2	6	123.6	41.3%	127.5%	127.5%
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%

In the structure of IC assets under management² in September of 2018, securities accounted for 99.9% (after 93.5% in June), 97.8% of which were in *government bonds*. This was mainly due to the increase of assets in *OVDP*.

Assets in equities also increased, at that they almost doubled, that increased their weight to 2%, which was also facilitated by a sharp decrease of *cash on bank accounts* in the assets of IC under management of AMCs (Chart 2).

² According to the data additionally provided by the AMC

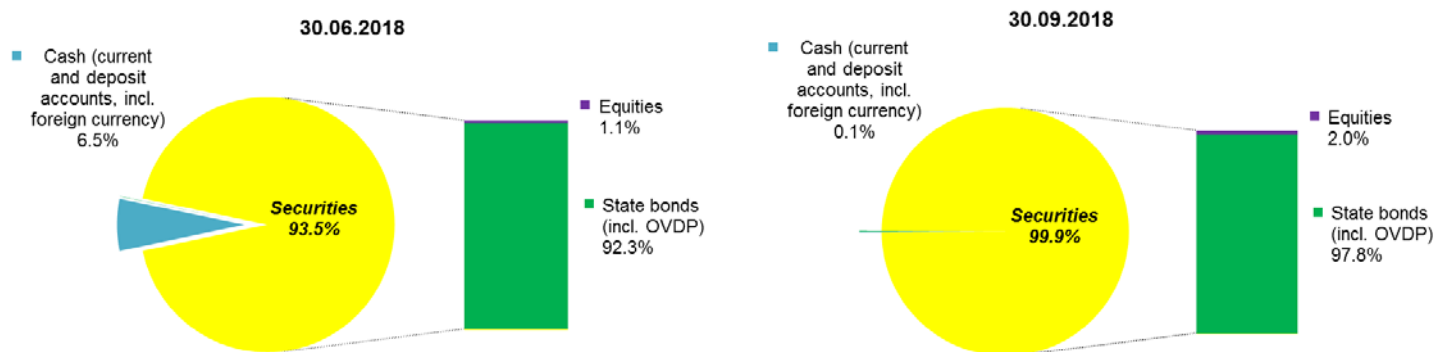


Chart 2. Dynamics of the Structure of Assets of Insurance Companies under AMC Management in Q3 2018

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* \(by fund types and by fund classes\)](#)

For more information about UAIB please visit [UAIB website](#).