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## **Key figures for asset management in 2015 - Management companies overview**

**At 31 December, 2015, there were 627 authorised asset management companies (AMCs) in France. This represented a decline that was essentially attributable to an unusually large number of authorisation withdrawals. Could these be the first signs of consolidation in the French asset management industry?**

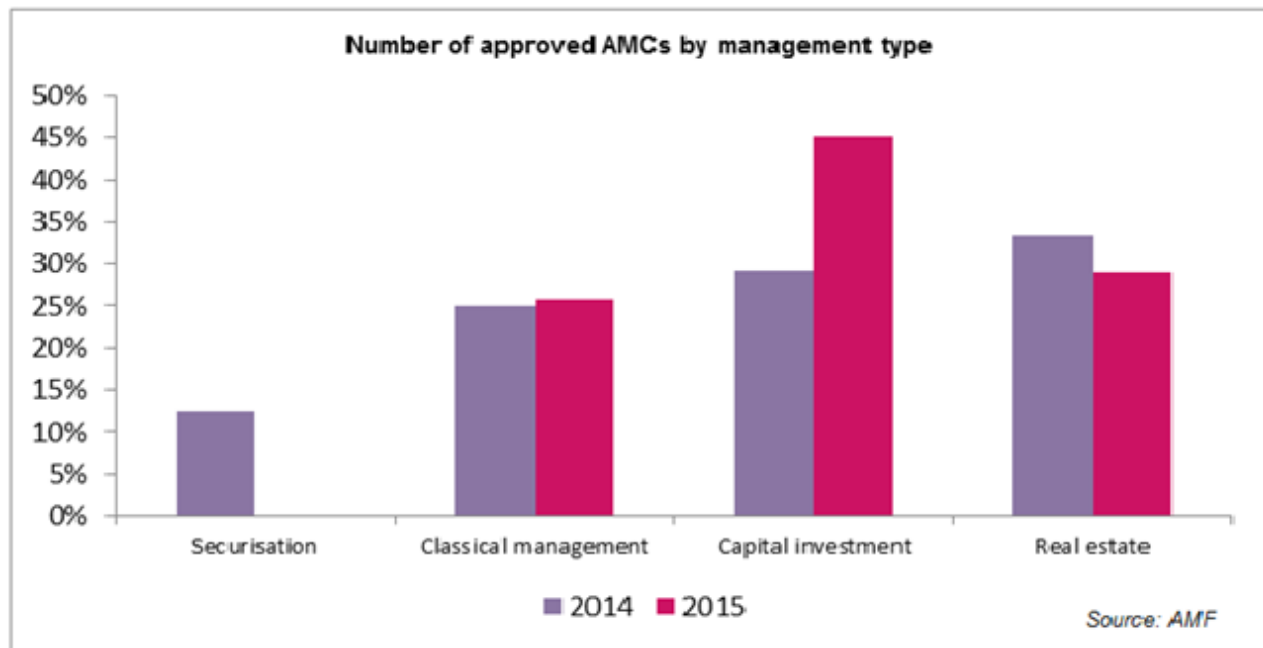
New companies continue to be set up, but a significant number of authorisations were withdrawn

The overall number of AMCs declined slightly at the end of the year to 627 as the large number of authorisation withdrawals (38) exceeded the continued growth in new companies (31).



An examination of the reasons for withdrawals reveals ongoing post-crisis effects (55% of companies discontinued their management activities outright) but also steps towards sector consolidation, with mergers within groups or between competitors accounting for 39% of withdrawals.

Looking at new firms, real asset classes provided the momentum, accounting for three-quarters of initial authorisations granted (45% for private equity and 29% for property). Other authorisations were attributable in part to firms applying sophisticated management techniques involving traditional asset classes (13%). Two-thirds of the new companies set up were entrepreneurial firms.



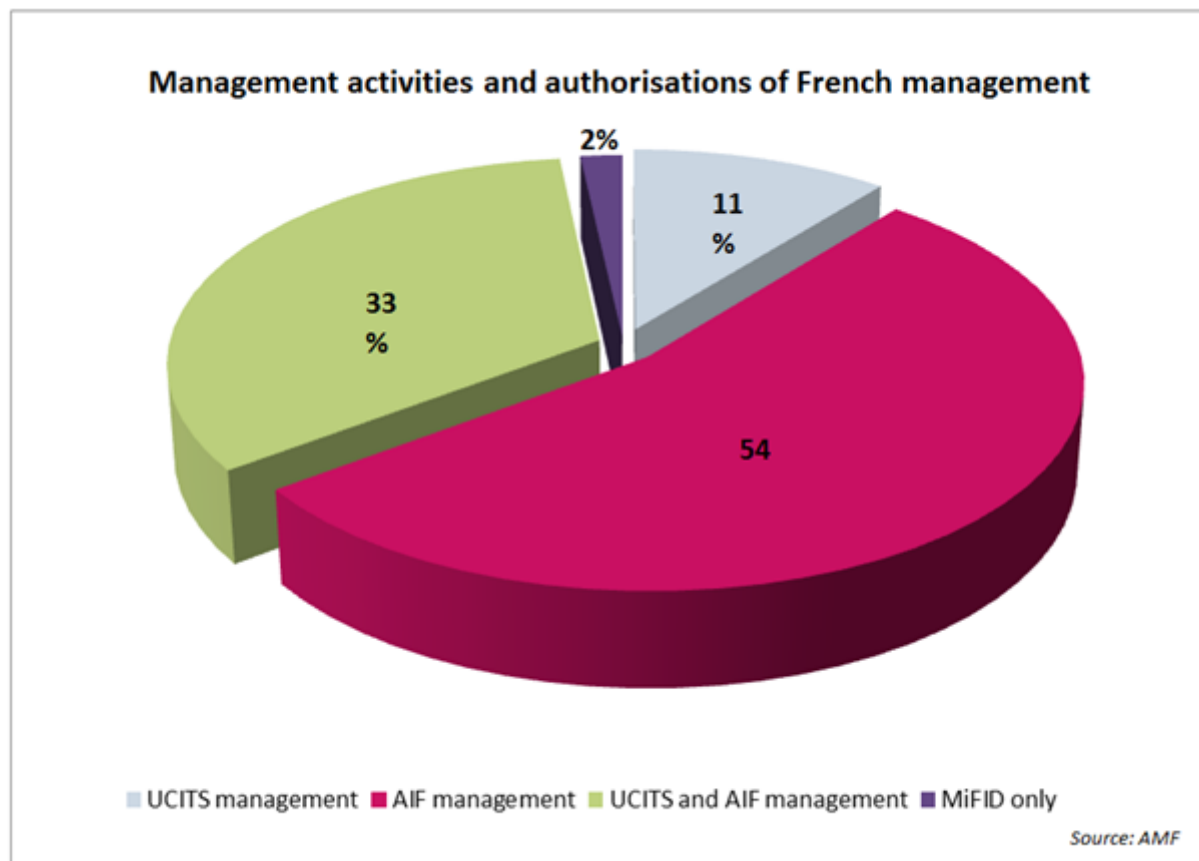
*\* In 2014 the "AIFM" effect created a significant bias in the statistics for new AMCs by capturing firms that were already regulated, such as companies managing real estate investments, forestry investments and securitisation funds.*

The trends in evidence in June 2016 were based on the same fundamentals as in 2015. Firms dealing in real asset classes were responsible for setting up new AMCs, while withdrawals remained at high levels, chiefly because of mergers between management companies, indicating that the restructuring of the French asset management landscape is picking up pace. The consolidation trend could be a response to the rising fixed costs borne by companies and resulting from Europe's increased regulatory requirements and persistently downbeat economic climate.

Most firms are governed by the sectoral directives

More than half of all French management companies (55%) are subject to the full AIFM directive. The success enjoyed in France by the new regime introduced in 2013 underlines the appropriateness of the AMF's long-standing approach to the organisation of French management companies and the effectiveness of the system put in place during the transition to AIFM. To date, just one-third of AMCs managing alternative investment funds (AIFs) have not opted for the full regime.

A large proportion of firms (77%) from the French asset management industry are subject to one of the two sectoral directives (AIFM or UCITS). As a result, French management companies look well prepared for the changes coming with MiFID2 and particularly for the change to investment firm status, which AMCs will no longer be able to have.



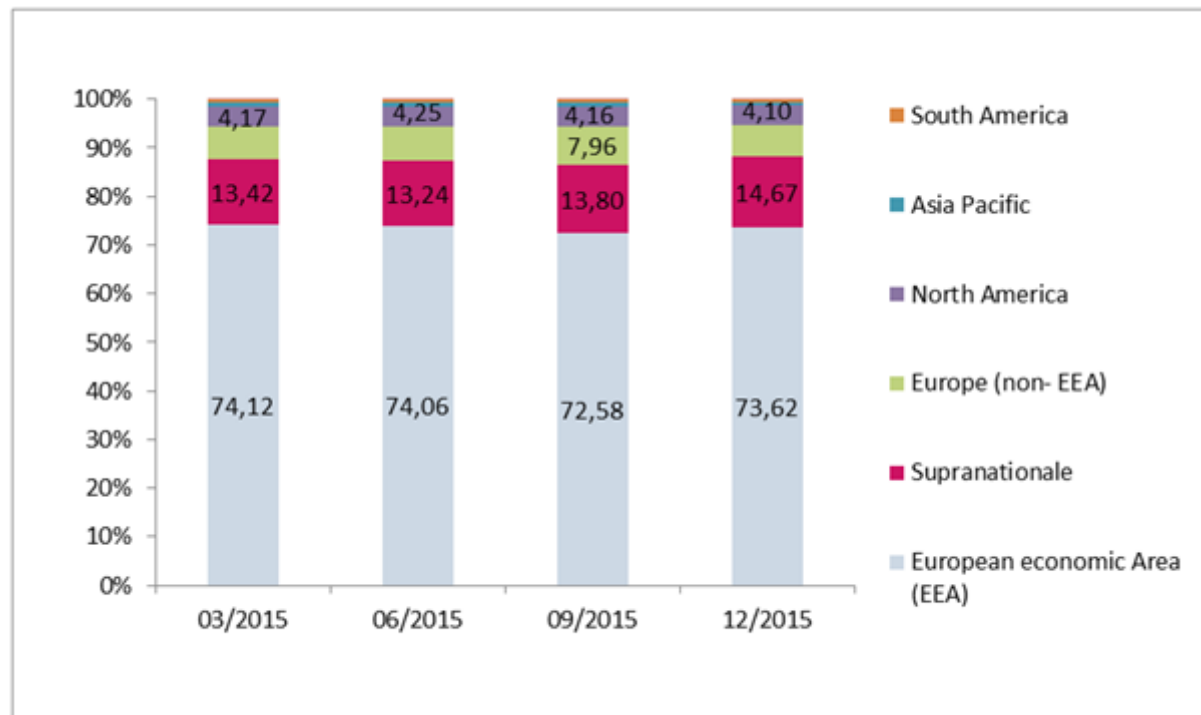
The figure above shows the types of authorisations held by AMCs at end-2015. Given the high proportion of management companies specialised in private equity in the overall population, managers authorised solely to manage AIFs make up the lion's share. Companies authorised solely to provide investment services make up a tiny share of the total population. Companies managing only UCITS make up 11% of firms.

### Focus on AIFM reporting – Geographical exposure of AIFs

Since 2014, new obligations introduced by the AIFM Directive have required regulators to monitor the risk exposure of the European asset management industry. For this reason, the AMF regularly gathers data on the portfolios managed by AIF managers.

Performed at the initiative and on behalf of ESMA, these reporting arrangements have been modified to make them easier to understand and more appropriate. The changes are detailed in a special set of Q&A.

Reporting for Q4 2015 provided data on more than 5,000 AIFs managing over €800 billion. After two years of data collection, the AMF is now in a position to begin a longer-term analysis. The statistics obtained are relatively stable at both quarterly and annual frequencies, particularly as regards the breakdown of AIF exposure by geographical region.



Source: AIFM reports received by the AMF in 2015.

The initial AIFM reporting data revealed that investments within the European Economic Area (EEA) dominated, accounting for around three-quarters of outstandings at 31 March 2015. Nine months on, there has been no large-scale reallocation to other regions. The pronounced preference for the European Community remains, despite a slight decline (the same is true for the rest of Europe excluding the EEA). There was also a slight shift towards the "supranational and multi-regional" category, which primarily comprises investments whose geographical focus does not match that of the other categories.

### Source


As part of its monitoring of the asset management sector, the AMF collects annual information forms from asset management companies (AMCs). These forms contain quantitative information about the assets managed and about the revenue and expenses associated with asset management in France. This information enables the Authorisation and Monitoring Department of the AMF's Asset Management Directorate to perform analyses. Since the AIFM Directive entered into force in July 2013, European AIF managers have also been subject to a new reporting requirement. The information gathered mainly concerns the portfolios' exposure to different types of risks and is collected on a quarterly, semi-annual and/or annual basis. Although every care is taken when compiling and processing the data, due to the late receipt of some of the forms and possible data entry errors, the analyses may nevertheless contain inaccuracies.

### Key figures for asset management in 2015

Each year, the AMF publishes a series of five articles entitled "Key figures for asset management". These publications are available from the Publications > Reports, research &

analysis > Savings & services providers page on the AMF's website. The key figures cover the following topics: the landscape for management companies, their profiles, assets under management, financial data and, lastly, the control mechanism. A compilation of these five publications, plus additional data and tables, is published at a later date.

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