

# DANMARKS NATIONALBANK

5 MAY 2022

## INVESTMENT FUNDS, 1ST QUARTER 2022

# Record dividends from investment funds

In the first quarter of 2022, private Danish investors received record dividends of kr. 19 billion from investment funds. The large dividends are related to large price increases in the financial markets last year. Dividends are mainly paid in the first quarter and predominantly in February.

The dividends come from distributing funds, where private Danish investors have invested kr. 350 billion. Of this, kr. 145 billion are invested in equity funds, kr. 119 billion in bond funds, and kr. 86 billion in mixed funds, which invest in both equities and bonds. Last year, the equity markets surged and equity funds paid out kr. 14 billion and thus the majority of the total dividends. The return on bonds was

smaller, and the mixed funds paid out kr. 4 billion, while bond funds paid out kr. 1 billion.

The dividends from investment funds consist, among other things, of earned dividends and interests as well as realised capital gains on the equities and bonds in which the funds have invested. Aside from dividends, the owners of investment certificates receive returns from unrealised capital gains on the funds' investments.

### Dividends are reinvested

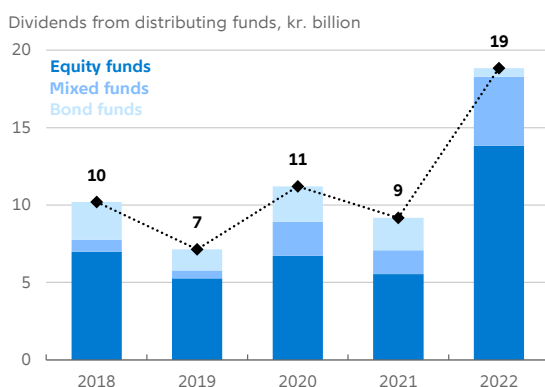
The investors must decide whether they want the dividends paid out or reinvested and thus buy more investment certificates. In the first quarter of 2022, approximately 60 per cent of the dividends were reinvested. Reinvestments means that the value of the investments and risk exposure do not change as a result of the dividend payments.

After dividend distribution, less money will generally be invested in the investment funds. When the total wealth of the investment funds decreases, so do the prices of the investment certificates. This results in reinvestment at new and lower prices.

### Also wealth in accumulating funds

In addition to distributing funds, there are accumulating funds where private Danish investors have a total wealth of kr. 89 billion. The difference between the two fund types is that accumulating funds do not pay dividends, but automatically reinvest the dividends without the possibility of paying them out.

### Private Danish investors have received record dividends from investment funds in 2022



Note: Dividends from Danish investment funds to private Danish investors (i.e. employees, pensioners etc.). Data covers Danish investment funds regulated by the Danish Investment Associations etc. Act (i.e. UCITS). Find chart data here ([link](#)).

[CLICK HERE FOR FURTHER INFORMATION](#)