
Print from the website of the AMF

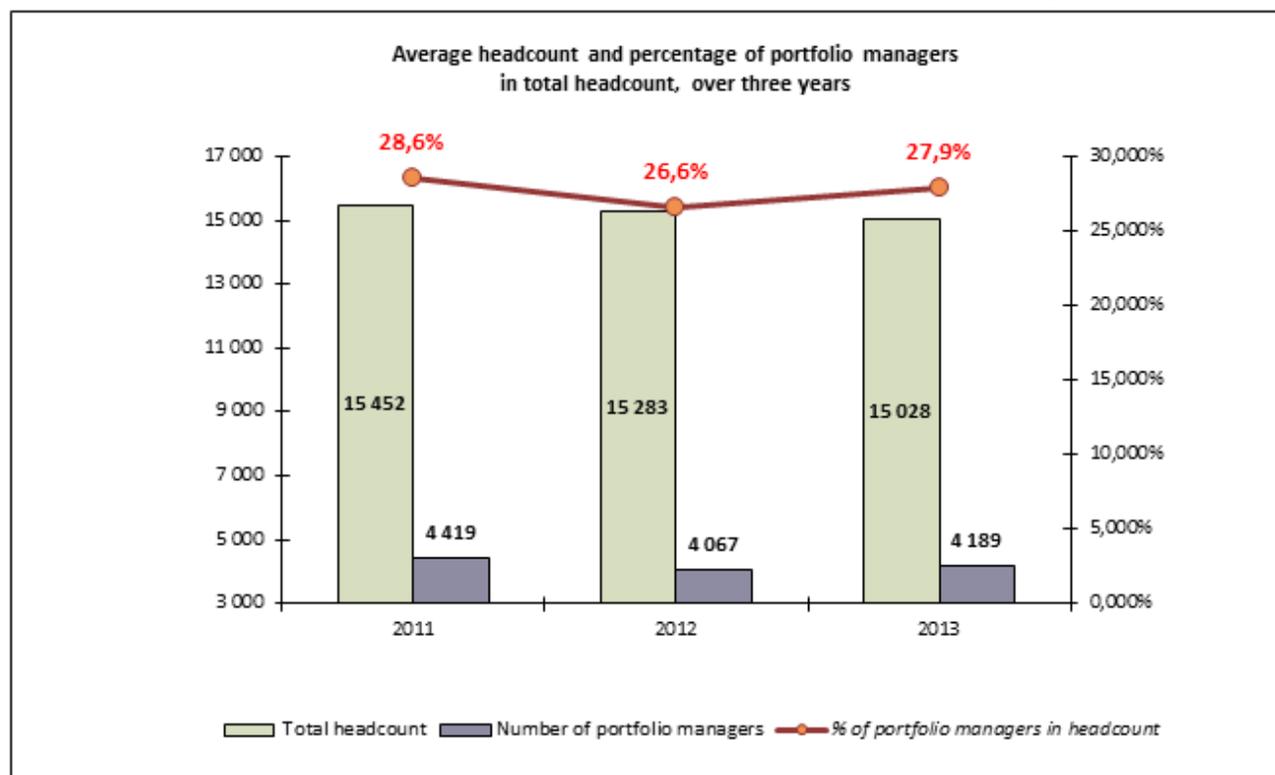
22 September 2014

Key figures for asset management in 2013: 15,028 direct jobs

The 2013 statistics for asset management in France point to a thriving industry, boasting more than 600 management companies, EUR 2.8 trillion in assets under management (AuM) and over 15,000 direct jobs. Boutique investment houses make up the majority of firms and supply much of the driving force. Read on for a close-up look at the management companies doing business in France.

Staffing levels withstand the crisis

The total headcount (including seconded and assigned personnel) reported by all investment management companies stood at 15,028 on 31 December 2013. While the overall number has fallen by 2.7% over the last three years, the average headcount is around 26, showing that staffing levels have held up in the face of the crisis.

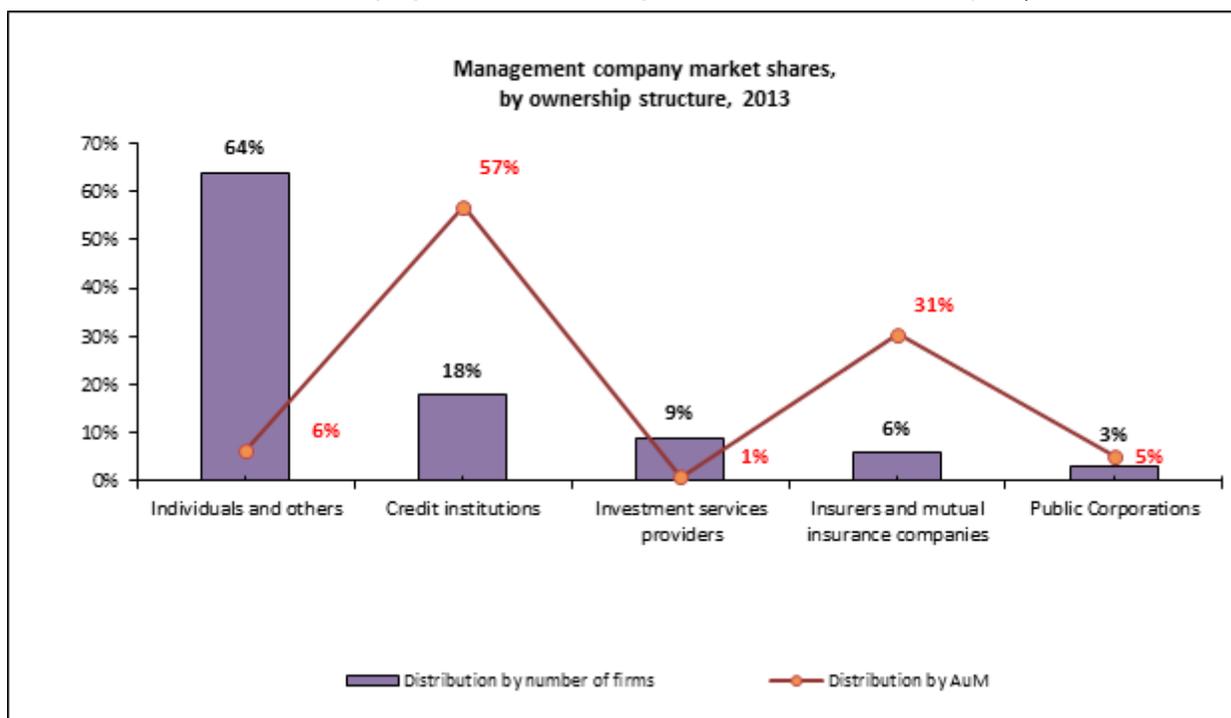


The distribution of investment management companies in terms of staffing levels was steady relative to 2012. Consistent with previous years, boutique management companies had a major presence on the asset management market. In 2013, 57% of investment management companies had a headcount of fewer than 20 people. Meanwhile, large companies with over 100 employees accounted for a small share of the total population (5%). Their average headcount contracted by 7%, reflecting post-crisis restructuring of middle offices, back offices and information systems.

On average, portfolio managers made up 28% of the total headcount of investment management companies in 2013, a share that has remained consistent over time. The weighting is inversely proportional to assets under management, in particular because smaller firms outsource a significant share of their support functions while remaining bound by the regulatory requirement to have at least two full-time financial portfolio managers.

Ownership structures

An examination of the ownership structures of management companies reveals the diverse range of players in France's asset management industry, which include boutique firms, subsidiaries of large full-service credit institutions, subsidiaries of insurers and mutual insurance companies specialised in group management.



Boutique investment firms

Boutique investment firms are a major force in asset management in France, which is a distinctive feature of the French industry.

Many people continue to take the entrepreneurial route, and boutique firms are still being created at a sustained pace. Boutique investment houses account for the majority of investment companies and saw AuM grow by 13% in 2013 to EUR 184 billion. The French market has a vast network of boutique investment firms specialising in a wide range of areas, including active, private, alternative and multi-management as well as private equity. This fast-growing segment attracts high-profile portfolio managers seeking to take part in entrepreneurial endeavours. Leveraging their expertise and reputation in specialised niches, these firms often command sizeable mark-ups. However, some smaller outfits run into financial trouble because they do not have enough business or are insufficiently profitable.

This fast-growing segment attracts high-profile portfolio managers seeking to take part in entrepreneurial endeavours. Leveraging their expertise and reputation in specialised niches, these firms often command sizeable mark-ups. However, some smaller outfits run into financial trouble because they do not have enough business or are insufficiently profitable.

Investment management companies owned by credit institutions

With EUR 1.624 trillion in AuM, investment management companies owned by credit institutions account for 18% of the total population of management companies. Although these firms are leaders by market share, shrinking margins are a challenge, especially since the companies in this category have substantial headcounts and have to contend with international competition.

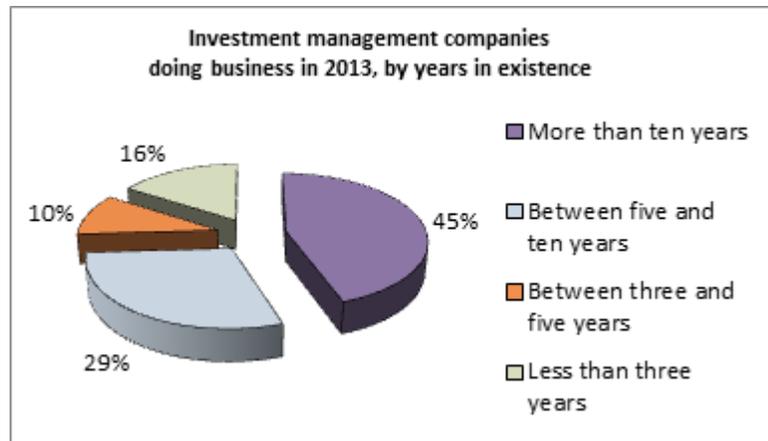
Subsidiaries of insurers and mutual insurers

Subsidiaries of insurers and mutual insurers are ranked second by market share. However, their number contracted by 15% compared with 2012, mainly owing to intragroup restructuring.

Years in existence

Although asset management has a long history in France, management companies tend to be youthful: more than one-half of them have been in existence for under ten years and around one-third were established in the last five years. The average age of management companies was ten years in 2013 and has been relatively stable over the last three years.

The number of authorisations and the percentage of management companies with a track record of less than three years remained steady. This trend should be considered against the average AuM of these firms, which has increased by 5.7% since 2011, reflecting vibrant performances by the Paris financial centre. Note that compared with previous years, new firms are tending to start out more cautiously, with larger amounts of assets under management when they are authorised.



Source

As part of its supervision of the asset management sector, the AMF receives annual disclosures from investment management companies. These filings contain quantitative data on managed assets, income and charges relating to asset management business conducted in France. The AMF's Authorisation and Supervision Directorate uses this information to perform analyses. Despite the care taken in compiling and processing data, some inaccuracies may be present owing to late filing and data entry errors.

En savoir plus

➤ Company authorisation

ON THE SAME TOPIC

 Subscribe to our alerts and RSS feeds



SPOT INSPECTIONS

ASSET MANAGEMENT

26 November 2020

Summary of SPOT inspections on the outsourcing of internal control



NEWS

ASSET MANAGEMENT

09 November 2020

Change in authorisation procedures for asset management companies



NEWS

ASSET MANAGEMENT

25 September 2020

Liquidity stress test scenarios for UCITS and AIF funds: the AMF complies with the ESMA guidelines



Legal information:

Head of publications: The Executive Director of AMF Communication Directorate. Contact:
Communication Directorate – Autorité des marchés financiers 17 place de la Bourse – 75082 Paris
cedex 02