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## 1. Asset Management Industry. General Overview

### Number of Market Participants

#### Asset Management Companies (AMCs)

In Q2 2020, according to UAIB, the number of asset management companies did not change - **297**. During this period, no AMC was either created or liquidated.

At the end of June, 278 AMCs managed between one and 52 funds, and more than 98% of all such AMCs managed at least one venture CII.

#### Collective Investment Institutions (CII)

In April-June 2020, 50 new CII were registered. Considering the closed funds, as of June 30, 2020, the total number of **registered CII** increased to **1971**, by 2.3% for the quarter.

The number of **CII that reached the minimum assets standard** (formed, "established" funds) increased for the eleventh consecutive quarter - to **1396** (+ 2.9% for Q2).

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

The number of NPFs under management as of June 30, 2020 remained equal to **60** (excluding the NBU corporate fund), including 48 open, 6 corporate and 6 professional funds. A total of 34 AMCs managed NPF assets.

#### Insurance Companies (IC)

The number of insurance companies that transferred their assets to AMC management did not change in Q2 2020, as did the number of AMCs that provided the following services: as of June 30, 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 2.8%** in Q2 2020 (by 11.3% in the last 12 months) and reached **UAH 377,182 million** at the end of June.

#### Collective Investment Institutions (CII)

The **total assets of all CII under management**, including those that have not yet reached the standard, also grew by 2.8% in Q2 2020, and by 6.2% since the beginning of the year, to **UAH 375,201 million**. The annual growth in June accelerated to + 11.2%.

As of June 30, 2020, the **assets of existing CII, which reached the minimum assets standard** ("established" CII) ratio, amounted to **UAH 370,998 million**. In Q2 2020, they grew by 4.0%, and in the last year - by 12.7%. Growth was recorded in all sectors of CII by types of funds and methods of placement, except for closed-end CII with private placement (except for venture funds), but again venture funds (+ 4.1% for the quarter, + 13.7% for the year) provided the basis for growth of industry assets.

The **total net asset value of the formed CII** as of June 30, 2020 reached **UAH 289,685 million**. In Q2 it grew by 5.6%, since the beginning of the year - by 10.9%, and for the last 12 months - by 13.7%.

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

In Q2 2020, NPF assets managed by AMC accelerated growth almost threefold to 9.2% (up to 19.9% over the year). As of June 30, 2020, they reached **UAH 1,805 million**.

#### Insurance Companies (IC)

The assets of the IC under AMC management continued to grow at double-digit rates: + 19.9% for Q2 (+ 69.5% for the annual period). At the end of June 2020, they reached **UAH 157 million**.

## 2. IC Asset Management Market Results

In Q2 2020, the assets of insurance companies (IC) managed by AMC increased by 19.9% (after + 35.7% in Q1).

From the beginning of the year to the end of June these assets added 62.7%, and for the last year - 69.5%. The number of insurance companies that transferred their

assets to AMC management did not change during these 12 months: **two insurance companies** and **one AMC** managing (part of) its assets (Chart 1, Table 1).

As of June 30, 2020, the **IC assets under the management of AMC amounted to UAH 157 million..**

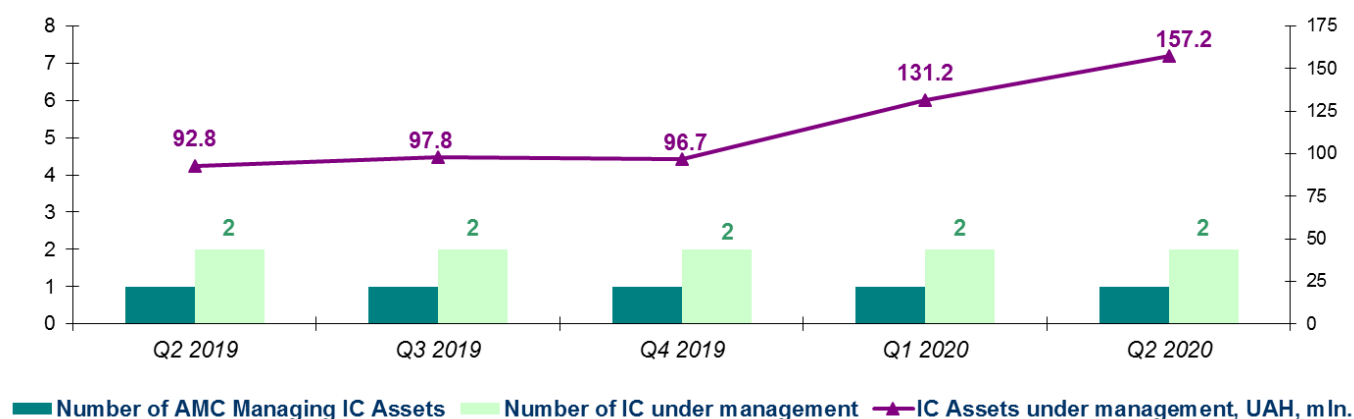


Chart 1. Dynamics of IC asset management in Q2 2019-2020

Table 1. Assets of insurance companies under AMC management in Q2 2019-2020

Period	Number of AMC Managing IC Assets	Number of IC under management	IC Assets under management, UAH, mln.	Change of IC AuM		
				quarterly	YTD	annual
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%
<b>Q2 2020</b>	<b>1</b>	<b>2</b>	<b>157.2</b>	<b>19.9%</b>	<b>62.7%</b>	<b>69.5%</b>

In the structure of the IC's assets under management<sup>1</sup> in June 2020, as in March and a year ago, almost 100% were securities. All of them are government bonds (OVDPs).

The popularity of OVDPs was largely due to the attractive - and in Q2 2020 slightly higher - rates on these instruments in the economic crisis intensified by the COVID-19 pandemic, and the complication by some political risks of the need to refinance previous government debts during this period, which increased the cost of borrowing.

In addition, the negative dynamics of stock indices in April-June (-2.3-2.9%) did not contribute to the return of shares to the portfolios of the IC under management. In small numbers, they were here for the last time in Q1 2019.

The increase in the amount of cash in the consolidated assets of the IC under the management of AMC in the 2nd quarter by 5 times (after -97.6% in Q1) increased their weight in these assets from 0.01% in March to 0.02% in June (Chart 2).

<sup>1</sup> According to the data provided by the AMC in addition.

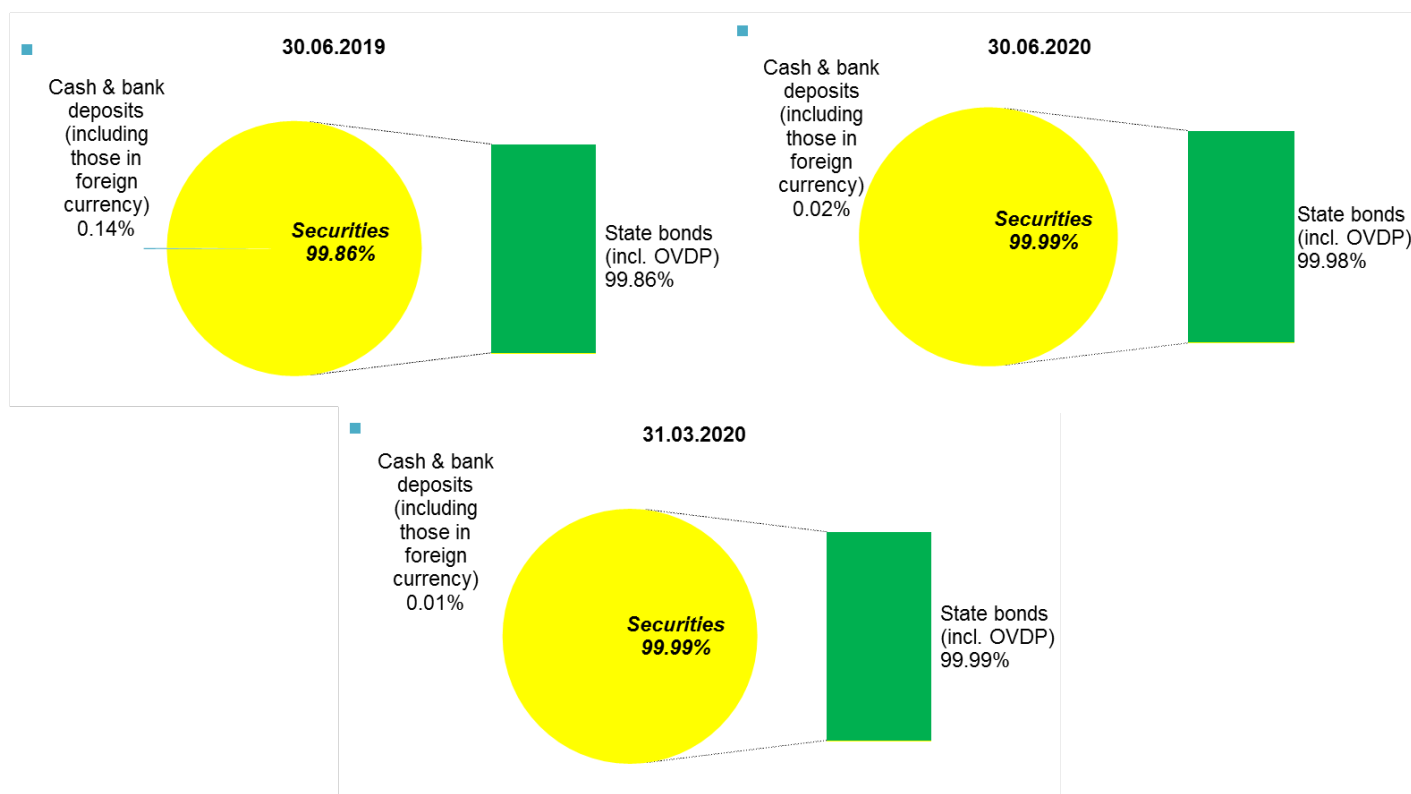


Chart 2. Dynamics of the structure of IC assets under AMC management in Q2 2020 and over the past year

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

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