



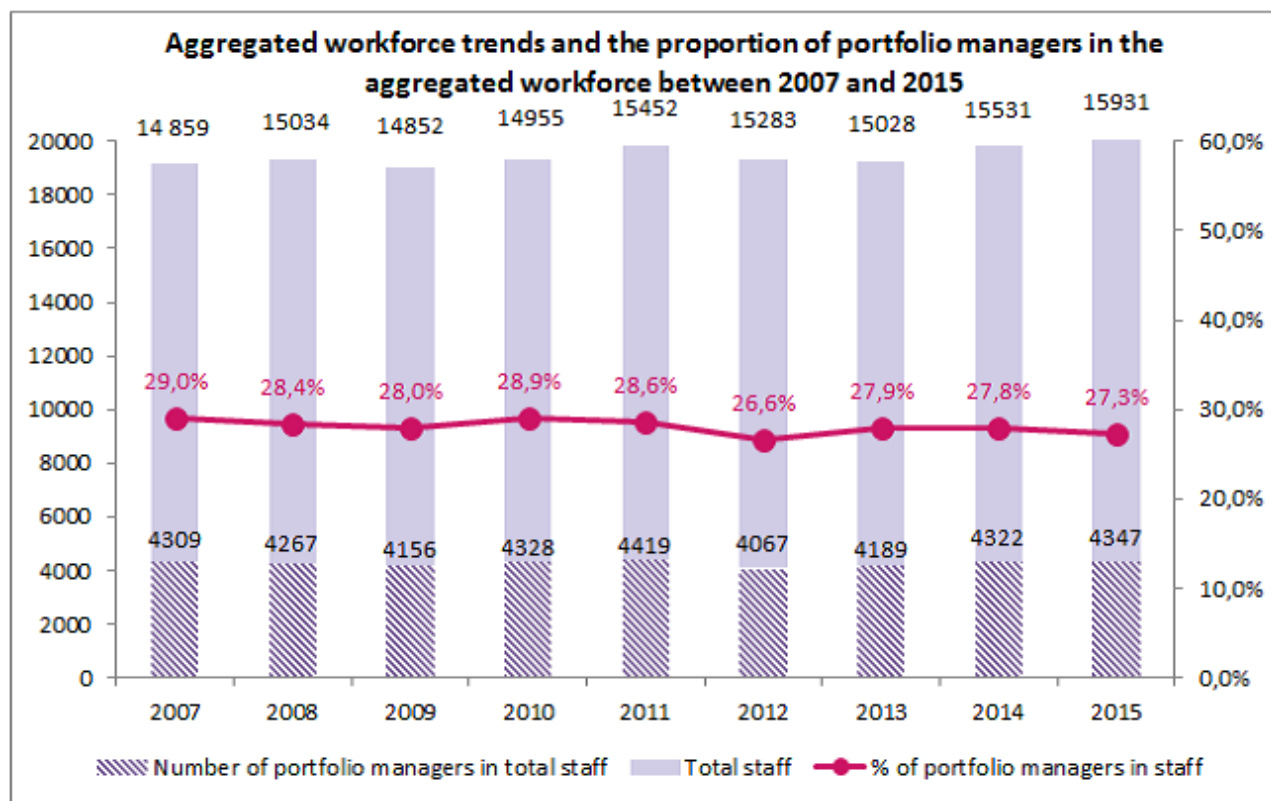
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Key figures for asset management in 2015 - Profile of management companies

The total workforce reported by all asset management companies (AMCs) amounted to 15,931 people at 31 December 2015. This speaks to the strength of the French asset management industry, which continues to create jobs. It also points to a sound business model. During challenging economic times, France's industry is a major centre for global financial management, boasting a stable number of portfolio managers. Focus on the profile of management companies.

Staff numbers continue to grow, with 15,931 direct jobs in 2015



Source: AMF

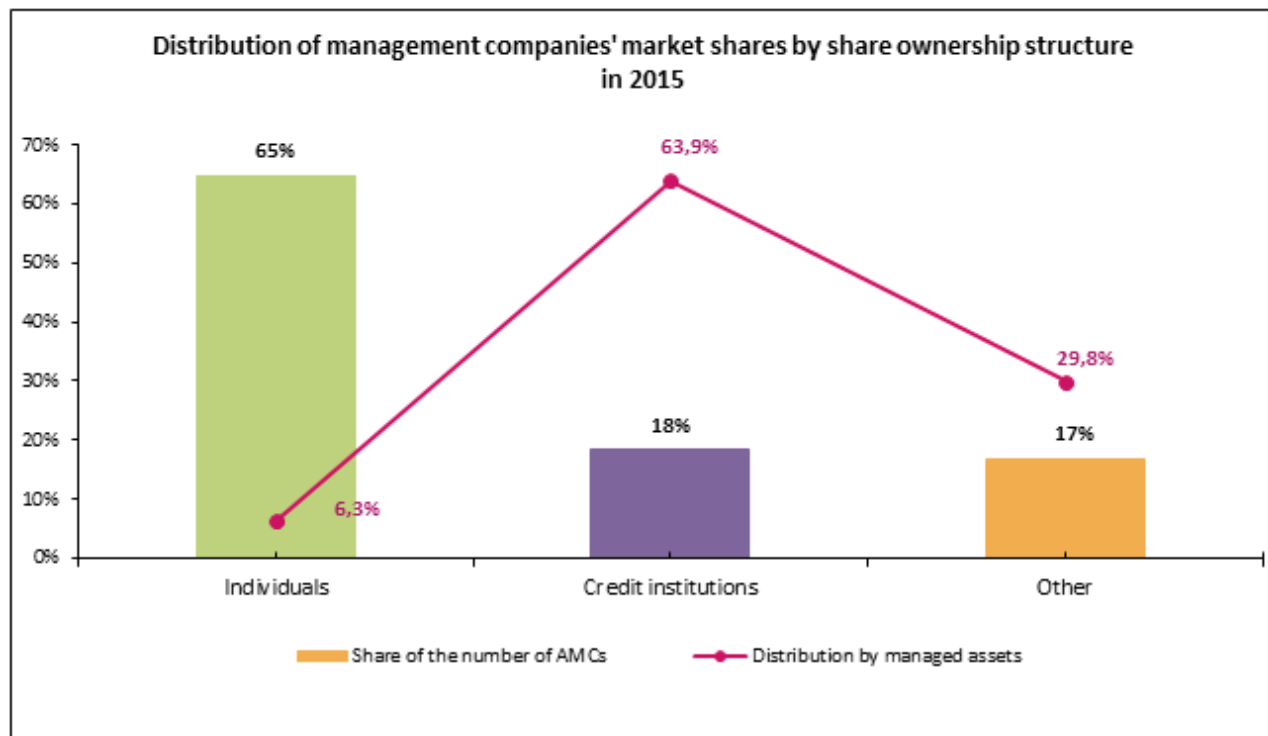
The total workforce, including seconded individuals and staff made available by the group, reported by all AMCs amounted to 15,931 people at 31 December 2015, or 2.6% more than in 2014. The growth can be attributed to a 0.6% increase in the number of portfolio managers and a 3.3% rise in the number of non-managers in 2015. As in previous years, portfolio managers accounted for a stable share of the total headcount (27%). That said, this proportion varied according to the business and size of management companies. The largest firms internalise support functions, such as accounting, administrative tasks, control and IT, while smaller outfits outsource them in order to concentrate on their core business. Accordingly, portfolio managers make up a larger percentage of the workforce in smaller firms.

Asset management continues to be a highly concentrated industry in terms of personnel, with the 30 largest companies by staff numbers accounting for 49.7% of the sector's total headcount. However, the majority of AMCs (75.8%) have a workforce of fewer than 20, owing to the industry's many boutique firms.

Because they outsource business-related support functions, as mentioned above, French AMCs also generate jobs among their service providers.

Focus on players in the asset management industry

The asset management industry features a host of players with widely varying characteristics, including boutique companies pursuing niche or technical strategies, subsidiaries of credit institutions, insurers, mutuals, investment services providers and public sector firms. However, the industry is heavily concentrated, with the top-20 companies by assets under management (AUM) looking after 75.2% of total assets.



Source: AMF

Management companies that are subsidiaries of credit institutions

These account for 18% of all French management companies and manage EUR 2.209 trillion in assets, or 63.9% of total AUM. These statistics underscore the large market share of the asset management industry taken up by this type of ownership structure. In 2015, the number of management companies that are subsidiaries of credit institutions was steady, after declining by 7.5% on average between 2008 and 2013 and increasing by 8% in 2014. The drive to restructure these companies and rationalise resources has seemingly reached a plateau. Assets managed by such companies are extremely concentrated, with the three largest management companies that are subsidiaries of credit institutions accounting for 53.5% of AUM in this category.

Boutique management companies

In 2015, boutique management companies made up the lion's share of the population of French management companies, or 65% of the total. The dominant presence of this category is a defining characteristic of the French industry. These firms specialise in various

areas, including private management, alternative management, multi-manager approaches, real estate and private equity. By pursuing niche or technical management strategies, they attract institutional investors. In 2015, the number of boutique management companies was stable for the first time since 2008, edging down by just 0.3% relative to 2014. At end-2015, these firms managed assets worth EUR 217 billion, or 6.3% of total AUM. Their market share contracted by 1% in 2015 compared with 2014.

Other management companies

These include management companies that are subsidiaries of insurers, mutuals, investment services providers and public sector firms.

The number of management companies owned by insurers and mutuals rose by 3% compared with 2014. These companies account for 6% of all firms in the industry and manage EUR 821 billion in assets, or 23.7% of total AUM (8% less than in 2014). This type of ownership structure ranks second in terms of assets managed after companies owned by credit institutions, although most of the assets of such firms belong to the general assets of their parent companies.

Management companies owned by investment services providers account for 9% of all the firms in the industry and manage EUR 28 billion in assets (0.8% of total assets). In 2015, their assets increased by 17% relative to 2014. The number of such companies also rose by 4% in 2015 as investment services providers acquired boutique firms in a bid to diversify their business.

Last but not least, public sector firms accounted for 3% of all management companies in 2015. These firms also grew their market share by 2% compared with 2014 to 5.3% of total AUM (EUR 183 billion).

Source : AMF

Focus on the ownership structure of asset management companies

An analysis of share ownership structures reveals very different profiles in the AMC landscape.

Source: AMF

The graph above shows asset management players according to managed assets and workforce. Unsurprisingly, staff numbers increase with managed assets. The graph also identifies asset management players by ownership structure. We see that:

- 65.9% of French AMCs manage less than EUR 500 million and have fewer than 50 employees;
- 79.9% of AMCs have fewer than 25 employees, reflecting the high proportion of very small businesses in the industry;
- An examination of median assets by headcount reveals substantial differences by ownership structure, with boutique companies managing EUR 17.1 million per employee compared with EUR 77.4 million per employee among companies owned by credit institutions. The assets/employee ratio in the "other" category is EUR 33.6 million per employee. This category includes companies owned by insurers, whose model is akin to that of the subsidiaries of credit institutions and which benefit from resource pooling at the level of the group to which they belong, which leads to a higher assets/employee ratio.

By making a closer analysis of companies with fewer than 50 employees, we see that 63.9% of these are boutique management companies managing an average of EUR 340 million. These types of companies position themselves in specific niches and tend to specialise in certain types of management. This category also includes some subsidiaries of insurers, mutuals and credit institutions, which account for 17.5% of this group.

AMCs with over 100 employees account for 5.2% of the total population. These chiefly include firms that are owned by credit institution, insurers and mutuals. These companies, which are leaders by market share, are exporters, marketing their products to international clients. This category also includes a few boutique management companies that have successfully built up an international business by using their expertise and innovative approach to attract major institutional investors.

It is instructive to look specifically at management companies that do business in securitisation through a passive management approach (purchase of claims and issuance of bonds or shares/units representing these claims). On average, such firms manage assets worth EUR 36 billion and employ 18 people. They mainly comprise the subsidiaries of credit institutions and are backed by human resources provided by their group.

Focus on AIFM reporting

Data gathered through quarterly AIFM reporting campaigns provide information on the liquidity of French alternative investment funds (AIFs) by major category (excluding money market).

Equities and bonds

Based on the data gathered over the reporting periods, equity and bond funds are found to have high levels of liquidity. In the case of these funds:

- the share of portfolios that can be liquidated in one day is high, exceeding 70%;
- while the proportion rises to 90% in the case of liquidation within one week.

Source: AMF

Source: AMF

Multi-manager

The liquidity of multi-manager funds varies considerably, as shown below. This reflects the fact that these funds invest in a wide range of collective investment undertakings managed by multiple management companies pursuing different investment strategies.

Liquidity increased among these funds over the last half. Fund managers doubtless preferred to hold more liquid assets to shield themselves against financial market

fluctuations.

Source: AMF

Real assets (private equity and real estate)

Unsurprisingly, the distribution remains unchanged, and private equity funds and real estate funds exhibit low liquidity. The share of portfolios that can be liquidated after 90 days is high, exceeding 80%.

Source: AMF

Source: AMF


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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