

# *Observatory for Management Companies*

## 2018 Barometer

**Asset & Wealth  
Management  
Community**



**Together** can  
we  
shape this brave new World!

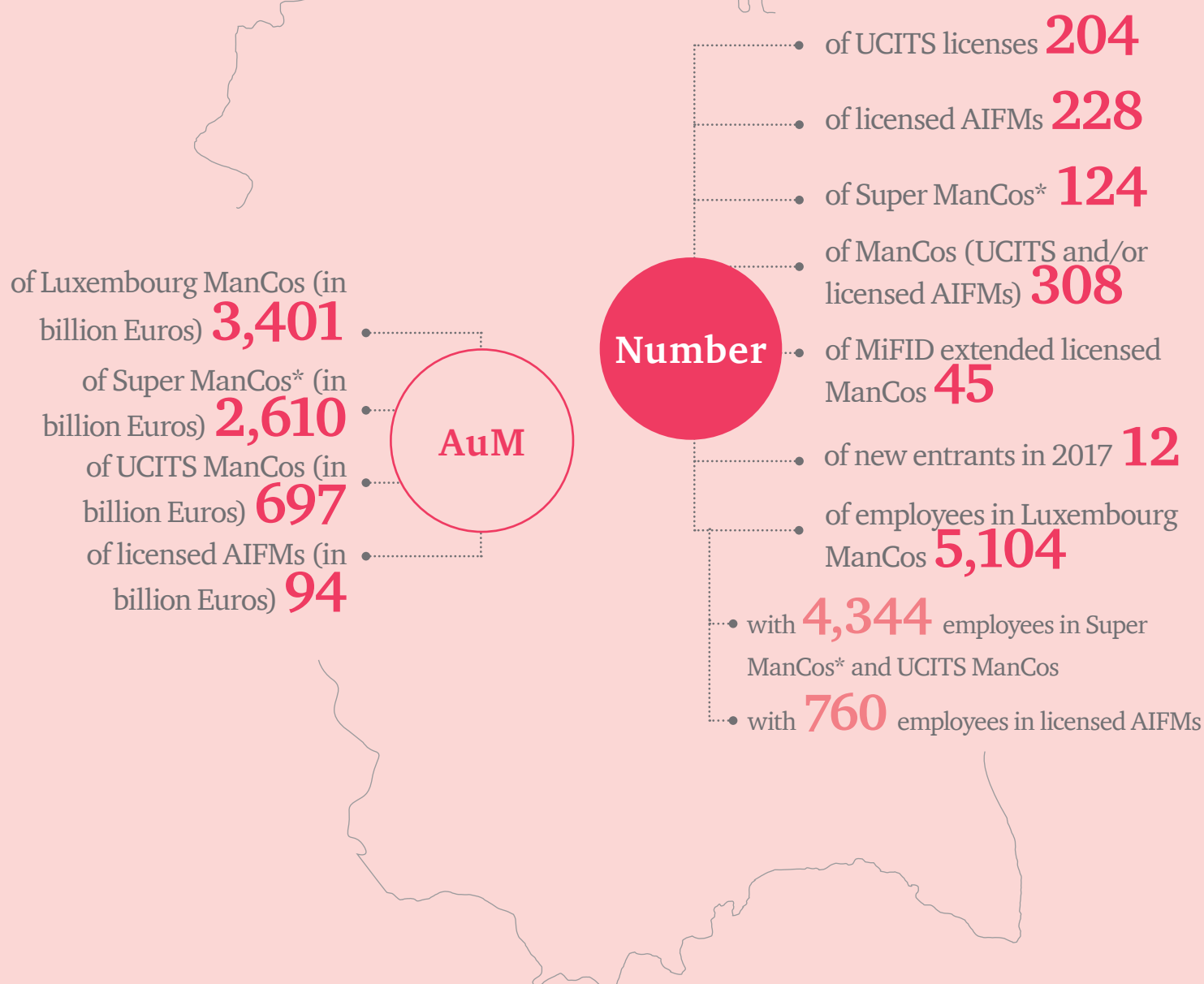


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# Luxembourg Management Companies snapshots

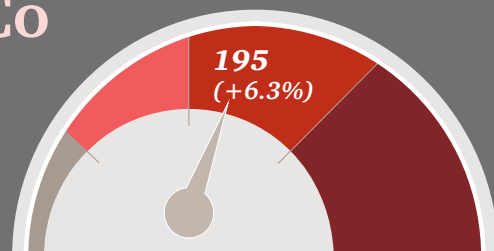


Data as of 31 December 2017

\* Management Companies with both UCITS and AIFM licenses

Sources: PwC analysis, CSSF Official List (2017), CSSF Newsletters (2017-2018), CSSF, Fundsquare 2017

## PwC ManCo Index



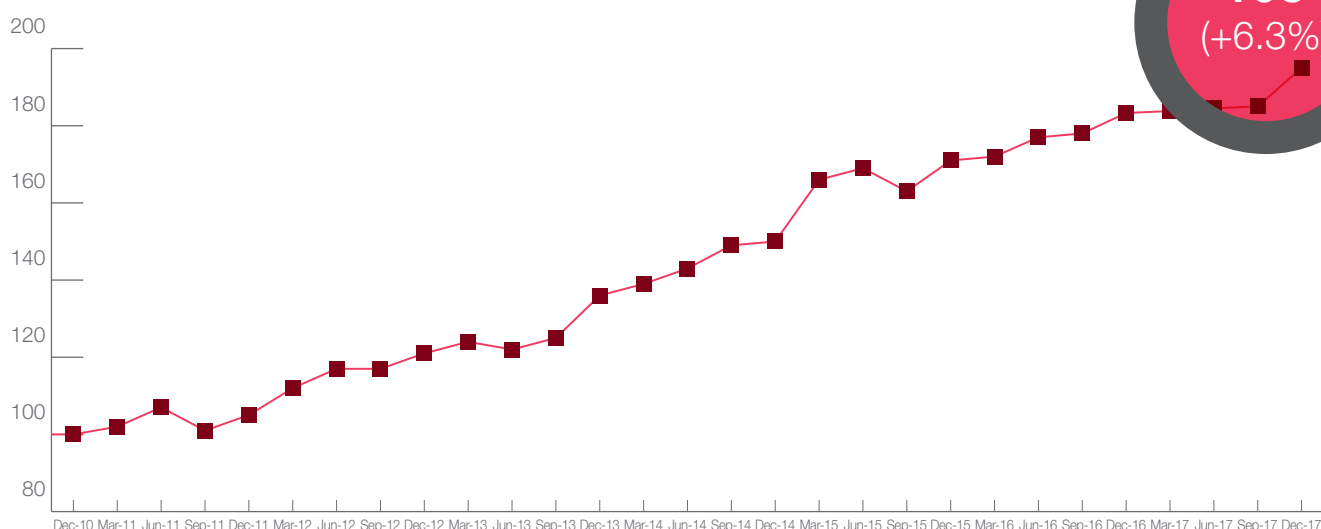
# PwC ManCo Index

The PwC ManCo Index measures ManCos' activities in Luxembourg by considering the growth in the number of UCITS ManCos and AIFMs, the evolution of their AuM and the number of employees in UCITS ManCos. In December 2017, the index marked 195 points, an increase of 6.3% over a year and the highest level ever reached. This peak is mainly explained by a 12.7% increase in AuM (+5.4% during the last quarter of 2017) while employment in UCITS ManCos grew significantly at +7.6% to reach 4,344 employees in December 2017, from 4,039 a year before.

The strong AuM growth is driven by UCITS ManCos and AIFMs, respectively growing by 13.8% and 30.5% year-on-year to reach EUR 697bn and EUR 94bn. SuperMancos' (ManCos carrying both UCITS and AIFM licenses) AuM progressed at a slightly slower pace at 11.7%, over the same period, thus reaching EUR 2,610bn. The number of ManCos licensed as UCITS ManCos (chapter 15) as well as the ones licensed as AIFMs slightly increased over the last quarter (by 1% and 0.4% respectively). This faster rise in UCITS compared to AIFMs in the last quarter contradicts the trend observed over the year 2017: during which the number of UCITS ManCos grew by 1.5% while the number of AIFMs strongly increased by 3.6%. In addition, the number of SuperManCos (124) remained stable in 2017.

In the overall Luxembourg fund industry, we observe a faster AuM growth in AIF than in UCITS funds over the past year. According to EFAMA, AIF's AuM grew by 15.1% year-on-year to reach EUR 673bn while UCITS' assets increased by 11.9% over the same period. Assets held by both AIF and UCITS funds in Luxembourg reached EUR 4.1tn in December 2017. Net sales have also more than tripled over a year, reaching EUR 308bn from EUR 99bn in 2016.

According to ALFI, Responsible Investment funds are likely to grow at a fast pace in 2018. 45% of the Responsible Investment AuM in Europe are held in Luxembourg, a significant rise from the previous year (35%). The number and AuM of Luxembourgish ManCos should also increase in 2018 as Brexit will prompt UK-based companies to relocate or to expand their activities and serve their clients in the EU. Luxembourg, thanks to its central location and long-lasting political stability, is likely to attract many of them. Some asset managers such as Blackstone, Jupiter Fund Management, SCM Direct or M&G Management have already announced that Luxembourg would be the base for their European operations post-Brexit.

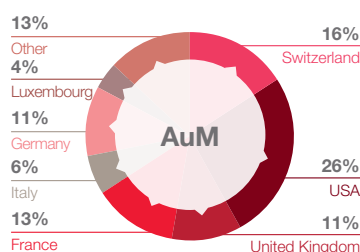
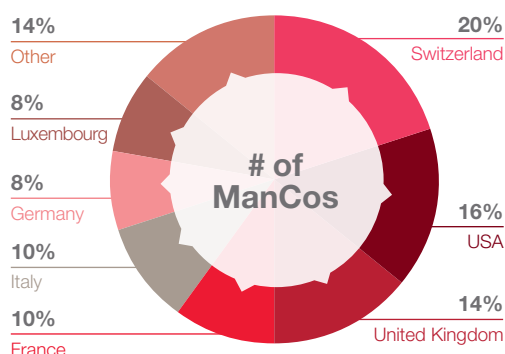


Methodological note: As from January 2017, there was a methodological improvement to calculate the number of ManCos. Now, the indicator also considers AIFM licenses, which is gaining relevance in the country.

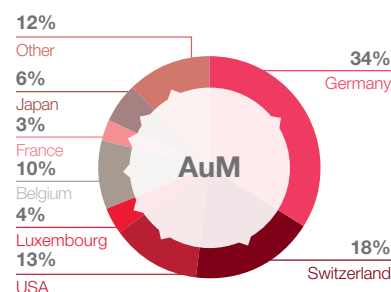
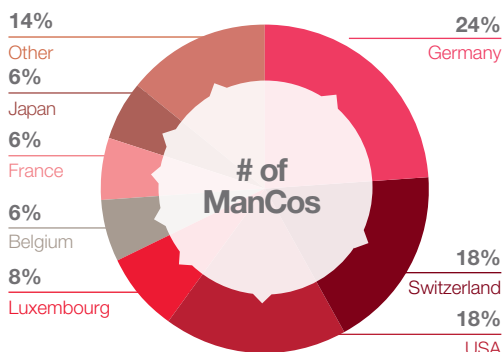
Sources: PwC Market Research Centre, Ignites Europe, EFAMA, ALFI, Le Quotidien, CSSF, Fundsquare, PwC analysis

# Key figures on Luxembourg UCITS ManCos, Luxembourg licensed AIFMs, Luxembourg Third Party ManCos and Foreign ManCos managing Luxembourg Funds

## Origin of Top 50 UCITS ManCos



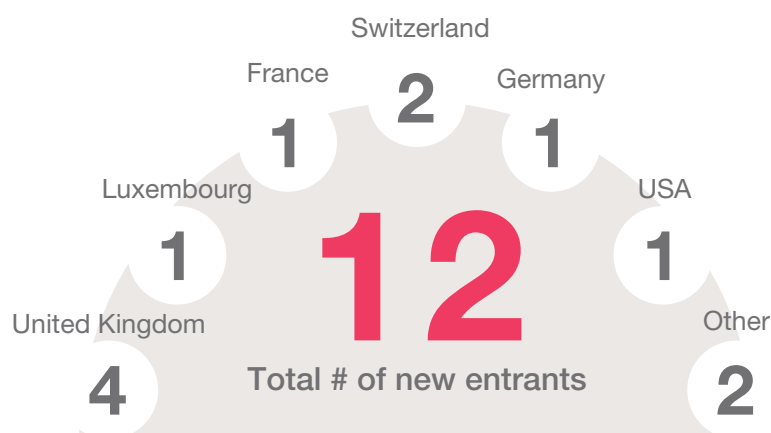
## Origin of Top 50 licensed AIFMs



Sources: PwC analysis, Fundsquare (December 2017), CSSF Official List (2017), Company Latest Financial Statements

## New entrants by nationality in 2017\*

\* Estimation based on PwC analysis



3

UCITS ManCos

9

Licensed AIFMs



0

Super ManCos

Sources: CSSF Monthly Newsletters (2017-2018), PwC analysis, CSSF Official List (2017)



## Top 20 ManCos - as of 31 December 2017 (in million Euros)

Ranking	Ranking Evolution	ManCo	Nationality of the Group	*Sum of AuM Dec 2017	Variation to Dec 2016	# of funds Dec 2017	Variation to Dec 2016	# of sub-funds Dec 2017	Variation to Dec 2016	UCITS License	AIFM License	% of UCITS in AuM Dec 2017	Use of ManCo Passporting
1	=	JPMorgan Asset Management (Europe) S.à r.l.		296,028	9%	7	-1	164	-8	✓	✓	99%	✓
2	=	Deutsche Asset Management S.A.		189,843	21%	95	-5	416	-21	✓**	✓	91%	
3	=	BlackRock (Luxembourg) S.A.		156,120	16%	3	-	119	10	✓		100%	
4	↗	Amundi Luxembourg S.A.***		141,023	9%	26	2	399	100	✓	✓	99%	
5	↗	UBS Fund Management (Luxembourg) S.A.		125,312	33%	36	7	280	40	✓	✓	95%	✓
6	↘	Schroder Investment Management (Luxembourg) S.A.		119,156	13%	9	-	183	3	✓**	✓	96%	✓
7	↘	FIL Investment Management (Luxembourg) S.A.		105,570	7%	7	-1	165	2	✓	✓	99%	
8	↘	Franklin Templeton International Services S.à r.l.		99,297	0%	8	2	102	-6	✓**	✓**	93%	✓
9	=	Pictet Asset Management (Europe) S.A.		94,609	10%	9	-	107	-2	✓	✓	85%	
10	↗	Eurizon Capital S.A.		86,516	16%	14	-4	203	-31	✓**	✓	100%	
11	↘	BNP Paribas Asset Management Luxembourg S.A.		84,976	-4%	22	-2	241	-33	✓	✓	97%	
12	↘	Nordea Investment Funds S.A.		82,932	5%	8	-2	122	7	✓	✓	90%	
13	=	AllianceBernstein (Luxembourg) S.à r.l.		66,369	16%	20	-3	100	-5	✓	✓	94%	✓
14	↗	Invesco Management S.A.		62,028	28%	3	-	81	6	✓	✓	84%	
15	↗	GAM (Luxembourg) S.A.		56,463	45%	17	3	170	12	✓	✓	96%	
16	↘	Union Investment Luxembourg S.A.		54,601	6%	178	8	194	8	✓**	✓**	94%	
17	↗	Robeco Luxembourg S.A.		52,788	13%	5	-	81	7	✓		100%	
18	↘	Aberdeen Global Services S.A.		52,137	-3%	18	1	102	13	✓	✓	97%	✓
19	↗	NN Investment Partners Luxembourg S.A.		50,514	11%	13	-	133	-20	✓	✓	80%	✓
20	↘	Deka International S.A.		49,445	3%	104	-1	171	-3	✓	✓	64%	

Sources: Company information, CSSF Official List (2017), Fundsquare (2016 - 2017), Company Latest Financial Statements, PwC analysis

\* Part I, Part II, SIF, SICAR and RAIF Funds











\*\* Authorisation to perform discretionary portfolio management

\*\*\* After the merger between Amundi Luxembourg S.A. and Pioneer Asset Management S.A.

Note: This table presents the Top 20 ManCos domiciled in Luxembourg. ManCos are ranked by Assets under Management.

• AuM managed by Foreign ManCos and Self-Managed SICAVs; and  
• Foreign AuM managed by Luxembourg ManCos ] are not considered in this ranking.

## Top 5 Foreign ManCos managing Luxembourg Funds - as of 31 December 2017 (in million Euros)











Ranking	Ranking Evolution	ManCo	Nationality of the Group	Country of Incorporation	*Sum of AuM Dec 2017	Variation to Dec 2016	# of funds Dec 2017	Variation to Dec 2016	# of sub-funds Dec 2017	Variation to Dec 2016	UCITS License	AIFM License	% of UCITS in AuM Dec 2017
1	=	Allianz Global Investors GmbH			116,776	21%	59	-6	203	8	✓	✓	99%
2	=	Morgan Stanley Investment Management (ACD) Limited			87,140	19%	4	-	71	1	✓	✓	99%
3	=	Goldman Sachs Asset Management Global Services Limited			54,954	23%	3	-	78	-5	✓	✓	95%
4	=	Fideuram Asset Management (Ireland) Limited			41,938	0%	4	1	129	6	✓		100%
5	↗	SEB Investment Management AB			34,791	35%	25	-	69	-1	✓	✓	73%

Sources: Company information, CSSF Official List (2017), Fundsquare (2016 - 2017), PwC analysis

\* Part I, Part II, SIF, SICAR and RAIF Funds

Note: This table presents the Top 5 Foreign ManCos ranked by Assets under Management. Only Luxembourg funds managed by these ManCos are considered.

## Top 10 licensed AIFMs - as of 31 December 2017 (in million Euros)













Ranking	Ranking Evolution	ManCo	Nationality of the Group	*Sum of AuM Dec 2017	Variation to Dec 2016	# of funds Dec 2017	Variation to Dec 2016	# of sub-funds Dec 2017	Variation to Dec 2016	UCITS License	AIFM License	AuM UCITS 2017	Use of ManCo Passporting
1	=	Universal-Investment-Luxembourg S.A.		29,587	37%	55	12	84	17	✓	✓	4,639	
2	↗	Cadelux S.A.		19,649	14%	3	-	16	1	✓	✓	20,206	
3	↘	Deka International S.A.		17,929	-8%	22	-2	66	-2	✓	✓	31,516	
4	↗	Deutsche Asset Management S.A.		16,553	57%	20	-	22	-	✓**	✓	173,290	
5	↘	Pictet Asset Management (Europe) S.A.		14,109	17%	6	-	24	-3	✓	✓	80,500	
6	↘	KBC Asset Management S.A.		13,204	-1%	10	-1	270	10	✓	✓	10,497	
7	↗	Flossbach von Storch Invest S.A.		12,795	13%	6	-1	6	-1	✓	✓	10,657	✓
8	↘	FundPartner Solutions (Europe) S.A.		12,336	7%	27	4	178	25	✓**	✓	12,324	
9	↗	Credit Suisse Fund Management S.A.		12,117	21%	7	1	25	1	✓	✓	30,510	
10	↗	Invesco Management S.A.		10,090	40%	2	-	6	1	✓	✓	51,938	

Sources: Company information, CSSF Official List (2017), Fundsquare (2016 - 2017), Company Latest Financial Statements, PwC analysis

\* Part II, SIF, SICAR and RAIF Funds

\*\* Authorisation to perform discretionary portfolio management

## Top 10 Third Party ManCos - as of 31 December 2017 (in million Euros)

Ranking	Ranking Evolution	ManCo	Nationality of the Group	*Sum of AuM Dec 2017	Variation to Dec 2016	# of funds Dec 2017	Variation to Dec 2016	# of sub-funds Dec 2017	Variation to Dec 2016	UCITS License	AIFM License	% of UCITS in AuM Dec 2017	Use of ManCo Passporting
		GAM (Luxembourg) S.A.***		34,820	80%	120	16	121	17	✓	✓	93%	
1	↗	Universal-Investment-Luxembourg S.A.		34,226	32%	88	15	142	19	✓	✓	14%	
2	↗	FundRock Management Company S.A.		32,530	48%	43	13	185	44	✓	✓	85%	✓
3	↗	Lemanik Asset Management S.A.		30,575	24%	62	5	245	-2	✓**	✓**	88%	
4	↗	MDO Management Company S.A.		25,094	16%	53	-1	261	11	✓	✓	88%	
5	↗	FundPartner Solutions (Europe) S.A.		24,660	13%	58	8	332	35	✓**	✓	50%	
		UBS Fund Management (Luxembourg) S.A.***		21,907	100%	7	7	39	39	✓	✓	94%	✓
6	↗	IPConcept (Luxemburg) S.A.		15,120	6%	149	-19	249	-26	✓	✓	61%	✓
7	↗	Hauck & Aufhäuser Asset Management Services S.à r.l.		13,725	9%	180	75	255	84	✓	✓	54%	
8	↗	LRI Invest S.A.		13,175	13%	73	-8	115	-27	✓	✓	57%	
9	↗	International Fund Management S.A.		12,799	3%	58	-	130	-1	✓		65%	
10	↘	MultiConcept Fund Management S.A.		11,959	-15%	36	6	121	10	✓	✓	47%	✓

Sources: Company information, CSSF Official List (2017), Fundsquare (2016 - 2017), Company Latest Financial Statements, PwC analysis

\* Part I, Part II, SIF, SICAR and RAIF Funds

\*\* Authorisation to perform discretionary portfolio management

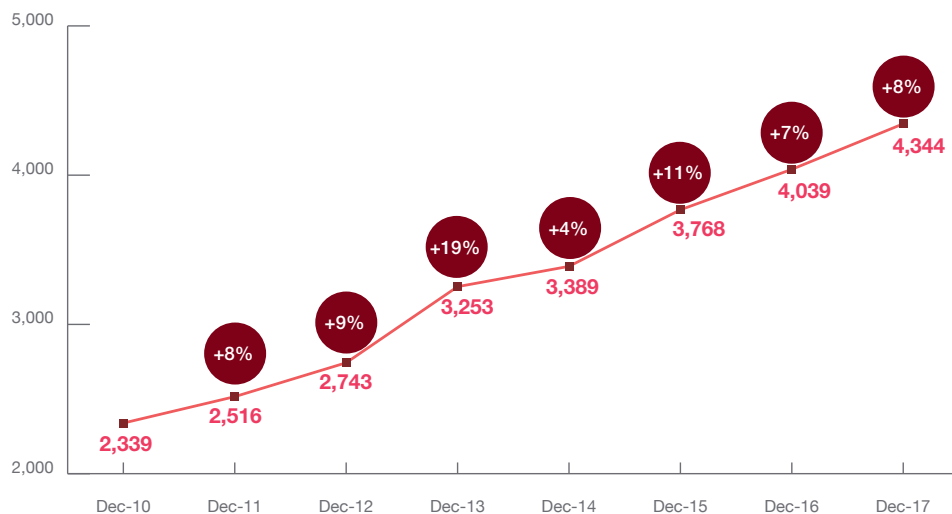
\*\*\* ManCos being not exclusively Third Party, AuM disclosed represent their Third Party AuM

Note: These tables present the Top 10 licensed AIFMs and the Top 10 Third Party ManCos domiciled in Luxembourg. ManCos are ranked by Assets under Management.

- AuM managed by Foreign ManCos and Self-Managed SICAVs; and
  - Foreign AuM managed by Luxembourg ManCos
- are not considered in these rankings.

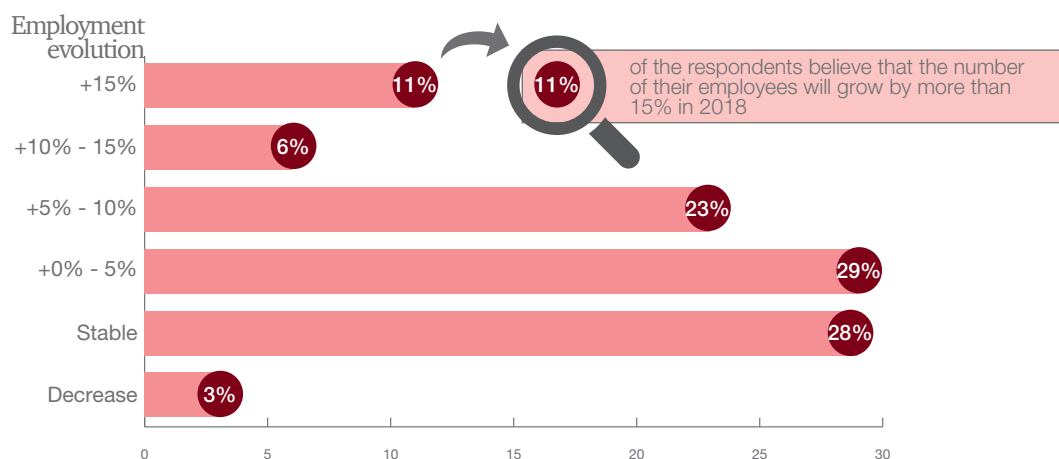
# Evolution of employment

## Evolution of employment in UCITS ManCos



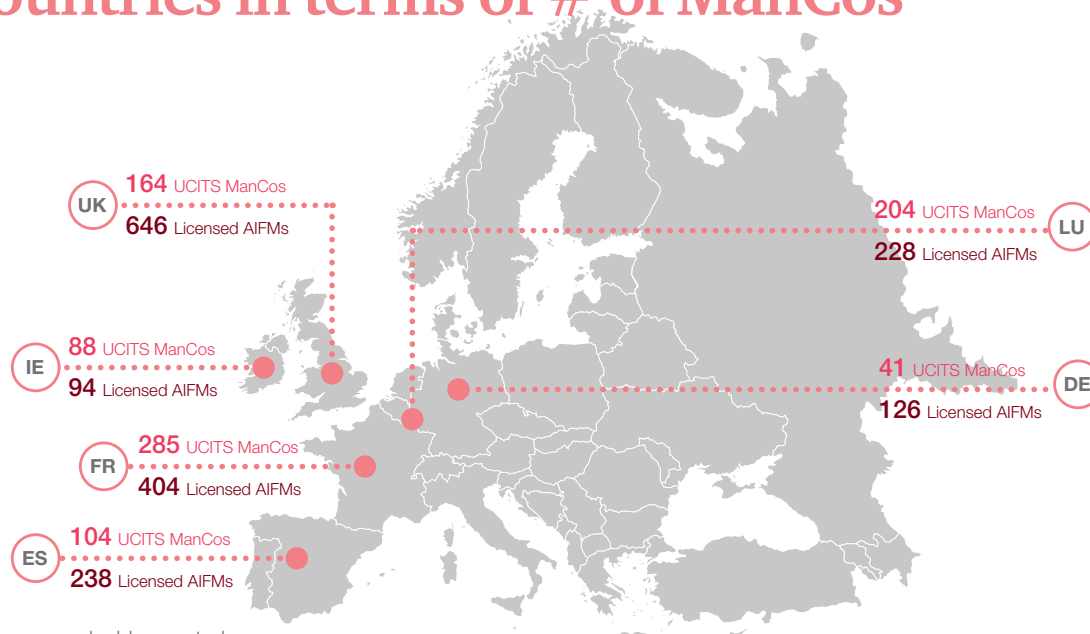
Sources: CSSF Annual Activity Reports (2010-2016), CSSF (2017-2018), PwC analysis

## Expected evolution of the number of employees for 2018



Source: PwC ManCo survey (2018)

## Top countries in terms of # of ManCos



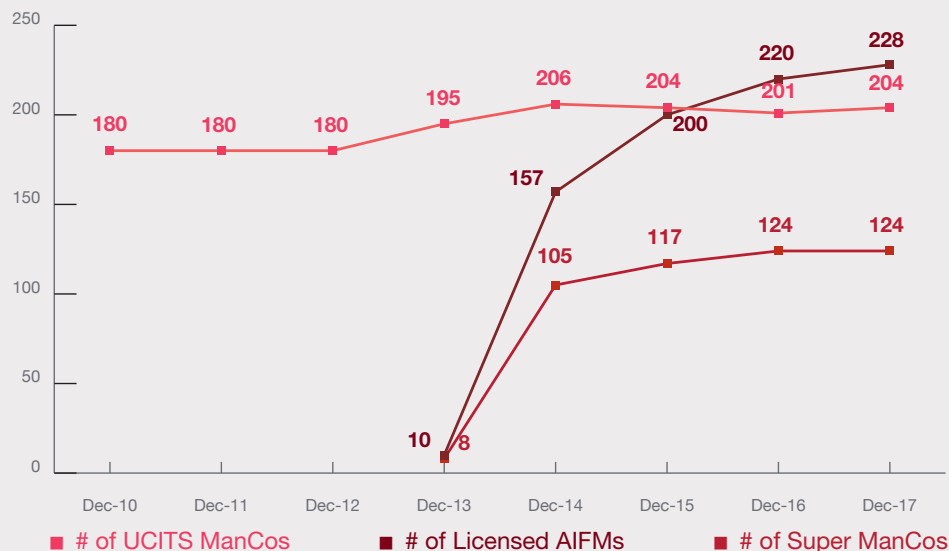
Note: Super Mancos are double counted

Sources: ESMA Registers and Data (2017), CSSF Official List (2017)



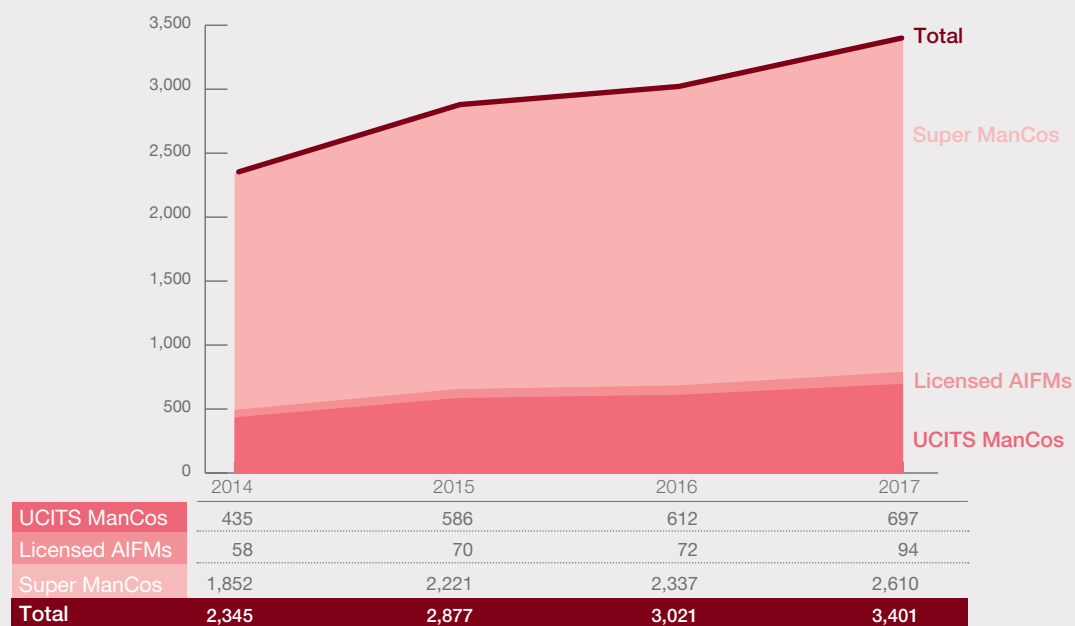
# Evolution of Luxembourg ManCos

## Evolution of # of UCITS ManCos and licensed AIFMs



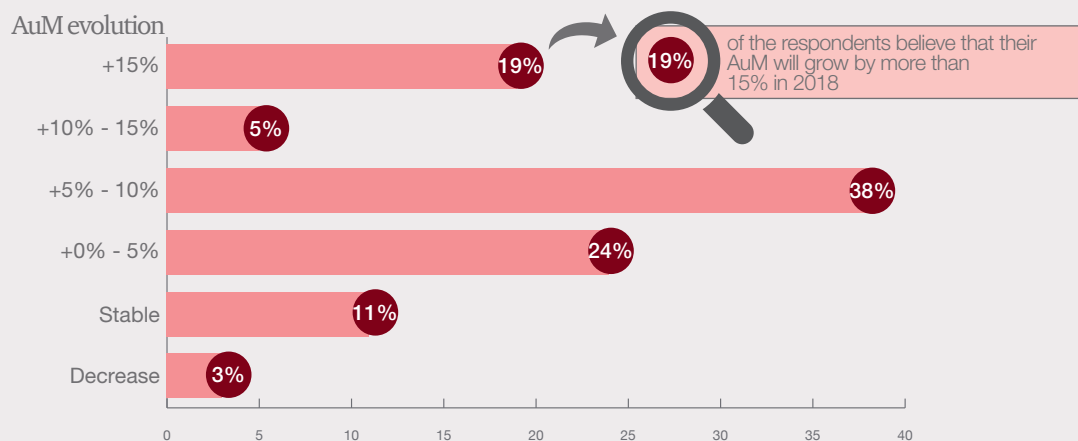
Sources: CSSF Monthly Newsletters (2010 - 2018), ESMA Registers and Data (2017), PwC analysis

## Evolution of AuM by type of ManCos (in billion Euros)



Sources: CSSF Official List (2017), Fundsquare (2014 - 2017), PwC analysis

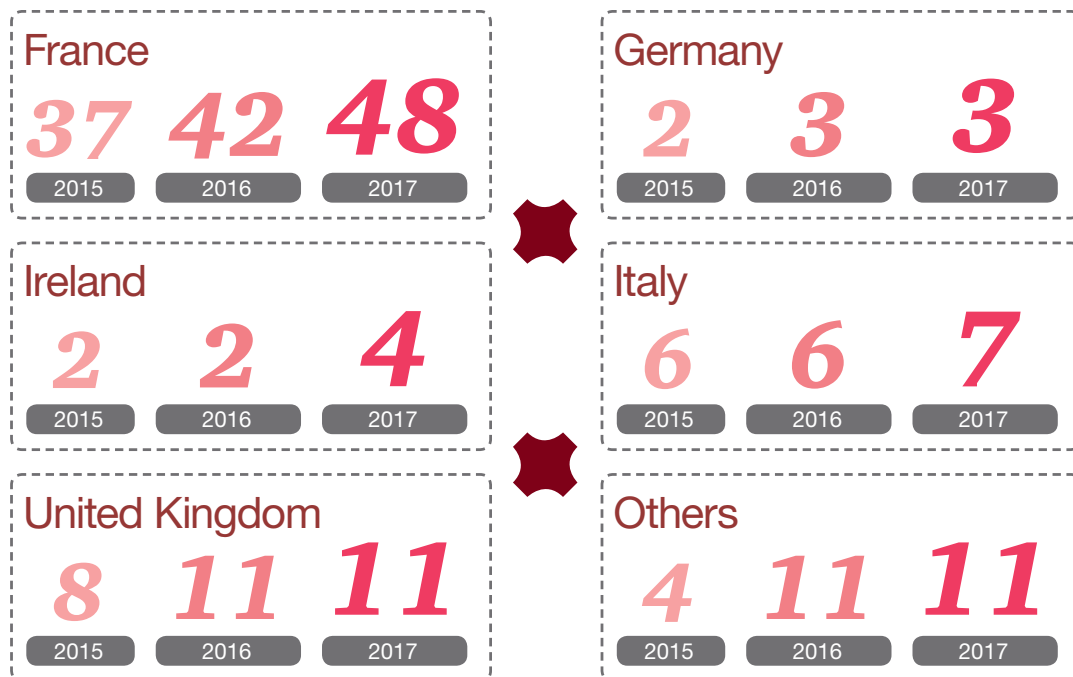
## Expected evolution of the AuM for 2018



Source: PwC ManCo survey (2018)

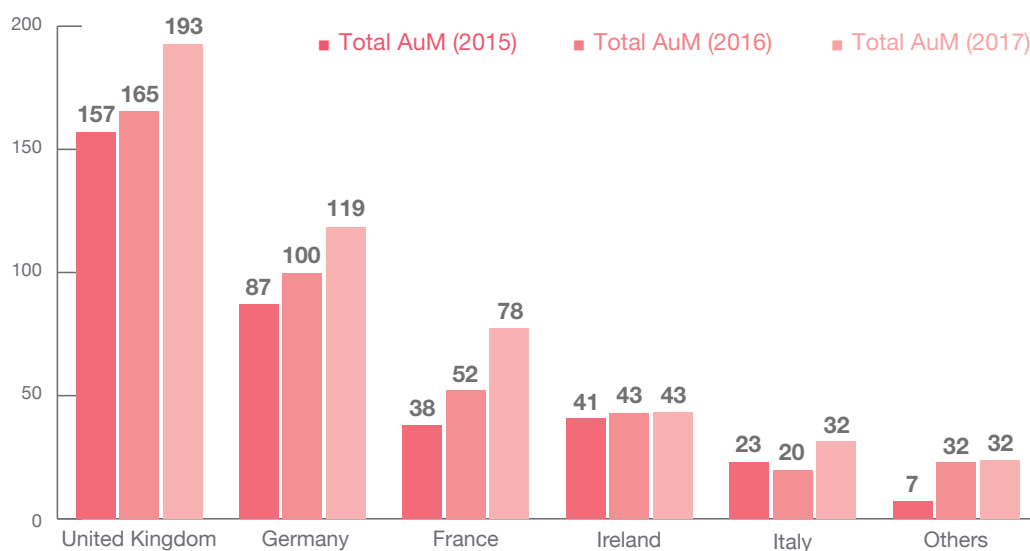
# Evolution of Foreign ManCos (managing Luxembourg UCITS)

## In number



Sources: CSSF Annual Activity Reports (2013 - 2016), CSSF

## In AuM (in billion Euros)



Sources: CSSF Annual Activity Reports (2015 - 2016), CSSF



# Key statistics per ManCo

as of 31 December 2017 (TOP 50 ManCos)

**56,998 15,120 34,619 296,028**

Average

Min

Median

Max

**AuM per Manco**



**145**

Average

**20**

Min

**121**

Median

**416**

Max

**# Sub-Funds per Manco**



**26**

Average

**1**

Min

**11**

Median

**178**

Max

**# Funds per Manco**



**# Staff per Manco**

**55**

Average

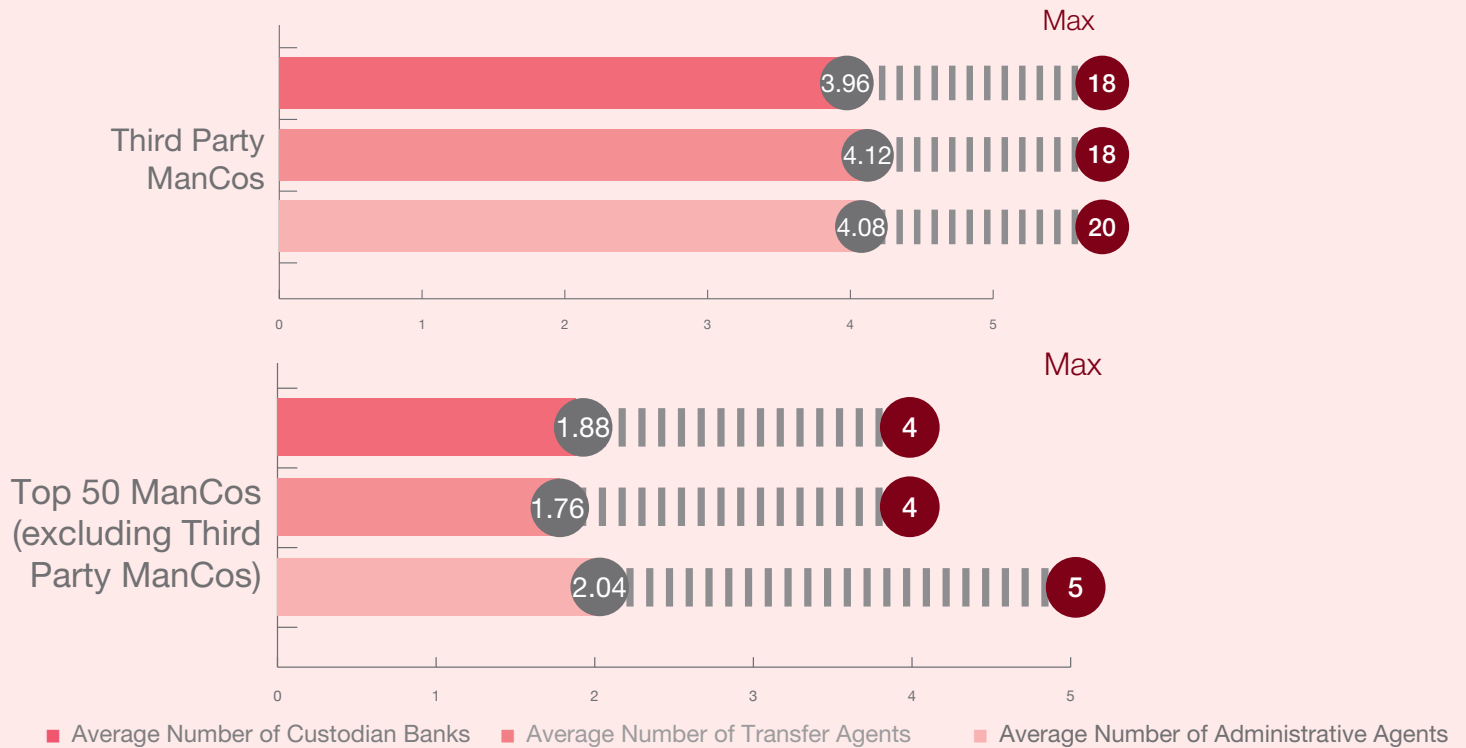
**31**

Median

**331**

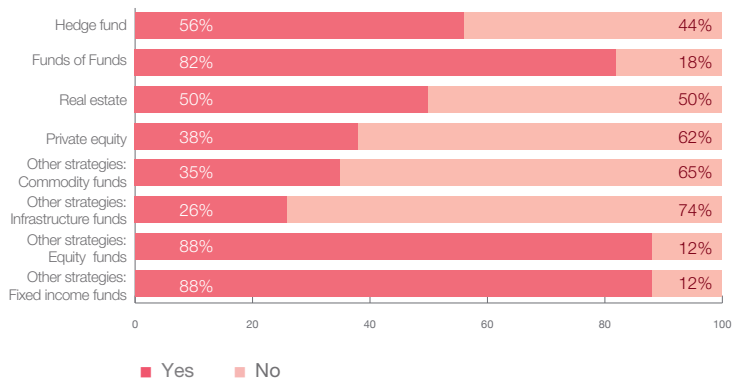
Max

## Number of service providers per ManCo



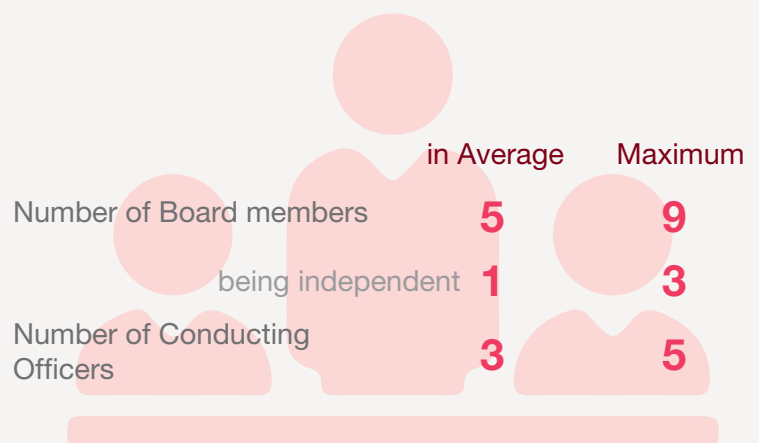
Sources: Fundsquare (2017), Company information

## Licensed AIFMs: Asset Classes authorised to be managed



Source: Information from the Top ranked Management Companies

## Corporate Governance



Source: Information from the Top ranked Management Companies

# Brexit: impact on ManCos business

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Does the Brexit have a significant impact on ManCos business?

**77%**

No

**23%**

Yes

**Main reasons:**

- Need for a licensing extension
- Need to set up a MiFID entity
- Repatriation of Funds from UK to Luxembourg
- The future of the activities currently delegated to the UK



Source: PwC ManCo Survey (2018)

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If yes, within which time frame?

**33%**

Within the next  
6 months



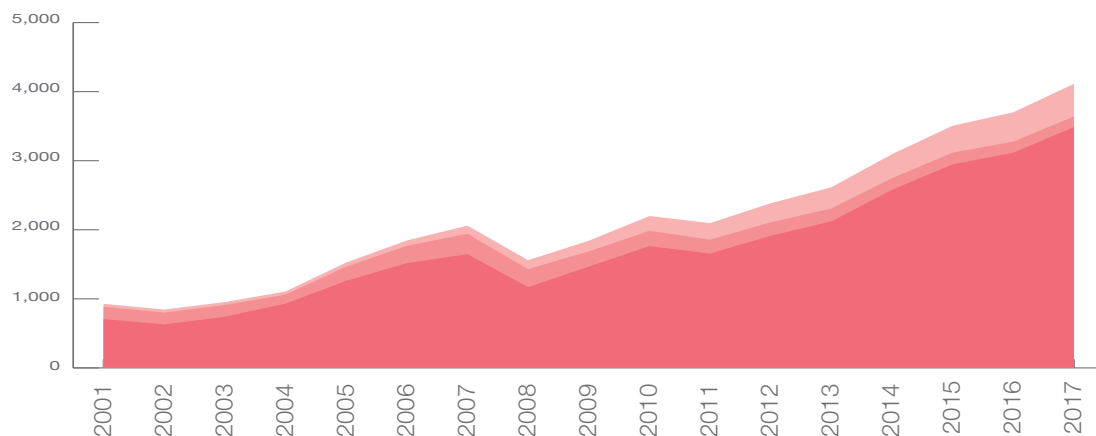
**67%**

After the next  
6 months



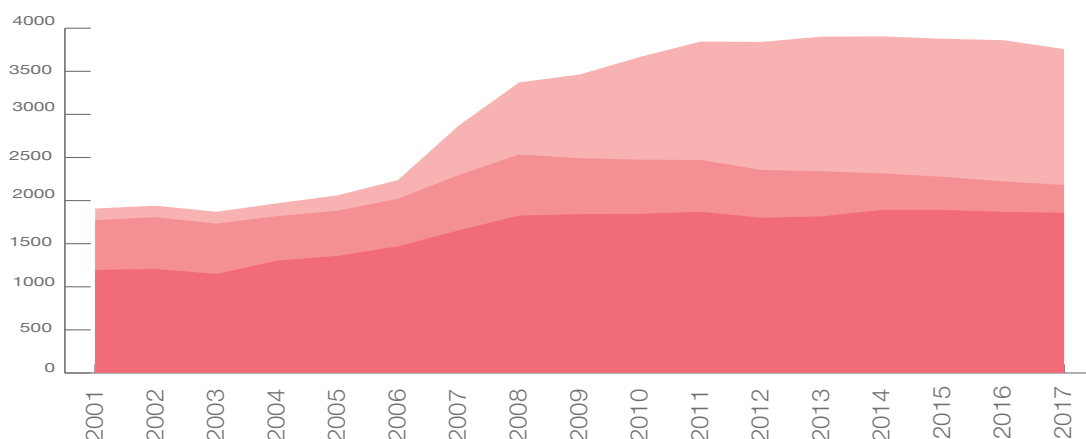
# Key data on investment funds in Luxembourg

## Evolution of AuM by legal status (in billion Euros)



Legal status	Dec-17	%	Dec-10	%
● Part I (law 2010) "UCITS"	3,486,445	85%	1,762,666	80%
● Part II (law 2010)	154,189	4%	222,178	10%
● SIF	472,415	11%	214,150	10%
<b>Total</b>	<b>4,113,049</b>	<b>100%</b>	<b>2,198,994</b>	<b>100%</b>

## Evolution of number of funds by legal status



Legal status	Dec-17	%	Dec-10	%
● Part I (law 2010) "UCITS"	1,859	49%	1,846	50%
● Part II (law 2010)	323	9%	629	17%
● SIF	1,576	42%	1,192	33%
<b>Total</b>	<b>3,758</b>	<b>100%</b>	<b>3,667</b>	<b>100%</b>

■ Part I (Law 2010) "UCITS" ■ Part II (Law 2010) ■ SIF - Including funds under the former Law of 1991

# Your current concerns and enthusiasms



What are the main topics of concern which will require specific attention in the coming months?

1. Availability of resources
2. Limitations on delegation model
3. Regulatory intrusion/delay
4. Regulatory focus on increasing substance (and consequences on hiring)
5. Technology developments



What are the most enthusiastic topics for the coming months?

1. Opportunities in Alternative Products and PERE business
2. Luxembourg as a competitive centre for Investment Funds (& opportunity to attract business in the context of the Brexit)
3. Luxembourg Competitive Business Model
4. Technology developments
5. Regulatory framework to attract new business

Source: PwC ManCo Survey (2018)

## Assisting Management Companies



Our dedicated Management Company team is experienced in delivering effective solutions on Regulatory, Tax, Operational, People, Risk Management, Reporting and many other topics affecting the business of a Management Company and its investment vehicles.

Together with a very strong international network, our people support the growth of a significant proportion of Management Companies.

Our solutions, tailored to Management Companies, include the following services:

- External Audit
- Internal Audit
- Regulatory Compliance
- Fund Distribution
- Information Technology
- People and Organisation
- Risk Management
- Tax Compliance / Asset Management
- Tax services
- Set up of a Management Company
- Corporate Tax / Personal Tax / VAT / Transfer Pricing / Accounting
- Fund Taxation
- 3W - Watch Services
- Distributor Due Diligence / AML / CTF Compliance
- Third Party Assurance
- Performance Fees
- Company Secretary
- Reporting Services

For more information on how PwC Luxembourg is helping ManCos thrive in the markets of tomorrow, please contact us today or visit:

[www.pwc.lu/management-companies](http://www.pwc.lu/management-companies).

# Your contacts



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