



# Annual Overview of the Asset Management Market

MARCH 2024



## Increase in French and European assets under management driven by positive financial market momentum in 2023

(Data at end 2023)

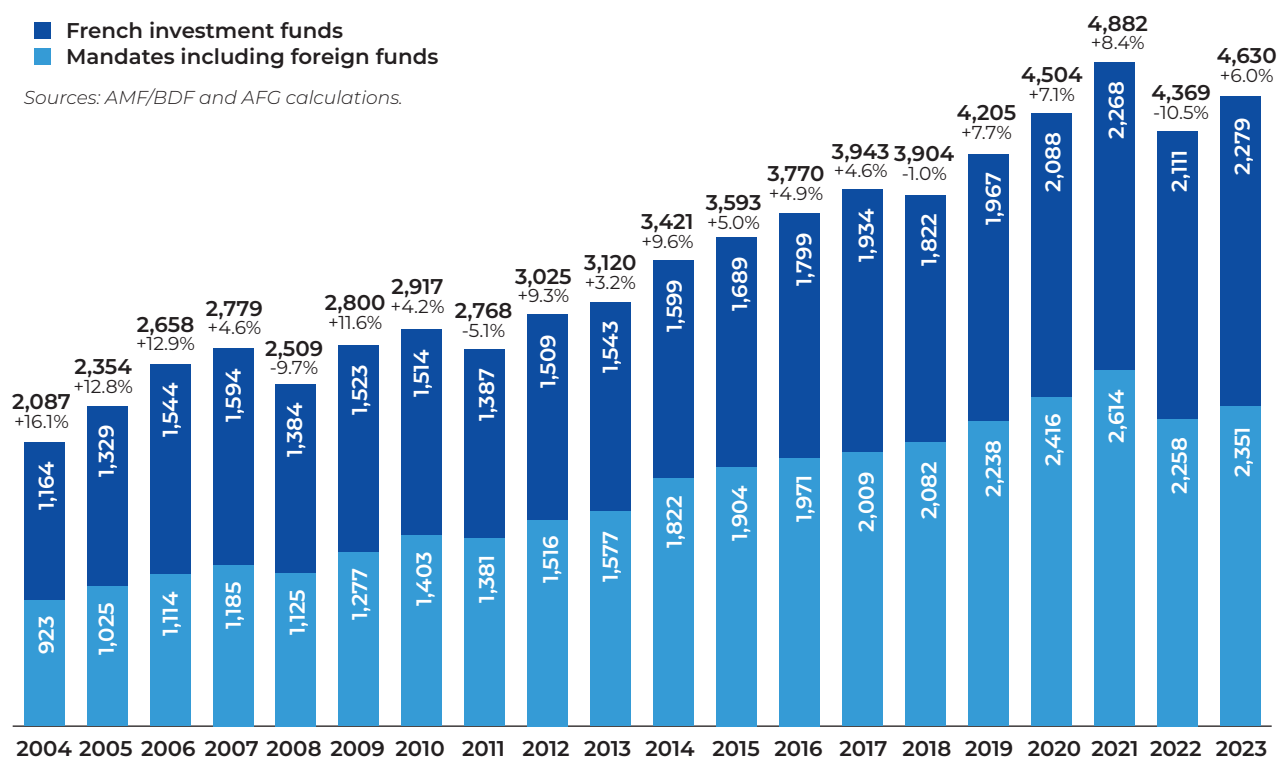
- **Total assets under management in France (mandates and funds)** rose by +6.0% year-on-year to over **€4,600 billion**. Over the long run, i.e. since the crisis of 2008, the annualized growth rate of assets under management stands at the high level of +4.2%.
- AuM of French funds reach €2,279 billion, up +8.0% in 2023. In more detail, **UCITS AuM** amount to **€916 billion** (+9.5%) and **AIFs** (Alternative Investment Funds as defined by the AIFM Directive) to **€1,363 billion** (+6.9%).
- AuM of French **SFDR** funds reach **€1,277 billion** in 2023, up +14.3%. **Article 8 funds** total **€1,213 billion** (+16.2%), while **Article 9 funds** total **€64 billion** (-12.5%).
- **Net inflows in 2023** of French **money market and bond funds are positive (+€56.8 billion)**. Equity and multi-asset funds face redemptions of -€40.9 bn.
- **The number of asset management companies** stabilizes at **700 SGPs** by the end of 2023. The pace of new business creation is slower this year (+23 new AMCs, the lowest level on record). In the meantime, there has been a trend towards consolidation and mergers between entrepreneurial asset management companies or subsidiaries of financial groups.
- In terms of financial management, **French AMCs are in first place in the European Union**, with an estimated market share of 31% for funds and mandates.
- French asset management companies lead the way in Europe in the asset management of ESG funds under SFDR regulation, with a 30% market share.
- **At European level, funds' assets under management** exceed **€20,720 billion** by the end of 2023, up +8.5% year-on-year (versus -12.8% in 2022). **Net inflows** are **positive** for **money-market and bond funds** at **+€308 billion in 2023**, and **negative** for **equity and mixed funds (-€80 billion)**. Assets managed through foreign funds in France by nearly 150 asset management companies approached €880 billion.

## ☐ Increase in assets under management in France to resume in 2023

### Assets managed on behalf of third parties on the French market (in billions of euros)

- French investment funds
- Mandates including foreign funds

Sources: AMF/BDF and AFG calculations.



**Net assets managed through discretionary mandates**, catered for retail investors who are looking for tailored services, often to develop their personal wealth, as well as institutional investors seeking to partly delegate the management of their financial investments, amount to **€1,500 billion**. **Assets managed through foreign funds**

**in France exceeds €880 billion**, tripling over the past ten years.

This trend is being driven by the increasing number of asset management companies, both group subsidiaries and entrepreneurial, that are expanding distribution to non-resident clients.

### AuM of investment funds domiciled in France

Type of fund	Net assets at end-2023 (in billions of euros)			Change in 2023		Change 2008-2023	
	UCITS	AIFs	Total	in billions of euros	in %	in billions of euros	CAGR*
Equities	232.9	126.0	<b>358.9</b>	24.2	7.2%	169.1	4.3%
Multi-asset	137.5	164.9	<b>302.4</b>	5.5	1.9%	83.9	2.2%
Formula-based	8.0	7.1	<b>15.1</b>	1.5	10.9%	-55.6	-9.8%
Bonds	135.0	156.1	<b>291.1</b>	19.6	7.2%	137.0	4.3%
Money market	402.5	13.6	<b>416.1</b>	56.5	15.7%	-71.5	-1.1%
<b>Sub-total</b>	<b>915.9</b>	<b>467.7</b>	<b>1,383.6</b>	<b>107.3</b>	<b>8.4%</b>	<b>262.9</b>	<b>1.4%</b>
Other**	0.0	895.0	<b>895.0</b>	60.8	7.3%	631.7	8.5%
<b>Total</b>	<b>915.9</b>	<b>1,362.7</b>	<b>2,278.6</b>	<b>168.1</b>	<b>8.0%</b>	<b>894.6</b>	<b>3.4%</b>
Total excl. MM	513.4	1,349.1	<b>1,862.5</b>	111.6	6.4%	966.1	5.0%

\* Compound annual growth rate. \*\* AFG estimates at end-2023 for the "Other" category: securitization funds, alternative funds of funds, FCPEs, FCPRs/FPCIs, OPCIs and SCPIs. Sources: AMF, BDF and IEIF.

Approximately €900 billion are managed through funds (French or foreign) or mandates for non-resident clients.

**Assets under management in French investment funds are up by +8.0% to €2,279 billion in 2023.** Among these funds, the net assets of UCITS funds amount to €916 billion (+9,5 % year-on-year) and net assets of AIFs funds to €1,363 billion (+6,9 % over one year). Since 2008, the annualized growth rate of French non-monetary investment funds is +5.0%.

As a result of the increase in interest rates, money market funds performed by +3.4% in 2023. AuM in money market funds **increase by +15.7%** and **reach €416 billion**, thanks to **positive net inflows (+€47 billion)**.

The performance of bond funds is also positive (+5,3% in 2023 vs. -7.7% in 2022). AuM reach €291 billion and increase by +7.2%, thanks to **positive net inflows (+€10 billion)**.

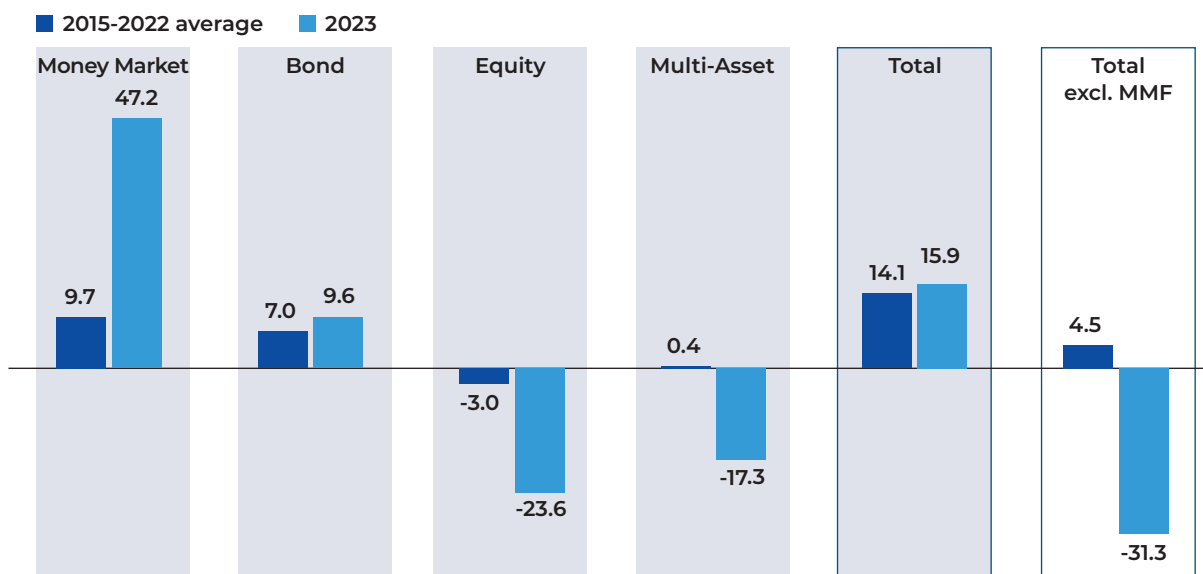
**Equity and mixed funds** also perform well in 2023 (respectively +14.4% and +8.2%). Their assets grow to a lesser extent, limited by net outflows of -€24 billion and -€17 billion respectively.

Among “Other” funds, the growth dynamic of **private equity, infrastructure and real-estate funds** is slowing sharply. Assets managed through real estate funds open to retail investors<sup>1</sup> decrease by -4.1% and reach €129 billion, for net inflows of +€2 billion.

Assets managed through employee savings schemes amount to **€188 billion (+15.7% year-on-year)**, including €29.7 billion for PER/PERCO funds, which are benefiting a growing number of employees covered by this type of scheme (PEE and PERCO).

For these employee savings plans, inflows excluding employee shareholding amount to +€4.9 billion in 2023, including +€2.5 billion for funds held in PERs and PERCOs.

**Net subscriptions\* for the main categories of French investment funds (in billions of euros)**



\*Excluding domiciliation transfers for funds that continue to be managed in France.

Sources: BDF and AFG calculations.

The number of investment funds domiciled in France decrease slightly in 2023.

The number of UCITS is slightly up, to 3,092 funds, while the number of AIFs is down, approaching 7,700 funds. For some fund categories, the number of funds has been falling for

several years, particularly for money-market, formula-based and equity funds (respectively -85%, -76% and -26% in the number of funds in their category since the end of 2008), because of changes in interest-rate and fund range re-organizations.

<sup>1)</sup> Source: ASPIM.

## France, an attractive place for the asset management industry

Compared to 2022, the number of asset management companies is stable in 2023 and reaches **700**. Over the year, there is a **slowdown in the number of creations (+23 AMCs)**, which is the lowest number on record.

In recent years, the positive trend in creations has been towards non-listed asset management companies (real estate, private equity, infrastructure, etc.).

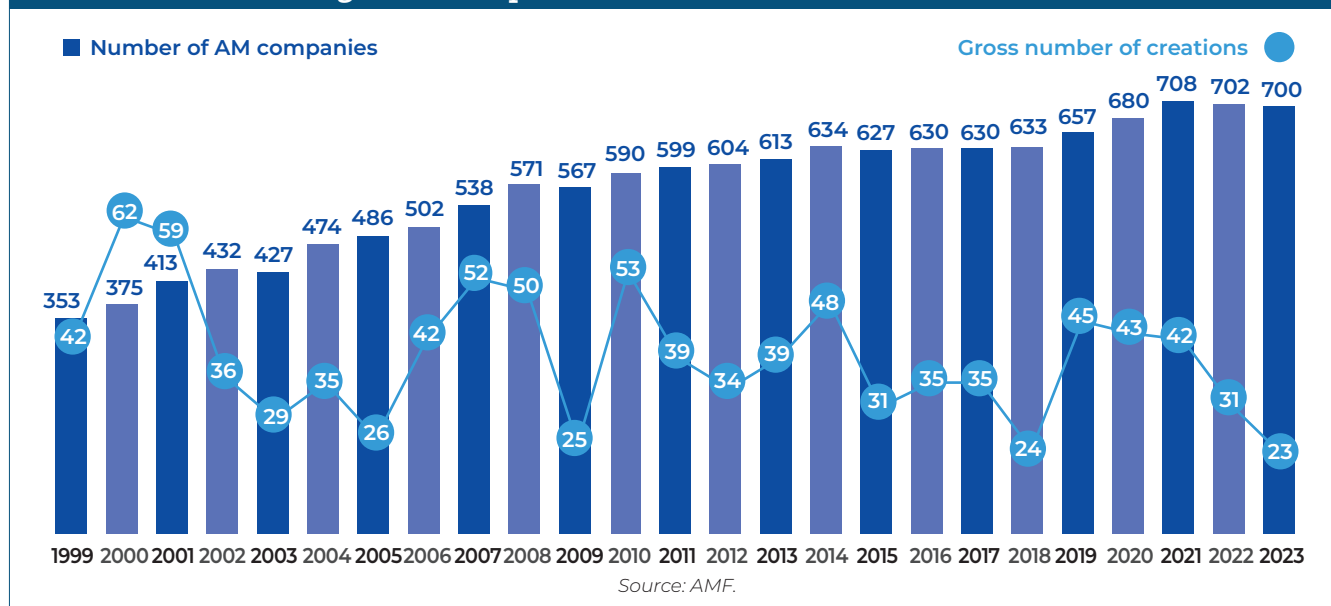
At the same time, in response to competition and declining margins, there has been a trend in recent years towards **consolidation and mergers** between entrepreneurial AMCs or subsidiaries of financial groups.

French market is characterized by one of the most important entrepreneurial firms in Europe, representing, in number and in creation two-thirds of the players and one third of management teams.

France also has a significant number of generalist and/or specialized companies (98 AMCs manage between €1 and 5 billion, 59 between €5 and €50 billion and 16 more than €50 billion in assets). Of the top 25 AMCs worldwide, four are French.

Their innovation and the quality of their asset management services are acknowledged all over the world, whether through mandates, French funds or funds domiciled abroad.

Number of asset management companies in France (in units)

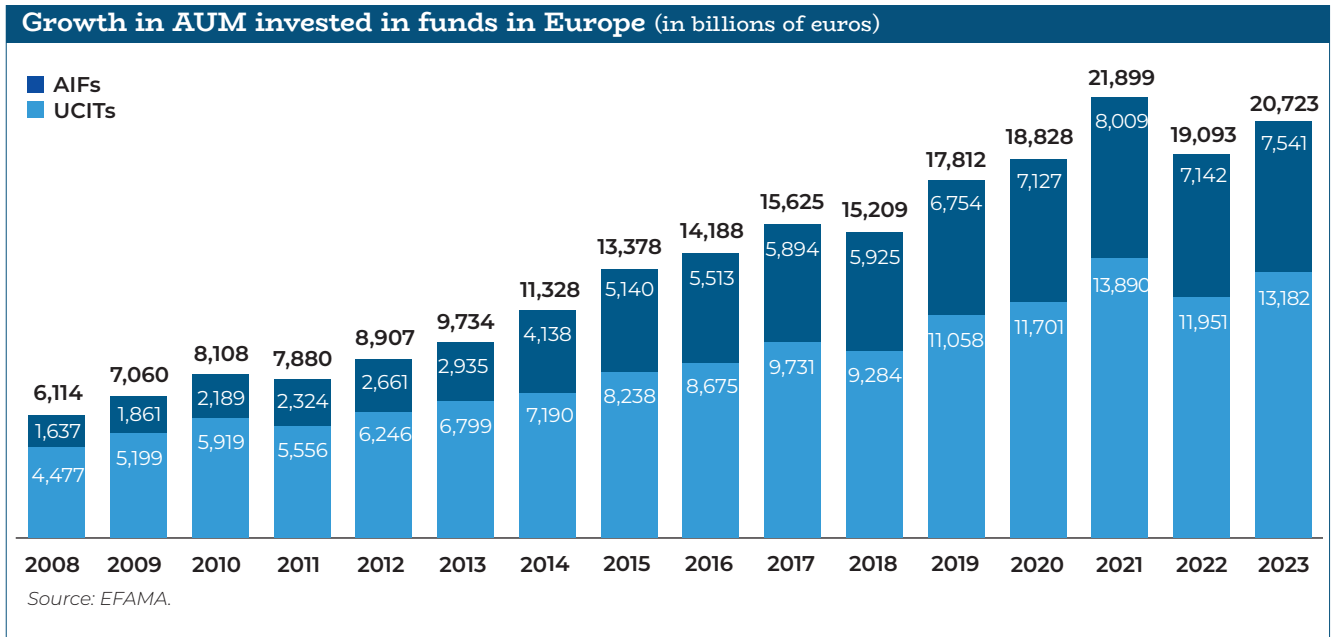


## France continues to be a leading asset management center in Europe

By the end of 2023, assets under management in funds domiciled in Europe exceed €20,720 billion (up +8.5% year-on-year, versus -12.8% in 2022).

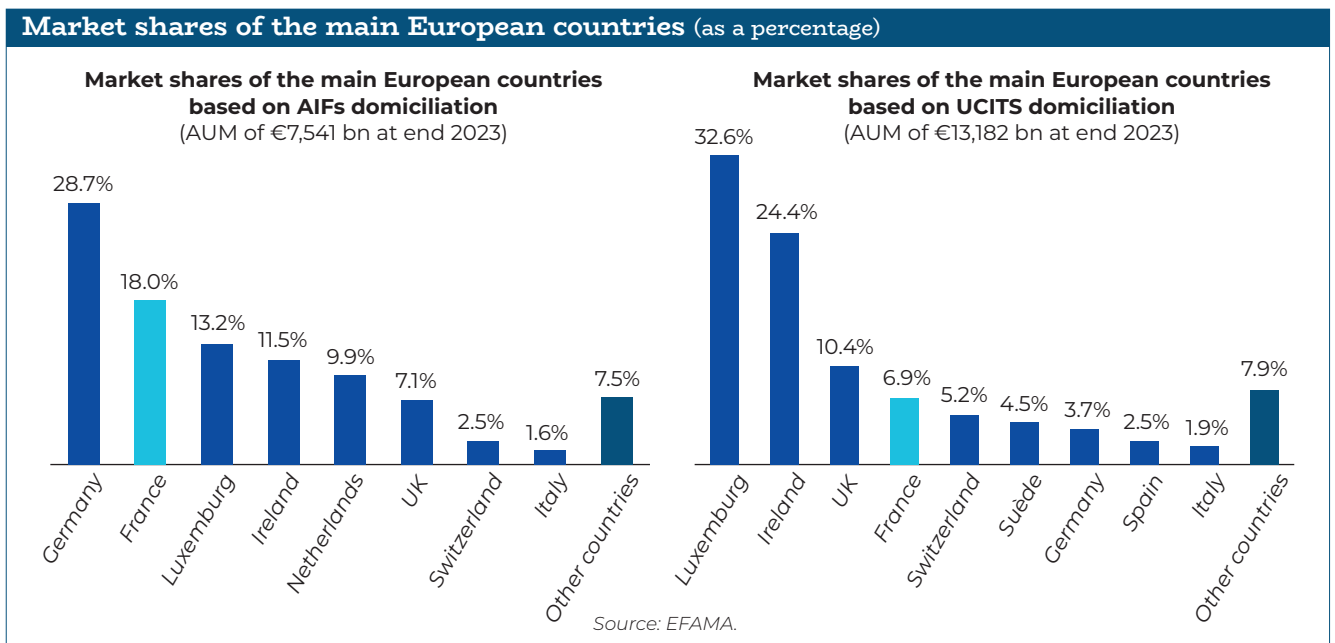
These assets have more than tripled since the 2008 crisis.

A separate analysis of investment funds by legal structure shows that UCITS assets increase by +10.3% in 2023 to €13,180 billion. Assets managed under AIFs reach €7,540 billion (+5.6% over one year).



In terms of places where investment funds are actually managed, France leads the European Union with a market share of 31%, ahead of Germany (24%).

Including discretionary management, French asset management industry also occupies the first place in the EU (31% of the market), ahead of Germany (18%).

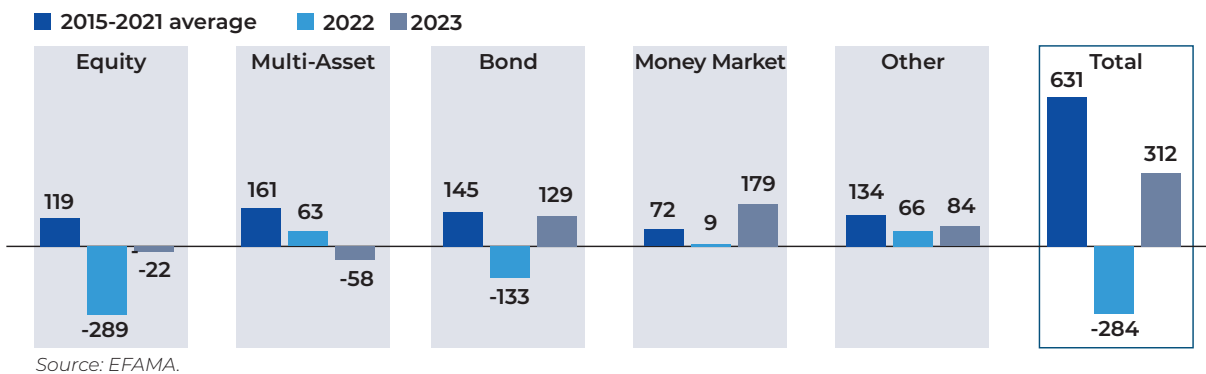


In terms of fund domiciliation, French funds have a market share of **18.0% for AIF funds, ranking 2<sup>nd</sup> in Europe** behind Germany and ahead of Luxembourg. The top five countries account for 81% of the AIF fund market. In terms of UCITS fund domiciliation, France

ranks 4<sup>th</sup> in Europe with a 6.9% market share, behind Luxembourg and Ireland – off-shore centers whose activities are focused on funds domiciliation and administration – and the UK.

Together, the top five countries account for 80% of the European UCITS market.

### Net inflows to European domiciled funds (in billions of euros) – Overall +€312 billion at the end of 2023



### Net inflows are positive at +€312 billion (versus -€284 billion in 2022).

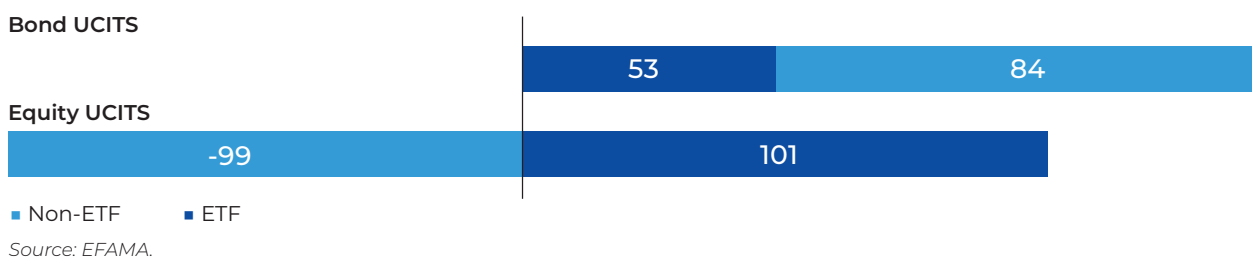
In Europe, money-market and bond funds record significant net inflows (+€179 billion and +€129 billion respectively).

Net outflows from equity funds continue in 2023 (-€22 billion after -€289 billion in 2022).

Multi-asset funds record negative net flows of -€58 billion, wiping out the positive flows of the previous year (+€63 billion).

In more detail, for UCITS alone, **net flows** are largely **positive for equity and bond ETFs** (+€101 billion and +€53 billion respectively).

### 2023 net flows from equity and bond UCITS domiciled in Europe (in billions of euros)





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- It defines **common positions**, which it supports and defends vis-à-vis the public authorities.
- It contributes to the emergence of **solutions that benefit all participants** in its ecosystem.
- It **furtheres the industry's standing** in France, Europe and beyond, in the interest of all those concerned.
- It is invested **in the future**.

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### Publication produced by the Economic Research Department of AFG

- Thomas Valli, head of Economic Research | [t.valli@afg.asso.fr](mailto:t.valli@afg.asso.fr) | +33 (0)1 44 94 94 03
- Juba Ihaddaden, economiste | [j.ihaddaden@afg.asso.fr](mailto:j.ihaddaden@afg.asso.fr) | +33 (0)1 44 94 94 04

41 rue de la Bienfaisance | 75008 Paris | T : +33 (0)1 44 94 94 00  
Avenue des arts 44 | 1000 Bruxelles



[www.afg.asso.fr](http://www.afg.asso.fr)