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## 1. Asset Management Industry. General Overview

### Number of Market Participants

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

In Q3 2019, the **number of asset management companies** decreased from 295 to **294** - more than they were created by exiting the market for one Kyiv company.

Of all AMCs in operation, as of end of June, 282 companies had one to 45 CIIs under management, and almost 99% of all such AMCs managed at least one venture fund.

#### **Collective Investment Institutions (CIIs)**

In July-September 2019, 33 new CIIs were registered. Given the funds closed during Q3, as of September 30, 2019, the **number of existing registered CIIs**, according to UAIB, increased to **1848** (+ 1.4% for Q3).

In Q3 2019, the **number of CII that reached the minimum assets ratio (formed ones)** accelerated its growth and reached **1284** (+25 funds or + 2.0%) by the end of September.

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

The **number of NPFs** under management as of 30.09.2019 increased from 58 to **60** (excluding the NBU corporate fund) - including 47 open, 7 corporate and 6 professional ones. Total assets of the NPF were still managed by 33 AMCs.

#### **Insurance Companies (ICs)**

The **number of ICs that transferred their assets to AMC management** as well as AMC providing such services remained unchanged during July-September 2019 - there were **2** such insurance companies as at September 30, 2019, and AMC alone.

### Assets under Management and NAV

#### **All Institutional Investors**

The **aggregate total assets under the management of AMC** in Q3 accelerated its growth to + 3.3% and as of 30.09.2019 reached **UAH 349 965.9 M**. On an annual basis, since September 2018, they have continued to slow down (+ 16.4%).

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

**Total CII assets under management**, including those that have not yet reached the minimum asset ratio, also increased by 3.3% in Q3 2019 and by 16.4% for the year (from the beginning of the year amounted to 11.2%), to **UAH 348 304.6 M**

**Assets of operating CIIs that reached the minimum assets ratio ("recognized", formed CIIs)** experienced a similar increase (+3.3) in Q3, grew by 14.5% in the 9 months of 2019, and decelerated to + 15.8%. As of 30.09.2019 they amounted to **UAH 339 921.7 M**. Quarterly growth was due to venture funds, whose number continued to increase. During this period, interval CII also increased (the value of their portfolio investments, while the number of these funds did not change). Other sectors, including open-ended funds, experienced a decline in assets amid a further decline in stock indices in Q3.

In July-September 2019, the **net asset value of the formed CII** accelerated quarterly growth to 3.7% and decelerated to + 13.6% in September 2018 (from the beginning of the year, added 12.1%). As of September 30, 2019, CII NAV reached **UAH 264 302.1 M**.

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

**NPF assets in the management of AMC** in Q3 2019 slowed quarterly and year-on-year growth - to 3.0% and 16.6%, respectively, and for the first 9 months of the year - added 13.6%. As of September 30, 2019, they reached **UAH 1 550.3 M**.

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

**Assets of IC in the management of AMC** in Q3 2019 accelerated to 5.4%, and since the beginning of the year increased by 22.4%, which continued slowing their annual fall to -13.2% in September. As of September 30, 2019, these assets amounted to **UAH 97.7 M**.

## 2. IC Asset Management Market Results

In Q3 2019, the number of insurance companies (ICs) with assets under the management of AMC was unchanged – **two**. As of the end of September, they were still managed by **one AMC** (Chart 1).

**IC assets under management for Q3 2019 accelerated to 5.4%** (from + 3.5% in the 2nd) and

amounted to **UAH 97.7 M** at September 30, 2019 (Table 1). Since the beginning of the year, they have grown by 22.2%, and in the year from September 2018 - decreased by 13.2% (then two AMCs had assets of three ICs under management).

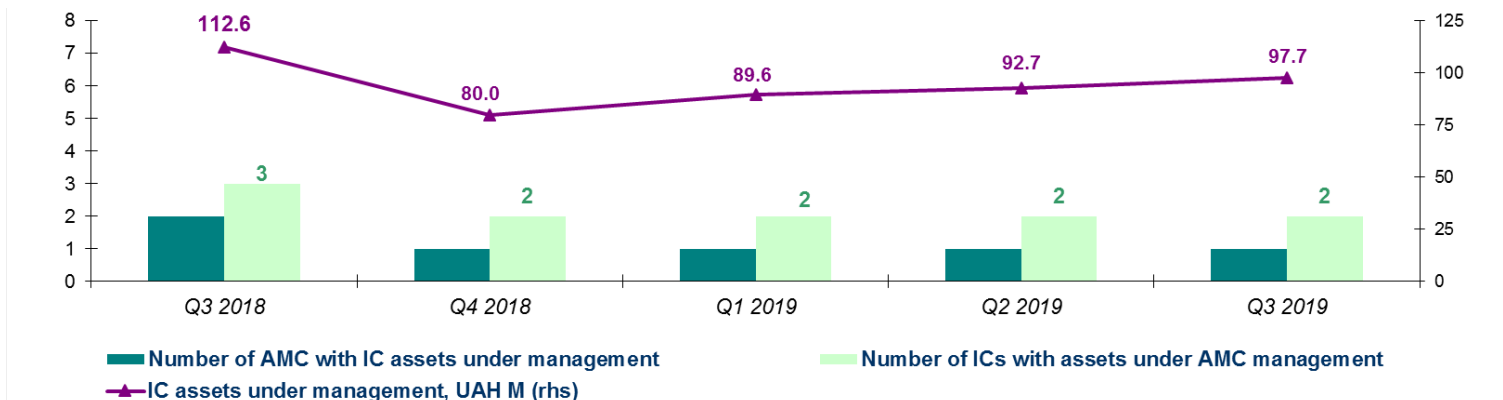


Chart 1. Dynamics of IC asset management in Q3 2018-2019

Table 1. Assets of insurance companies under AMC management in Q3 2018-2019

Date / Period	Number of AMC with IC assets under management	Number of ICs with assets under AMC management	IC assets under management, UAH M (rhs)	Change of IC assets under management		
				quarter	YTD	annual
Q3 2018	2	3	112.6	5.7%	-8.9%	35.1%
Q4 2018	1	2	80.0	-28.9%	-35.2%	-35.2%
Q1 2019	1	2	89.6	12.0%	12.0%	-15.9%
Q2 2019	1	2	92.7	3.5%	15.9%	-13.8%
<b>Q3 2019</b>	<b>1</b>	<b>2</b>	<b>97.7</b>	<b>5.4%</b>	<b>22.2%</b>	<b>-13.2%</b>

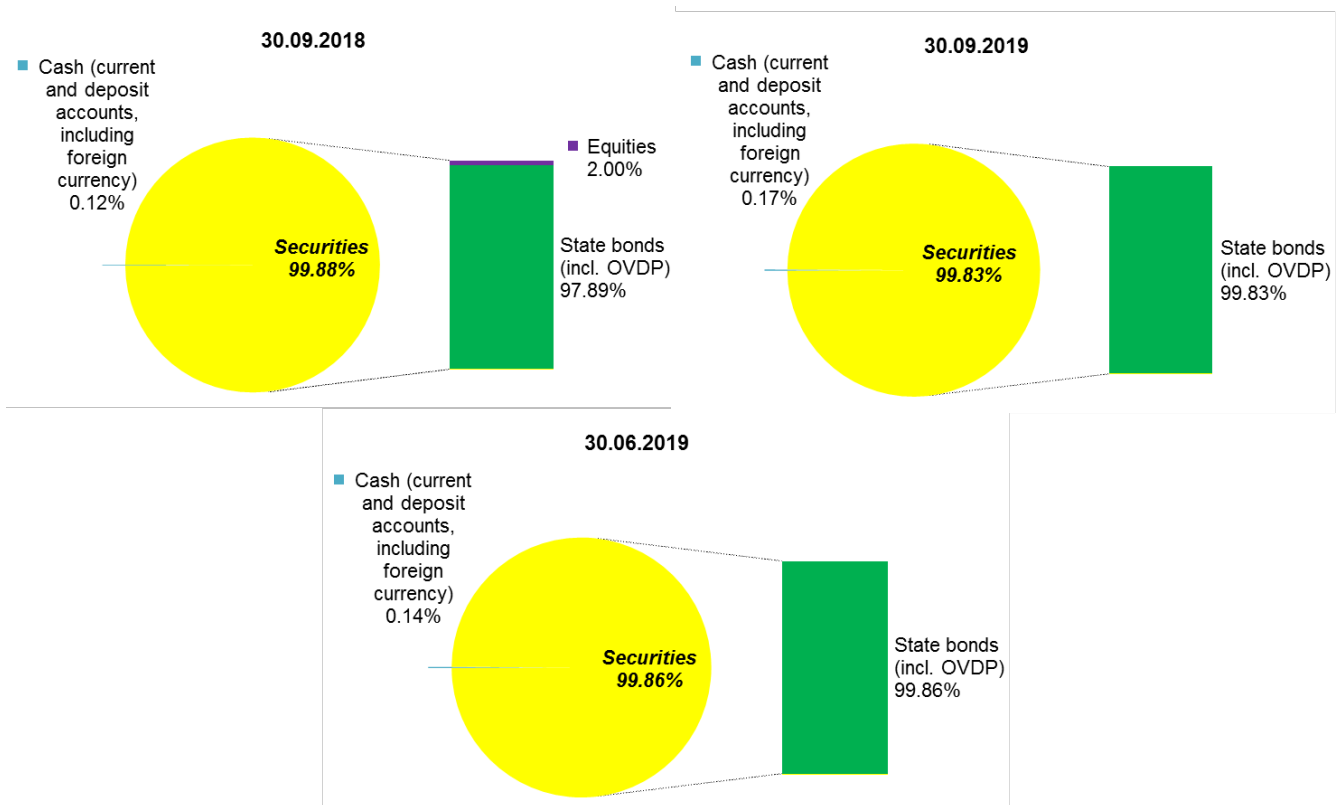
\* IC - insurance companies.

In September 2019, **99.83% of the assets of the IC's assets under management<sup>1</sup> were securities** (after 99.86% in June and almost a year ago), all of which were in **government bonds (OVDP)** as in June (Chart 2). The aggregate value of investments in government bonds in the assets of the IC under management of AMC increased by almost UAH 5 M in July-September. (+ 5.4%, after + 6.4% in April-June).

At the beginning of 2019, these assets had 3% **equities**, a year ago - 2%, and at the beginning and end of Q3 there were none.

In Q3 2019, IC assets under AMC management, which were in **cash on bank accounts** increased by 25.5% (after declining by more than 30% in Q2), but their share remained insignificant at the end of September: 0.17% (after 0.14% in June).

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



*Chart 2. Dynamics of the structure of IC assets under AMC management in Q3 2019 and for the year*

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

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

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