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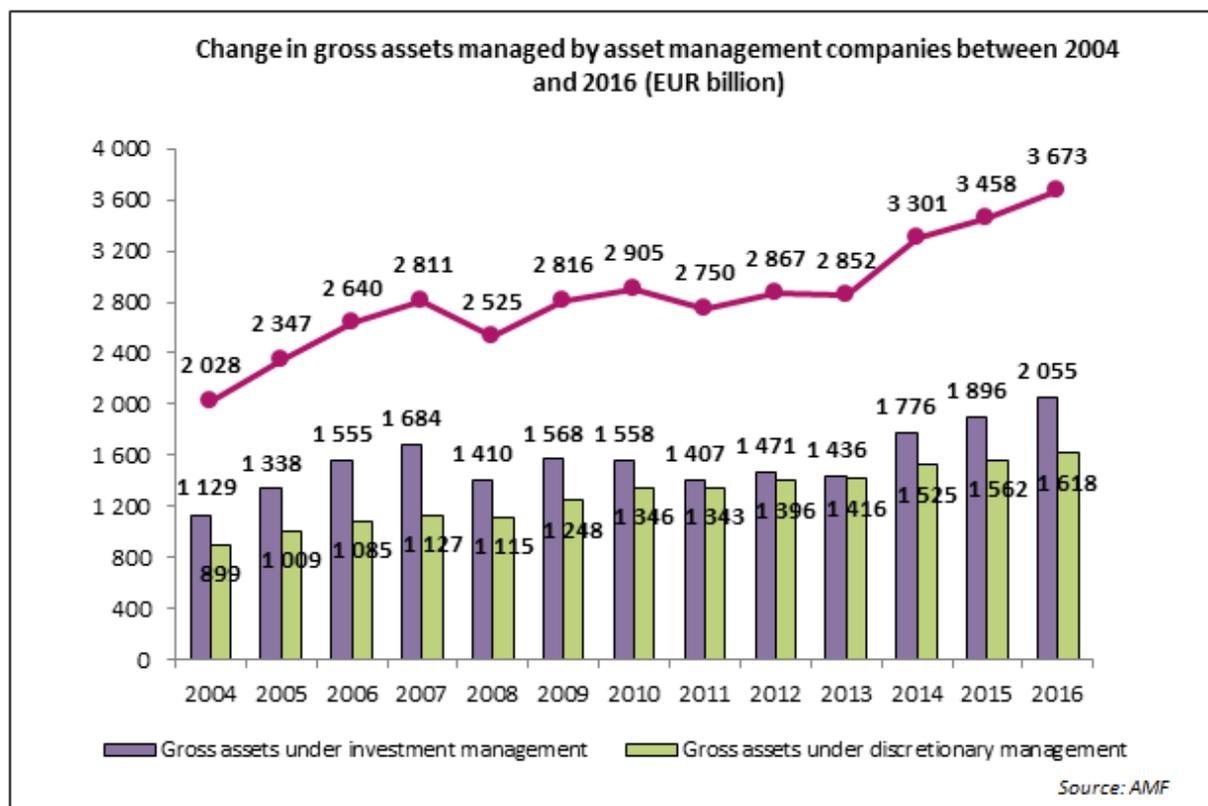
Key figures for asset management in 2016 - Management company assets

Assets managed by the French asset management industry increased further (6.2%) in 2016, in both investment management and discretionary management. Gross assets under management thus amounted to EUR 3.673 trillion. This growth warrants a closer look, however, based on the different asset classes and the economic climate. This report presents an overview of the volume and nature of the assets managed by asset management companies in 2016.

The volume of assets Under management has risen steadily since 2013

In 2016, gross assets managed by French asset management companies reached EUR 3.673 trillion, up 6.2% on 2015 and 28.8% on 2013. After remaining virtually flat for six years between 2007 and 2013, the asset management market has seen a turnaround comparable to the sharp rise in 2004-2007 (38.6%).

The higher volume of assets under management stemmed from both the rise in gross assets under investment management (up 8.4% from 2015) and, to a lesser extent, the rise in gross assets under discretionary management (up 3.6% from 2015). For the first time ever, fund assets passed the symbolic EUR 2.000 trillion mark, principally reflecting the robustness of the "real" asset classes, whether real estate, unlisted assets or loans.



Investment management accounted for 55.9% of total assets under management. This percentage has risen steadily since 2013, at which time it stood at 50.4%. Assets of undertakings for collective investment in transferable securities (UCITS) increased by 8.2% on 2015 to reach EUR 1.043 trillion in 2016. Assets of alternative investment funds (AIFs) also rebounded by 8.6% to EUR 1.011 trillion.

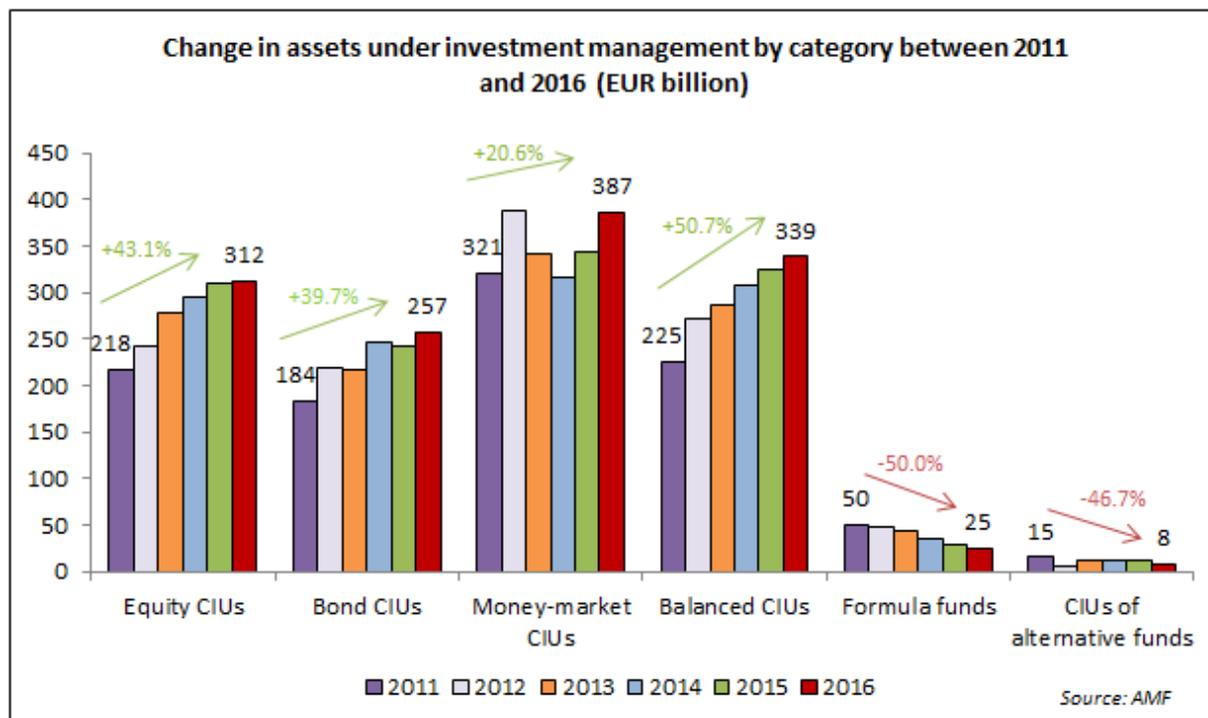
Assets of European collective investment undertakings (CIUs) managed by French management companies also grew, rising from EUR 272 billion in 2015 to EUR 316 billion in 2016. These figures reflect the increased use of European passports, which allow management companies that have received authorisation from their home country authority to conduct business throughout the European Union or in states that are party to the European Economic Area (EEA) agreement. The number of management companies that manage European CIUs has risen by 18.1%, from 127 in 2015 to 150 in 2016.

Discretionary management accounted for 44.1% of total assets under management. This percentage is down year on year but the level of assets has risen steadily since 2012 (up 15.9%).

Focus on french collective investment undertakings

Total gross assets of French collective investment undertakings, excluding private equity, real estate and securitisation, rose from EUR 1.260 trillion in 2015 to EUR 1.328 trillion at

end-2016, representing a year-on-year increase of 5.4%. Growth varied widely by asset class, however. The unusually low interest rate environment and the market context have prompted investors to reconsider their asset allocation strategies. This increase in assets did not, moreover, result from an increase in the number of funds. This figure, in keeping with the trend in recent years, has been falling. This decrease in the number of funds reflects, in part, the streamlining by asset management companies of their product ranges to make them easier for investors to understand.



Gross assets of equity collective investment undertakings

In 2016, volatility on the equity market was at an all-time low while political uncertainty was very high and valuations returned to pre-crisis peaks. This decorrelation, which suggests a future repricing risk, and the pending entry into force of the MiFID II directive held back growth in assets for equity CIUs. After increasing by 3.4% in 2015, assets rose by only 1.0% in 2016 to reach EUR 312 billion at year end.

Assets of this class have increased steadily since 2011, however, rising by nearly EUR 100 billion in the 2011-2016 period for 43.1% growth.

Gross assets of bond collective investment undertakings

Assets of bond CIUs also increased in 2016 (up 6.2%) to EUR 257 billion at 31 December. Despite the unusually low, if not negative, interest rate environment, bond funds continued

to serve as safe havens in an uncertain climate and to attract investors who, on the hunt for yield, have sometimes turned to high-yield bonds.

Caution is nevertheless advised on the bond market. The Fed's interest rate hike on 14 December suggests that the yield curve could start to steepen and consequently that investors could start to switch between bonds and equities. The ECB has reduced its monthly bond purchases to EUR 60 billion but extended the programme until the end of 2017. The major central banks' accommodative monetary policies thus continued to support the corporate debt market in 2016.

In the 2011-2016 period, assets of bond CIUs increased by EUR 73 billion, i.e. 39.7% growth.

Gross assets of money-market collective investment undertakings

Money-market CIUs saw the most substantial growth in 2016 in terms of assets (up 12.5%), having reached EUR 387 billion at year end. This asset class, where growth has been rocky since 2011, has nevertheless been able to attract new (mostly institutional) investors in the last two years. The return is low or almost non-existent but the safety of the assets cannot be matched. Inflows, which have been affected by the extremely low, if not negative, rate environment, have nevertheless continued to shift into funds with the "money-market" classification, as those classified as "short-term money market" remain less attractive.

Assets of money-market CIUs have risen by 20.6% since 2011, i.e. a EUR 66 billion increase.

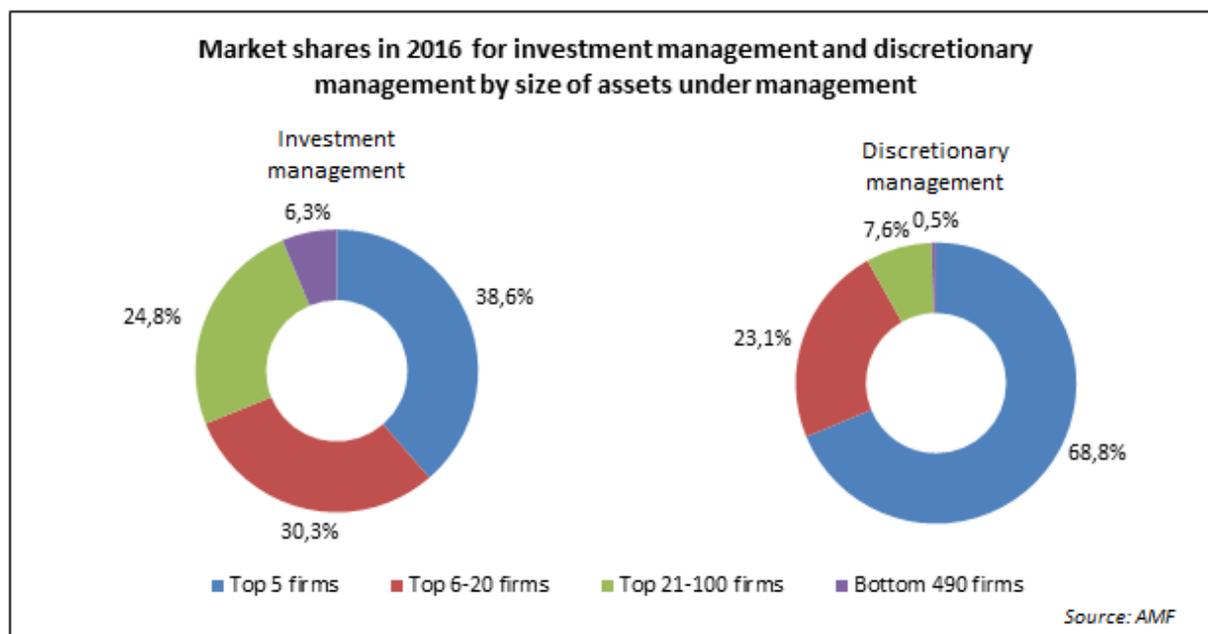
Gross assets of balanced collective investment undertakings

Assets of balanced CIUs grew by 4.3% in 2016 to stand at EUR 339 billion at 31 December. This asset class is the one that has seen the highest growth in assets in the last five years, at 50.7%, or an increase of EUR 114 billion. In light of the ongoing decline in returns from passbook savings accounts, money-market investments and non-unit-linked life insurance funds, balanced funds are meeting the needs of investors seeking a balanced risk/return profile or discretionary management covering a variety of asset classes.

Assets of formula and alternative fund

Assets of formula funds and of CIUs of alternative funds declined further in 2016, by a respective 13.8% and 27.3%. Since 2011, assets have decreased by 50.0% for formula funds and by 46.7% for CIUs of alternative funds. This declining appeal stems mainly from the low interest rate environment, but also from the shift into other investment vehicles such as EMTNs.

Focus on asset breakdowns: concentration of assets Under management



The top 20 asset management companies, or 3.4% of the overall population, accounted for 68.9% of gross assets in 2016 on the investment management market. The market shares of the top 5 and top 10 entities were 38.6% (nearly EUR 794 billion in gross assets under management) and 53.4% (nearly EUR 1.098 trillion in gross assets under management), respectively.

The majority of the top 20 firms are subsidiaries of credit institutions (75.0%), trailed by subsidiaries of insurance companies (15.0%).

Furthermore, nearly 10% of management companies manage more than EUR 5 billion in assets under investment management.

The bottom 200 entities, or 33.9% of all firms, managed only 0.3% of assets in 2016. These were primarily boutique companies (80.0%).

The discretionary management market is even more concentrated than the investment management market. The top 20 firms, in terms of gross assets under discretionary management, hold 91.9% of the market share (nearly EUR 1.487 trillion in gross assets under management).

Discretionary management has a different ownership profile from investment management. Subsidiaries of insurance or mutual companies accounted for the majority of the top 20

firms, at 50.0%, while subsidiaries of credit institutions represented 45.0%.

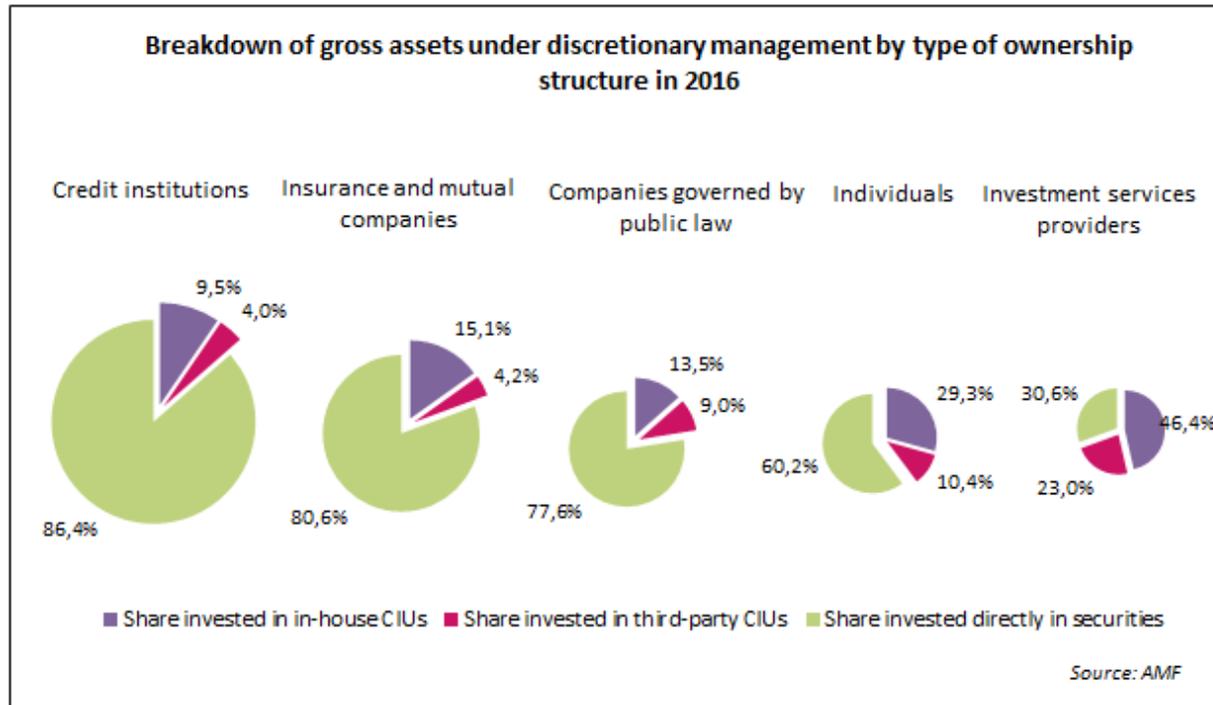
It should also be noted that fewer than one in two asset management companies offers its clients discretionary management.

Focus on discretionary management

In 2016, gross assets under discretionary management reached EUR 1.618 trillion, a 49.1% increase in 10 years.

An analysis of the breakdown of assets under individual management by type of ownership structure reveals several types of investments:

- those made in "in-house" CIUs, i.e. managed by the same management company or by a management company within the same group;
- those made in "third-party" CIUs, i.e. managed by third-party management companies;
- those made directly in Securities.



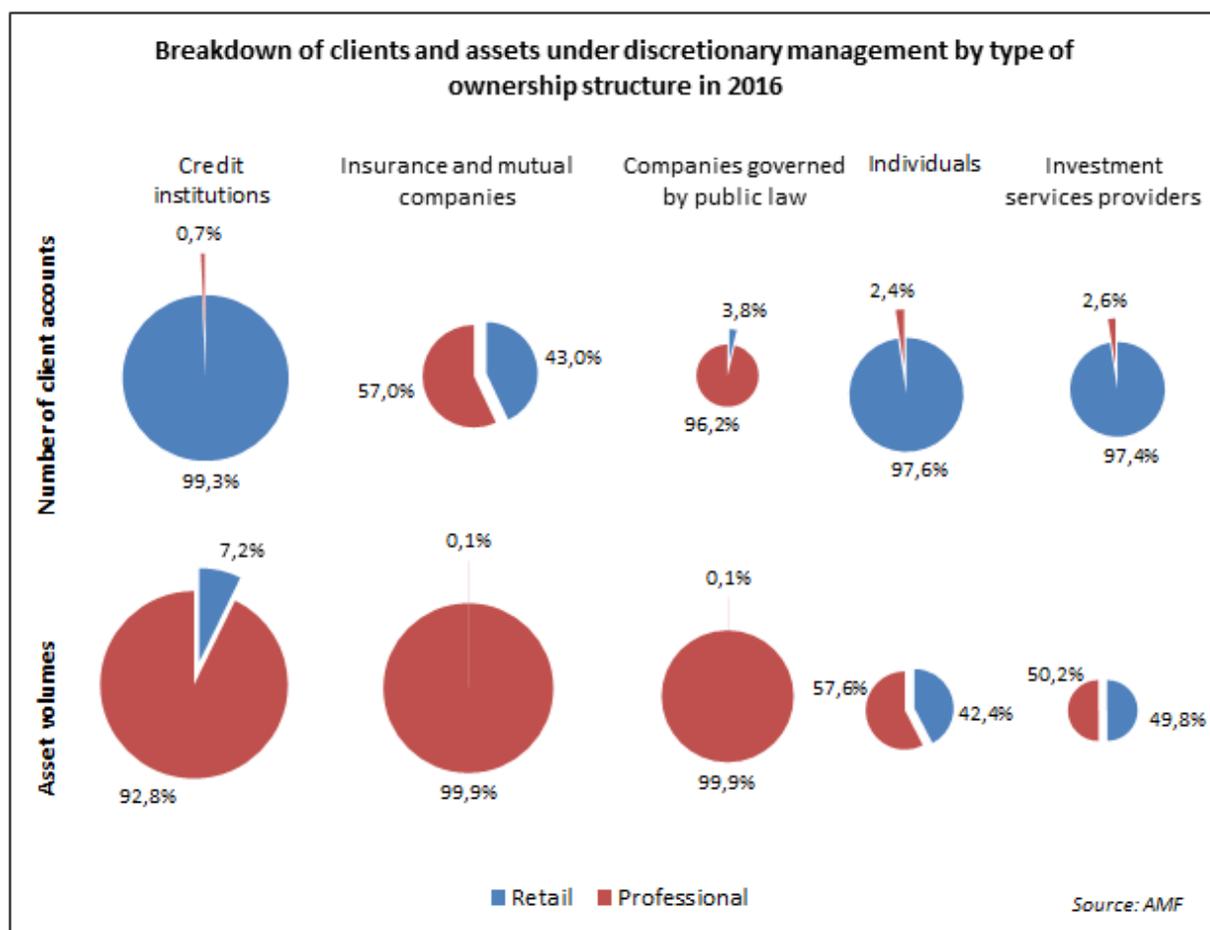
Note: The size of the pies is based on the volume of assets under management.

In 2016, the share of assets under discretionary management invested directly in securities fell slightly to 82.9%, or EUR 1.341 trillion (compared with EUR 1.300 trillion in 2015). The share invested in in-house CIUs represented 12.4% of total assets under discretionary

management, or EUR 201 billion. Lastly, the share invested in third-party CIUs remained the smallest, at 4.7%, and represented EUR 76 billion.

Investment services providers invested 69.4% of their mandates in CIUs; for boutique companies this figure stood at 39.8%. In contrast, this type of firm had a very low rate of participation in the development of the open-architecture model. For boutique companies, investments in in-house CIUs represented 73.8% of the share of mandates invested in CIUs compared with 26.2% for third-party CIUs. The imbalance is nevertheless more pronounced for companies that are subsidiaries of insurance and mutual companies with 78.2% in-house CIUs versus 21.8% third-party CIUs, as the model for these types of institutions is generally to create funds dedicated to insurance-related mandates.

To put ownership structure and type of client into perspective, it is worth highlighting the structure of the discretionary management market based on client category (professional and retail).



Note: The size of the first pies is based on the number of client accounts and of the second on the volume of assets under management.

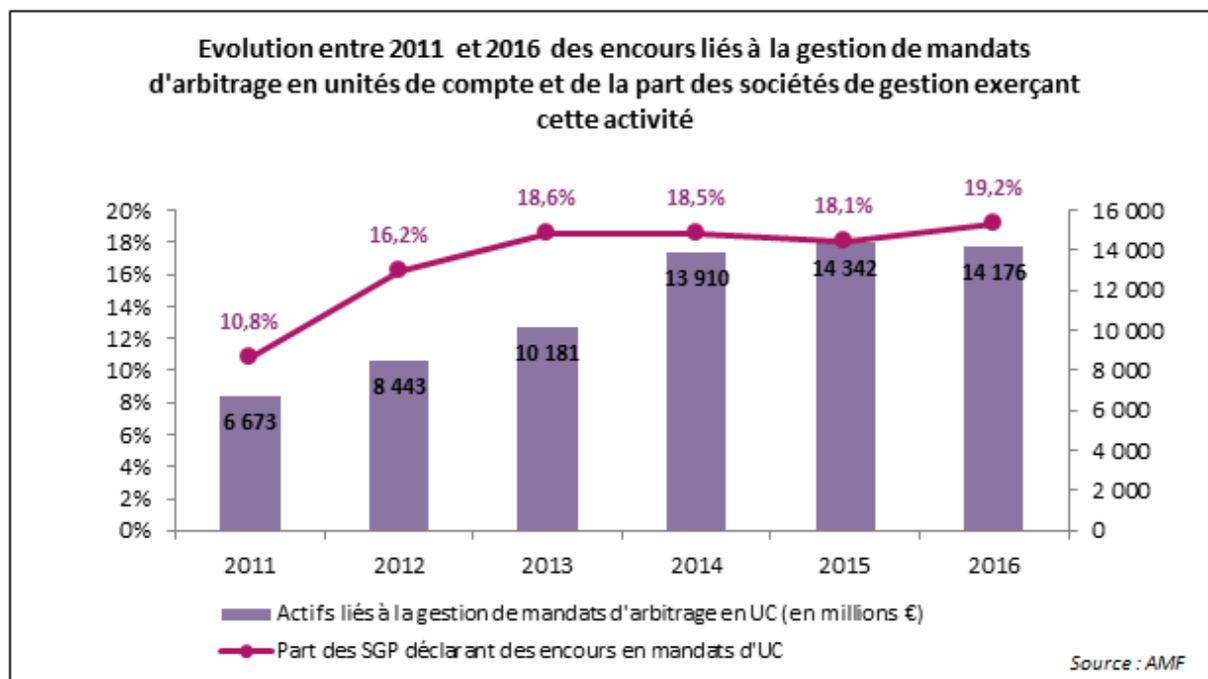
Interestingly, for management companies that are subsidiaries of credit institutions, retail clients represented 99.3% of client accounts under management but only 7.2% of assets

under discretionary management. Professional clients are largely represented by intragroup assets as the structure of banking and insurance groups is such that they entrust their assets to the group's management company.

For companies owned by insurance and mutual companies, which are focused primarily on individual management, the majority of business is from professional clients (57%) which represented close to 100% of assets under management.

For boutique companies, retail clients accounted for the largest number of accounts under management (97.6%); however, their share of assets under management declined to 42.4% in 2016 from 51% in 2011. Their high net worth client base seeks customised management from companies that adopt niche strategies or offer a "pure private management" service.

Focus on unit-linked discretionary management mandates



After four years of growth, the volume of assets in unit-linked discretionary mandates fell by a slight 1.2% in 2016 year on year to EUR 14.2 billion. However, the number of asset management companies that carry out this business and their share of the overall population increased in 2016. Despite a slight decline, it should be noted that, since 2011, assets associated with this business have risen by 112.4%, i.e. an additional EUR 7.5 billion under management. This indicates that life insurance is attractive at a time when interest rates are at an all-time low.

Boutique management companies are the most common type of ownership structure in this business. They account for 65.5% of management companies that have reported assets associated with unit-linked discretionary management mandates, but for only 24.9% of assets related to this business, i.e. EUR 3.5 billion. This figure nevertheless represents a sharp 25.0% year-on-year increase.

The majority of turnover is generated by management companies that are subsidiaries of credit institutions, at 71.2%, or EUR 10 billion in assets. However, their market share fell by 5.7 points in 2016.

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