

15 October 2020

Performance of investment funds – France • August 2020

In August, the upturn in the performance of mutual funds is driven by the equity market

After five months of decline, the average annual performance of non-money market funds returns to positive territory (+0.2% after -1.5% in July), due in particular to a marked increase in the monthly performance in August (+1.5%). The recovery observed since the low point in March (-5.3% for the year, -8% for the month) is mainly attributable to equity funds, which post the strongest monthly increase in August (+3.7%). The monthly performance of employee savings funds also recovers (+2%), although this has not yet reversed the year-on-year decline in valuation. The negative annual performance of bond funds in August 2020 is due to a base effect, as the sharp fall in interest rates pushed up valuations in August 2019. Despite positive monthly performances over the last five months, the bond funds thus record a negative performance of -1.4% in August on an annual basis.

The performance of money market funds fall slightly to -0.35% (-0.34% in July).

Performance of Investment Funds by subsectors (a)

(percent, outstanding amounts : EUR billion)

	2019	July 2020	August 2020	July 2020	August 2020	August 2020
	Annual performance			Monthly performance		Net asset value
NON MONEY MARKET FUNDS	11,5	-1,5	0,2	0,3	1,5	1275
Equity funds (b)	23,5	-2,8	2,1	0,1	3,7	311
of which : ETF (c)	22,7	-2,1	3,0	-0,4	4,3	28
Bond funds (b)	3,8	-0,9	-1,4	0,7	0,1	288
Mixed Funds (b) (e)	10,0	-1,3	0,1	0,7	1,4	336
Other funds (d) (f)	7,9	-0,9	-0,1	-0,3	0,8	341
of which employees' savings funds	13,4	-5,5	-3,7	-0,8	2,0	135
MONEY MARKET FUNDS	-0,27	-0,34	-0,35	-0,02	-0,02	363

Source : Banque de France

(a) Annual performance net of management fees but before deduction of entry and exit fees commissions (cf. methodology).

(b) Except employees' savings funds (which are included in "Others funds")

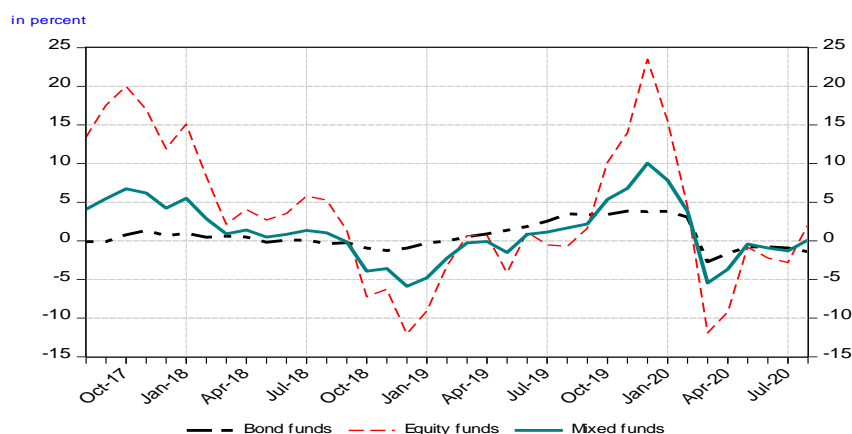
(c) Exchange Trade Fund

(d) Employees savings funds, real estate funds, Private equity funds, formula-based funds, hedge funds

(e) The term "mixed funds" replaces the term "diversified funds", AMF category that has been deleted since 31/12/2017; the criterion for classification remains the same.

(f) Outstanding amount and performance of real estate funds are taken into account as of June 2016

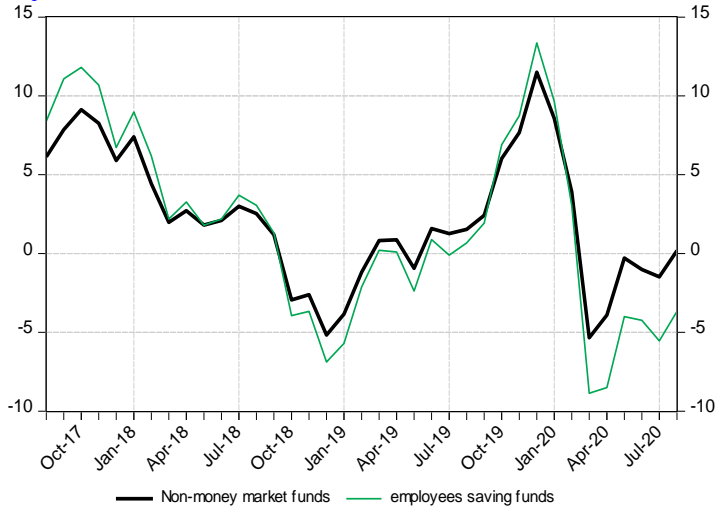
Annual performance of equity, bond and mixed funds





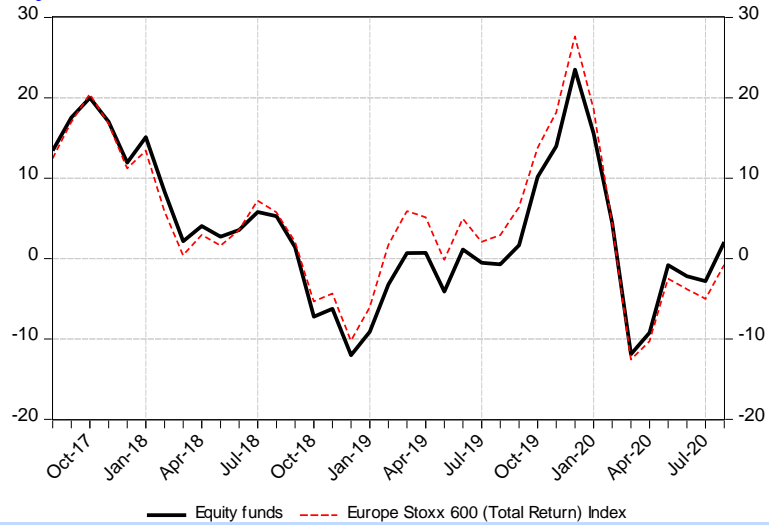
Performance of Non-MMF funds and employees' saving funds (a)

In percent



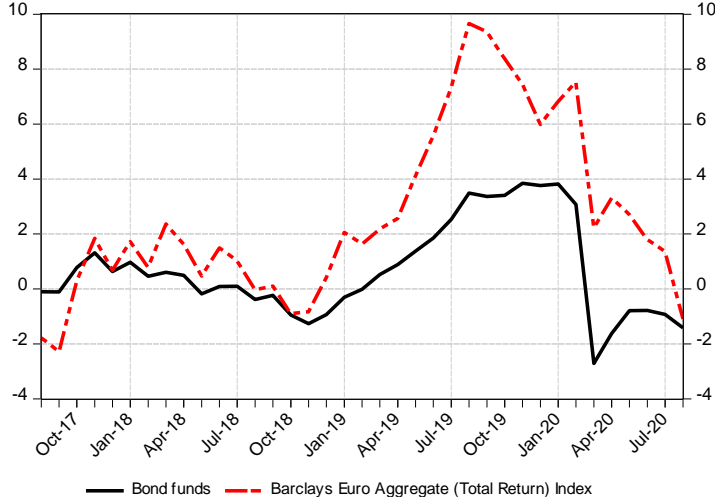
Performance of equity funds (a)

In percent



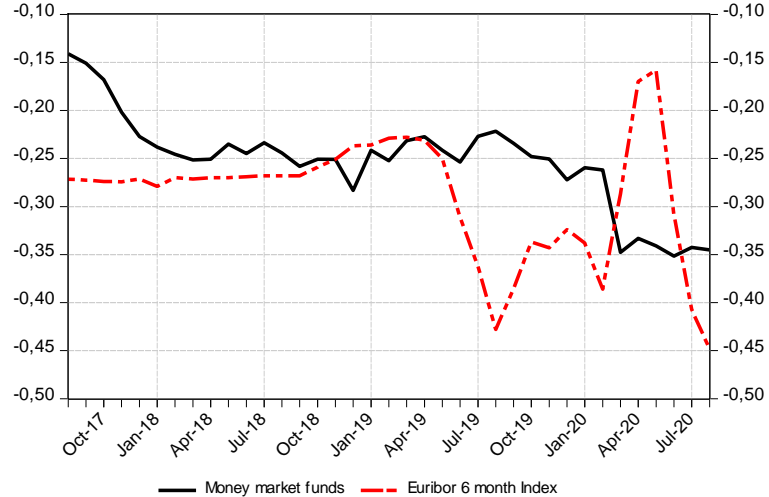
Performance of bonds funds (a)

In percent



Performance of MMF funds (a)

In percent



Source : Banque de France, Barclays, Europerformance

(a) Annual performance net of management fees but before deduction of entry and exit fees commissions (cf. methodology)

Additional information

The different categories of funds under review are defined by the Autorité des Marchés Financiers (AMF – French Financial Markets Authority). The classification of each fund is based on its real risk exposure. The definition of the exposure and the risk thresholds for each category are developed in AMF Instructions 2011-19, 2011-20 and 2011-21.

The **Stoxx 600 index** comprises 600 companies residing in 18 European countries.

The **Barclays index** comprises sovereign and quasi-sovereign bonds, corporate bonds and asset-backed securities. It includes securities denominated in 24 currencies, issued from developed and emerging markets. The rating of the securities is “investment grade” with residual maturity over one year.

The **Euro-MTS Index** is a euro-denominated bond index that measures the performance of the eurozone government bond market across all maturities of the underlying bonds combined.

The performance of the indices is measured by total return (price change and coupons/dividends reinvested). The yield spreads between these indices and the performance of UCITs in France reflect differences in composition and management orientation, in particular the split between highly liquid sovereign bonds issued by major advanced countries, less liquid sovereign bonds or bonds with a higher risk/return profile and bonds issued by private issuers. 6 month-Euribor and the performance of money market may temporarily divert. This is due to differences in the composition of the interbank index and the money market funds' portfolio (nature of the issuer, geographical diversification, average maturity, exchange rate effects linked to funds denominated in foreign currencies).

