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## 1. Asset Management Industry. General Overview

### Number of Market Participants

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

In Q1 2020, according to UAIB, the number of asset management companies increased by 4 up to **297**. In total, 6 new AMCs were created during this period.

At the end of March, 279 AMCs managed between one and 53 funds, and almost 99% of all such AMCs managed at least one venture CII.

#### **Collective Investment Institutions (CII)**

In January-March 2020, 40 new CII were registered. Considering the closed funds, as of March 31, 2020, the total number of **registered CII** increased up to **1926**, by 1.9% since the beginning of the year.

The number of **CII that reached the minimum assets standard (formed, "established" CII)** grew for the 10th consecutive quarter - to **1357** (+ 2.3% for the quarter).

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

The number of NPFs under management as of March 31, 2020 was **60** (excluding the NBU corporate fund), including 48 open, 6 corporate and 6 professional funds. A total of 34 AMCs managed NPFs assets.

#### **Insurance Companies (IC)**

The number of insurance companies that transferred their assets to AMC management has not changed since the beginning of 2020, as well as the number of AMCs that provided the following services: as of March 31, 2020, one such company managed the assets of **two** insurance companies.

### Assets under Management and NAV

#### **All Institutional Investors**

Total total assets under AMC management **grew by 3.3%** in Q1 2020 (by 9.0% over the last 12 months) and reached **UAH 366,825 million** at the end of March.

#### **Collective Investment Institutions (CII)**

In Q1 2020, the **total assets of all CII under management**, including those that have not yet reached the standard, also **increased by 3.3%** and 9.0% over the year, to **UAH 364,995 million**.

As of March 31, 2020, the assets of **acting CII that reached the minimum assets standard ("established" CII)**, amounted to **UAH 356,884 million**. In Q1 2020, they grew by 5.2%<sup>1</sup>, and in the last year - by 12.4%. As before, the lion's share of the growth of CII assets was provided by venture funds, the number of reports for the quarter of which grew by 6.3%.

The total **NAV the "established" CII** as of March 31, 2020 reached **UAH 274,322 million**. In Q1, it grew by 5.0% (see above footnote on total assets), and in the last 12 months by 11.2%.

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

NPF assets managed by AMC in Q1 2020 had a slightly slowed-down **growth to 3.1%** (up to 16.1% over the year). As of March 31, 2020, they reached **UAH 1,653 million**.

#### **Insurance Companies (IC)**

The assets of the IC under the management of AMC increased rapidly at the end of March, at **+35.7%** since the beginning of 2020 (+46.4% on an annual basis). As of March 31, 2020, these assets amounted to **UAH 131 million**.

<sup>1</sup> Partly due to the relatively complete reporting for Q1 2020 compared to the reporting for Q4 2019 and annual report due to the restrictive measures introduced

in March 2020 to counter the spread of the COVID-19 pandemic and the corresponding extension of these reporting deadlines.

## 2. IC Asset Management Market Results

In Q1 2020, the assets of insurance companies (ICs) managed by AMC increased by 35.7% (after -1.1% in Q4 2019). They were also higher than a year ago in March, by 46.0%, with the same number of such ICs and AMCs

during these 12 months: **two insurance companies** and **one AMC** (Chart 1, Table 1).

As of March 31, 2020, the **assets of the ICs managed by AMC amounted to UAH 131 million.**

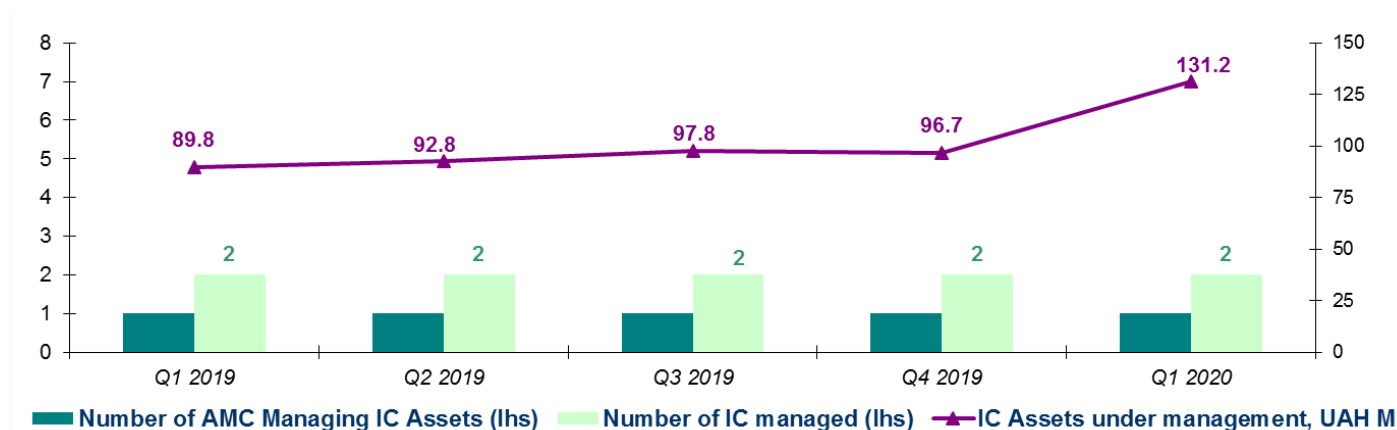


Chart 1. Dynamics of IC asset management in Q1 2019-2020

Table 1. Assets of insurance companies under AMC management in Q1 2019-2020

Period	Number of AMC Managing IC Assets	Number of IC managed	IC Assets under management, UAH M	Change of IC Assets Managed		
				quarterly	YTD	Annual
Q1 2019	1	2	89.8	-	-	-
Q2 2019	1	2	92.8	3.3%	16.2%	-13.8%
Q3 2019	1	2	97.8	5.4%	22.4%	-13.2%
Q4 2019	1	2	96.7	-1.1%	21.1%	21.1%
Q1 2020	1	2	131.2	35.7%	35.7%	46.0%

In the structure of the IC's assets under management<sup>2</sup> in March 2020, almost 100% were securities (after 99.6% at the beginning of the year), all of which were government bonds (OVDPs). Thus, the share of OVDPs in the stock portfolio and in the assets of the IC, managed by AMC, as a whole has increased over the last year - mainly due to the liquidation of shares against the

background of declining key indices of the Ukrainian stock market by 11-19%.

The increase in the weight of OVDPs this quarter, in addition to the increase in investments in government securities, was also facilitated by an almost complete reduction in cash in the consolidated assets of the IC under AMC management (-97.6%), which fell from 0.42% at the beginning of the year to 0.01% in March. (Chart 2).

<sup>2</sup> According to the data provided by the AMC in addition.

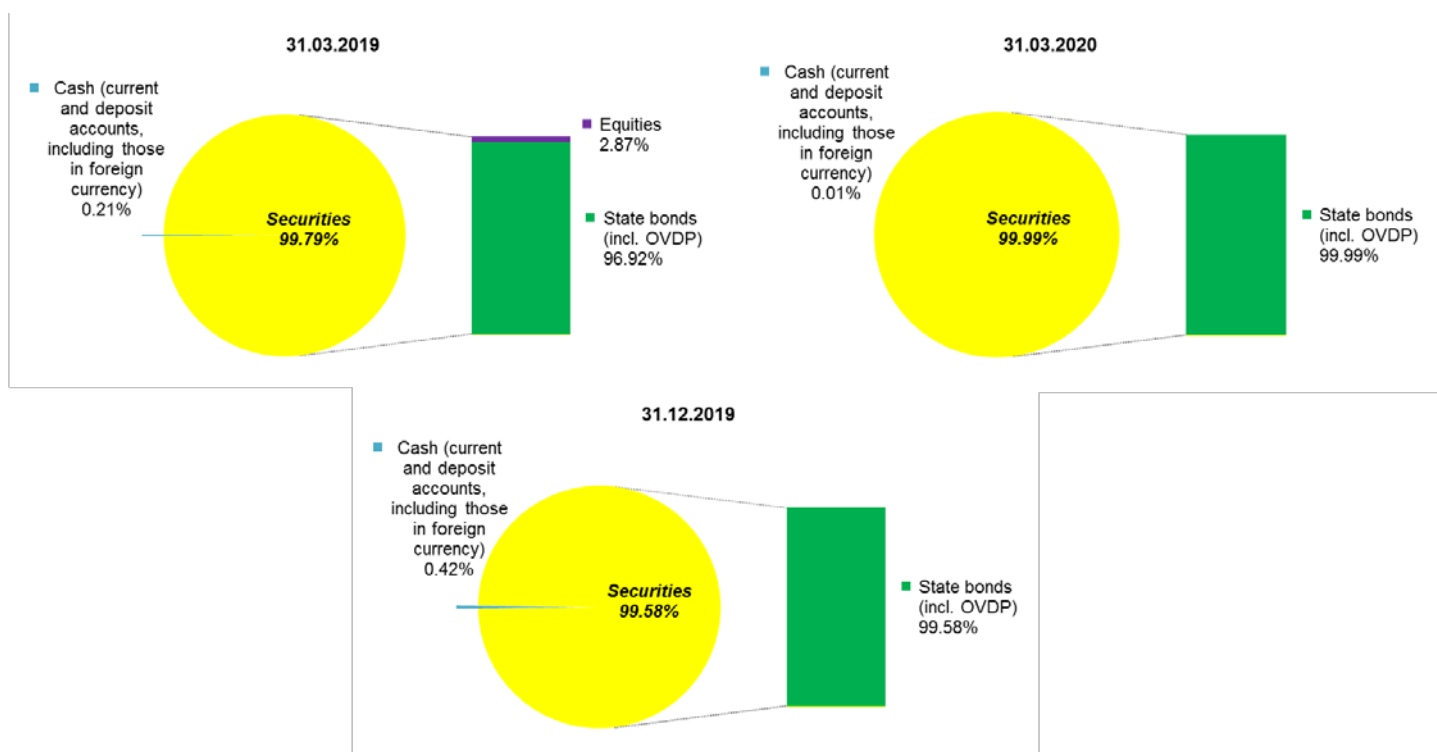


Chart 2. Dynamics of the structure of IC assets under AMC management in Q1 2020 and over the past year

See additional and statistical information on the UAIB website:

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