

MEDIA RELEASE



International Organization of Securities Commissions
Organisation internationale des commissions de valeurs
Organização Internacional das Comissões de Valores
Organización Internacional de Comisiones de Valores
المنظمة الدولية لهيئات الأوراق المالية

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Madrid, 04 January 2022

IOSCO report provides new global-level data on global investment funds industry

The Board of the International Organization of Securities Commissions (IOSCO) today published its [*Investment Funds Statistics Report*](#), which provides new insights into the global investment funds industry and the potential systemic risks this industry may pose to the international financial system.

Since 2010, IOSCO has undertaken a biennial data collection exercise in the form of the IOSCO Hedge Funds Survey. However, the scope of this latest report goes beyond hedge funds to include, for the first time, an analysis of the opened-ended and closed-ended funds industries. It is based on a comprehensive collection of supervisory data from IOSCO members.

Going forward, the report will be an annual exercise that aims to facilitate the regular collection and analysis of investment fund data, enabling regulators to share information and observe trends regarding trading activities, leverage, liquidity management, markets and funding in the global investment funds sector.

The current report is the first edition. Like most monitoring efforts based on data, trends matter, and the purpose of data collection is to monitor these trends over time. However, even in this early stage, the report is able to glean the following messages from the data:

- In aggregate, open-ended funds are not meaningfully leveraged by any metric; while
- *in normal times*, the portfolio liquidity is managed in line with the liquidity offered to investors.
- In contrast, hedge funds exhibit strong liquidity management procedures, with portfolio liquidity far in excess of the liquidity offered to investors;

- Hedge funds aggregate leverage, while increasing, is still below leverage levels seen in most banks.
- For closed-ended funds, liquidity management concerns are not the same as for other funds types, while leverage levels are not meaningful;
- However, current leverage metrics inadequately capture the leverage employed by Private Equity (PE) funds. PE are heavy users of leveraged finance and are more likely to place that leverage on the balance sheet of an investment target rather than on the fund's own balance sheet.

NOTES TO THE EDITORS

1. IOSCO is the leading international policy forum for securities regulators and is recognized as the global standard setter for securities regulation. The organisation's membership regulates more than 95% of the world's securities markets in some 130 jurisdictions, and it continues to expand.
2. The IOSCO Board is the governing and standard-setting body of IOSCO and is made up of 34 securities regulators. Mr. Ashley Alder, the Chief Executive Officer of the Securities and Futures Commission of Hong Kong, is the Chair of the IOSCO Board. The members of the IOSCO Board are the securities regulatory authorities of Argentina, Australia, Bahamas, Belgium, Brazil, China, Egypt, France, Germany, Hong Kong, India, Ireland, Italy, Japan, Kenya, Korea, Malaysia, Mexico, Morocco, Nigeria, Ontario, Pakistan, Portugal, Quebec, Russia, Saudi Arabia, Singapore, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the United States of America (both the U.S. Commodity Futures Trading Commission and U.S. Securities and Exchange Commission). The Chair of the European Securities and Markets Authority and the Chair of IOSCO's Affiliate Members Consultative Committee are also observers.
3. The Growth and Emerging Markets (GEM) Committee is the largest committee within IOSCO, representing more than 75% per cent of the IOSCO membership, including 10 of the G20 members. Dr. Mohammed Omran, Executive Chairman of the Financial Regulatory Authority, Egypt is Chair of the GEM Committee. The committee brings members from growth and emerging markets together and communicates members' views and facilitates their contribution across IOSCO and at other global regulatory discussions. The GEM Committee's strategic priorities are focused, amongst others, on risks and vulnerabilities assessments, policy and development work affecting emerging markets, and regulatory capacity building.
4. IOSCO aims through its permanent structures:
 - to cooperate in developing, implementing and promoting internationally recognized and consistent standards of regulation, oversight and enforcement to protect investors, maintain fair, efficient and transparent markets, and seek to address systemic risks;

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- to enhance investor protection and promote investor confidence in the integrity of securities markets, through strengthened information exchange and cooperation in enforcement against misconduct and in supervision of markets and market intermediaries; and
- to exchange information at both global and regional levels on their respective experiences to assist the development of markets, strengthen market infrastructure and implement appropriate regulation.

MEDIA ENQUIRIES

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