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**14 June 2012**

**Strong Growth in Malta's Fund Sector**

In just a couple of years Malta has established itself as a fund domicile of international repute, serving not only the domestic market but also European and international markets. The country is home to a considerable number of retail and non-retail funds as well as to fund managers and administrators.

While in 1995 there were only 5 Collective Investment Schemes licensed, the number has increased to more than 500 today making the funds sector the fastest growing financial sector in Malta.

During 2011, the Authority issued 179 new Collective Investment Scheme licences (including sub-funds), of which 163 were Professional Investor Funds (PIFs), 14 UCITS funds and two Non-UCITS funds. The number of new licensed Professional Investor Funds in 2011 went up by almost 60 per cent over the previous year.

The funds sector also registered growth of around 4.2 per cent in aggregate net asset value over the previous year. Net asset value totalled over €8.3 billion as at the end of 2011. However, in view of the financial crises and the resultant economic uncertainty and low investor sentiment, despite the growth recorded in net asset value over the last three years, the NAV still remains significantly below the peak value reached in June 2008 when the number of licenced funds was around half the number of licensed funds in 2011.

A key aspect of the sector's success is the country's legislation for Professional Investor Funds. The net asset value of Professional Investor Funds totalled over €5.8 billion in 2011, an increase of over 12 per cent over the period 2010 – 2011. The increase was generally contributed by a number of new PIFs which started operating during the year. UCITS and non-UCITS retail funds did not experience the same growth in the net asset value despite a growth in the number these funds.

In tandem with the growing number of funds, a significant number of international and reputable fund administrators have set up office in Malta. In fact, about 70 per cent of the funds domiciled in Malta were administered in Malta in 2011 while almost 30 per cent of the funds were administered from outside Malta. The share of funds which were self-administered was 0.2 per cent.

The net asset value of non-Malta domiciled funds (including sub-funds) administered in Malta totaled almost €1.4 billion as at end December 2011, an increase of almost €0.5 billion or 55.6 per cent from 2010.

These achievements are being driven by a number of key factors which include the high standards of regulatory oversight, the presence of an accessible regulatory body, the availability of highly qualified and multilingual human resources as well as the highly competitive set up and ongoing operational costs.



PRESS RELEASE

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The Malta Funds Industry Association remains committed to continue working hard with the various players in the Industry in order to sustain and ensure the future growth of the Industry.

For more information kindly visit [www.mfia.org.mt](http://www.mfia.org.mt).

**MFIA Profile**

*The MFIA's primary objective is to act as a channel of communication and to make representations to the Maltese Government and the Malta Financial Services Authority on legislative, regulatory and fiscal matters which amongst others, directly or indirectly, have an effect on the business and/or professional interests of its members.*

*MFIA is also represented on the Financial Services Consultative Council and on the Board of Governors of FinanceMalta, a Foundation which was set up between the Industry and the Government of Malta with the core remit to promote Malta's financial services industry in and outside Malta.*