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## Q2 2021 overview of fund managers sector

The total volume of assets managed by fund managers increased by 4.9% in the second quarter to 7.98 billion euros, which is its highest level ever. The volumes were increased by growth of 4.4% in the volume of the fund management business line, and of 10.5% in the fund asset investment business line. The volume of assets in the securities portfolio management business line fell by 1.9%.

<b>Key indicators</b>	Q1 2021	Change	Q2 2021
HValue of assets managed, of which assets of funds (including non-open funds)	7.61 billion € 6.66 billion €	?	7.98 billion € 696 billion €
Quarterly growth in the market value of funds	2%	?	4.4%
Value of balance-sheet assets of fund managers	108.2 mln €	?	99.9 mln €
Profit	3.1 mln €	?	1.02 mln €
Annualised return on equity	12%	?	8.5%
Equity coverage ratio	347%	?	324%

Although the volume of assets invested by funds was increasing in the second quarter, the volume of assets in this business line was still 24% down on a year earlier as one fund manager stopped providing this service at the end of 2020. The assets of the fund management business line increased by 16% over the year and there was growth of 24% in securities portfolio management. The assets of the total sector increased by 9.7% over the year from 7.28 billion euros to 7.98 billion.

The profit of the sector in the second quarter was 1.02 million euros, and the return on equity over the

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year was 8.5%.

Coverage of the own funds requirements by fund managers has fallen to its lowest level for several years, dropping 23 percentage points in the second quarter to 324%. Even so, all the fund managers met the minimum requirements for own funds.

## **Main development trends and risks**

- All the fund managers met the minimum own funds requirements, but the coverage deteriorated at most market participants. However, most fund managers have substantial buffers of own funds.
- The most important event in the pension fund sector in 2021 was the pension reform, which was launched in 2021 with the submission of applications to leave the second pension pillar. The reform had a substantial impact on the volumes of funds. Analysis by Finantsinspeksioon showed that an average reduction of 25% in volumes did not threaten the financial position of fund managers or the coverage of the own funds requirements.

[Quarterly reviews of the fund management sector](#)

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