

# Financial overview of investment Funds – France

## Third quarter 2020

### Net money market fund inflows reaches 41 billion in the third quarter.

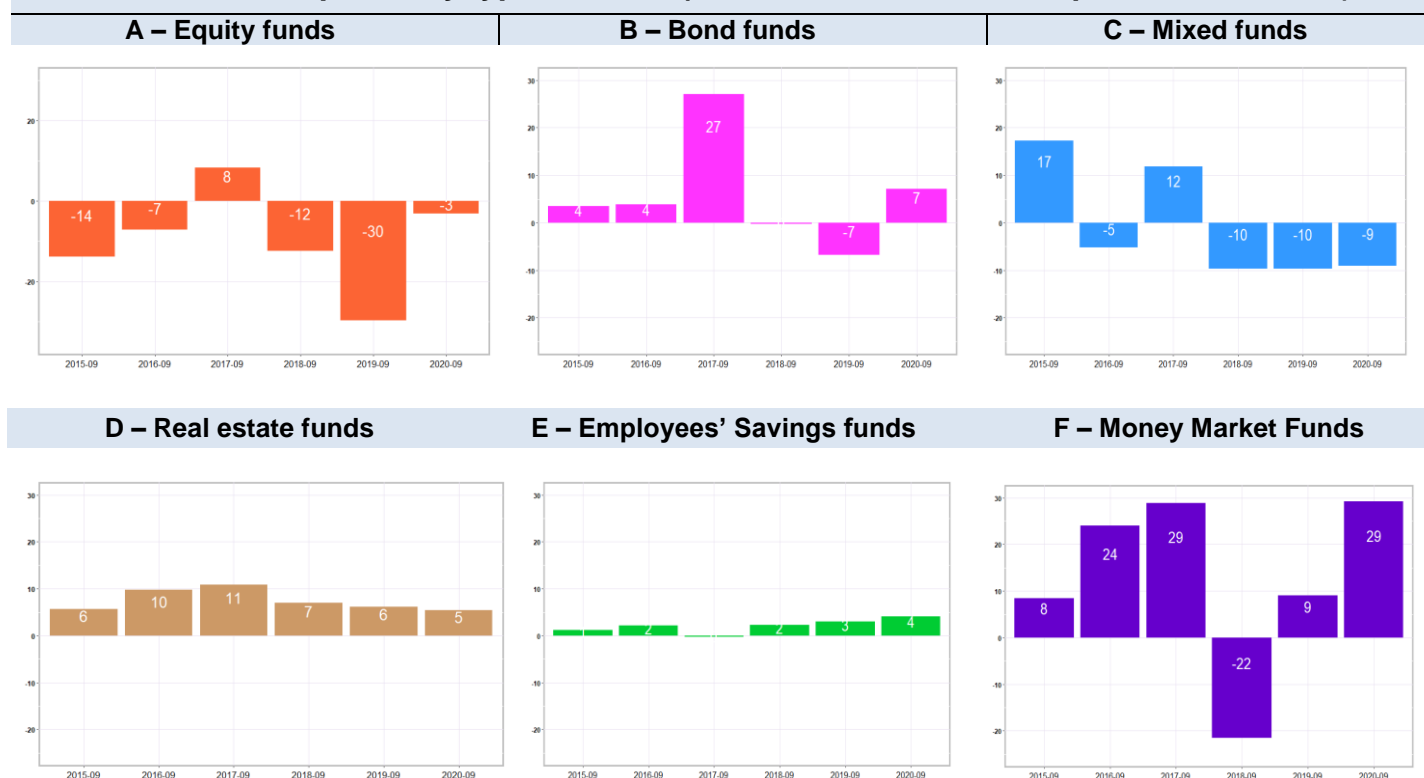
- Third quarter of 2020:** In an uncertain health context, money market funds recorded the highest positive inflow since 2000, with +41 billion (in consolidated data, see table p.2), higher than in the second quarter (+18 billion), thus largely offsetting the outflow recorded in the first quarter of the year. Net investments of funds concern mainly purchases of short-term debt securities (+27 billion) and deposits and other net investments (+17 billion), strengthening their liquidity. In addition, money market funds significantly increase their exposure to securities issued by general government (+9 billion or 8% of net assets, compared with 5% in Q2). As for investors, subscriptions come from residents for 32 billion, mainly from non-financial companies (11 billion) and insurance companies (9 billion).

Non-monetary mutual funds record a positive inflow of only 3 billion (after +4 billion in the previous quarter, see table p.2). Net purchases of securities are concentrated in MMF shares/units (+6 billion). On the investors' side, only resident MFIs withdraw for the second consecutive quarter (-13 billion in Q3 and Q2), while resident households remain net purchasers of non-monetary MMFs (+7 billion).

- Over one year** MMFs record a net inflow of +29 billion (see table p.2). On the investment side, long-term debt securities are largely sold (-21 billion, see table p.2), while net deposits and other investments rise sharply (+54 billion). The reorientation of portfolios is also accompanied by an increase in purchases of securities issued by general government (+15 billion) at the expense of securities issued by credit institutions (-21 billion) and by non-financial corporations (-17 billion). At the investor level, net subscriptions come mainly from resident non-financial corporations (+26 billion), partially offsetting withdrawals by insurance companies (-17 billion).

The low overall net subscription of non-money market mutual funds of 1 billion (see table p.2) is characterized by a disparity in the level of fund categories. Bond funds record positive inflows of 7 billion, as do real estate funds (+5 billion, see graph G1). Conversely, mixed funds have a negative inflow of 9 billion. In terms of investments, securities issued by non-residents record net sales (-11 billion). On the investors' side, resident MFIs and euro area MFIs make withdrawals (11 and 9 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 Part (%)		Investors		Net flows (a)		Stocks Part (%)	
		2020Q3	4 moving quarters	2020Q3				2020Q3 (g)	4 moving quarters	2020Q3	
<b>Non-money market funds</b>	<b>Total</b>	<b>3</b>	<b>1</b>	<b>1 267</b>	<b>100%</b>	<b>Total</b>	<b>3</b>	<b>1</b>	<b>1 267</b>	<b>100%</b>	
<b>by type of instrument</b>	Debt securities up to 1 year	-1	-3	24	2%	<b>Resident</b>	<b>1</b>	<b>8</b>	<b>1144</b>	<b>90%</b>	
	Debt securities over 1 year	-3	-7	366	29%	Insurance corporations	2	1	491	39%	
	Equity	-1	1	448	35%	Households and NPSH	7	7	263	21%	
	Investment fund shares	6	3	312	25%	Non money market funds	1	2	143	11%	
	Real estate assets	-1	3	86	7%	General Government	3	9	150	12%	
	Net deposits and loans and other assets (b)	3	5	32	3%	MFIs	-13	-11	38	3%	
<b>by geographical area (c)</b>	Resident	-1	5	559	49%	Non-Financial corporations	1	-1	51	4%	
	Non-Resident euro area	2	-9	383	33%	Other financial institutions	0	2	8	1%	
	Non-Euro area	0	-2	207	18%						
<b>by issuer (c)</b>	Non-Financial corporations and others (d)	-1	-6	558	49%	<b>Non-Resident euro area</b>	<b>3</b>	<b>-9</b>	<b>101</b>	<b>8%</b>	
	MFIs	4	1	153	13%	MFIs	3	-9	87	7%	
	General Government	0	-1	107	9%	Non MFIs	0	0	13	1%	
	Others (e)	-2	-1	331	29%	<b>Non-Euro area</b>	<b>-1</b>	<b>2</b>	<b>22</b>	<b>2%</b>	
	of which non money market funds	2	-3	242	21%						
<b>Money market funds (f)</b>	<b>Total</b>	<b>41</b>	<b>29</b>	<b>348</b>	<b>100%</b>	<b>Total</b>	<b>41</b>	<b>29</b>	<b>348</b>	<b>100%</b>	
<b>by type of instrument</b>	Debt securities up to 1 year	27	-5	198	57%	<b>Resident</b>	<b>32</b>	<b>17</b>	<b>278</b>	<b>80%</b>	
	Debt securities over 1 year	-2	-21	62	18%	Insurance corporations	9	-17	97	28%	
	Investment fund shares	0	1	2	1%	Non-Financial corporations	11	26	80	23%	
	Net deposits and loans and other assets (b)	17	54	86	25%	Non money market funds	5	6	68	20%	
<b>by geographical area (c)</b>	Resident	15	-7	120	46%	Households and NPSH	0	0	5	1%	
	Non-Resident euro area	7	-15	85	32%	General Government	3	4	14	4%	
	Non-Euro area	2	-5	57	22%	Credit Institutions	3	-3	7	2%	
<b>by issuer (c)</b>	MFIs	10	-21	162	62%	Other financial institutions	1	0	7	2%	
	Non-Financial corporations and others (d)	6	-17	56	22%	<b>Non-Resident euro area</b>	<b>9</b>	<b>6</b>	<b>61</b>	<b>18%</b>	
	Others (e)	1	-3	22	8%	MFIs	7	4	54	15%	
	General Government	9	15	21	8%	Non MFIs	1	2	7	2%	
					<b>Non-Euro area</b>	<b>1</b>	<b>5</b>	<b>8</b>	<b>2%</b>		

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 and does not include monetary employee savings funds (outstanding amount of 21.5 billion at end-September 2020)

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