

Financial overview of investment Funds – France

Fourth quarter 2018

Decline in non-money market funds outstanding for the first time since 2011

- **Over one year:** sales of shares/units of non-money market funds outweigh subscriptions by a net amount of -36 billion, mainly resulting from equity funds (-21 billion, see graphs G1) and mixed funds (-11 billion). These outflows, unprecedented since 2013, are largely driven by the relocation of funds abroad (-25 billion). By contrast, real estate funds and employee savings funds record positive inflows (respectively +7 and +3 billion). Overall, non-money market funds mainly sell shares issued by non-residents (-32 billion, graph G2).

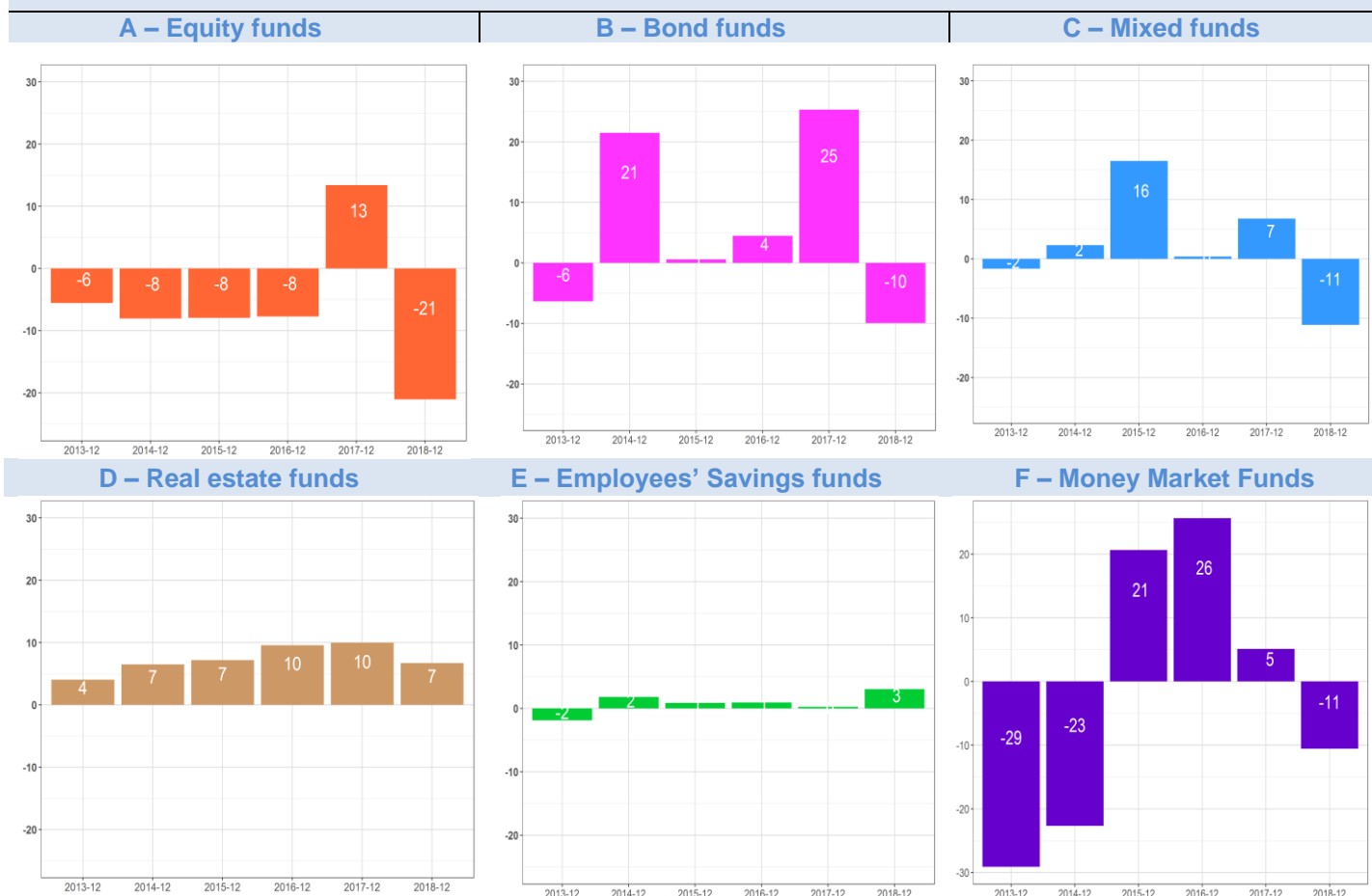
MMFs also record outflows (-11 billion). These repurchases result in net sales of securities issued by credit institutions (-13 billion) and a reallocation of long-term debt securities towards deposits holdings.

- **4th quarter 2018:** Non-money market funds record outflows for the fourth consecutive quarter (-18 billion, see table p.2), mainly due to withdrawals by resident investors (-15 billion). The repayment of funds shares result in the sales of long-term debt securities (-9 billion) and equities (-6 billion) in particular. The securities sold are mainly issued by non-residents (-13 billion) and, in terms of sector, by non-financial corporations (-16 billion).

MMFs record an outflow of EUR 10 billion as a result of withdrawals from resident investors (-14 billion), partially offset by net subscriptions from non-euro area investors (+4 billion).

- **Focus – Investment funds in the Euro area:** (graphs G3 page3): the outstanding amount of non-money market funds in the euro area falls by -2.4% in 2018 for the first time since 2011, due to losses recorded (-5.3%) and despite positive net subscriptions (+2.1%). French funds record over the year a negative impact of €103 billion or -7.9% due to a valuation effect of -5.2%, a relocation effect of -1.9% and a subscription effect of -0.9%. Its weight in the Eurozone falls by 0.8 percentage point year-on-year (10.9% at the end of 2018 after 11.7% at the end of 2017).

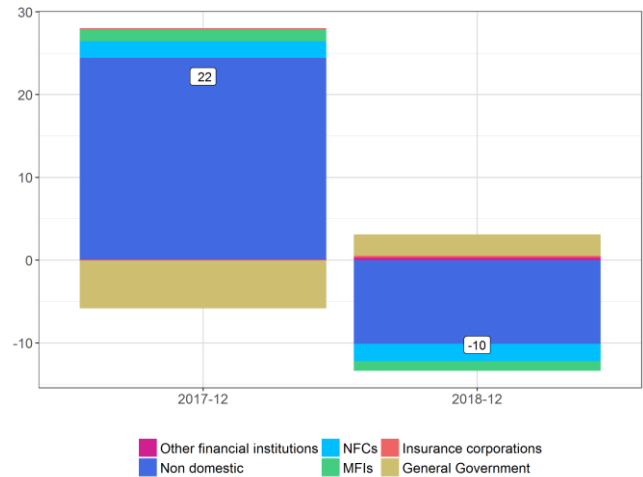
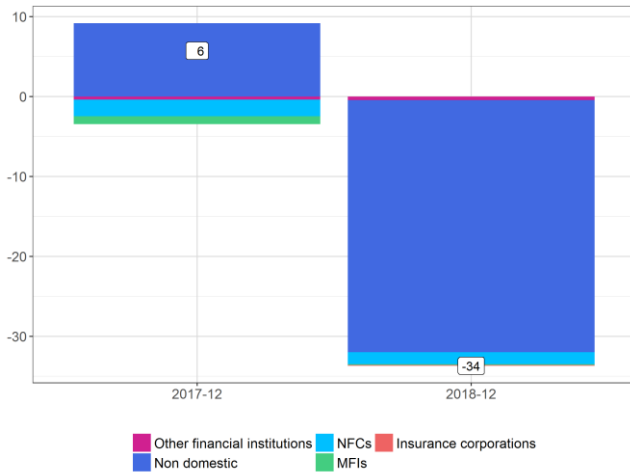
G1. Net subscriptions by type of funds (cumulative flows over 4 quarters - Billion €)



G2. Net investments of Investment funds by resident issuer sectors* (cumulative flows over 4 quarters - Billion €)

A- In equities

B - In debt securities



*The net investments (acquisitions - disposals) of funds in securities issued by non-residents are not broken down ("non-resident" Total)

Investment funds assets and investors

(EUR billion)

Assets		Net flows (a)		Stocks Part (%)		Investors		Net flows (a)		Stocks Part (%)	
		2018Q4	4 moving quarters	2018Q4	2018Q4			2018Q4 (g)	4 moving quarters	2018Q4	2018Q4
Non-money market funds	Total	-18	-36	1 198	100%	Total	-18	-36	1 198	100%	
by type of instrument	Debt securities up to 1 year	-2	5	33	3%	Resident	-15	-9	1054	88%	
	Debt securities over 1 year	-9	-15	351	29%	Insurance corporations	-8	-3	449	38%	
	Equity	-6	-34	411	34%	Households and NPSH	-2	-3	241	20%	
	Investment fund shares	-2	4	299	25%	Non money market funds	-2	-5	140	12%	
	Real estate assets	-1	5	76	6%	General Government	-3	0	127	11%	
	Net deposits and loans and other assets (b)	1	-1	29	2%	MFIs	2	4	49	4%	
by geographical area (c)	Resident	1	-1	29	2%	Non-Financial corporations	-1	-1	41	3%	
	Non-Resident euro area	-6	-5	535	49%	Other financial institutions	0	-8	6	1%	
	Non-Euro area	-7	-15	369	34%						
by issuer (c)	Non-Financial corporations and others (d)	-6	-20	188	17%	Non-Resident euro area	-3	-24	121	10%	
	MFIs	-16	-40	518	47%	MFIs	-3	-24	110	9%	
	General Government	0	-4	163	15%	Non MFIs	0	0	10	1%	
	Others (e)	2	5	110	10%	Non-Euro area	-1	-3	24	2%	
	<i>of which non money market funds</i>	-6	-1	302	28%						
Money market funds (f)	Total	-10	-12	301	100%	Total	-10	-12	301	100%	
by type of instrument	Debt securities up to 1 year	-20	-22	170	56%	Resident	-14	-10	250	83%	
	Debt securities over 1 year	-4	-5	82	27%	Insurance corporations	-13	-5	85	28%	
	Investment fund shares	2	2	2	1%	Non-Financial corporations	2	0	71	24%	
	Net deposits and loans and other assets (b)	12	14	48	16%	Non money market funds	2	2	66	22%	
by geographical area (c)	Resident	-15	-14	109	43%	Households and NPSH	-1	-3	5	2%	
	Non-Resident euro area	-4	-8	79	31%	General Government	0	-3	10	3%	
	Non-Euro area	-2	-3	66	26%	Credit Institutions	-5	-1	8	3%	
by issuer (c)	MFIs	-13	-36	174	69%	Other financial institutions	1	1	6	2%	
	Non-Financial corporations and others (d)	-7	17	56	22%	Non-Resident euro area	0	-2	45	15%	
	Others (e)	-3	-6	21	8%	MFIs	1	-2	40	13%	
	General Government	1	0	3	1%	Non MFIs	-1	0	5	2%	
					Non-Euro area	4	0	6	2%		

Note: As from this publication, real estate funds are integrated in data; Rounding differences mean that an aggregate may not be exactly equal to the sum of its components.

Source : Banque de France

(a) Variation of outstanding amounts for Money Market Funds

(b) net loans and net other assets include financial derivatives, non-financial assets and other receivables, net of other liabilities

(c) excluding loans and other net assets ; only securities portfolio

(d) Others added to Non-Financial Corporations include others Financial Institutions of the rest of the world (non MFIs as Insurance Corporations)

(e) Others : Non Money Market funds, Insurance and other Financial Institutions

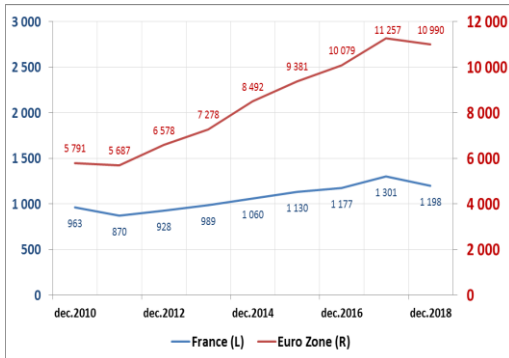
(f) Consolidated Data: consolidated outstanding of money market fund shares or units do not include the resident securities held by money market funds themselves

(g) Quarterly holdings data are provisional and will be revised next quarter

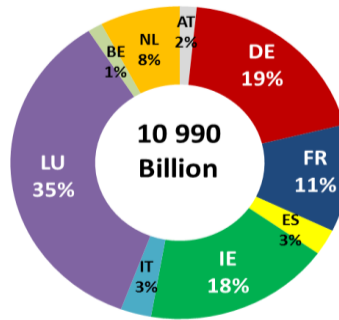
Focus

G3. EUROPEAN OVERVIEW OF NON-MONETARY FUNDS

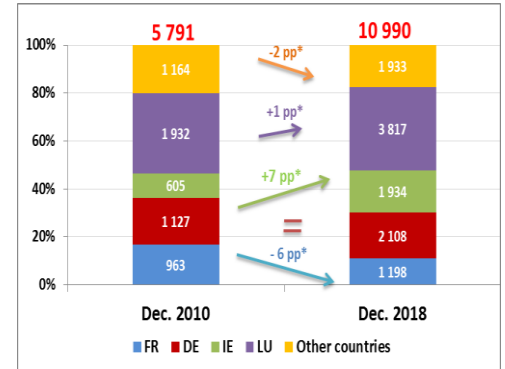
A - Outstanding Eurozone and France since 2010 (€ bn)



B - Breakdown of Eurozone outstanding by country (Q4 2018 - € bn)

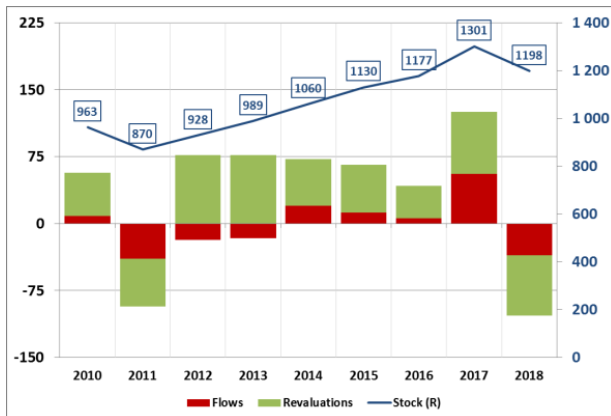


C. Outstanding amounts 2010 - 2018 (€bn - % of total) and change in market share



*pp : percentage point of market share

D - Outstanding variation in France since 2010 (cumulative flows over 12 months)



E - Outstanding variation by country in 2018 (cumulative flows over 12 months)

