

# Collective Investment Schemes licensed by the Malta Financial Services Authority: A Semi-Annual Analysis (2021)

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## Main Findings

The Malta domiciled funds<sup>1</sup> registered an aggregate net asset value of €17.7 billion in June 2021, an increase of 23.4 percent compared to the NAV registered at the end of 2020. Indeed, it is pleasing to note that such a positive percentage increase placed Malta in the highest rank in terms of percentage growth compared to other European jurisdictions in the period under review. AIFs had the largest share of the June 2021 NAV at 65.4 percent, followed by PIFs and UCITS funds with a share of 18.8 percent and 15.8 percent respectively.

In terms of asset allocation, diversified funds accounted for the largest share of the June 2021 NAV at 43.8 percent, followed by equity funds and bond funds at 31 percent and 10.3 percent respectively.

During the first half of 2021, subscriptions totalled almost three billion euro while redemptions amounted to €0.7 billion resulting in net sales of €2.3 billion. The NAV grew by a further €0.4 billion as a result of an increase in NAV valuations.

As at 30<sup>th</sup> June 2021, the number of licenced funds<sup>2</sup> stood at 518, a decline of 1.3 percent (or a net loss of seven licences in absolute terms) compared to 31<sup>st</sup> December 2020. The largest share of the Malta funds market continues to be accounted for by Professional Investor Funds (PIFs) at 54.4 percent (or 282 funds) of the total funds domiciled in Malta in June 2021. Alternative Investment Funds (AIFs) and UCITS funds followed at 22.4 percent (or 116 funds) and 21.2 percent (or 110 funds) respectively. There were no changes in the number of retail non-UCITS funds and recognised Private CIS which stood at five licences each. Funds registered in the list of Notified AIFs (NAIFs) continued to adopt an upward trend in 2021, reaching 78 at the 30<sup>th</sup> June 2021.

The Authority licensed a total of 1,587 funds over the period 2004 to June 2021. Moreover, 104 AIFs were added in the list of NAIFs over the period 2016 to June 2021. During the first half of 2021, the Authority licensed a total of 21 new funds, of which 10 were licensed as AIFs, six as UCITS funds, and five as PIFs. In addition, the Authority included 18 new AIFs in the list of notified AIFs.

In total, 1,108 funds surrendered their licence over the period 2004 to June 2021, while 25 AIFs have requested the Authority to de list them as NAIFs over the period 2017 to June 2021. During the first half of 2021, a total of 28 funds surrendered their licence, of which one had its licence cancelled for regulatory purposes while the remaining 27 surrendered their licence on a voluntarily basis. Out of these, 16 were licensed as PIFs, seven as AIFs, and five as UCITS funds. Additionally, five AIFs were de listed from the list of NAIFs at their own request.

The majority (80.7 percent) of the Malta domiciled funds were managed in Malta as at end June 2021, of which 44.2 percent were managed by a Maltese fund manager while 36.5 percent were self-managed. The remaining 19.3 percent were managed from outside Malta.

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<sup>1</sup> PIFs, AIFs, NAIFs and UCITS.

<sup>2</sup> Unless stated otherwise, the term 'funds' refers to funds including sub-funds.

In terms of fund administration, 88.8 percent of the investment funds were administered by a Maltese fund administrator as at end June 2021. Additionally, the Maltese fund administration business remains robust with Maltese fund administrators servicing, from Malta, 218 non-Malta domiciled funds which had an aggregate NAV of €5.3 billion at the end of June 2021. Consequently, the aggregate NAV of Malta domiciled funds and non-Malta domiciled funds administered in Malta totalled €23 billion as at 30<sup>th</sup> June 2021.

At an international level, the number of worldwide regulated open-ended funds increased by 1.5 percent compared to end 2020 to stand at 144,410 at the end of Q2 2021. Net assets increased by 12.3 percent, from €55.2 trillion in December 2020 to €62 trillion in June 2021. Worldwide net inflows amounted to €1.8 trillion during the first half of 2021 compared to €1.4 trillion during the first half of 2020.

America held its top ranking as the largest investment fund domicile in terms of net assets with a share of 54.7 percent (or €33.9 trillion), of which 48.3 percent (or €30 trillion) were held by the United States. Europe followed with a share of 32 percent (or €19.9 trillion), with Luxembourg holding the largest share in Europe at 8.8 percent (or €5.5 trillion). The following countries ranked amongst the top 10 fund domiciles after the United States and Luxembourg: Ireland (5.9 percent), China (4.3 percent), Germany (4.2 percent), Australia (3.5 percent), France (3.4 percent), Japan (3.3 percent), Canada (3.3 percent), and the United Kingdom (3.3 percent).

At a European level, the total number of registered funds totalled 64,484 as at June 2021, up by 0.8 percent from end 2020. Net assets in the European fund industry increased by 8.8 percent during the first half of 2021, from €18.8 trillion as at December 2020 to €20.4 trillion as at June 2021.

## PART 1 – Analysis of Collective Investment Scheme Licences

### 1.1 Fund Registrations in the European Fund Industry

The number of registered funds in the European fund industry increased by 0.8 percent during the first half of 2021, from 63,999 in December 2020 to 64,484 in June 2021. Ireland and Germany experienced an increase in the number of registered funds of 3.7 percent and 2.5 percent respectively. On the contrary, the UK, Luxembourg, and France experienced drops in the number of registered funds of one percent, 0.9 percent and 0.3 percent respectively.

### 1.2 Fund Registrations in Malta

The number of licensed funds<sup>3</sup> in Malta declined by 1.3 percent (or seven net licences), from 525 funds at end 2020 to 518 funds at end June 2021. This decline is attributed to PIFs which experienced a drop in the number of licenses of 4.7 percent, from 296 as at end 2020 to 282 as at end June 2021. The number of licensed AIFs increased by 5.5 percent, from 110 licences in 2020 to 116 licences in June 2021.

**Table 1: Funds Domiciled in Malta (2019 – June 2021)**

	2019	2020	Jun-21
<b>AIFs</b>	129	110	116
<b>PIFs</b>	358	296	282
<b>UCITS</b>	106	109	110
<b>Retail Non-UCITS</b>	5	5	5
<b>Recognised Private CIS</b>	7	5	5
<b>Total locally based CISs</b>	<b>605</b>	<b>525</b>	<b>518</b>

*Source: Malta Financial Services Authority.*

Additionally, there was a net increase of 13 notifications in the list of notified AIFs during the first half of the year under analysis, resulting in a total of 78 NAIFs as at end June 2021.

**Table 2: Notified Alternative Investment Funds (2019 – June 2021)**

	2019	2020	Jun-21
<b>NAIFs</b>	55	65	78

*Source: Malta Financial Services Authority.*

<sup>3</sup> This amount excludes Notified AIFs.

### 1.3 Authorisation of New Collective Investment Schemes

During the first half of 2021, the Authority licensed a total of 21 new funds, of which 10 were AIFs, six UCITS funds, and five PIFs. It is pertinent to note that AIFs recorded a very positive performance in the first half of 2021 as the number of new funds was double that of the full year 2020. New authorisations in PIFs have slowed down whilst in the UCITS space authorisation levels are encouraging.

**Table 3: Authorisation of New Collective Investment Schemes (2019 – June 2021)**

		2019	2020	Jun-2021
<b>AIFs</b>	<b>Schemes</b>	<b>6</b>	<b>1</b>	<b>6</b>
	<b>Sub-funds</b>	<b>13</b>	<b>5</b>	<b>10</b>
	<i>of which Qualifying Investor</i>	3	1	3
	<i>of which Extraordinary Investor</i>	0	0	0
	<i>of which Experienced Investor</i>	0	0	0
	<i>of which Professional Investor</i>	10	4	0
	<i>of which Retail Investor</i>	0	0	7
<b>PIFs</b>	<b>Schemes</b>	<b>13</b>	<b>7</b>	<b>2</b>
	<b>Sub-funds</b>	<b>27</b>	<b>19</b>	<b>5</b>
	<i>of which Qualifying Investor</i>	27	19	5
	<i>of which Extraordinary Investor</i>	0	0	0
	<i>of which Experienced Investor</i>	0	0	0
<b>UCITS</b>	<b>Schemes</b>	<b>1</b>	<b>1</b>	<b>1</b>
	<b>Sub-funds</b>	<b>5</b>	<b>7</b>	<b>6</b>
<b>Retail Non-UCITS</b>	<b>Schemes</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Sub-funds</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recognised CIS</b>	<b>Private Schemes</b>	<b>0</b>	<b>1</b>	<b>0</b>
	<b>Sub-funds</b>	<b>0</b>	<b>1</b>	<b>0</b>

Source: Malta Financial Services Authority.

In addition, the Authority included 18 new AIFs in the list of notified AIFs during the first half of 2021, which is one more notification than the total number of new notified AIFs registered during the whole of 2020.

**Table 4: Registration of Notified Alternative Investment Funds (2019 – June 2021)**

		2019	2020	Jun-21
<b>NAIFs</b>	<b>Schemes</b>	16	6	4
	<b>Sub-funds</b>	32	17	18

Source: Malta Financial Services Authority.

## 1.4 Surrender of Collective Investment Schemes

Up to June 2021 a total of 28 funds surrendered their licence, of which 27 had their licence surrendered voluntarily while one fund had its licence cancelled by the Authority. Out of these, 16 were licensed as PIFs, seven as AIFs, and five as UCITS funds. The level of fund attrition has slowed down significantly if we consider the position on a pro rata basis when compared to 2019 and 2020, albeit Malta was placed on the FATF grey list during the period under review.

**Table 5: Surrender of Licences of Collective Investment Schemes (2019 – June 2021)**

		2019	2020	Jun-21
<b>AIFs</b>	<b>Schemes</b>	<b>12</b>	<b>14</b>	<b>1</b>
	<b>Sub-funds</b>	<b>23</b>	<b>26</b>	<b>7</b>
	<i>of which Qualifying Investor</i>	10	13	3
	<i>of which Extraordinary Investor</i>	1	1	0
	<i>of which Experienced Investor</i>	1	3	1
	<i>of which Professional Investor</i>	11	8	3
	<i>of which Retail Investor</i>	0	1	0
<b>PIFs</b>	<b>Schemes</b>	<b>21</b>	<b>30</b>	<b>8</b>
	<b>Sub-funds</b>	<b>65</b>	<b>79</b>	<b>16</b>
	<i>of which Qualifying Investor</i>	59	64	14
	<i>of which Extraordinary Investor</i>	4	4	1
	<i>of which Experienced Investor</i>	2	11	1
<b>UCITS</b>	<b>Schemes</b>	<b>5</b>	<b>3</b>	<b>1</b>
	<b>Sub-funds</b>	<b>17</b>	<b>5</b>	<b>5</b>
<b>Retail Non-UCITS</b>	<b>Schemes</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Sub-funds</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recognised Private CIS</b>	<b>Schemes</b>	<b>0</b>	<b>3</b>	<b>0</b>
	<b>Sub-funds</b>	<b>0</b>	<b>3</b>	<b>0</b>

*Source: Malta Financial Services Authority.*

In addition, five AIFs were removed from the list of notified AIFs.

**Table 6: Surrender of Notified Alternative Investment Funds (2019 – June 2021)**

		2019	2020	Jun-21
<b>NAIFs</b>	<b>Schemes</b>	1	1	2
	<b>Sub-funds</b>	6	6	5

*Source: Malta Financial Services Authority.*



## 1.5 Summary of Collective Investment Scheme licences

A summary of Sections 1.2, 1.3 and 1.4 is provided in Tables 7 and 8 with the number of licences/notifications issued, surrendered and active for the year 2020 and first half of 2021 split by the target investors of the funds.

**Table 7: Collective Investment Scheme Licences (2020 – June 2021)**

		2020			2021		
		New licences	Surrendered Licences	Total licences as at end 2020	New licences	Surrendered Licences	Total licences as at end June 2021 <sup>4</sup>
AIFs	<b>Schemes</b>	1	14	56	6	1	63 <sup>5</sup>
	<b>Sub-funds</b>	5	26	110	10	7	116 <sup>6</sup>
	<i>of which Qualifying Investor</i>	1	13	48	3	3	48
	<i>of which Extraordinary Investor</i>	0	1	5	0	0	5
	<i>of which Experienced Investor</i>	0	3	2	0	1	1
	<i>of which Professional Investor</i>	4	8	50	0	3	50 <sup>6</sup>
	<i>of which Retail Investor</i>	0	1	5	7	0	12
PIFs	<b>Schemes</b>	7	30	138	2	8	130 <sup>5</sup>
	<b>Sub-funds</b>	19	79	296	5	16	282 <sup>6</sup>
	<i>of which Qualifying Investor</i>	19	64	261	5	14	249
	<i>of which Extraordinary Investor</i>	0	4	23	0	1	22
	<i>of which Experienced Investor</i>	0	11	12	0	1	11
UCITS	<b>Schemes</b>	1	3	32	1	1	32
	<b>Sub-funds</b>	7	5	109	6	5	110
Retail Non-UCITS	<b>Schemes</b>	0	0	3	0	0	3
	<b>Sub-funds</b>	0	0	5	0	0	5
Recognised Private CIS	<b>Schemes</b>	1	3	5	0	0	5
	<b>Sub-funds</b>	1	3	5	0	0	5

Source: Malta Financial Services Authority.

<sup>4</sup> Figures may not sum up due to conversion of licences.

<sup>5</sup> Two PIF CIS were converted to AIF CIS.

<sup>6</sup> Three PIF sub-funds targeting qualifying investors were converted to AIF sub-funds targeting professional investors.

**Table 8: Notified Alternative Investment Funds (2020 – June 2021)**

		2020			2021		
		New notifications	Surrendered	Total as at end 2020	New notifications	Surrendered	Total as at end June 2021
NAIFs	Schemes	6	1	33	4	2	35
	Sub-funds	17	6	65	18	5	78

*Source: Malta Financial Services Authority.*

## 1.6 Non-Malta Domiciled Funds Administered in Malta

The number of non-Malta domiciled funds administered by Maltese fund administrators amounted to 218, an increase of 9.5 percent compared to end 2020.

**Table 9: Non-Malta Domiciled Funds (including sub-funds) Administered in Malta (2019 – June 2021)**

	Non-Malta domiciled funds administered in Malta
2019	177
2020	199
June 2021	218

*Source: Malta Financial Services Authority.*

## PART 2 – Trend Analysis of Investment Fund Assets<sup>7</sup>

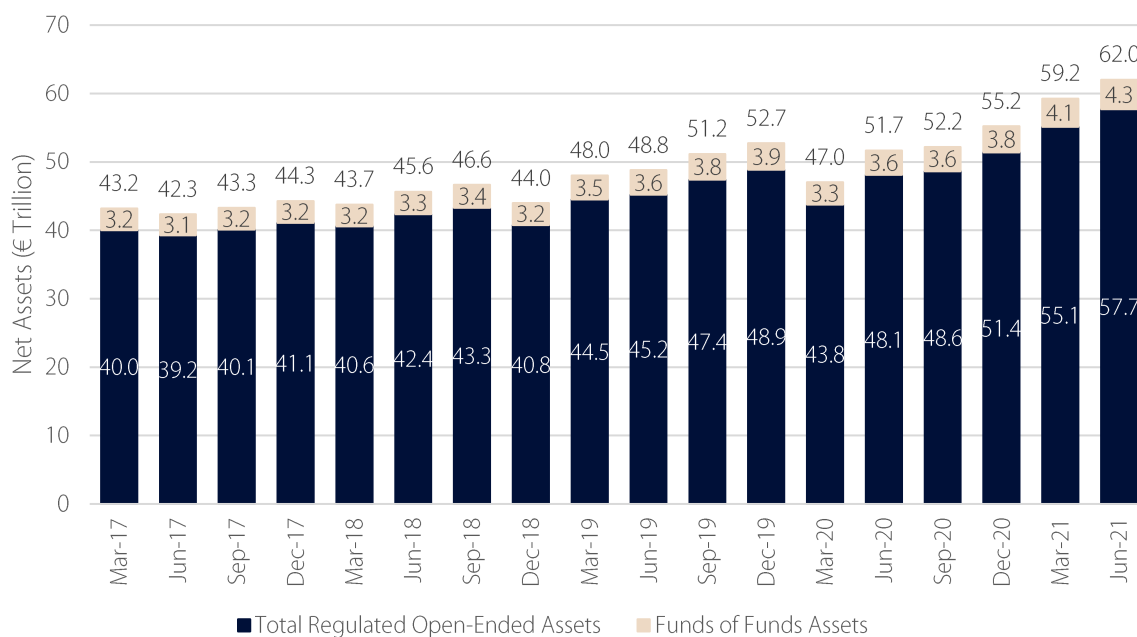
### 2.1 General Overview in the International Fund Industry

#### 2.1.1 Worldwide Regulated Fund Assets and Flows

The total number of worldwide regulated open-ended funds stood at 144,410 as at end June 2021. This represents an increase of 1.5 percent compared to end 2020. Equity funds constitute the largest share, at 32.1 percent, followed by balanced/mixed funds, other funds and bond funds at 29.4 percent, 16.7 percent and 16.4 percent respectively.

Net assets of worldwide investment funds increased by 12.3 percent during the first half of 2021, from €55.2 trillion in December 2020 to €62 trillion in June 2021. Worldwide net cash flow of all funds amounted to €1.8 trillion during the first half of 2021, compared to €1.4 trillion during the first half of 2020.

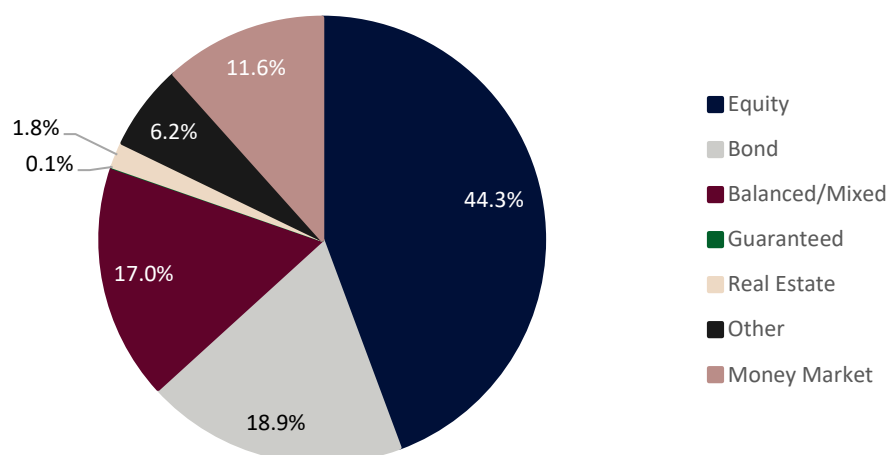
**Figure 1: Worldwide Net Assets of Regulated Open-ended Funds (2017 – June 2021)**



Source: EFAMA.

Equity funds made up the largest component of worldwide regulated open-ended fund net assets as at end June 2021 with a share of 44.3 percent (or €27.5 trillion). Bond fund assets represented 18.9 percent (or €11.7 trillion) while balanced/mixed funds constituted a share of 17 percent (or €10.6 trillion). Money market funds had a share of 11.6 percent (or €7.2 trillion).

<sup>7</sup> Figures may not sum up to 100% due to rounding of figures.

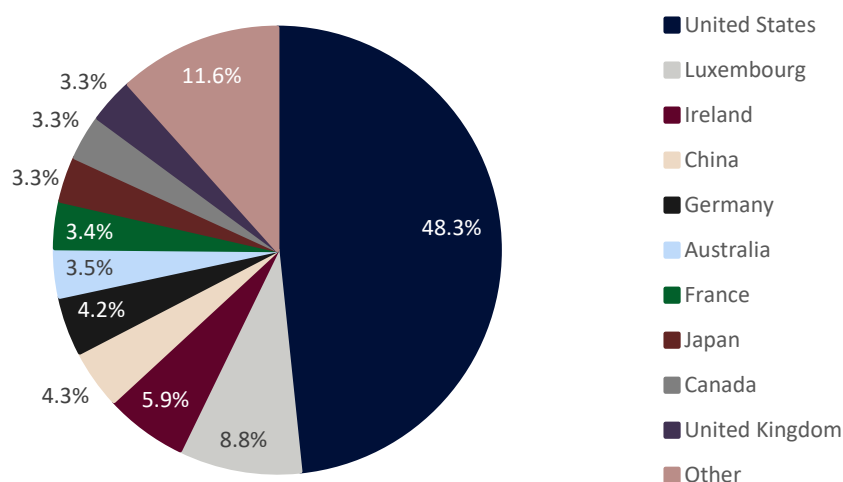
**Figure 2: Worldwide Net Assets by Type of Fund (June 2021)**

Source: EFAMA.

On a euro-denominated basis, assets of worldwide equity funds increased by 16.9 percent (or four billion euro) to €27.5 trillion at the end of Q2 2021, followed by balanced/ mixed funds which experienced an increase of 12.8 percent (or €1.2 trillion) to €10.7 trillion. Funds classified as *Other* reported a growth of 10.4 percent (or €0.4 trillion) while assets of bond funds surged by 6.9 percent (or €0.8 trillion).

America and Europe remain the largest constituents of total worldwide investment fund net assets at the end of Q2 2021, with a share of 54.7 percent (or €33.9 trillion) and 32 percent (or €19.9 trillion) respectively. The Asian, Pacific and African regions make up the remaining share of 13.3 percent (€8.2 trillion). The United States kept its top ranking as the largest fund domicile in terms of net assets at 48.3 percent (or €30 trillion), followed by Luxembourg and Ireland with a share of 8.8 percent (or €5.5 trillion) and 5.9 percent (or €3.7 trillion) respectively. China moved up in the ranking, positioning as the fourth largest fund domicile in terms of net assets with a share of 4.3 percent (€2.6 trillion). The following pie chart shows the market share of the top ten domiciles of worldwide investment fund net assets.

**Figure 3: Market Share of the Top 10 Domiciles of Worldwide Investment Fund Net Assets (June 2021)**



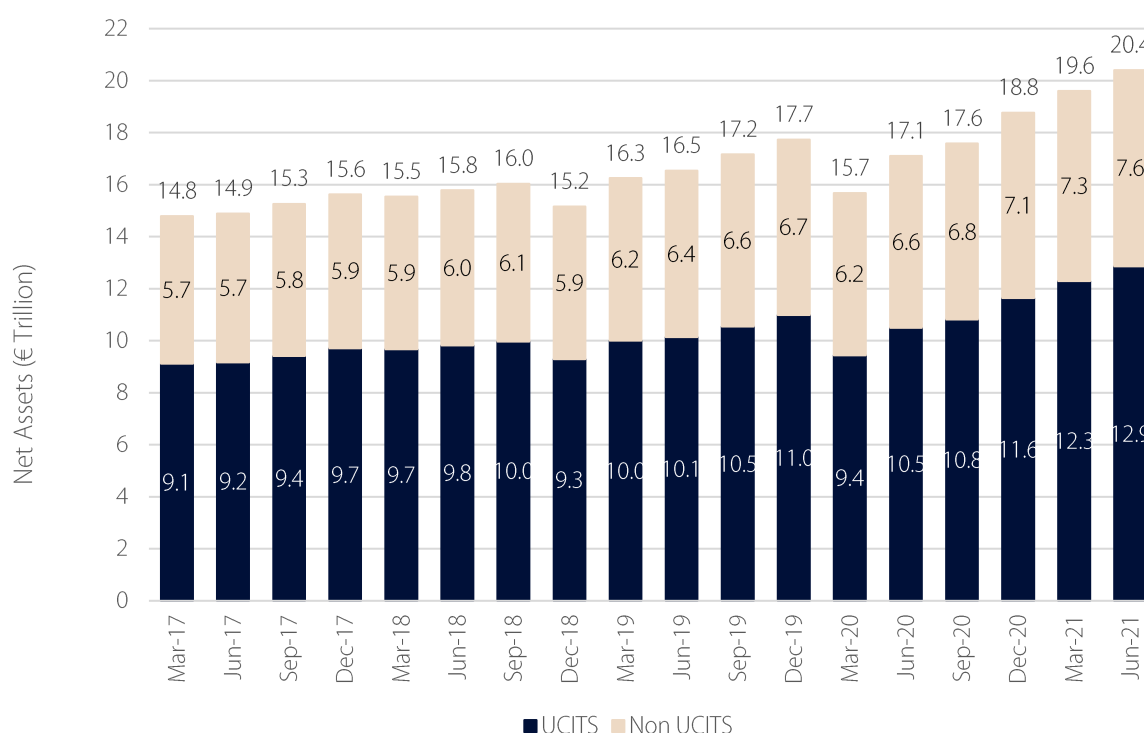
Source: EFAMA.

Worldwide net sales of regulated open-ended funds amounted to €1.8 trillion in the first half of 2021, compared to €1.4 trillion in the first half of 2020. Equity funds recorded net inflows of €515 billion during the first half of 2021 compared to net outflows of €11.5 billion during the first half of 2020. During the same period, balanced/mixed funds recorded inflows of €307.7 billion compared to net outflows of €6.1 billion a year before. Net inflows of bond funds increased appreciably in 2021 when compared to the first half of 2020, from €72 billion to €518.2 billion.

### 2.1.2 Trends in the European Investment Fund Industry<sup>8</sup>

Net assets in the European fund industry increased by 8.8 percent (or €1.6 trillion), from €18.8 trillion as at end 2020 to €20.4 trillion as at end June 2021. Net assets of UCITS funds surged by 10.4 percent (or €1.2 trillion) compared to end 2020, to stand at €12.9 trillion. Moreover, non-UCITS funds also experienced a growth in net assets, of 6.1 percent (or €0.4 trillion) compared to end 2020, to stand at €7.6 trillion as at end June 2021.

<sup>8</sup> The figures for the international fund industry and the European fund industry were obtained from two separate releases issued by EFAMA.

**Figure 4: Net Asset Value of European funds (2017 – June 2021)**

Source: EFAMA.

The first half of 2021 was a positive period for the European investment funds, with all the European jurisdictions recording an upturn in net assets. In total, UCITS and AIFs attracted €430 billion in net inflows during the first half of 2021. The highest increase in net assets was registered by Cyprus at 32.9 percent (or €1.6 billion), followed by Malta with an increase in net assets of 23.4 percent (or €3.4 billion). Table 10 shows the net assets of investment funds in major European countries with their corresponding percentage increases in net assets compared to end 2020.

**Table 10: Net Assets of Investment Funds in Major European countries (2019 – June 2021)**

Country	Dec 2019 NAV	Dec 2020 NAV	June 2021 NAV	Percentage change Dec 20 – Jun 21 (%)
	Million EUR	Million EUR	Million EUR	
<b>Luxembourg</b>	4,718,914	4,973,780	5,487,526	<b>10.3</b>
<b>Ireland</b>	3,048,404	3,324,194	3,683,165	<b>10.8</b>
<b>Germany</b>	2,357,740	2,511,385	2,650,909	<b>5.6</b>
<b>France</b>	1,956,090	2,066,996	2,125,007	<b>2.8</b>
<b>UK</b>	1,751,302	1,784,304	1,994,599	<b>11.8</b>
<b>Switzerland</b>	714,294	762,035	811,614	<b>6.5</b>
<b>Sweden</b>	421,209	479,913	551,017	<b>14.8</b>
<b>Italy</b>	320,654	329,442	339,063	<b>2.9</b>
<b>Spain</b>	306,311	304,406	329,475	<b>8.2</b>
<b>Malta</b>	<b>15,914</b>	<b>14,399</b>	<b>17,728</b>	<b>23.4</b>

Source: EFAMA.

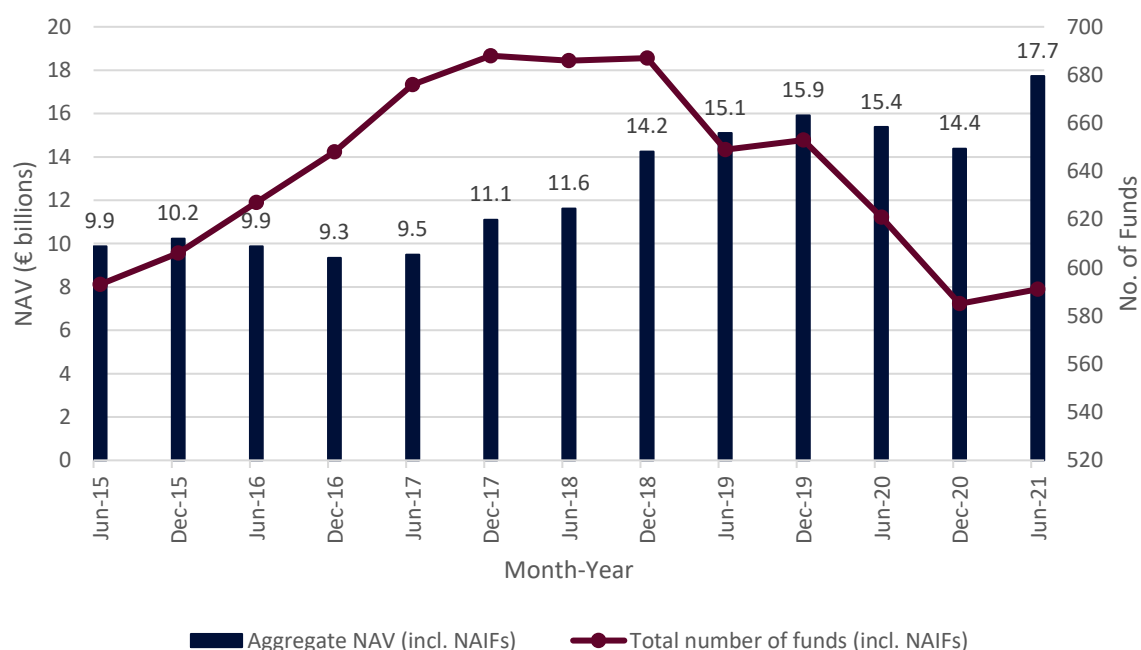
## 2.2 Trends in the Maltese Investment Fund Industry<sup>9</sup>

### 2.2.1 Aggregate Net Asset Value of Locally Based CISs

Total net asset value of Malta domiciled funds increased by 23.4 percent when compared to end 2021, reaching €17.7 billion in June 2021. It is pleasing to note that Malta's fund industry has seen one of the largest growth in the European industry, in percentage terms, during the period under review. Moreover, the total NAV has not only reversed the downward trend, but it is the highest seen for a number of years indicating the achievement of a new milestone. As at end June 2021, AIFs accounted for the largest share of NAV at 65.4 percent (or €11.6 billion<sup>10</sup>), followed by PIFs with a share of 18.8 percent (or €3.3 billion) and UCITS funds at 15.8 percent (or €2.8 billion).

During the first half of 2021, subscriptions amounted to almost three billion euro which were mostly attributed to AIFs (77.1 percent or €2.3 billion) while redemptions totalled €0.7 billion, resulting in net inflows equal to €2.3 billion. Moreover, net revaluation adjustments increased the NAV by €0.4 billion.

**Figure 5: Net Asset Value of Locally Based CISs against Number of Registered Funds (2015 – June 2021)**



Source: Malta Financial Services Authority.

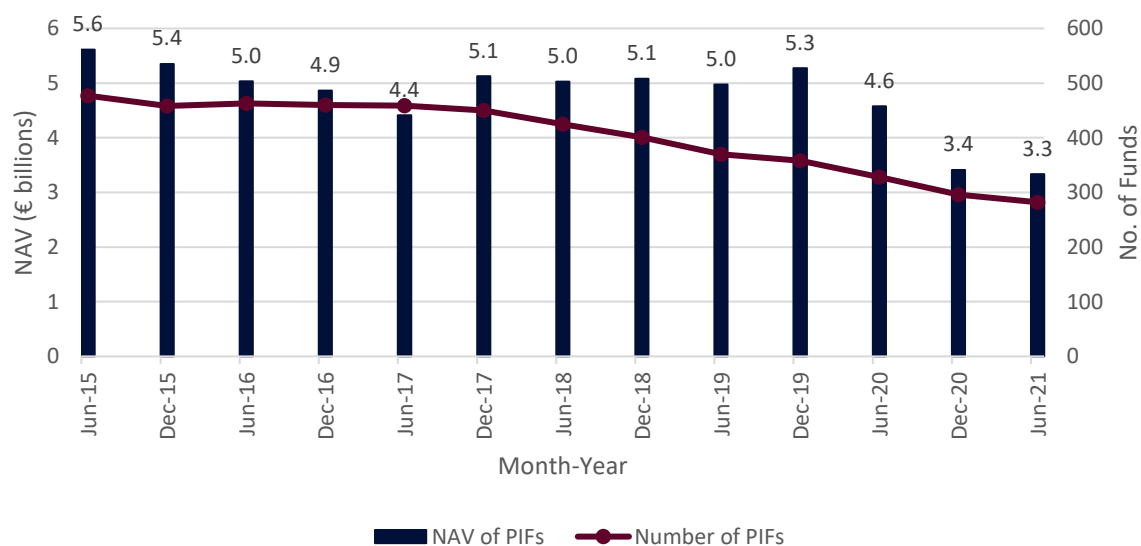
<sup>9</sup> Cut-off date for net asset values is 20<sup>th</sup> August 2021.

<sup>10</sup> This includes the NAV of AIFs and NAIFs.

## 2.2.2 Net Asset Value of Professional Investor funds

Professional Investor Funds registered a decline in net assets of 2.3 percent (or €76.8 million) during the first half of 2021 compared to end 2020, to stand at €3.3 billion as at June 2021. Figure 6 shows the net asset value and the number of licensed Professional Investor Funds over the period 2015 to 2021.

**Figure 6: Net Asset Value of PIFs and Number of Licensed PIFs (2015 – June 2021)**



Source: Malta Financial Services Authority.

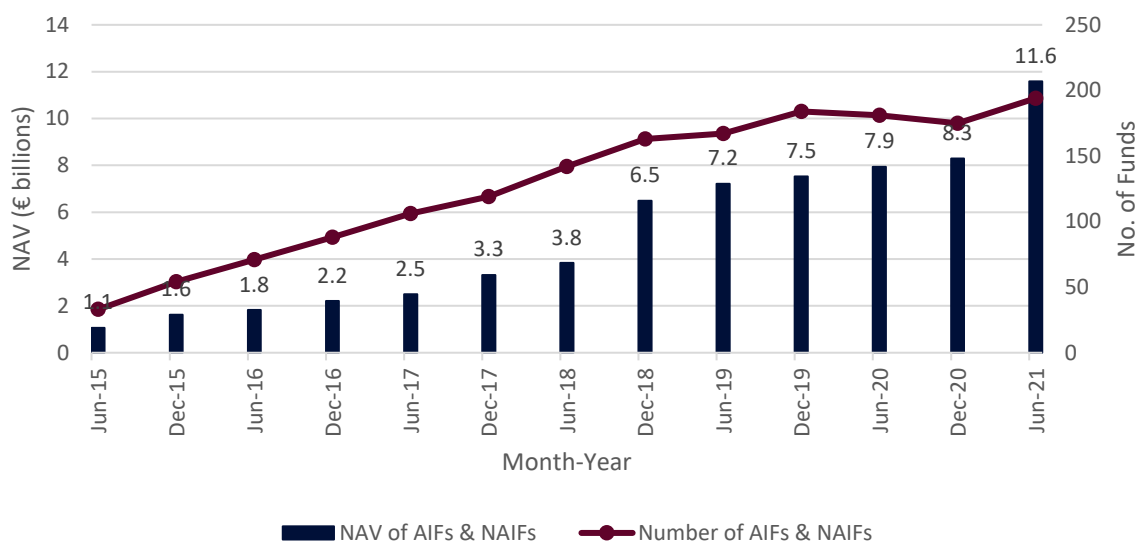
## 2.2.3 Net Asset Value of Alternative Investment funds

Net assets of Alternative Investment Funds increased by 39.8 percent (or €3.3 billion) during the first six months of 2021, to stand at €11.6 billion<sup>11</sup> as at June 2021. Figure 7 shows the net asset value and the number of licensed/notified Alternative Investment Funds over the period 2015 to June 2021.

<sup>11</sup> This includes the NAV of NAIFs and AIFs.



**Figure 7: Net Asset Value of AIFs and Number of Licensed AIFs (2015 – June 2021)**

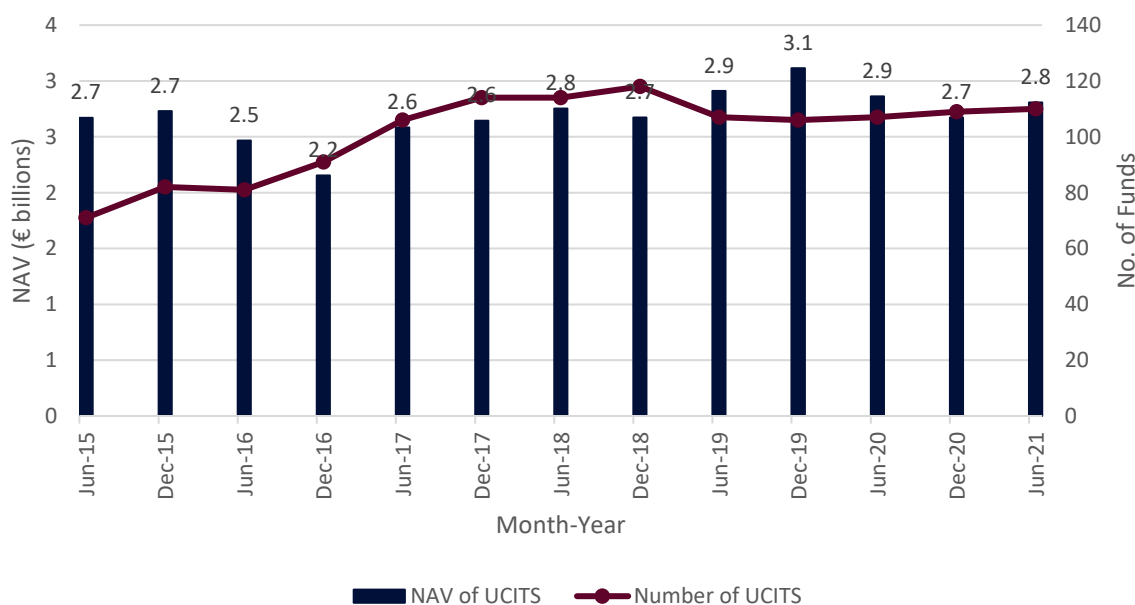


Source: Malta Financial Services Authority.

### 2.2.4 Net Asset Value of UCITS funds

UCITS funds had a positive experience during 2021 and reported an increase in net assets of five percent (or €0.1 billion), to stand at €2.8 billion as at June 2021. Figure 8 depicts how the net asset value and the number of licensed UCITS funds have fluctuated over the period 2015 to 2021.

**Figure 8: Net Asset Value of UCITS Funds and Number of Licensed UCITS Funds (2015 – June 2021)**

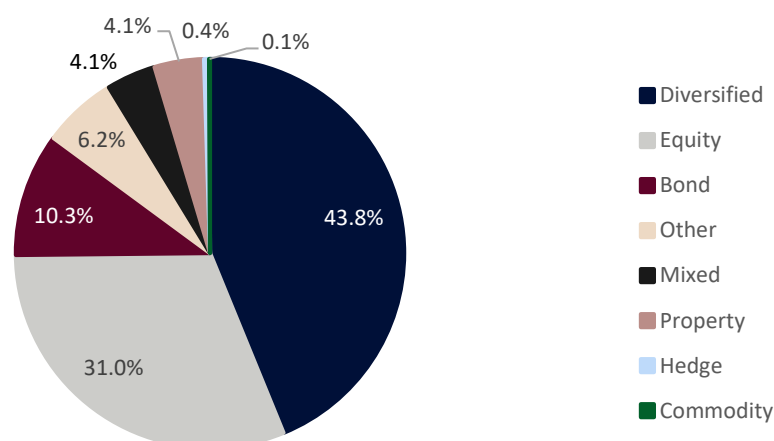


Source: Malta Financial Services Authority.

## 2.3 Asset Class Allocation of Investment Funds<sup>12</sup>

Diversified funds and equity funds are the most common type of funds with investors, representing 43.8 percent and 31 percent of the total net asset value as of June 2021 respectively. Bond funds followed with a share of 10.3 percent. The remaining share of NAV was spread over the remaining fund categories as illustrated in Figure 9.

**Figure 9: Net Asset Value by Asset Allocation (June 2021)**



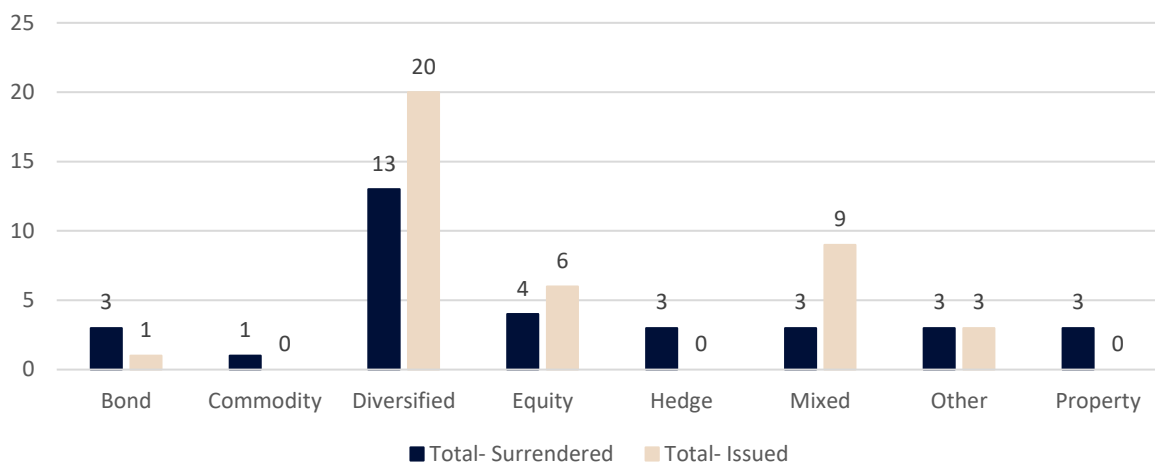
*Source: Malta Financial Services Authority.*

All fund categories except commodity funds experienced an increase in net assets during the first half of 2021. The largest increase was recorded by diversified funds at 39.4 percent (or €2.2 billion), followed by hedge funds and equity funds at 27.5 percent (or €15.9 million) and 20.1 percent (or €0.9 billion) respectively.

During the first half of 2021, the Authority licensed 39 new funds, of which 51.3 percent (or 20 licences/notifications) were licensed as diversified funds. Mixed funds followed with a share of 23.1 percent (or nine licences/notifications). During the same period, the Authority accepted the surrender of 33 funds licences/notifications, of which 39.4 percent (or 13 licences/notifications) were diversified funds. Equity funds followed with a share of 12.1 percent (or four licences/notifications). Figure 10 splits the total new and surrendered funds during the period January 2021 to June 2021 by asset allocation.

<sup>12</sup> The asset allocation of funds was extracted from the offering supplements of the funds. Consequently, it does not necessarily mean that the allocated assets of the funds were invested accordingly.

**Figure 10: Authorised and Surrendered Funds by Asset Allocation (June 2021)<sup>13</sup>**

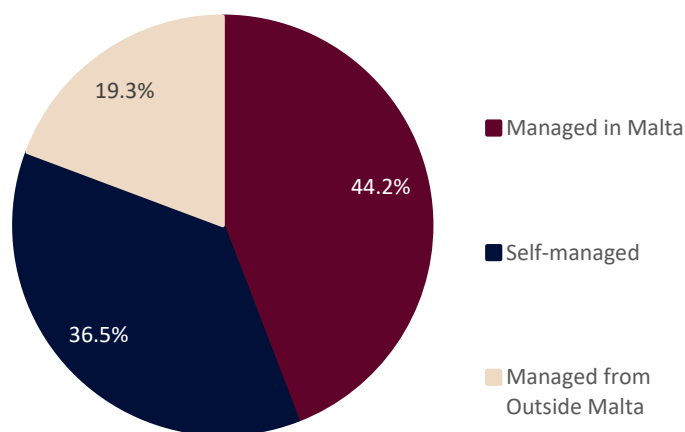


Source: Malta Financial Services Authority.

## 2.4 Investment Management

As at June 2021, 44.2 percent of the funds were managed by locally established fund managers while 36.5 percent were self-managed. The remaining funds (19.3 percent) were managed by foreign fund managers.

**Figure 11: Management of Locally Based Investment Funds (June 2021)**



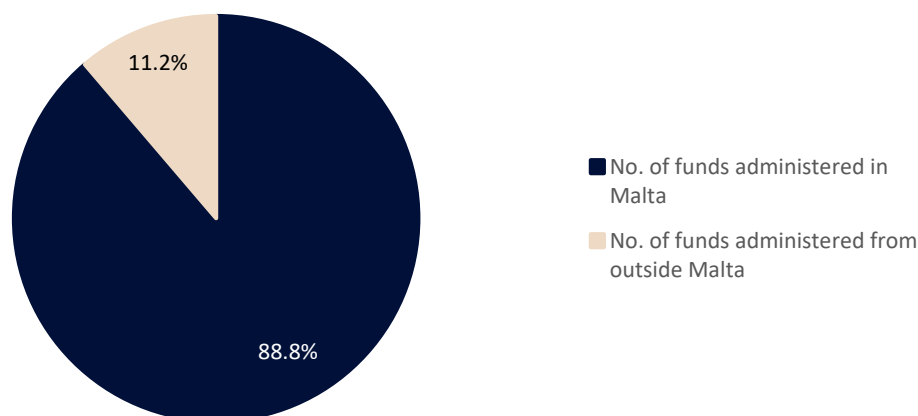
Source: Malta Financial Services Authority.

<sup>13</sup> These include PIFs, AIFs, NAIFs, and UCITS.

## 2.5 Fund Administration

Malta domiciled funds are mostly administered in Malta (88.8 percent), with the remaining 11.2 percent administered from outside Malta.

**Figure 12: Administration of Locally Based Investment Funds (June 2021)**



Source: Malta Financial Services Authority.

## 2.6 Operating Structure of Funds

The majority of Collective Investment Schemes are set up as multi-fund structure (79.8 percent) followed by stand-alone Collective Investment Schemes at 16.7 percent. Five collective investment schemes were set up as master funds while four schemes were set up as feeder funds which invest directly in the master fund. Table 11 shows the operating structures of Collective Investment Schemes domiciled in Malta as at June 2021.

**Table 11: Schemes by Operating Structure as at June 2021**

	Number of schemes as at June 2021	% Number of schemes against total schemes
Master/Feeder (Master)	4	1.5
Master/Feeder (Feeder)	5	1.9
Stand Alone	44	16.7
Multi fund	210	79.8
<b>Total</b>	<b>263</b>	<b>100</b>

Source: Malta Financial Services Authority.

## 2.7 Funds Listed on the Malta Stock Exchange

The number of Malta domiciled funds listed on the Malta Stock Exchange as at June 2021 amounted to 26, of which 10 were licenced as Alternative Investment Funds, nine as Professional Investor Funds and seven as UCITS funds.

**Table 12: Funds Listed on the Malta Stock Exchange as at June 2021**

Type of CIS	Funds listed on MSE
PIF	9
AIF	10
UCITS	7
<b>Total</b>	<b>26</b>

*Source: Malta Financial Services Authority.*

## 2.8 Net Asset Value of Non-Malta Domiciled Funds Administered in Malta

Net assets of non-Malta domiciled funds administered by Maltese fund administrators increased by 9.5 percent (or €1.3 billion), from four billion euro in December 2020 to €5.3 billion in June 2021.

**Table 13: NAV of Non-Malta Domiciled Funds Administered in Malta (2019 – June 2021)**

	NAV of non-Malta domiciled funds administered in Malta (Billion Euro)
<b>December 2019</b>	3.7
<b>December 2020</b>	4.0
<b>June 2021</b>	5.3

*Source: Malta Financial Services Authority.*

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