

Financial overview of investment Funds – France

3rd quarter 2023

Net inflows in money market funds reach 77 billion over a sliding year

1/ In the 3rd quarter of 2023, non-monetary funds record -6 billion euros in net subscriptions (see table p.2), after +6 billion in the 2nd quarter. Resident non-monetary funds are the main net sellers (-4 billion), followed by general government and financial corporations (-2 billion each). In terms of investments, non-monetary funds continue to purchase long-term debt securities (+3 billion after +13 billion in the 2nd quarter), to sell equities (-5 billion) and investment fund shares (-3 billion), and to reduce their deposits (-2 billion).

Inflows in money market funds remain high (+10 billion), due to net subscriptions by insurance companies (+5 billion) and general government (+3 billion). On the asset side, investments of money market funds are quite evenly distributed between short-term debt securities (+3 billion), long-term ones (+4 billion) and deposits (+3 billion). These investments benefit primarily to credit institutions (+11 billion) at the expense of non-financial corporations (-4 billion).

2/ Over a sliding year, non-monetary funds record net outflows (-13 billion, see table p.2), due to withdrawals from equity and mixed funds (-21 and -12 billion, see graphs p.1), partially offset by positive flows in employee saving funds, real estate and bond funds (respectively +7, +6 and +5 billion). Asset managers favor investments in long-term debt securities (+ 22 billion) to net deposits and other assets (-25 billion) and equities (-16 billion), and limit their exposure to non-financial corporations and others (-10 billion).

Net subscriptions of **money market funds** are significantly positive (+77 billion in inflow, see graph F, and +80 billion in consolidated stocks variation, see table p.2). Resident insurance companies are the main buyers (+27 billion), followed by non-resident MFIs of the euro zone, and resident non-financial corporations and non-monetary funds (respectively +18, +14 and +11 billion). Money market funds mainly acquire short-term debt securities (+62 billion), mostly issued by resident MFIs, and increase their net deposits and other assets (+21 billion).

Methodological change: The Banque de France has improved the compilation of holdings in non-money-market fund shares broken down by investor category. This change has been retroplated to the beginning of 2023, thus generating a break in the series. This amounts to around +30 billion euros in 2023-Q1 in non-money-market fund holdings by insurance companies and pension funds.

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



Investment funds assets and investors

(EUR billion)

Assets		Net flows (a)		Stocks Share (%)		Investors	Flux nets (a)		Encours Share (%)		
		2023Q3	4 moving quarters	2023Q3			2023Q3 (g)	4 moving quarters	2023Q3		
Non-money market funds	Total	-6	-13	1 455	100%	Total	-6	-13	1455	100%	
	by type of instrument	Debt securities up to 1 year	0	0	24	2%	Resident	-7	-14	1313	90%
		Debt securities over 1 year	3	22	394	27%	Insurance corporations	-2	-6	576	40%
		Equity	-5	-16	575	40%	Households and NPSH	-6	0	287	20%
		Investment fund shares	-3	3	354	24%	Non money market funds	-1	-1	178	12%
		Real estate assets	0	4	89	6%	General Government	-1	1	145	10%
		Net deposits and loans and other assets	-2	-25	19	1%	MFIs	0	-3	44	3%
by geographical area (c)	Resident	-4	-3	695	52%	Non-Financial corporations	1	-5	67	5%	
	Non-Resident euro area	2	9	411	30%	Other financial institutions	0	0	17	1%	
	Non-Euro area	-3	2	241	18%						
by issuer (c)	Non-Financial corporations and others (d)	-4	-10	626	46%	Non-Resident euro area	1	1	100	7%	
	MFIs	0	10	198	15%	MFIs	0	0	64	4%	
	General Government	1	3	116	9%	Non MFIs	1	1	37	3%	
	Others (e)	-2	6	408	30%	Non-Euro area	0	0	41	3%	
	of which non money market funds	-1	3	286	21%						
Money market funds	Total	10	80	385	100%	Total	10	80	385	100%	
	by type of instrument	Debt securities up to 1 year	3	62	273	71%	Resident	11	61	288	75%
		Debt securities over 1 year	4	-2	42	11%	Insurance corporations	5	27	108	28%
		Investment fund shares	0	0	1	0%	Non-Financial corporations	1	14	58	15%
		Net deposits and loans and other assets	3	21	69	18%	Non money market funds	2	11	78	20%
	by geographical area (c)	Resident	-1	33	150	48%	Households and NPSH	0	5	8	2%
		Non-Resident euro area	7	19	102	32%	General Government	3	5	22	6%
Non-Euro area		1	7	63	20%	Credit Institutions	0	-3	3	1%	
by issuer (c)	MFIs	11	81	226	72%	Other financial institutions	0	3	10	3%	
	Non-Financial corporations and others (d)	-4	-13	55	17%	Non-Resident euro area	0	21	90	24%	
	Others (e)	1	-7	27	9%	MFIs	0	18	83	21%	
	General Government	0	-2	7	2%	Non MFIs	0	3	7	2%	
					Non-Euro area	-1	-3	6	2%		

Note: 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

