

# FRENCH ASSET MANAGEMENT FINANCES THE EUROPEAN UNION

## Asset management plays a key role in transforming private savings into productive investments which are essential for EU economic growth

- ▶ €4,600 billion under management, representing a 30% market share in the EU
- ▶ €3,230 billion invested in corporate and government securities

## Asset management impact on French capital markets

15% of listed shares (free float)

19% of non-financial companies' bonds

48% of money market securities of financial institutions

## Investments by French asset managers favour the EU economy...

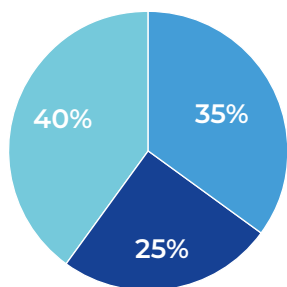
- ▶ 74% invested in EU companies and states



■ France  
■ EU (excluding France)  
■ Outside EU

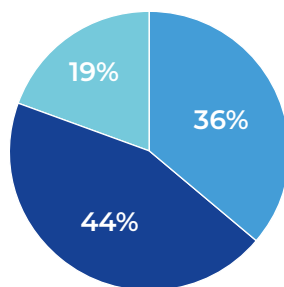
- ▶ **Equity financing:** driving innovation capacities

60% invested in the EU



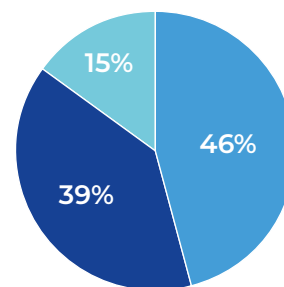
- ▶ **Bond financing:** support for public and private investment

81% invested in the EU

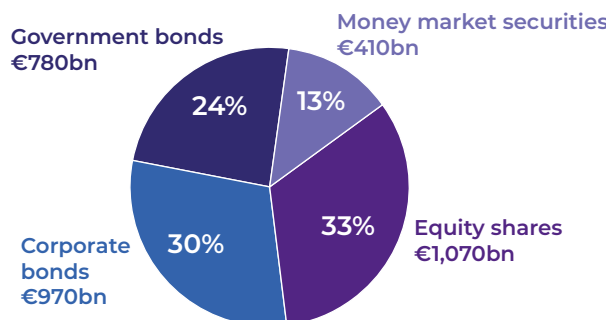


- ▶ **Money market securities financing:** provider of liquidity to the economy

85% invested in the EU



- ▶ Asset management companies invest in all asset classes, thereby supporting both businesses and states.



- ▶ Asset management companies provide equity financing to all types of businesses, from SMEs to large corporations.

### Large listed companies



### Listed SMEs



### Unlisted SMEs

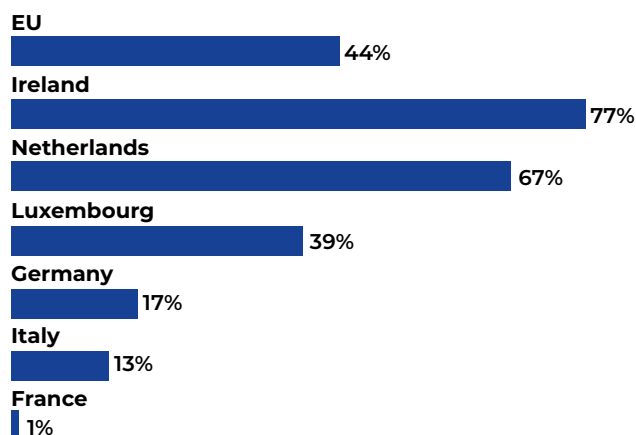


## ...this is not the trend of asset management in Europe

- ▶ The location of the asset manager’s decision making centre is decisive for its asset allocation.

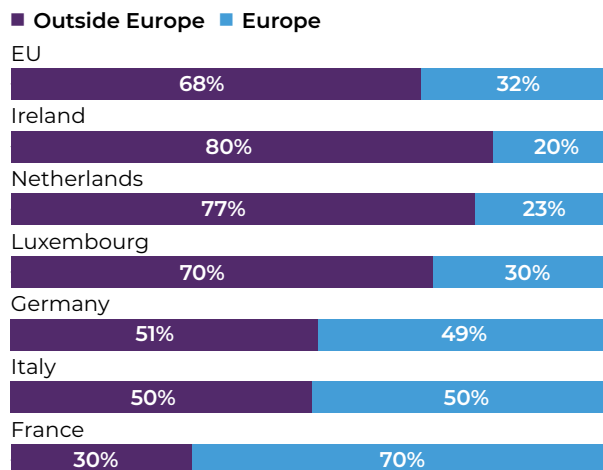
**44%** market share of non-European asset managers

Market share of non-European asset managers by the country of domicile of UCITS equity funds\*



**68%** of non-European stocks in the portfolios

Geographical allocation of UCITS equity funds according to the fund’s domicile\*

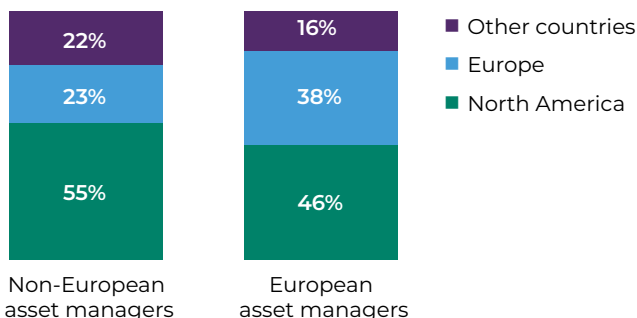


## The loss of competitiveness of EU players results in a divestment from Europe

- ▶ The shift of the investment decision-making centre for a growing volume of equity funds outside Europe has directed the offerings towards large-cap international allocations.

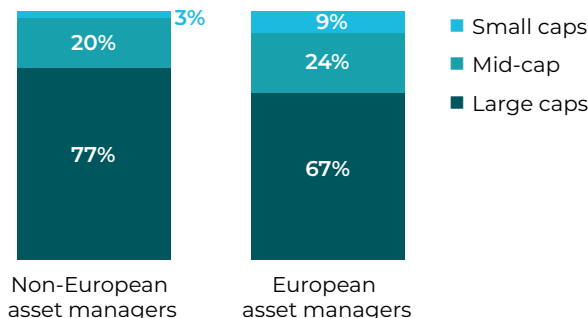
**+15 points** invested in European equities by European asset managers

Geographical allocation of UCITS equity funds by headquarters’ location of the asset manager\*



**+10 points** invested in SMEs by European asset managers

Allocation of UCITS equity funds by head-quarters’ location of the asset manager\*



\*Source: Mornigstar / AFG calculations, 2023.

The AFG thanks the asset management companies that took part in the survey on the transparency of the portfolios of management mandates and French and foreign funds managed in France. This information was supplemented by data from the Banque de France for fund portfolios. In total, the analysis covers assets under management of €4,250 billion, representing more than 90% of the assets under management in France.

AFG would also like to thank the consulting firm Deloitte for the contribution to this study of Yoan Chazal, partner, Antoine Jouot, manager, and Lucca Rinaldi, consultant.