

Financial overview of investment Funds France - Fourth quarter 2023

Driven by higher interest rates, outstanding amounts of money-market fund shares increase by 55 billion euros in 2023 and portfolio arbitrages were carried out

- Driven by rising interest rates, investors returned to the money market in 2023, with net subscriptions of **money market fund shares** of 43 billion euros (cf. G1, for a 55 billion change in assets under management, cf. table p.2), following a 19 billion decline in 2022. The annual performance of French money-market funds, which was virtually nil a year ago, reached +3.38% in 2023. Outstanding amounts of MMF shares stand at 397 billion, versus 342 billion in 2022.

Holdings of MMF shares: Over the year, resident holdings increased mainly for insurance companies (+ 35 billion), and to a lesser extent for non-money market UCIs and NFCs (+ 8 and + 7 billion respectively). Assets held by eurozone MFIs also rose by 7 billion.

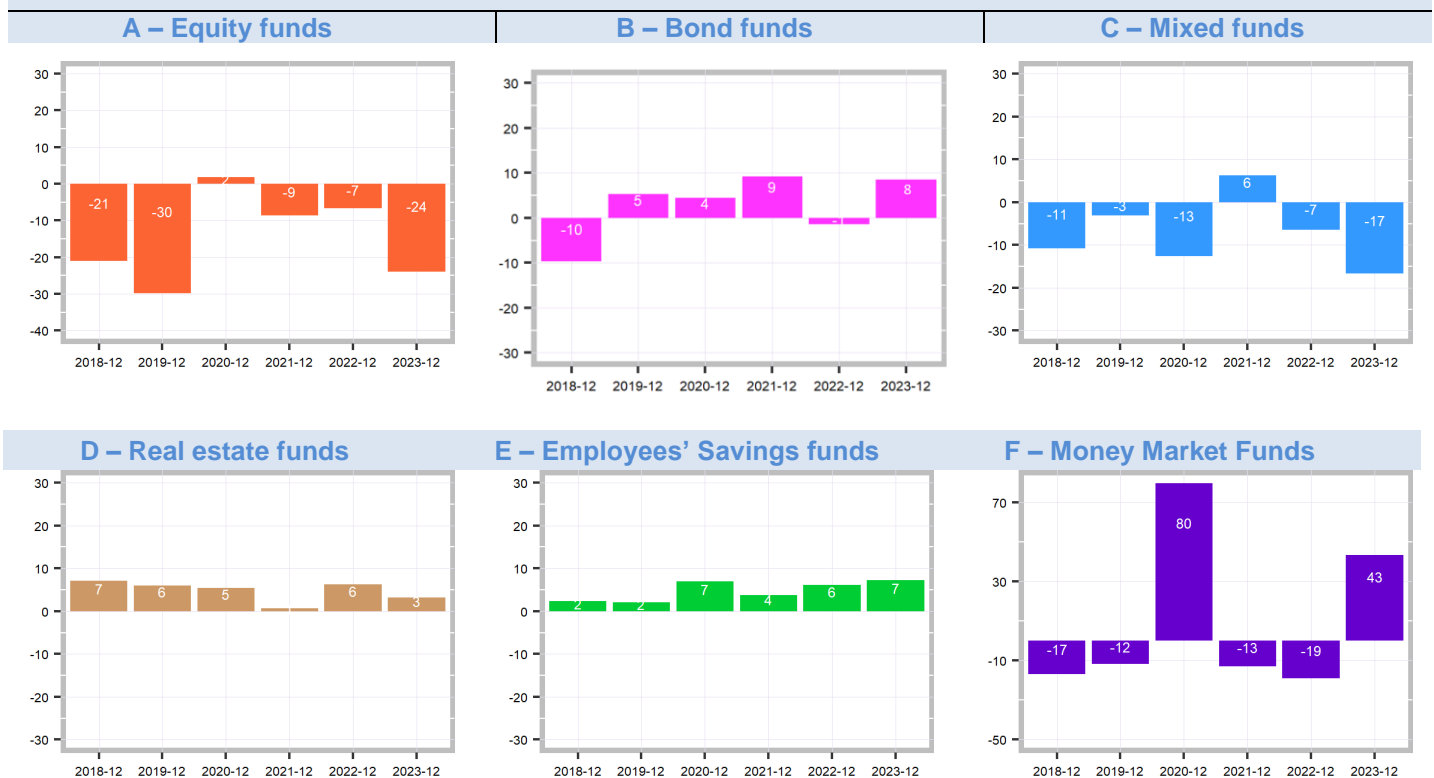
Changes in portfolio assets: In 2023, French money market funds acquired 21 billion in short-term debt securities, 17 billion in long-term debt securities, and increased their deposits and other net investments by 16 billion.

- Non-money market funds**, on the other hand, recorded a net outflow of 20 billion (see table p.2), due to withdrawals from equity and mixed funds (- 24 billion and - 17 billion, see G1), partially offset by positive flows into bond funds, employee savings funds and real estate funds (+ 9 billion, + 7 billion and + 3 billion respectively).

Holdings of non-MMF shares: Resident households recorded net sales of non-money market shares for 7 billion, as did non-money market funds. Non-resident money-market financial institutions in the eurozone also sold 11 billion in net terms.

Changes in portfolio assets: In 2023, French non-money market funds invested mainly in long-term debt securities (+ 19 billion), selling equities (- 16 billion) and reducing their deposits and other net investments (- 17 billion). They favored non-resident issuers (+ 13 billion) to residents (- 14 billion).

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 (%)	
		2023Q4	4 moving quarters	2023Q4			2023Q4 (g)	4 moving quarters			2023Q4
Non-money market funds	Total	-5	-20	1 516	100%	Total	-5	-20	1516	100%	
	by type of instrument	Debt securities up to 1 year	-1	0	23	1%	Resident	-3	-7	1368	90%
		Debt securities over 1 year	0	19	412	27%	Insurance corporations	-7	-1	597	39%
		Equity	1	-16	604	40%	Households and NPSH	1	-7	300	20%
		Investment fund shares	-2	-4	365	24%	Non money market funds	-4	-7	177	12%
		Real estate assets	1	-3	92	6%	General Government	6	3	159	10%
		Net deposits and loans and other assets (b)	-5	-17	21	1%	MFIs	1	0	47	3%
by geographical area (c)	Resident	-3	-14	716	51%	Non-Financial corporations	-1	2	69	5%	
	Non-Resident euro area	2	11	436	31%	Other financial institutions	1	2	20	1%	
	Non-Euro area	0	2	251	18%	Non-Resident euro area	0	-10	106	7%	
by issuer (c)	Non-Financial corporations and others (d)	4	-9	656	47%	MFIs	-1	-11	65	4%	
	MFIs	-4	1	199	14%	Non MFIs	1	2	41	3%	
	General Government	-3	0	118	8%	Non-Euro area	-2	-3	42	3%	
	Others (e) <i>of which non money market funds</i>	2	7	430	31%						
		-2	1	295	21%						
Money market funds (f)	Total	13	55	397	100%	Total	13	55	397	100%	
by type of instrument	Debt securities up to 1 year	-5	21	268	67%	Resident	10	53	298	75%	
	Debt securities over 1 year	10	17	51	13%	Insurance corporations	6	35	114	29%	
	Investment fund shares	0	0	1	0%	Non-Financial corporations	8	7	66	17%	
	Net deposits and loans and other assets (b)	9	16	78	20%	Non money market funds	2	8	80	20%	
by geographical area (c)	Resident	2	21	152	47%	Households and NPSH	-1	3	7	2%	
	Non-Resident euro area	2	15	105	33%	General Government	0	5	23	6%	
	Non-Euro area	0	3	63	20%	Credit Institutions	1	-1	4	1%	
by issuer (c)	MFIs	1	55	227	71%	Other financial institutions	-6	-4	4	1%	
	Non-Financial corporations and others (d)	-1	-10	53	17%	Non-Resident euro area	4	5	94	24%	
	Others (e)	3	-2	31	10%	MFIs	5	7	87	22%	
	General Government	1	-3	8	3%	Non MFIs	-1	-3	6	2%	
					Non-Euro area	-1	-2	5	1%		

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

