

DANMARKS NATIONALBANK

1 NOVEMBER 2021

INVESTMENT FUNDS, 3RD QUARTER 2021

Major stock buys via funds

In the first three quarters of 2021, private Danish investors have purchased more investment fund shares than in the past three years combined. In a year with rising stock markets and negative deposit interest, they have so far invested kr. 30 billion in investment funds, while they invested kr. 26 billion in the years leading up to 2021.

Especially, investments in funds combining stocks and bonds, so-called mixed funds, and pure stock funds, are popular in 2021. Private investors have invested kr. 13 billion in mixed funds and kr. 11 billion in stock funds, and the returns from the two types of funds have been 6 and 16 per cent, respectively, since the beginning of the year. At the same time, they have invested kr. 6 billion in bond funds, which have yielded a return of -2 per cent.

The wealth in mixed funds has more than doubled

In recent years, private investors have shown great interest in mixed funds, and the wealth in these funds has more than doubled since January 2018.

Typically, the return on mixed funds exhibits less fluctuations than the return on stock funds, which can be one of the reasons for the increase. This is, among other things, due to bond returns fluctuating less than stock returns. Since investments in different types of securities is possible in mixed funds, they give rise to a wider spread of investment risk.

Share of stocks varies across mixed funds

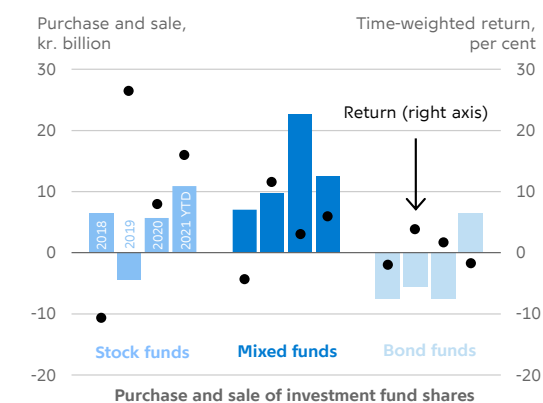
There is a wide range of different mixed funds, and the amount of stocks and bonds in each span wide. On average, the share of stocks and other assets constitute 47 per cent of the funds' investments, while bonds constitute 53 per cent.

The share of stocks in the mixed funds' investments is allowed to constitute between 0 and 85 per cent. The actual share of stocks across the mixed funds constitute between 20 and 80 per cent of the investments.

The Danish mixed funds invest in stocks and bonds, both directly and through pure stock and bond funds. Among the large investments in the mixed funds are, for example, ETF's (exchange traded funds), foreign investment funds and American technology stocks like Microsoft and Apple.

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Large-scale stock purchase among private Danish investors via investment funds since 2018



Anm.: Private Danish investors' accumulated net purchase of investment fund shares. Data covers Danish investment funds, regulated by the Danish Investment Associations etc. Act (i.e. UCITS). Find chart data here ([link](#)).