

STATISTICAL PRESS RELEASE



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Banco de Portugal publishes statistics on investment funds for 2014

Banco de Portugal publishes today on the Statistical Bulletin and on BPstat | Statistics online statistics on the activity of investment funds for 2014¹. These statistics follow harmonised methodology for the Monetary Union, according to which each fund is classified taking into account the type of assets in which it mainly invests².

As of December 2014, in line with international methodological recommendations, the classification of the counterpart sector of the funds' applications and of the investors in the funds' issued units, started to be made in accordance with the new European System of National and Regional Accounts (ESA 2010)³.

In addition, these statistics now include information on the activity of venture capital funds (VCF), classified in terms of investment policy in the category of "other funds". This change is reflected in the published series since 2000.

The inclusion of information on the activity of VCF, has increased the total assets of the investment funds sector in 3.4 billion euros (figure for December 2014), which corresponds to an increase of approximately 13.5 per cent compared to previously published data.

Investment fund units issued

In December 2014 the value of investment units issued (net asset value) by investment funds amounted to 24.4 billion euros, representing a reduction of 1.6 billion euros (-6.2 per cent) compared to December 2013. This decrease occurred primarily from the beginning of the second half of 2014.

By investment policy, the decrease of activity observed in investment funds was determined by the behaviour of real estate funds, which over 2014 have reduced the outstanding amounts under management in 1.1 billion euros, and by bond funds, whose value diminished about 0.9 billion euros.

The different types of investment funds have had a distinct evolution since 2007 (chart 1). If, on the one hand, it is visible a large disinvestment in bond funds, which passed from a relative weight of 50 per cent in 2007 to 25 per cent in 2014, the real estate funds, on the contrary, increased its relative weight from 32 per cent in 2007 to 52 per cent in 2014. It is also to be noted the significant value reduction observed in 2008.

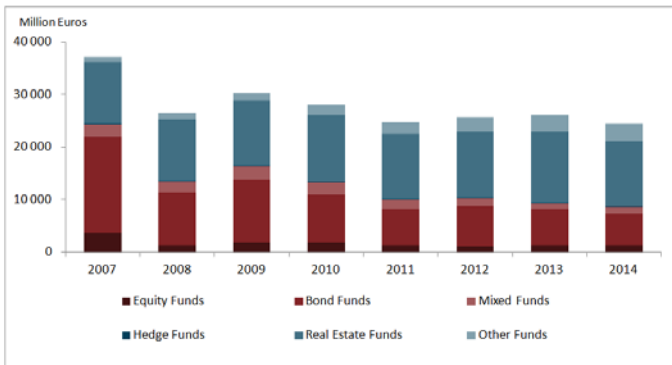
¹ It includes data on investment funds, excluding money market funds. Information available in the section B.8.1 of the Statistical Bulletin and BPstat | Statistics online in the time series analysis component.

² The statistical information is compiled in accordance with Regulation ECB/2013/38. The breakdown of funds by type of investment policy is made as described in the notes to table B.8.1.1.2 of the Statistical Bulletin.

³ More information available in the Statistical press release n.º 11|2014, on: http://www.bportugal.pt/en-US/Estatisticas/PublicacoesEstatisticas/NIE/Lists/LinksLitsItemFolder/Attachments/73/PR_11_2014_SEC2010_BPM6.pdf

Chart 1

Net asset value by investment policy



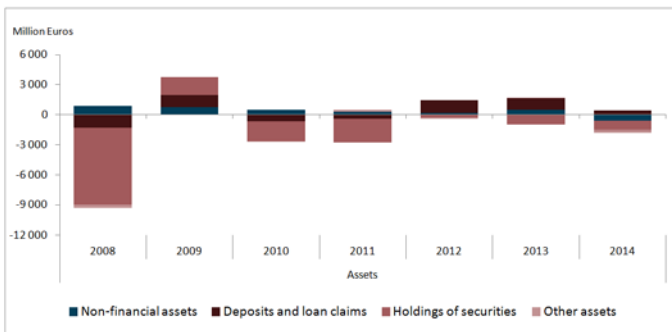
Balance sheet evolution

In 2014 the breakdown in the investment funds' activity was reflected in a reduction of the investment in securities by 0.9 billion euros (chart 2). The investments in non-financial assets diminished 0.6 billion euros (for the first time since 2008), mainly as a result of real estate sales.

Since 2008 the behaviour of the assets' annual transactions is heavily influenced by the disinvestment or investment in securities, which explains to a large extent the evolution of the net asset value of the funds (chart 2).

Chart 2

Annual transactions by instrument



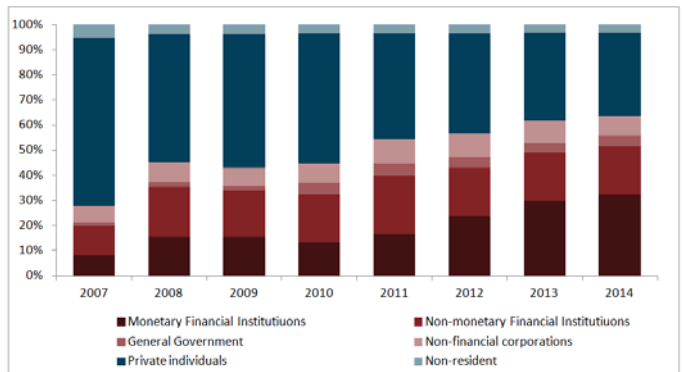
Investors

In December 2014, the investor sector with larger weight continued to be private individuals, holding 33.3 per cent of the units issued, followed by the sector of monetary financial institutions (banks), with 32.5 per cent. Comparing to the statistical information

previously published, there was an increase in the weight of this sector due to the inclusion of VCF, mainly owned by banks. Non-monetary financial institutions held 19.1 per cent of the units issued, with insurance corporations and pension funds standing out within this sub-sector.

Chart 3

Structure of the of investors' sector in units issued



Private individuals have been losing relative importance as investors since 2007, when they held about 66.9 per cent of the value of the units issued by investment funds (chart 3). To this evolution contributed both the disinvestment of private individuals in this type of applications and the increasing investment by banks in VCF and real estate funds.