

Print from the website of the AMF

14 October 2014

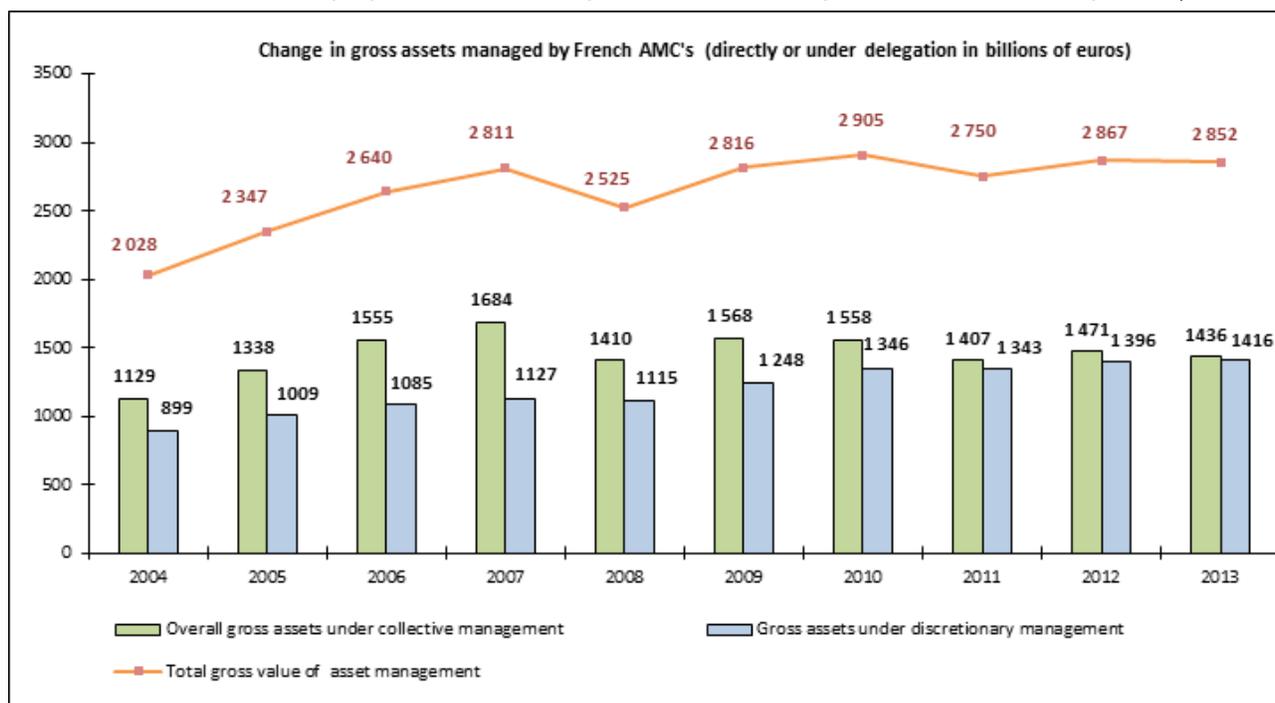
2013 key figures in asset management: 2,852 billion gross assets under management

After 2012 saw a sharp increase in gross assets under management, the French asset management market registered a slight decrease in assets under management in 2013 (-0.5%) However, this change should be evaluated according to asset class, taking into account the economic and financial market environment.

Assets under management drop slightly

The French asset management industry remains above the €2,800 billion gross assets under management level but is not benefiting from the bullish European trend. This change is characterised by a contraction in the volume of assets management by fund managers (-2%). This is explained in particular by a net decrease in subscriptions to different types of funds managed by French asset management companies (all asset classes included). Furthermore, contrary to other European countries which have profited from the 2013 market upturn, French asset managers, being less exposed to this class of assets, have benefited to a lesser degree from the positive impact of stock markets.

This originates from an aversion to risk which is very much still present among private investors, competition from savings products by banks, the drop in pension fund reserves and even the reserves of some mutuals. Although this specific characteristic of French management has played a shock-absorbing role which has helped to contain the impact of the financial crisis, it has nevertheless generated inertia in the stock market recovery.

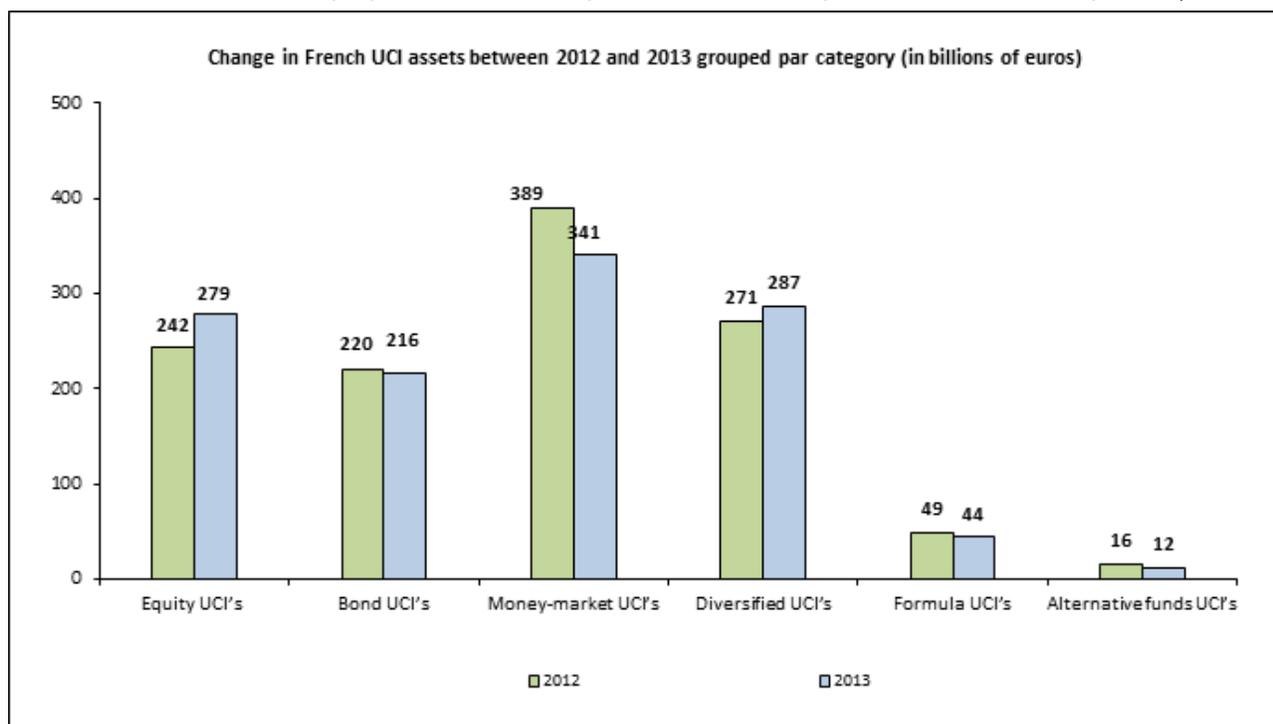


Regulatory developments marked by the implementation of the AIFM directive have led to a shift in the balance of portfolios. Indeed, UCITS assets equalled 785 billion euros in 2013 compared to 651 billion in managed alternative investment funds (AIF). UCITS continued to grow in 2013, contrary to AIF's which saw their assets under management decrease. This change is explained in particular by the fact that the product ranges have been restructured to favour a shift in the balance towards assets in UCITS at the expense of AIF's.

On the other hand, gross assets under discretionary management increased by 1.4% which did not, however, compensate for the drop observed in fund management.

Spotlight on... the growth in French collective investment undertakings

In terms of assets, gross assets managed by French collective investment undertakings (in other words, UCITS and AIF's) reached €1,179 billion as at 31/12/2013. Low interest rates have impacted on certain classes of UCI's, particularly money-market and bond funds.



Source: AMF Annual report 2013

Classification	Assets 2012 (billions of euros)	Assets 2013 (billions of euros)	% Growth in 2012/2013
UCITS	617	667	8%
FIA	570	512	-10%
of which are non-dedicated (excluding specialised management*)	327	263	-20%
of which are dedicated (excluding specialised management)	186	187	1%
of which are FCPEs	57	61	7%
Total	1,187	1,179	-1%

*In particular: Private equity, real estate and securitization, representing at the end of 2013 €38 billion, €50 billion and €175 billion respectively.

Source: AMF Annual report 2013

With growth rate of 13%, equity UCI's have experienced the strongest rise and saw their net assets reach €279 billion at the end of 2013. This growth is explained by the 2013 stock market upturn which largely benefited equity-based funds.

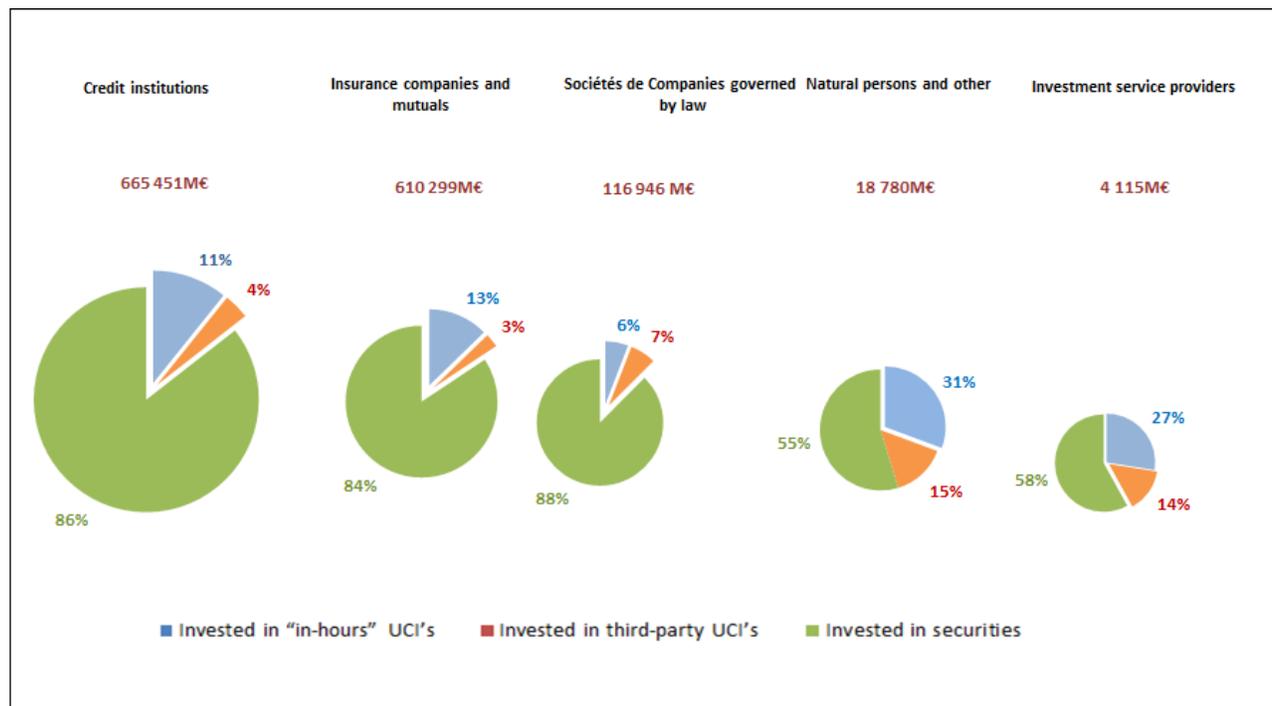
For these funds, in a context of low interest rates, bond UCI's registered a drop of 2% in the total amount invested in 2013. Indeed, bond funds are seeing net assets decrease due to redemptions linked to low short-term rates.

Furthermore, for the same reasons, money-market funds dropped again in 2013 (down €48 billion). This ongoing global context of low interest rates has had a significant impact on the performance of money-market funds and, consequently, the assets under management. In France, over five years, assets under management have reduced by €120 billion(1) .

The drop in money-market funds is a worrying issue insofar as these funds contribute to financing businesses and, more specifically, the economy in the euro area.

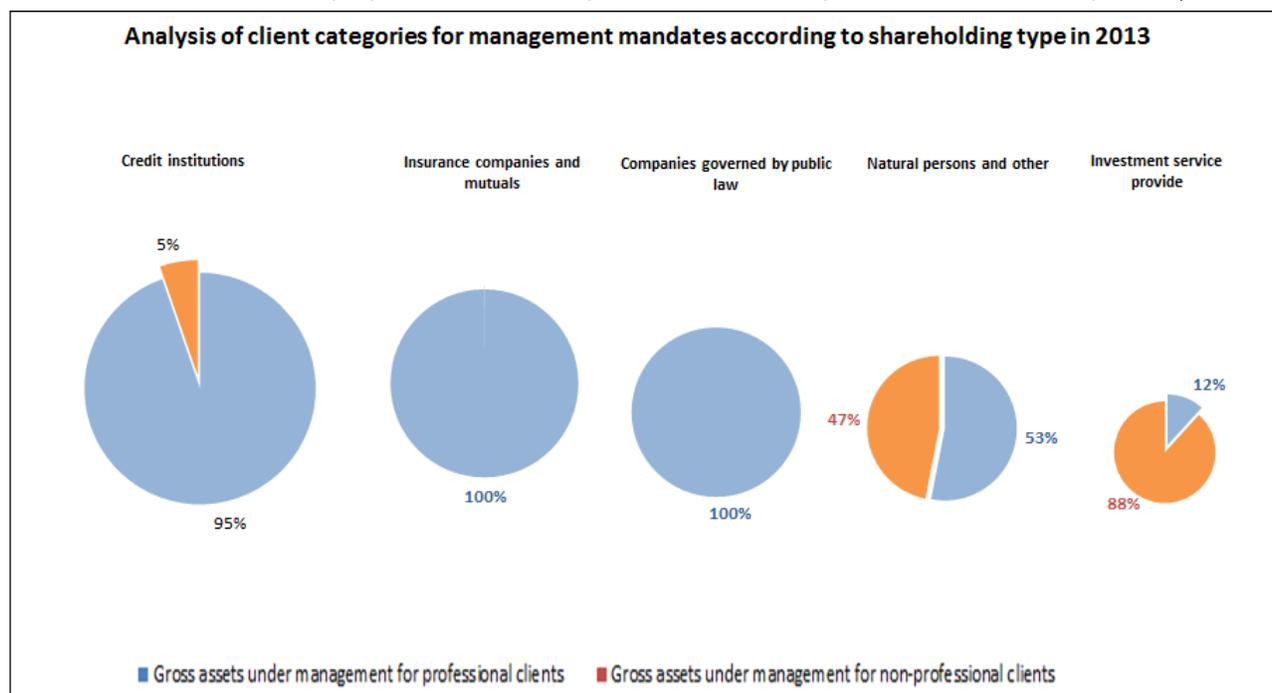
Spotlight on...discretionary management

In 2013, the overall gross assets under discretionary management was €1,416 billion⁽²⁾, an increase of 1.4% compared to 4.5% for the previous year.



An analysis of assets under individual management invested in UCI's, according to type of shareholding, allows us to distinguish between investments in so-called "in-house" UCI's (that is, that they are managed by the same management company, or by a management company within the same group) and investments in third-party UCI's (that is, managed by other non-affiliated management companies).

Entrepreneurial companies favour investment in UCITS (46% of assets under discretionary management), with a high proportion of "in-house" UCITS (67%) compared to "third-party" UCITS (33%). This finding is even more notable for subsidiaries of insurance companies and mutual funds, or for subsidiaries of credit institutions for whom investments in "in-house" UCITS represent more than 70% of mandates invested in UCITS. Indeed, these structures generally have a very wide range of funds.



Carrying out analyses according to type of shareholding also makes it possible to highlight the structure of the individual portfolio management market, particularly in terms of client categories.

For example, we note that for entrepreneurial-type companies, non-professional clients represent the vast majority of managed accounts (97%) and 47% of managed assets. These generally tend to be high-end clients in search of personalised management, who approach management companies that have niche strategies or "pure private management" profiles.

It is also interesting to note that the activity of companies owned by insurance companies and mutuals, which is structurally focussed on individual management, is conducted mainly by non-professional clients in terms of the number of accounts (56% in 2013). Nevertheless, it is professional clients that represent nearly 100% of assets under management. This is linked to the fact that management companies belonging to insurance companies and mutuals are usually in charge of managing the group's general assets.

Equally, in credit institution companies we can see that non-professional clients represent 96% of managed client accounts while only accounting for 5% of assets under discretionary management. Intra-group clients are largely represented among professional clients, which reflects the structure of banking and insurance groups that entrust their assets (general assets or services provided to networks) to the group's management company.

Source

Within the context of monitoring asset management on behalf of third parties, the AMF

provides annual information documents issued by asset management companies (AMC). These documents contain quantitative information on managed assets as well products and fees linked to management operations for third parties conducted in France. This information allows the Authorisation and Monitoring division of the AMF's Asset Management Directorate to analyse the market. Despite the great care taken in compiling and processing data, taking into account information documents received late and possible data-entry errors, some inaccuracies may exist.

Reminder: key figures for asset management, current and forthcoming At the start of July 2014, the AMF launched this series of publications entitled "key figures on asset management". The three documents that have already been published are available via the section Publications > Reports, research & analysis > Savings and services providers The next key figures will concern the following subjects: products and fees; the profitability of own funds In November, a compilation of these publications including additional data and tables will be published.

(1) Risks and trend mapping No. 15 - July 2014, AMF

(2) This figure does not include mandates managed using passport procedures as well as assets from providers outside management companies, such as large credit institutions that conduct this activity directly.

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