INVESTMENT FUNDS AND ASSET MANAGEMENT MARKET IN POLAND, 2011–2013

by Intelace Research

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INSURANCE, PENSION, AND INVESTMENT FUNDS – THREE MAIN SEGMENTS OF THE ASSET MANAGEMENT SECTOR IN POLAND

Focus of this report

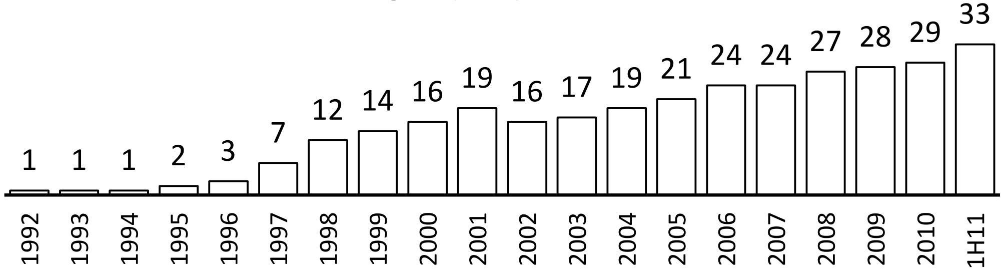
ASSET MANAGEMENT MARKET IN POLAND, 2011

	Investment Funds 1H 2011	Pension Funds 1H 2011	Insurance Funds 1Q 2011	Other 1H 2011
Description	• Net assets of open-end and closed investment funds, managed locally • Investment funds existing since 1992	• Net assets of pension funds • Pension funds operate since 1999 thanks to the public pension system reform • 15.3 million members • Since mid-2011, the new contributions reduced by ~70% as a result of changes in the pension law	• Technical reserves of insurance companies (both life and non-life) and assets of unit-linked insurance funds	• Other funds under management including: - managed portfolios of private individuals - managed portfolios of corporate/public clients - third-pillar corporate and individual savings
Number of funds and managers	• 591 funds managed by 33 fund managers	• 14 funds	• Multiple funds of 64 insurance companies	• third-pillar (PPE) corporate pension programs and third-pillar (IKE) individual portfolios
Assets under management	• **119 billion PLN**	• **237 billion PLN**	• **111 billion PLN**	• **below 15 billion PLN**
Management outsourcing	• Allowed	• Restricted	• Allowed	• Allowed

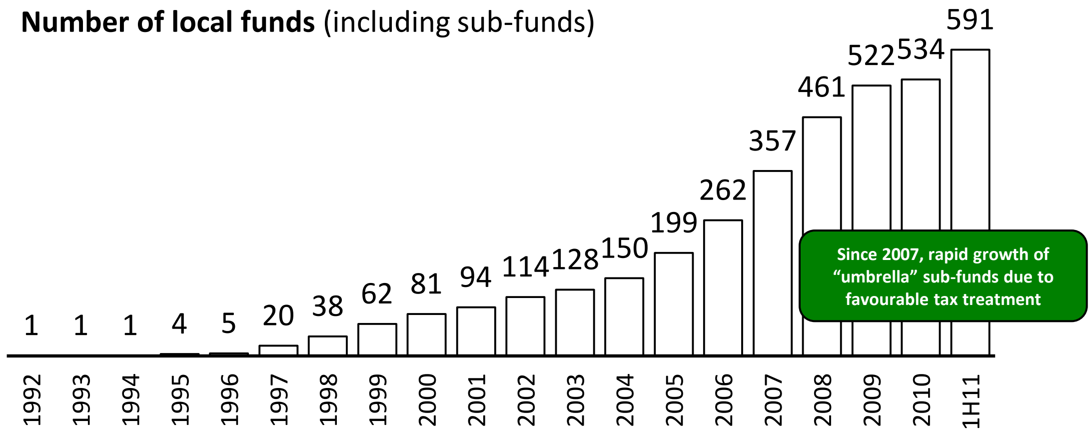
Source: KNF, Intelace Research

THE NUMBER OF LOCALLY MANAGED INVESTMENT FUNDS IS CONSTANTLY GROWING

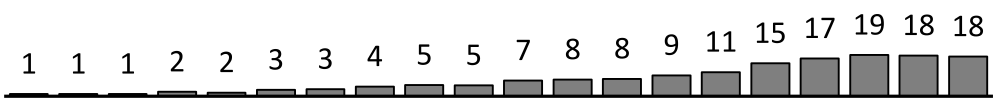
Number of local fund managers (TFI*)



Number of local funds (including sub-funds)



Average number of funds & sub-funds per asset manager



Investment funds business, 1992–2011

- 1992 The first locally managed investment fund set up by Pioneer.
- 1994 A downturn in the stock market was contributing to market contraction. Many clients lost their money and quit the market for years.
- 1997–2001 First wave of rapid market growth driven by the bull equity market.
- 2001 A few fund managers disappear due to M&A activity; introduction of capital gains tax encourages new clients to invest in funds in order to get the tax benefit. Banks aggressively start distribution of funds, converting client deposits into funds.
- 2005–2007 Fund managers increase the choice of funds. Alternative investments, real estate, securitization, and hedge funds emerge. Extremely good stock market and funds performance attracts new clients (in total over 4 million clients).
- 2008 The funds market is correcting after the phase of explosive growth; assets drop for the first time in 10 years.
- 2010 Launch of the first index ETF.
- S exits Poland by selling its funds to olding

*TFI: Towarzystwo Funduszy Inwestycyjnych — Investment fund company (asset manager)
Source: IZFiA, Intelace Research

About this report

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Our company specializes in value-added research services and tailored business intelligence solutions.

Through our customized research services we help our clients to better understand their customers, competitors and overall market dynamics.

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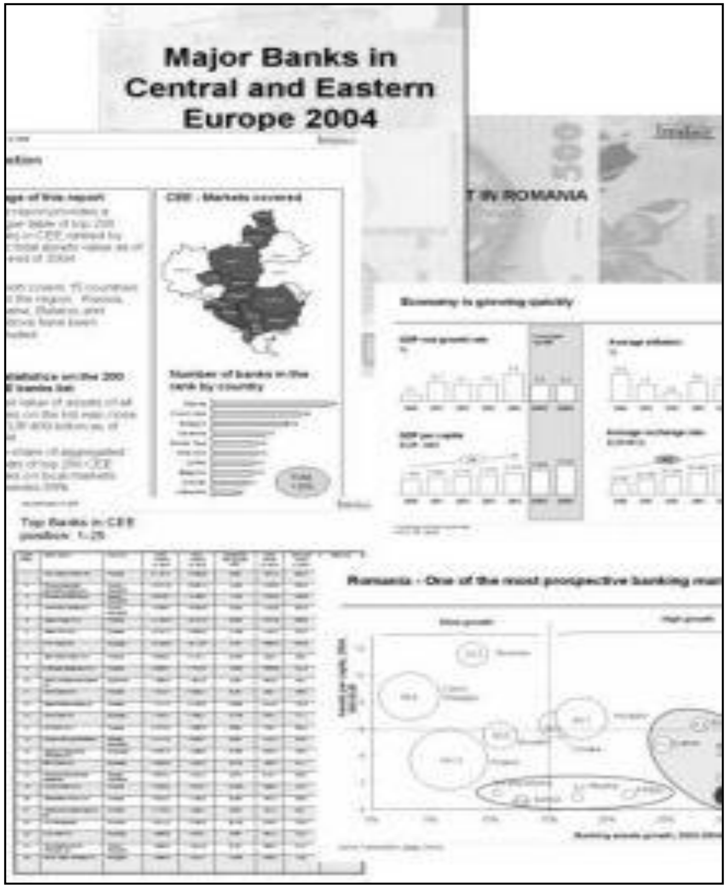

<u>2009</u>
- January - Banking Market in Bulgaria ’09
- February - Mortgage Market in Poland ’09
- April - Banking Market in Poland ’09
- May - Insurance Market in Poland ’09
- August - Top 200 CEE Banks ’09
- September - Banking Market in Ukraine ’09

<u>2010</u>
- February - Mortgage Market in Poland ’10
- April - Banking Market in Poland ’10
- May - Insurance Market in Poland ’10
- August - Top 200 CEE Banks ’10
- September - Banking Market in Ukraine ’10

<u>2011</u>
- February - Mortgage Market in Poland ’11
- May - Banking Market in Poland ’11
- June - Bank outlets database ’11
- June - Insurance Market in Poland ’11

- *and many others ...*