

DANMARKS NATIONALBANK

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INVESTMENT FUNDS, 1ST QUARTER 2020

Private investors lost almost kr. 40 billion

Private Danish investors lost almost kr. 40 billion on their UCITS fund shares in Q1 2020. At the end of March their shares had a market value of kr. 315 billion.¹

All sectors incurred a loss

It was not only the private investors who incurred a loss. All sectors suffered losses from their UCITS fund shares in Q1 2020. The total loss was kr. 139 billion, and the market value of the investment fund sector is now down to kr. 959 billion which is the lowest since December 2018. March accounted for over half of the incurred losses, but there were also losses in January and February. However, in the first two

months of the year there have also been large dividend payments. When an investment fund pays dividends, the value of the fund shares is reduced accordingly. The investment funds paid out over kr. 24 billion during these two months.

Large purchase of investment fund shares

During Q1 2020 there was purchased investment fund shares for kr. 42 billion which is the largest purchase since Q2 2015. All sectors had net purchases of UCITS shares in Q1.

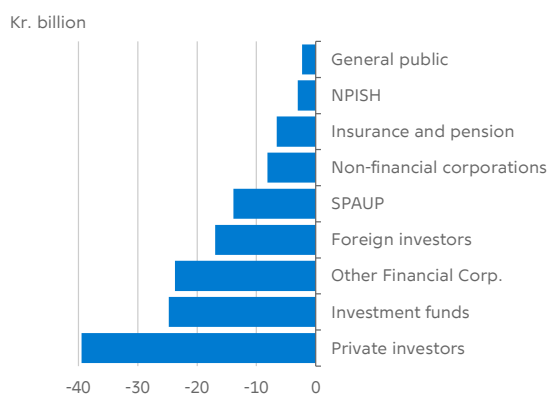
Private investors bought in January and February, but sold in March

Private investors also had the largest net purchase of UCITS fund shares in February since Q1 2018. The reinvestment of dividends contributed to the increased purchase during Q1. Another explanatory factor may be the introduction of negative deposit rates for individuals.

The picture changes if one only looks at the movements in March. Here, private investors, sole proprietors and unincorporated partnerships sold investment fund shares for kr. 3.4 billion and kr. 1.1 billion respectively.

However, there are also investors who have bought fund shares over the past month. Investment funds and the public sector bought for kr. 2.1 billion and kr. 2.6 billion, respectively.

Private investors lost almost kr. 40 billion during Q1 2020.



Note: The data covers the Danish UCITS funds. NPISH is short for non-profit institutions serving households while SPAUP is short for sole proprietors and unincorporated partnerships. Investment funds cover both UCITS and AIF.

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¹ Losses, or negative profits, are defined as the sum of value adjustments and dividends paid out.