



EFAMA

European Fund and Asset Management Association



ASSET MANAGEMENT IN EUROPE

AN OVERVIEW OF THE ASSET
MANAGEMENT INDUSTRY

17th EDITION

DECEMBER 2025

Table of Contents

Key Findings and Figures	2
Introduction	5
1. Assets under Management in Europe	6
1.1. Overview	6
1.2. Evolution of AuM in Europe.....	7
1.3. AuM in investment funds and discretionary mandates	8
1.4. Market share of European asset managers.....	11
2. Role of Asset Managers in Society and the Economy	18
2.1. A distinct industry.....	18
2.2. Serving the needs of investors	18
2.3. Engaging with investee companies.....	20
2.4. Funding contribution of European asset managers	20
3. Clients of the European Asset Management Industry	24
3.1. Clients at the European level	24
3.2. Clients at country level	27
3.3. Domestic and foreign clients	28
4. Asset Allocation in Europe	36
4.1. Investment portfolios	36
4.2. Asset allocation of funds and mandates	39
4.3. ESG assets	41
5. Industry Organisation	44
5.1. Asset management companies and industry concentration.....	44
5.2. Delegation	54
5.3. Revenues, costs and profit margins	55
5.4. Employment	56
Statistical Data Annex	58
Authors	63

Boxes

- 1. Agentic AI in asset management** – A perspective by McKinsey & Company (page 12)
- 2. Private wealth allocation to private assets** – A perspective by Novantigo (page 30)
- 3. Thinning the herd: the race for relevance fuelling M&A in asset management** – A perspective by Oliver Wyman (page 46)

Key Findings and Figures

AuM grew by almost 12% in 2024

Total European assets under management (AuM) reached a record EUR 33 trillion in 2024, up 11.7% from 2023, driven mainly by strong equity market performance, while bond price growth was more muted.

By end-Q3 2025, AuM is estimated at EUR 34.4 trillion, with a lower growth rate of 4.2%. Despite strong stock market returns so far in 2025, AuM growth was dampened by a combination of tariff disruptions, strong appreciation of the euro against the dollar, and virtually zero growth in European bond prices.

AuM concentrated in 6 European countries

Asset management activity in Europe is concentrated in six countries, which together account for nearly 85% of the region's total AuM.

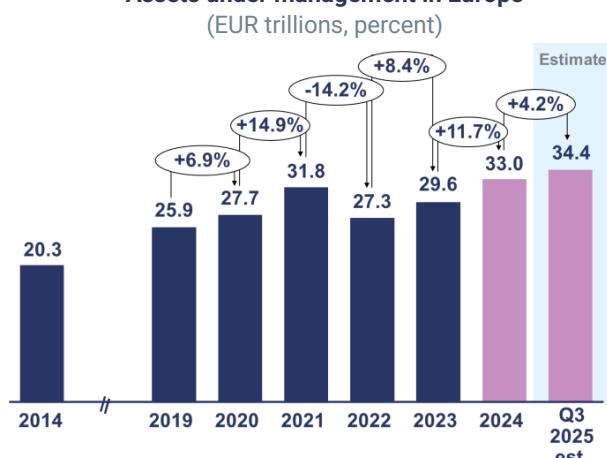
The United Kingdom is the largest asset management hub, followed by France, Switzerland, Germany, the Netherlands, and Italy. This concentration reflects both the scale of domestic savings markets and the presence of major financial centres—London, Paris, Frankfurt, and Zurich—in these countries.

Fund AuM expand more than mandates

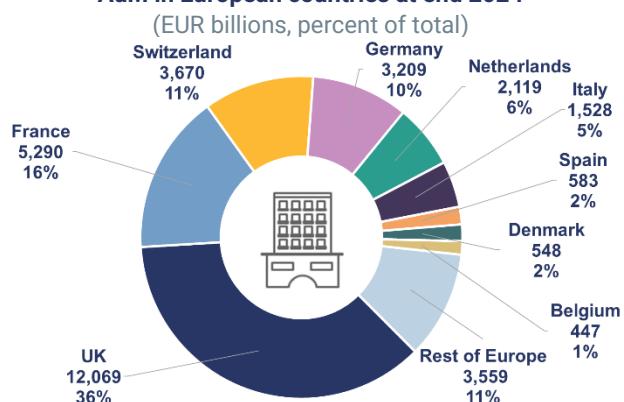
Starting from around half of total AuM in 2014, the share of investment funds has increased steadily throughout the past decade, except for 2019. This trend mainly reflects the higher equity exposure of investment fund portfolios compared to discretionary mandates, combined with generally rising global stock markets.

In 2024, this pattern continued: equity markets posted strong gains while bond prices showed minimal growth. Consequently, the share of investment funds rose by another 1.7 percentage points to 58% of total AuM.

Assets under management in Europe



AuM in European countries at end 2024



Discretionary mandates and investment funds



Financing the European economy

According to our estimates, at end 2024, asset managers held around EUR 2,870 billion in EU-issued listed shares and EUR 6,810 billion in EU-issued bonds. This corresponds to 24% of all listed shares and 28% of all bonds issued by EU-resident companies and other issuers.

These figures highlight the significant role European asset managers play in financing the EU economy.

Financing the European economy

EUR 6,810 billion

of EU-issued bonds
held by European asset
managers



corresponding to 28%
of total bonds issued
in the EU

EUR 2,870 billion

of EU-issued listed
shares held by European
asset managers

corresponding to 24%
of total listed shares
issued in the EU

Steady increase in share of retail clients

The asset management industry serves two main types of clients: retail and institutional. Institutional clients are primarily pension funds (PFs), insurers and other institutions, such as charities, corporations, or holding companies.

The share of retail clients in total AuM rose from 26.1% in 2020 to 31.6% at end 2024. This growth mainly reflects European retail investors' increased appetite for investments, as they allocate a larger share of their financial assets to funds. Exchange-traded funds (ETFs) increasingly appear to be the vehicle of choice for European households seeking exposure to capital markets.

Evolution of retail clients – Recent trends

(Share in total AuM)



Growth in foreign clients

The share of clients located in a different country than their asset manager has steadily increased in recent years, from about 30% in 2020 to over 36% by the end of 2024. Foreign clients are notably more prevalent in the mandate market than in the fund market, as institutional clients can explore cross-border asset management options much more easily than retail clients.

These trends align with one of the key objectives of the Savings and Investments Union (SIU): fostering deeper integration of national capital markets into a single, unified European market.

Domestic and foreign clients – Recent trends

(Share in total AuM)



Asset allocation shifts more to equity

The share of equities in the portfolios of European asset managers shot up in 2024, driven by the double-digit gains of most major stock indices over the year. The market shares of bonds and cash/money market holdings remained broadly stable, but AuM still rose in terms of total asset growth, due to strong inflows into bond and money market funds throughout 2024. These in turn were driven by attractive short-term rates and heightened geopolitical uncertainty.

By contrast, the share of 'other' assets declined markedly in 2024—down 3.7 percentage points—due to a combination of a slowdown in private markets growth, the reduction of UK LDI strategies, and improved data reporting.

Inexorable rise in passive investing

Another major trend in European asset managers' asset allocations is the strong rise in the share of passive asset management.

This shift accelerated markedly in 2023 and continued unabated throughout 2024, supported by the rapid growth of ETFs, most of which follow passive, index-tracking strategies. The key drivers behind this evolution are lower costs, liquidity and ease of access.

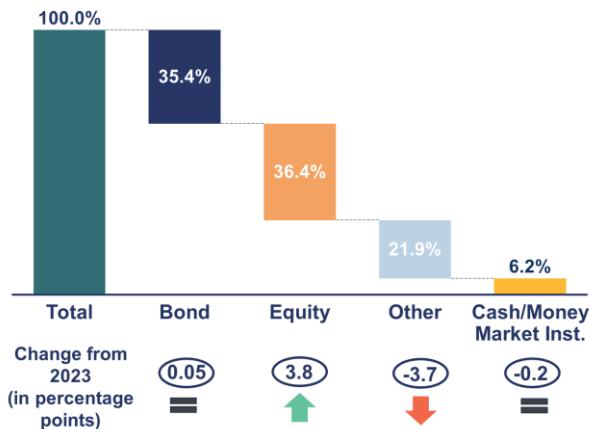
Industry profit margins recover slightly

Asset management industry operating profit margins (expressed in basis points of average AuM) declined sharply in 2022 and 2023. This was due to declining revenue margins, a consequence of sustained pressure on fees, and increases in costs, in particular for technology.

In 2024, profit margins improved slightly. Revenue margins remained stable compared with 2023, while cost margins declined somewhat, supported by strong AuM growth over the year.

Asset allocation in 2024 and shift from 2023

(Percent of total and change from 2023 in pp)



AuM by investment style in Western Europe

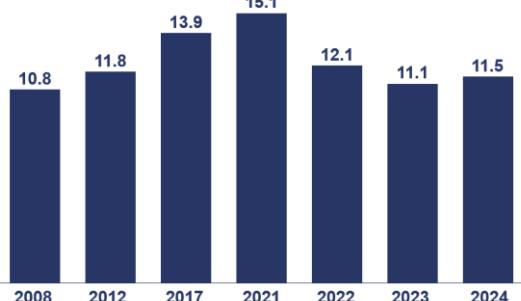
(% of total AuM, excluding money market instruments)



Source: McKinsey Performance Lens Global Growth Cube

Profit margins of Western European asset managers

(Bps of average AuM)



Source: McKinsey Performance Lens Global Growth Cube

Introduction

The EFAMA Asset Management Report provides a detailed analysis of the current state of the European asset management industry, with a particular focus on those countries where assets are being managed.ⁱ

The report is mainly based on data provided by the national associations of Austria, Belgium, Croatia, Czech Republic, Denmark, France, Germany, Greece, Hungary, Italy, the Netherlands, Poland, Portugal, Slovakia, Slovenia, Switzerland, Spain, Turkey, and the United Kingdom. Additional internal and external data have been used to estimate assets managed in other European countries by the end of 2024 and make projections for Q3 2025.

This Asset Management Report is divided into five main sections, as well as a statistical data annex:

- **Section 1** presents a general introduction to the current state of **the European asset management industry**, measured in terms of total assets under management (AuM). It explains how European AuM can be split into investment funds and discretionary mandates, provides country-specific data at the end of 2024, and zooms in on the overall market share of European asset managers. This section is completed by a perspective prepared by **McKinsey & Company** on agentic AI for asset managers.
- **Section 2** highlights the **key roles played by the asset management industry in society and the economy**. The industry serves the needs of investors by engaging with investee companies to encourage better governance and improve their environmental and social performance. It also plays a crucial role in funding the real economy. This section provides estimates of the levels of financing that asset managers provide to different sectors of the European economy via their investments in bonds and listed shares.
- **Section 3** provides an overview of the **industry's client base**, highlighting the breakdown between retail clients and key types of institutional clients. It also includes figures for both foreign and domestic clients. An analysis by **Novantigo** on the retail uptake of private assets is included at the end of this section.
- **Section 4** focuses on the **asset allocation** of investment funds and discretionary mandates. It shows the share of assets that are managed actively and passively and the degree of 'home bias' in equities and bond investments. This section also provides a deeper analysis of environmental, social, and governance (ESG) asset holdings and offers an overview of Sustainable Finance Disclosure Regulation (SFDR) Article 8 and Article 9 funds managed across various European countries.
- **Section 5** explores the **industrial organisation** of the asset management industry, offering data on the number of asset management companies operating in the EU and Europe, the use of delegation and developments in asset managers' revenues, costs, and profit margins. It addresses current trends in market concentration and includes a viewpoint prepared by **Oliver Wyman** on M&A activity in the European asset management industry. Lastly, this section also examines the direct and indirect employment generated by the industry.
- The **statistical data annex** provides a wide range of country-specific statistical data on total AuM, investment fund assets, discretionary mandates, client breakdowns by AuM, and country-level asset allocations at the end of 2024.

1. Assets under Management in Europe

1.1. Overview

Asset managers invest and manage risk to achieve their clients' specific goals, tailoring strategies to their needs and profiles. They analyse macroeconomic trends and developments in financial markets, industries or companies before selecting financial securities such as listed stocks, bonds, or private assets like infrastructure, real estate, and private equity. This report focuses on so-called 'third-party' asset managers, those hired by retail and institutional investors to manage their assets in return for a fee.

Asset managers generally conduct their investment activities in two different ways: by managing investment funds or by managing discretionary mandates.

- **Investment funds** – UCITS or Alternative Investment Funds (AIFs) pool the savings of investors with similar investment goals. Each fund has its own specific investment objective, along with corresponding risk levels and asset allocation. Investors can buy or redeem shares in these funds. Investment funds provide significant advantages in terms of risk diversification, risk-adjusted returns, and investor protection. Funds can be targeted at either retail clients, institutional clients or both.
- **Discretionary mandates** are investment 'mandates' delegated to an asset manager by a specific investor. The term 'discretionary' signifies that the asset manager has the authority to buy and sell assets and execute transactions on the investor's behalf. Mandates are legal agreements between an asset manager and a specific investor, which outline the specific terms and parameters of their relationship. Contract terms specify particulars such as the investment strategy, investment guidelines, risk controls, specific benchmarks, reporting requirements, management fees, performance fees (where applicable), evaluation processes, and - more recently - preferences for ESG investments.

Certain asset managers specialise in a single asset class, such as equities or fixed income. Others focus on specific investment styles within a certain asset class, such as large-cap growth European equities or dividend-yielding listed stocks in Asia. Some cover broader market areas, offering multiple strategies and/or providing custom investment services for individual clients.

Generally speaking, there are two main investment strategies that asset managers can adopt:

- **Passive asset managers** seek to replicate the performance of a specific financial market index. Passive managers achieve this by purchasing and holding all, or a representative sample, of the securities in their target indices. In some cases, they use financial derivatives to 'synthetically' replicate the performance of an index without directly investing in the underlying physical securities of the index itself.
- **Active asset managers** invest by carefully selecting securities. They adjust their portfolios in response to changing market conditions to meet the objectives of their funds or mandates. Potential objectives could be achieving growth, generating income, minimising downside risk and/or integrating ESG factors into investment decisions. To this end, active asset managers use various tools and rely on investment research to make investment decisions on specific industries, markets, or issuers.

1.2. Evolution of AuM in Europe

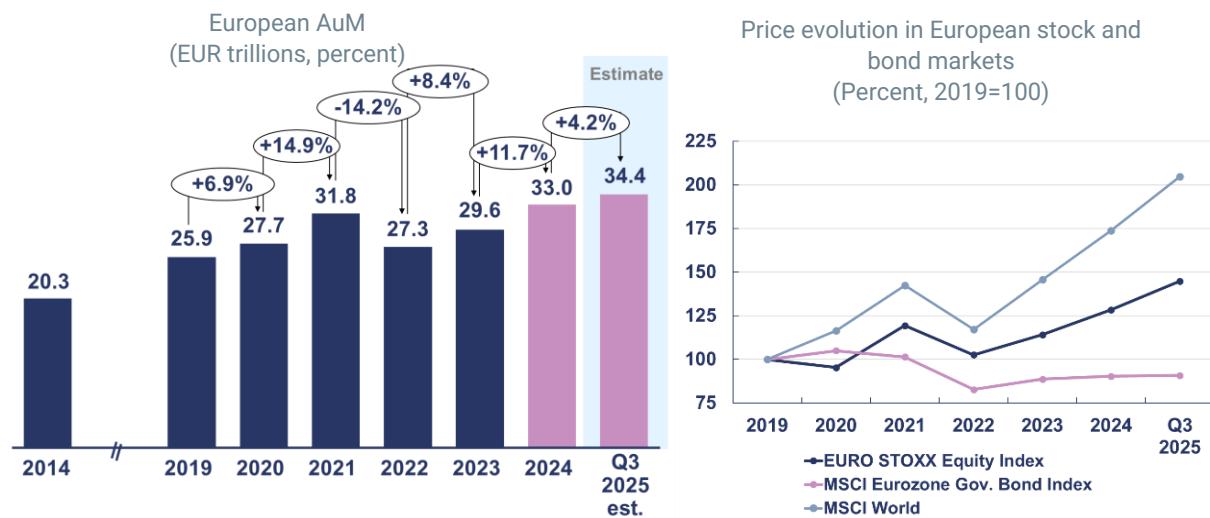
European assets under management (AuM) rose to a new record of EUR 33 trillion in 2024, marking an 11.7% increase over end 2023. Just like in 2023, the 2024 growth was primarily fuelled by strong performance in equity markets, with the Euro STOXX equity indexⁱⁱ returning 12.5% and the MSCI World equity index even rising by 19.2%. Bond prices saw a less steep rise. Whereas the MSCI Eurozone Government Bond Index rose by 7.3% over 2023, as investors were hotly anticipating rate cuts, growth was only 1.9% in 2024 as rates stabilised.

European AuM generally move in line with developments in stock and bond markets. Between 2014-21, AuM grew steadily, supported by strong market performance and continued capital inflows. Although financial markets fell sharply in March 2020 following the outbreak of COVID-19, they rebounded quickly. This recovery strengthened further in 2021, resulting in a 14.9% annual growth rate. However, AuM dropped sharply in 2022 as the Russian invasion of Ukraine, combined with rapidly tightening monetary policy, caused steep declines across both equity and fixed-income markets. 2023 saw a recovery once again, with AuM rising by 11.7%.

According to our projections, AuM will have grown to EUR 34.4 trillion at end Q3 2025, a more muted growth of 4.2%.ⁱⁱⁱ At first glance, this relatively sluggish growth may seem unexpected given the strong performance of global stock markets so far in 2025. The Euro STOXX index rose 12.8% in the first three quarters of the year, while the MSCI World gained 17.8%. However, several factors weighed on AuM growth: tariff disruptions in Q2 2025, a sharp appreciation of the euro against the dollar, and the virtually zero growth in European bond prices.

EXHIBIT 1.1

European AuM and European stock and bond markets – Recent trends



Source: EFAMA calculations based on Deutsche Börse group, EFAMA, and MSCI data

Asset management in Europe is highly concentrated, with six countries accounting for nearly 85% of total assets under management (AuM). At end 2024, each of these countries managed more than EUR 1.5 trillion in assets.

The United Kingdom leads as the largest European asset management market, followed by France, Switzerland, Germany, the Netherlands, and Italy. This concentration reflects the dominance of major financial centres—London, Paris, Frankfurt, and Zurich—in those countries, along with the size of their

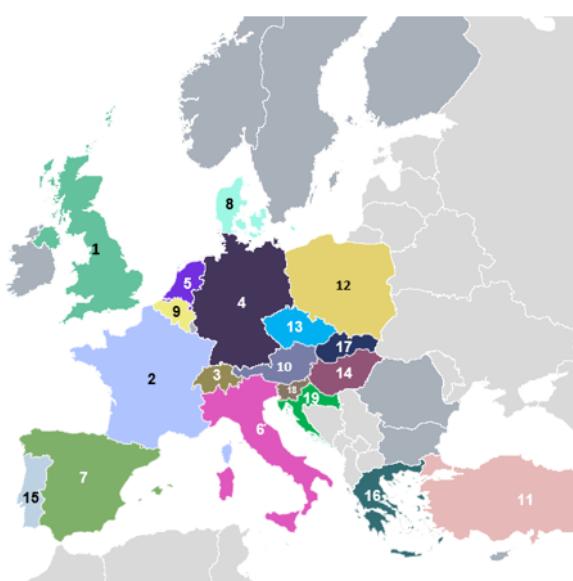
domestic markets. In the Netherlands, the significant asset management activity primarily stems from its large domestic occupational pension sector, the largest in Europe.^{iv}

Beyond these six major markets, asset managers in Denmark, Belgium, and Austria also manage substantial volumes of fund and mandate assets. In Central and Eastern Europe, Poland has emerged as a leading asset management hub, followed by the Czech Republic and Hungary. In Southern Europe, Spain ranks just behind Italy as a key centre, with Turkey and Portugal trailing at a distance.

The remaining share, referred to as the 'rest of Europe', accounts for roughly 8.9% of European AuM and includes estimates, based on internal and external sources, for countries without available survey data, such as Sweden, Finland, Norway, Luxembourg and Ireland, where asset managers are also active.

EXHIBIT 1.2

European assets under management at end 2024



Country	AuM (€bn)	Market Share
1 UK	12,069	36.5%
2 France	5,290	16.0%
3 Switzerland	3,670	11.1%
4 Germany	3,209	9.7%
5 Netherlands	2,119	6.4%
6 Italy	1,528	4.6%
7 Spain	583	1.8%
8 Denmark	548	1.7%
9 Belgium	447	1.4%
10 Austria	202	0.6%
11 Turkey	110	0.3%
12 Poland	89	0.3%
13 Czech Republic	71	0.2%
14 Hungary	57	0.2%
15 Portugal	52	0.2%
16 Greece	30	0.1%
17 Slovakia	12	<0.1%
18 Slovenia	9	<0.1%
19 Croatia	5	<0.1%
Rest of Europe	2,923	8.9%
Total	33,022	100%

1.3. AuM in investment funds and discretionary mandates

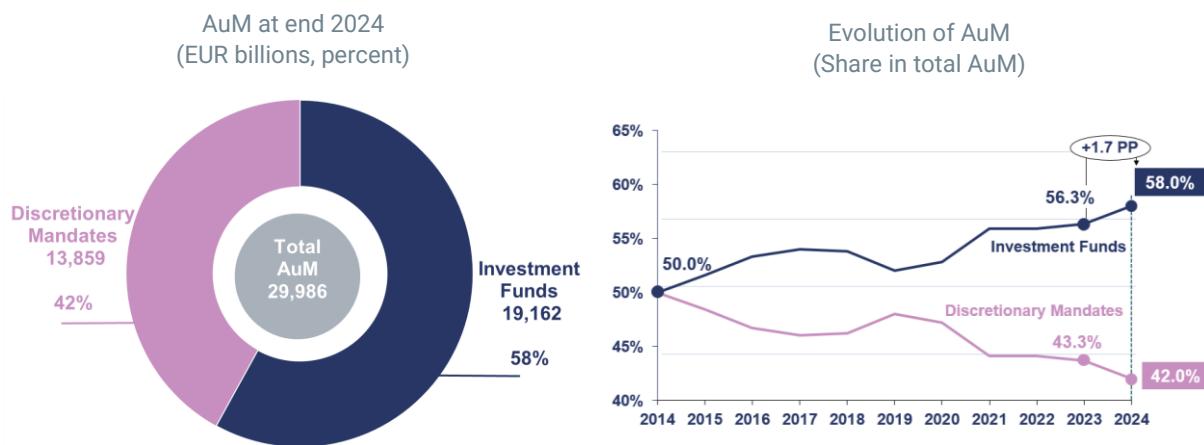
Starting from around half of total AuM in 2014, the share of investment funds has increased steadily throughout the past decade. In 2024 it rose by 1.7 percentage points, bringing investment fund assets to EUR 19,162 billion—equivalent to 58% of total European AuM. Discretionary mandate assets accounted for EUR 13,859 billion, representing the remaining 42%.

The difference in growth rates between investment funds and discretionary mandates largely reflects their asset allocation strategies. As noted in Section 4, investment funds hold a much higher share of their financial assets in listed equities (around 44%) than discretionary mandates (about 26%), while maintaining a correspondingly smaller allocation into fixed-income securities (29% versus 45%).

This divergence in asset allocation, combined with a strong equity market performance over the past decade, explains the relatively faster growth of investment fund assets. The largest increases in fund market share—in 2016, 2021, and 2024—coincided with periods of robust growth in global stock markets. The only year in which investment fund market share sizably declined was 2019, but this was mainly due to a data reclassification.

EXHIBIT 1.3

Discretionary mandates vs. investment funds - Recent trends



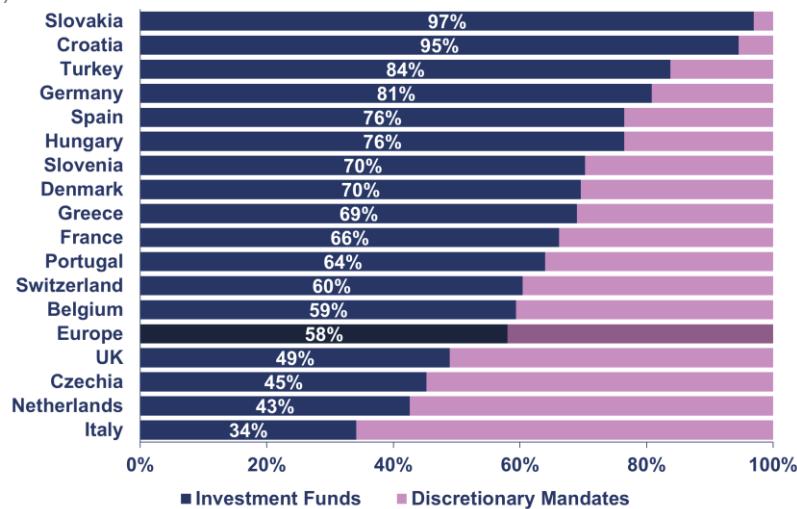
The breakdown of assets between investment funds and discretionary mandates varies significantly across European countries. At the end of 2024, discretionary mandates made up only 5% of all AuM in Croatia, while in the Czech Republic they accounted for a much larger 55%.

Differences are primarily influenced by the types of asset management products available to institutional investors in various European nations. For instance, in Germany, institutional investors predominantly opt for Alternative Investment Funds (AIFs) to manage their assets, whereas in Italy, discretionary mandates are a much more common option for institutional investors.

EXHIBIT 1.4

Discretionary mandates and investment fund assets at end 2024 – Country-level figures

(Share in total AuM)

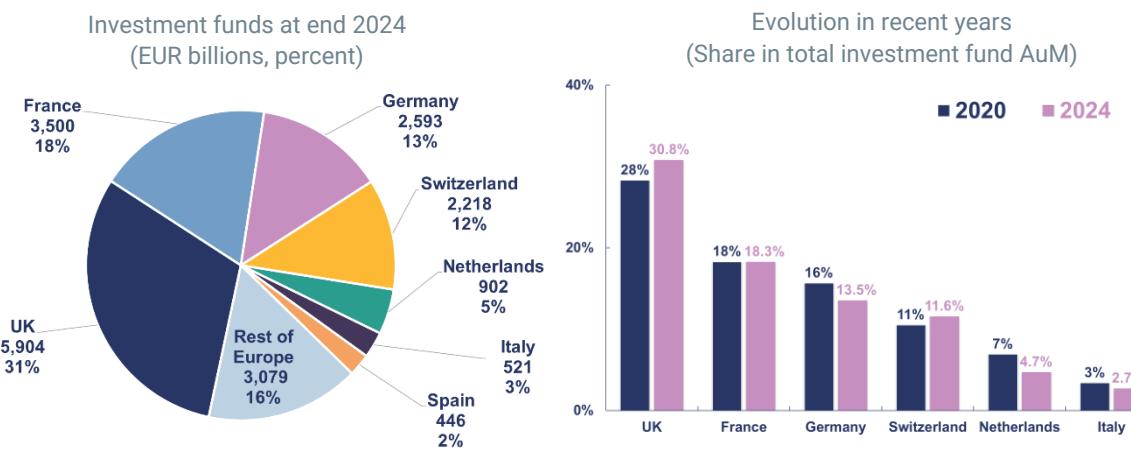


At end 2024, almost 82% of European investment fund assets were managed in six countries: the UK (31%), France (18%), Germany (13%), Switzerland (12%), the Netherlands (5%), and Italy (3%). Spain, Denmark, Belgium, and Austria each have a market share between 1% and 2% of the total European fund AuM. ^{v vi}

Compared to five years ago, the UK's market share increased by 3.4 percentage points, primarily driven by stock market growth and a higher-than-average allocation to equities within investment funds managed in the UK, relative to most other major countries. Conversely, the share of the Netherlands decreased by 2.3 percentage points, largely as a result of regulatory developments. Since 2020, several Dutch pension funds (PFs) transitioned from managing their assets through AIFs to discretionary mandates, a shift prompted by changes to the IFR/IFD prudential regulatory framework.

EXHIBIT 1.5

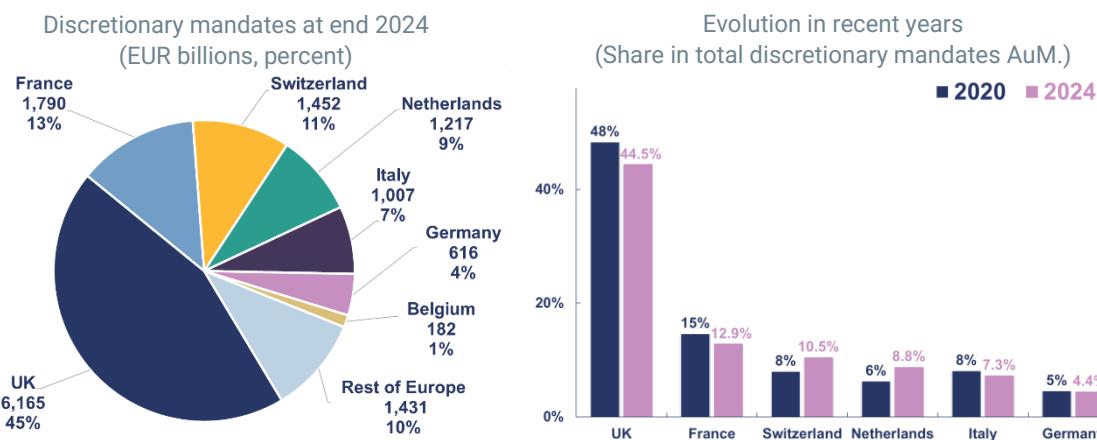
Investment Fund AuM by geographical breakdown - 2024 figures and five-year trends



Assets under management in discretionary mandates are even more concentrated, with nearly 60% of total assets managed in the United Kingdom and France as of end-2024. The UK accounts for 45% of the market, primarily reflecting the substantial volume of pension fund assets managed by asset managers based in the country. France holds a 13% share, underscoring both the scale of its domestic insurance industry and the high degree of delegation by French and foreign institutional investors to asset managers.^{vii}

EXHIBIT 1.6

Discretionary Mandates AuM by geographical breakdown - 2024 figures and five-year trends



Just like in the fund market, the country market shares within the discretionary mandate sector have also undergone notable shifts over the past five years. The two principal mandate hubs, the United Kingdom

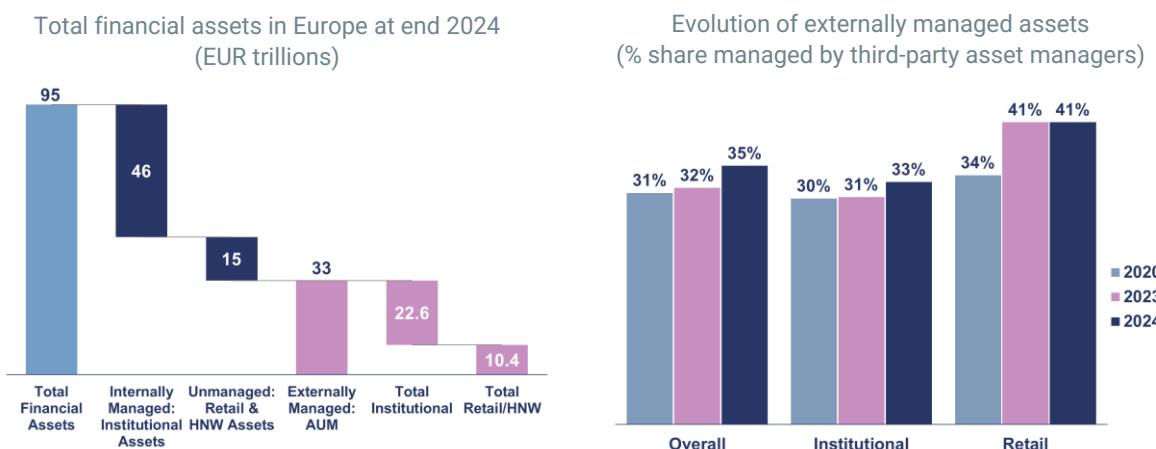
and France, experienced declines, primarily due to a reduction in assets under management. Contributing factors included the drop in bond valuations in 2022 and the re-internalisation of certain mandates by a number of institutional clients. In contrast, Germany, Switzerland, and particularly the Netherlands recorded increases in market share. The significant growth in the Dutch share was driven by the previously noted shift from AIF wrappers to segregated discretionary mandates.

1.4. Market share of European asset managers

According to EFAMA calculations based on McKinsey data, European asset managers oversaw approximately 35% of all European financial assets at end 2024, with around EUR 22.6 trillion managed for institutional clients and approximately EUR 10.4 trillion for retail clients.^{viii} The share of externally managed financial assets has been steadily rising in recent years. This shift was primarily driven by retail investors, whose share of externally managed assets increased from 34% to 41%. The share for institutional investors also rose, but less so from 30% in 2020 to 33% in 2024.

EXHIBIT 1.7

Financial assets in Europe



Source: EFAMA's calculations based on McKinsey Performance Lens Global Growth

Institutional investors rely on asset managers for several key reasons. By delegating investment responsibilities to professional managers, they avoid the need to make day-to-day investment decisions and can focus on their core priorities. Asset managers also provide portfolio diversification by offering access to a broad range of investment opportunities. This improves portfolio value while helping reduce risk. In addition, by pooling client trades, asset managers can often secure more favourable execution prices.

Growing regulatory and governance requirements in recent years have further encouraged institutional investors to seek economies of scale in portfolio management, administration, risk control, research, and technology. Outsourcing allows asset owners to avoid costly investments in areas such as data feeds, analytics, machine learning, algorithmic trading, and AI—now essential components of the investment process. Clients can also benefit from streamlined reporting tools that simplify compliance and regulatory reporting.

Asset managers charge fees—typically linked to the value of assets under management—which helps align their incentives with those of investors. Depending on these costs and the availability of in-house expertise, institutional investors may choose either to outsource to third-party managers or to build

internal investment teams. The shift toward greater outsourcing is being driven by three main forces: the rising cost of developing sophisticated investment capabilities, declining asset-management fees, and the ongoing search for yield in volatile markets.

Looking forward, asset managers still have significant room to expand in the retail market, despite recent growth. A key priority for the European Commission is the creation of a Savings and Investments Union (SIU) to better channel Europe's large pool of household savings—much of which currently sits in bank deposits—into capital markets. To support this goal, EU policymakers should simplify the retail investment journey and encourage pension savings through auto-enrolment schemes with opt-out options and attractive tax incentives.

Agentic AI in Asset Management

A perspective by McKinsey & Company¹

The latest advances in agentic AI are expected to increase the productivity of asset managers while boosting investment, distribution, and risk alpha

Just a few years after the public release of the first interactive large language models, rapidly evolving AI technologies are changing asset managers. AI is becoming more common across the value chain, from the front office to the back, performing tasks that until recently would have seemed beyond the scope of automation. As asset managers continue to integrate generative AI (gen AI) into their core processes, the latest advances in agentic AI are expanding the technology's potential for material impact. Beyond productivity gains, AI promises to alter how investment ideas are generated, portfolios are constructed, risks are managed, and clients are served.

Unlike gen AI copilots that wait for user prompts, AI agents can access data, operate tools, and propose outputs on their own initiative. This autonomy lets them assume a much broader array of functions while further reducing human effort. Recent innovations such as the Model Context Protocol provide a standard means for agents to communicate with other agents, databases, and systems. Agents can remember past interactions, and increasingly sophisticated reasoning capabilities allow models to validate their own outputs. Whereas the previous generation of AI applications can boost productivity for individual tasks and use cases by an estimated 20%, agentic AI multiplies these gains. In our experience, it can increase efficiency by as much as 80% for high-impact use cases.

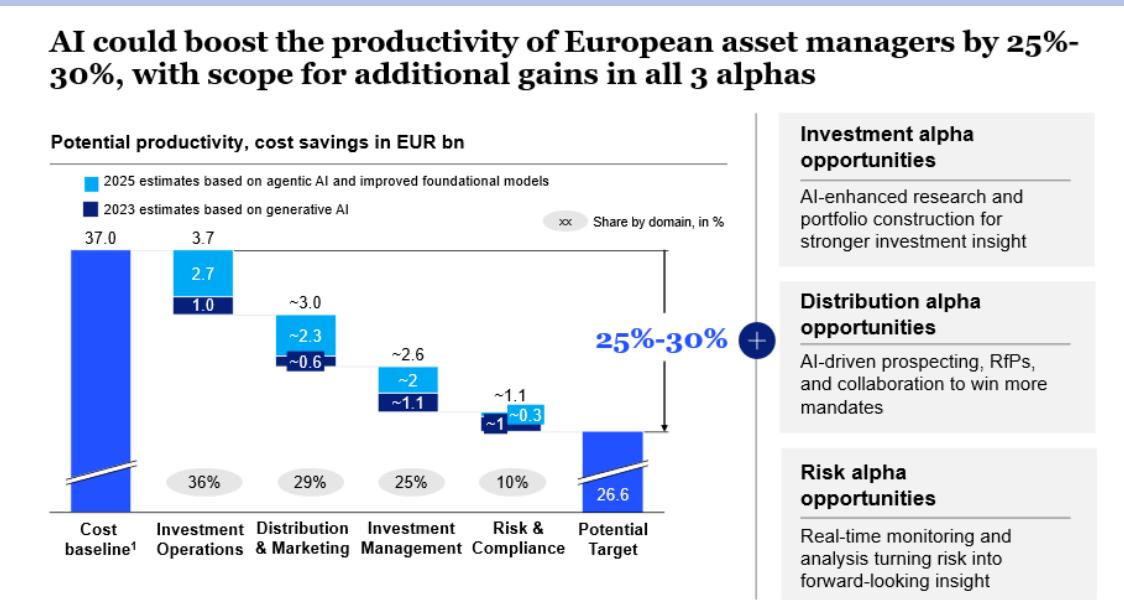
McKinsey has followed these developments closely, tracking both the advancing technology and its implications for asset managers. In the 2023 EFAMA report, we stated that, "Beyond its impact on the cost baseline, gen AI has an additional as-yet-unquantified potential to unlock revenue directly, and with new use cases continually being discovered, the estimated trajectory for value addition is very high."³ Agentic AI fulfils the promise of new use cases and more value, enabling a higher estimate of the technology's productive potential.

In the [2023 edition of the Asset Management in Europe Report](#), we estimated efficiency gains of 7–12% based on the then-current gen AI technology. In recent years, agentic AI has begun to transform operational efficiency and support additional sources of value. As a result, we now

estimate that AI adoption could boost the productivity of European asset managers by about 25-30%⁴ across the entire value chain. Each domain contributes to this cost-baseline reduction: about 36% from investment operations, 29% from distribution and marketing, 25% from investment management, and 10% from risk and compliance (Figure 1). However, achieving these savings is challenging. Many asset managers focus on horizontal use cases like copilots and leave behind end-2-end automation from vertical, domain-specific use cases, while others have not yet set up a structured way to scale. To date, few asset managers have realised cost efficiencies of more than 5% over their total cost baseline.

Our savings estimates are based exclusively on productivity growth, and while new applications to investment, distribution, and risk alpha promise additional gains, each source of value is becoming accessible at a different pace.

Figure 1
Recent advances in agentic AI have substantially increased the estimated productivity gains from AI technology



Note: Cost baseline from Western European third-party AM operating cost base 2024

Source: McKinsey Performance Lens Global AM Survey 2025, McKinsey Analysis

Specific use cases illustrate the potential of agentic AI, but its possibilities extend beyond the examples shown here.

Gains in productivity, driven by automation and process optimisation, are already materialising. Multi-agent systems can automate end-to-end client and regulatory reporting, which is among the most time-consuming operational activities for asset managers. A data-extraction agent can aggregate positions, benchmarks, and performance data across systems. A validation agent can reconcile values against custodial records and compliance thresholds. And a drafting agent can produce client-ready performance commentaries and regulatory disclosures (e.g., MiFID II, SFDR). Working together, these agents can complete reporting cycles in a fraction of the usual time while improving accuracy, transparency, and auditability.

Agentic AI is opening new frontiers in **investment alpha** through enhanced investment research and portfolio construction. Research agents can sift through reams of notes, transcripts, filings, and other materials to surface early signals on a scale that far exceeds human capabilities. Analytical agents can summarise sentiment and isolate fundamentals across thousands of securities, cluster them by themes or factors, and flag where consensus views may be shifting. Portfolio-construction agents can simulate how new positions would affect portfolio risk, liquidity, or sustainability metrics and present recommendations to the portfolio manager. AI agents operating within thematic or ESG strategies can track controversies, alternative data, and regulatory developments to maintain up-to-date investable universes. These functions enable analysts and managers to spend less time collecting data and more time building conviction, strengthening alpha generation while preserving human judgment at the centre of decision-making.

Agentic AI is also creating opportunities for **distribution alpha** by transforming how asset managers engage prospects and respond to institutional RfPs. Intelligent prospecting agents can scan public databases, consultant rankings, and mandates-in-play to identify high-probability opportunities aligned with a firm's capabilities. RfP agents can automatically assemble tailored responses by drawing on approved content libraries, historical submissions, and product data, ensuring consistency and speed while customising to client requirements. Workflow-orchestration agents can coordinate inputs from investment, legal, and operations teams, manage version control, and track progress against submission timelines. By accelerating response cycles, elevating client engagement, and sharpening alignment with investor needs, these systems help managers win more mandates and strengthen long-term relationships.

Agentic AI can drive **risk alpha** by transforming risk management from a control function into a source of investment insight. AI agents can automate many compliance and oversight tasks, freeing risk teams to focus on forward-looking analysis. AI agents can provide real-time views across portfolios and underlying assets, continuously monitoring exposures, performance, and risk signals. Agents can automatically flag regulatory or mandate breaches (e.g., UCITS, or ESG thresholds). Co-pilot agents embedded in risk and portfolio platforms can identify instruments affected by market or counterparty events and propose rebalancing or hedging solutions. Rather than replacing quantitative models, AI agents decide when to rerun the models, feed them the latest data, and determine how to apply their results within the broader risk process. Close coordination between models, data, and human oversight allows risk teams to anticipate rather than react.

The industry's adoption of AI remains in its early stages and fully AI-driven funds do not yet consistently outperform traditional fundamental or quantitative approaches – highlighting that humans are required to be in the loop. Roughly two-thirds of financial institutions in the US report using AI in a support capacity, and 84% of asset managers view AI primarily as an efficiency-enhancing tool.⁵ This approach leaves humans firmly in the loop, with final decisions remaining subject to individual judgment rooted in real-world experience.

Over the long term, AI value creation will increasingly move beyond efficiency gains from task automation to focus on qualitative improvements in outputs. As agents become more intelligent and capable by the day, the most powerful agentic AI use cases will increasingly involve performing tasks no human could accomplish. As transparency and investor confidence increase, agentic AI will evolve from an intelligent assistant into a collaborator in

investment decisions, deepening its impact on investment alpha while expanding its potential to drive distribution and risk alpha.

To capture the potential savings, asset managers will need to shift to AI-enabled operating models underpinned by an AI-ready tech architecture.

As with previous iterations of AI technology, the value of agentic AI hinges not on its theoretical capabilities but on how it is adopted and utilised. Left unaddressed, structural features of the asset management industry may prevent agentic AI from reaching its full potential. For example, fragmented process landscapes—often shaped by the outsourcing of portfolio administration, reporting, accounting, and other mid- and back-office functions—can constrain the ability of AI agents to perform end-to-end process automation. Similarly, legacy processes and tech infrastructure may be incompatible with AI systems due to high levels of complexity or locked-in agreements with vendors. Data fragmentation and manual information processing can prevent AI agents from accessing and utilising key datasets. In addition, the highly regulated nature of the asset management industry (including MiFID II, DORA, UCITS and AIFMD obligations) may entail legal requirements around data protection and processing that create compliance challenges for AI agents.

Today, many firms are struggling to reap the full benefits of AI because they use it exclusively to automate existing tasks within the confines of their legacy systems. They also focus on horizontal use cases, such as copilots that support everyone in the firm with tasks like email writing. In our experience, extracting the potential of agentic AI is only possible when firms vertically transform full domains through a deep rewiring of tasks.

An agentic AI transformation starts with defining a dedicated AI vision aligned with an asset manager's value proposition, strategy, and target operating model. This vision should explain the core purpose of adopting agentic AI, emphasising its potential to sharpen competitive advantages by boosting investment, distribution, and risk alpha. An agentic AI transformation entails a commensurate cultural shift within the organisation, and securing buy-in from managers and employees is critical. An AI vision should depict an inspiring future of work in which AI agents empower asset managers to better serve their clients.⁶

At the organisational level, AI transformation requires a comprehensive reassessment of tasks and purpose. To define the scope of AI uptake, asset managers should begin by grouping related processes and elements of customer journeys into discrete business domains. As these domains will vary in terms of the current feasibility of AI integration and its relative value potential, asset managers must develop a prioritised implementation strategy that reflects the evolving nature of the technology.

A successful agentic transformation demands a target operating model that enables the organisation to build and scale agentic AI solutions. Each asset manager's strategic ambition will define the required level of integration between business and technology functions. A revised technological infrastructure can enable autonomous data and resource processing in line with predefined parameters. An upgraded organisational structure can define new reporting lines and committees to manage agents and agentic teams and execute control functions such as risk management, compliance, and cybersecurity. The design of the target operating model hinges on whether the asset manager treats agentic AI as a technology for selective strategic enhancements or for competitive differentiation. While many asset managers initially emphasise the former, the model can be adapted toward the latter over time.⁶

A purpose-built tech architecture is necessary to integrate AI agents into corporate infrastructure while maintaining centralised control over access rights and operational scopes. Agents must be able to interact with the asset manager's core systems—portfolio management, order and execution management, and risk platforms—and with enterprise data lakes containing market, benchmark, and client information within a secure, well-governed environment. An asset manager's tech infrastructure must also enable AI agents to communicate and collaborate, allowing complex workflows to run end-to-end while maintaining auditability and human oversight. For example, a **research agent** that has identified an emerging theme can pass its findings to a **portfolio-manager agent** that runs scenario tests, assesses portfolio impact, and alerts a compliance agent to validate mandate limits.

Without sound talent strategies and robust change management, even the most advanced AI models and technology stacks will fall short of their potential.

Implementing agentic AI demands a multidisciplinary approach that integrates deep business domain expertise with data science and technology skills. Team composition and resource requirements will vary depending on the solutions being developed (e.g., analytics versus customer experience). While key roles such as product owner will remain relevant throughout an AI agent's lifecycle, other skills will be required at different stages. For example, business capabilities are crucial during initial concept development, whereas technical competencies are required for the solution development and implementation phases.⁶

To complete a successful agentic AI transformation, organisations must redefine roles, skill profiles, and resource requirements based on the planned scopes, timelines, and maturity levels of employees and AI agents. While most companies initially focus on establishing action-oriented, short-term talent pools to drive AI transformation in prioritised domains, broader internal capabilities must be built in parallel to support long-term enterprise objectives. Integrating AI agents will change the mix of skills and roles across the organisation by enabling asset managers to replace, reshape, and reimagine employee functions.

- *Replace*: As agents assume end-to-end responsibility for specific tasks such as data cleaning and reconciliation, client reporting, or customer support, some personnel will be freed up for redeployment. Managers should be mindful that the most effective use of agentic AI is not to automate the functions of specific workers within the existing organisational framework but rather to reengineer corporate processes around agentic capabilities.
- *Reshape*: Managing AI agents will require competencies in software development, data engineering, and other areas that are beyond the scope of today's asset managers. Training and upskilling must be continual, both to keep pace with technological advances and to adapt to the progressive integration of AI into corporate operations.
- *Reimagine*: The adoption of agentic AI will give rise to new roles in fields such as prompt engineering, AI trust and safety, and agent coaching. The design of some of these roles can be migrated from the tech sector into asset management, while others native to agentic asset management will need to be developed from scratch.

As asset managers leverage agentic AI to progressively replace, reshape, and reimagine organisational roles, active change management will be vital to realise the technology's full

potential. Some asset managers have established dedicated AI adoption teams, while others are using more selective implementation strategies. Under either approach, encouraging executives and employees to utilise AI agents requires fostering a corporate culture that embraces the technology's transformative potential. Sweeping reorganisation efforts that mandate the use of AI agents without securing employee or customer buy-in will encounter resistance. Instead, executives must clearly demonstrate the value of agentic AI and lead by example.

Test-and-learn development approaches can progressively familiarise key stakeholders with AI systems and functions, making the transition to AI less disorienting. Role modelling, leadership engagement, and compelling change stories can highlight how embracing agentic AI enhances productivity and increases alpha, presenting AI as a tool that augments existing skills rather than rendering them obsolete. Rewards and other incentives can further facilitate uptake, especially among staff who are poised to become leaders of AI agent teams.

Progress-oriented impact tracking can quantify the effects of agentic AI on business and operational performance indicators. Empirical evidence on how the technology influences productivity at the enterprise, domain, and agent level can build momentum for widespread adoption while providing feedback to develop more effective integration efforts. Mainstreaming digital trust practices through transparent AI and data usage, effective risk triage, and broad sensitisation efforts can assuage safety concerns and foster an informed sense of confidence in the capabilities of AI agents.

To unlock agentic AI's full potential to drive alpha, asset managers must act strategically and decisively.

Agentic AI is not an incremental improvement on existing technology; it is a potential step change that can materially alter how asset managers operate. Merely adopting agentic AI without embedding it into the company's value proposition, organisational design, workforce capabilities, corporate culture, and tech architecture will fail to maximise the technology's impact on productivity and the three alphas. Executives must adopt a clear and compelling vision backed by concrete goals and measurable performance indicators to guide the agentic transformation. This process begins with identifying how agents can most effectively streamline operations, enhance customer experiences, or generate alpha directly.

The time to act is now. AI technology is rapidly evolving, and the growing range of use cases in asset management underscores the competitive advantage at stake. Early movers will position themselves to capitalise on the expanding functionality of AI agents and the enormous productive potential of agentic teams, while others risk falling behind as their competitors' investments gain traction.

¹ Authors: Stefano Cantù, Francesco Consonni, Maximilian Fiedler, Niklas Nolzen, Nicolò Pittiglio, Carolin Schaumann, Achim Schlitter, Stefan Schorsch

² Introducing the Model Context Protocol", Anthropic, November 25, 2024

³ "Asset management in Europe: An overview of the asset management industry", EFAMA, December 14, 2023

⁴ McKinsey Performance Lens Global AM Survey, 2025

⁵ "Artificial intelligence in EU investment funds: adoption, strategies and portfolio exposure", ESMA TRV Risk Analysis, February 25, 2025

⁶ Eric Lamarre, Kate Smaje, and Rodney W. Zemmel, *Rewired: The McKinsey guide to outcompeting in the age of digital and AI*, Wiley, 2023

2. Role of Asset Managers in Society and the Economy

2.1. A distinct industry

Asset managers possess a number of unique attributes that differentiate them from other actors in the financial sector such as commercial banks, insurers, or other institutional investors. These specific characteristics allow them to play a distinct and crucial role within the financial ecosystem.

- **Agency Business Model:** Asset managers act primarily as agents, managing assets on behalf of clients rather than investing for their own account. In contrast, commercial banks and insurance companies generally act as principals. Banks operate under a risk-based model, not an agency model, since they assume financial risks when they lend money directly, keep loans on their balance sheets, and use their capital to trade financial instruments, while insurance companies assume specified liabilities toward policyholders.
- **Fiduciary Duty and Protection of Client Assets:** Regulated by specific guidelines, asset managers are required to act in their client's best interests and invest following established rules and principles. As such, they have fiduciary duties vis-à-vis their clients, including a responsibility to exercise reasonable care, disclose conflicts of interest, and act in good faith. Fiduciary duty also includes providing clients with the essential information to support informed decision-making and regularly reporting on investment performance to their end investors. A robust regulatory framework also ensures comprehensive risk management and compliance policies and procedures. This safeguards clients' assets against a liquidation or failure of an asset manager, as client assets are separated from those of the firm.
- **Limited Balance Sheet Risk:** Unlike banks, asset managers do not provide credit to individuals or corporations, nor do they engage in custodial or related services. They do not act as counterparties in derivatives, financing, or securities transactions. Specific constraints govern their use of leverage and borrowed money, and they must maintain sufficient regulatory capital. All of these aspects fall under the oversight of the relevant national competent authorities. Consequently, asset managers experience minimal asset-liability mismatch, and their balance sheets remain significantly smaller than those of banks or insurance companies.

2.2. Serving the needs of investors

Asset managers offer retail and institutional clients access to a diverse array of investment products and solutions, taking into account the investor's specific future liabilities, encompassing different time horizons, levels and types of risk tolerance, necessary returns, and liquidity requirements.

Providing risk-adjusted returns

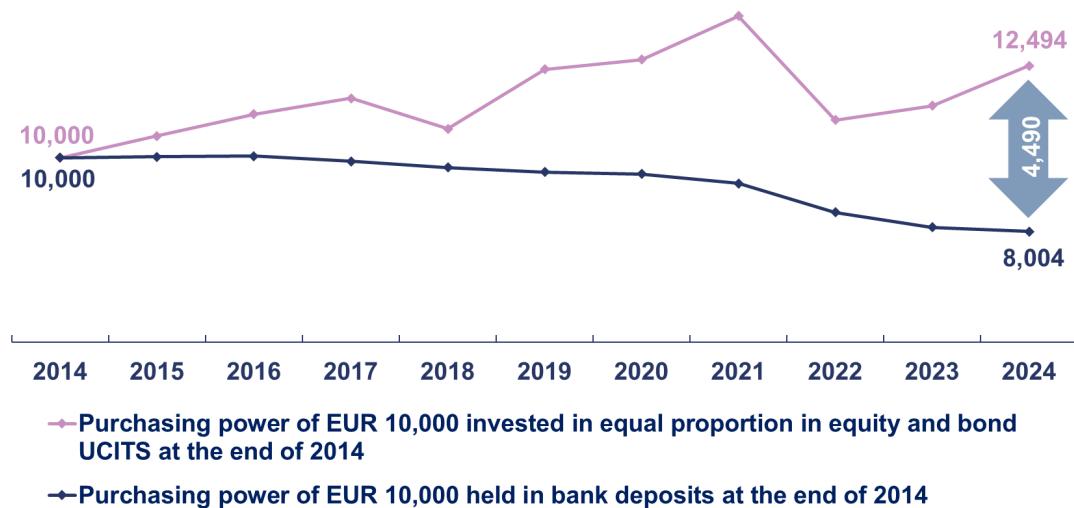
Asset managers aim to provide risk-adjusted returns to their clients, a concept central to their value proposition. To illustrate the potential returns of investment funds and other capital market instruments, the exhibit below compares the expected value of EUR 10,000 invested at the end of 2014 in a retail investment fund portfolio with the same amount held in a bank deposit.

A hypothetical fund portfolio, split evenly between equity (50%) and bond (50%) UCITS, reached a real (inflation-adjusted) value of EUR 12,494 by the end of 2024, after taking into account all costs. In contrast, the purchasing power of the same amount in a bank deposit declined to EUR 8,004. This means that,

despite the sharp market downturn in 2022, the opportunity cost of keeping EUR 10,000 in deposits rather than investing it in funds amounts to approximately EUR 4,490.

EXHIBIT 2.1

Investment funds vs. bank deposits: Return comparison



Source: EFAMA's calculations based on Morningstar Direct and ECB data

Mitigating investment risk

Asset managers mitigate overall investment risk by managing portfolios consisting of a range of 'risky' securities. The importance of diversification as an investment method has its roots in the work of Nobel Prize laureate Harry Markowitz, who formulated the idea that constructing a portfolio with multiple assets can yield higher returns without increasing risk. This theory is based on negative correlations between different types of assets. To help optimise decisions, asset managers depend on research, professional databases, and specialised software packages. These tools assist in tracking developments within the industries, countries, and regions where they invest. The objective is to filter out poor investment prospects and identify potentially advantageous ones.

Lower transaction costs

The capacity of asset managers to trade in large blocks of securities enables them to reduce transaction costs when buying and selling financial securities. Because monitoring and analysing investments involves considerable fixed costs—such as research, risk assessment, and due diligence—asset managers can spread these expenses across large pools of assets, creating substantial economies of scale. This scale advantage enables them to negotiate better pricing than individual households or smaller investors, who typically face higher trading costs.

Providing liquidity

Asset managers closely monitor the liquidity situation in the markets and the profile of their clients, to be able to anticipate the evolution of inflows and outflows and the potential risk posed by rapid and large net redemptions. They also have risk management policies and portfolio management procedures in place to ensure they can meet their liquidity provision obligations in the event of sudden market stress.

2.3. Engaging with investee companies

Asset managers play a significant role as stewards of the companies they invest in, aiming to maintain and advance the long-term value of these investee companies on behalf of their investors. This responsibility is often referred to as 'active ownership' or 'engagement'. Asset managers use their influence to guide the companies - and sometimes the governments - represented in their portfolios toward generating sustained value for shareholders and bondholders.

Asset managers have two main levers to fulfil their stewardship objectives: engagement and voting.

- **Engagement:** Asset managers engage with company management or board members to raise any concerns, encourage better governance and to understand the extent to which management is delivering sustainable returns for shareholders.
- **Voting:** Asset managers take part in annual general meetings and use their votes on behalf of their clients.

Annex 1 of the [2023 edition of the Asset Management in Europe Report](#) has concrete examples of recent engagement and voting activities from a core group of EFAMA corporate members. These illustrate, in a tangible fashion, how asset managers can influence the boards and management teams of investee companies, challenge their business models, and ultimately hold them to account.

2.4. Funding contribution of European asset managers

Arguably, the most critical role of asset managers is channelling savings towards investments in the real economy. They allocate capital from savers and investors to both governments and companies, financing growth projects and fostering innovation to improve Europe's competitiveness. They do so either by providing equity capital in both primary (IPOs, follow-on offerings and private placements) and secondary markets. They also contribute to the debt financing of the real economy, assisting companies and governments in meeting both short-term funding needs and long-term capital requirements.

This section examines the financing levels that asset managers provide to various sectors through their investments in both bonds and listed shares, focussing first on the role investment funds domiciled in the euro area (EA) play and then broadening the analysis to take into account the funding contribution of investment funds domiciled elsewhere in Europe and of discretionary mandates.

When considering the funding of asset managers, it is important to emphasise that their investment decisions are shaped by their fiduciary duty, the specific investment preferences and risk tolerance of their clients, the predefined indices followed by their passive funds, and their professional judgment and market expertise in managing active funds.

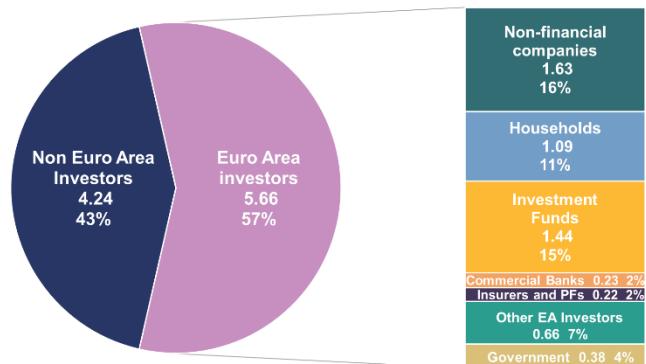
Contribution of investment funds to the equity financing of the euro area

Euro-area investment funds play an essential role in the financing of euro-area companies through equity (listed stocks). At the end of 2024, investment funds held about EUR 1.44 trillion of euro-area listed stocks. This accounted for 14.5% of all listed shares in the euro area, making investment funds the second-largest type of euro-area investor, after non-financial companies, but before households. Non-EA investors held about 43% of all EA listed equity. The share of EA-listed stock held by funds in the EA market has trended down slightly since 2021, just like the shares of all EA investors, as the share of non-EA investors edged up.

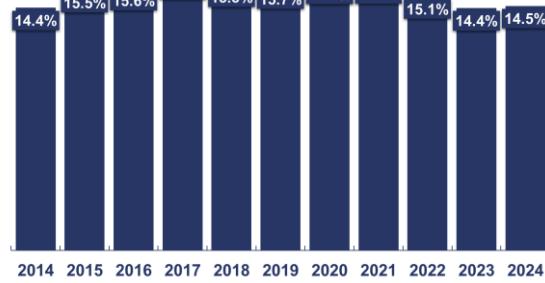
EXHIBIT 2.2

Ownership of listed shares issued in the euro area

Ownership of listed shares issued in the EA by investor type at end 2024
(EUR trillion, percent)



Share of listed shares issued in the EA owned by EA investment funds
(Share of total)



Source: EFAMA's calculation based on ECB data

On the other hand, EA investment funds also invest significant amounts in listed shares issued outside the euro area. Here, a clearer trend has emerged: EA investment funds have steadily shifted away from domestic issuers and increasingly invested in shares issued outside of the EA. This can be partly explained by the growing prominence of global equity funds in the UCITS market. These funds, often ETFs, often track global benchmarks, which are heavily weighted towards the United States. For example, the MSCI World has a country weight of more than 70% for the United States.

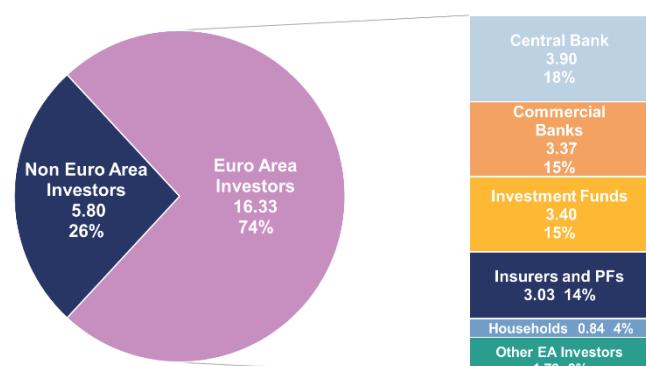
Contribution of investment funds to the bond financing of the euro area

Investment funds also contribute to the debt financing of EA companies and governments by investing in bonds. EA investment funds held about 15.4% of all bonds issued in the euro area at the end of 2024, which corresponded to EUR 3.40 trillion.

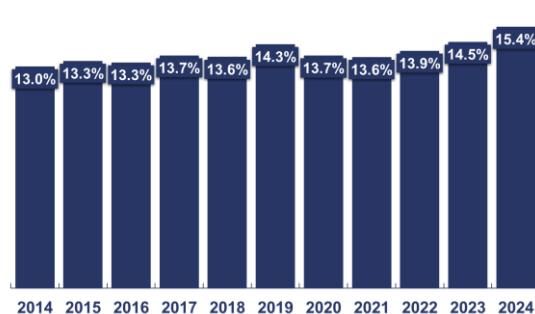
EXHIBIT 2.3

Ownership of all bonds issued in the euro area

Ownership of bonds issued in the EA by investor type at end 2024
(EUR trillion, percent)



Share of bonds issued in the EA owned by EA investment funds
(Share of total)



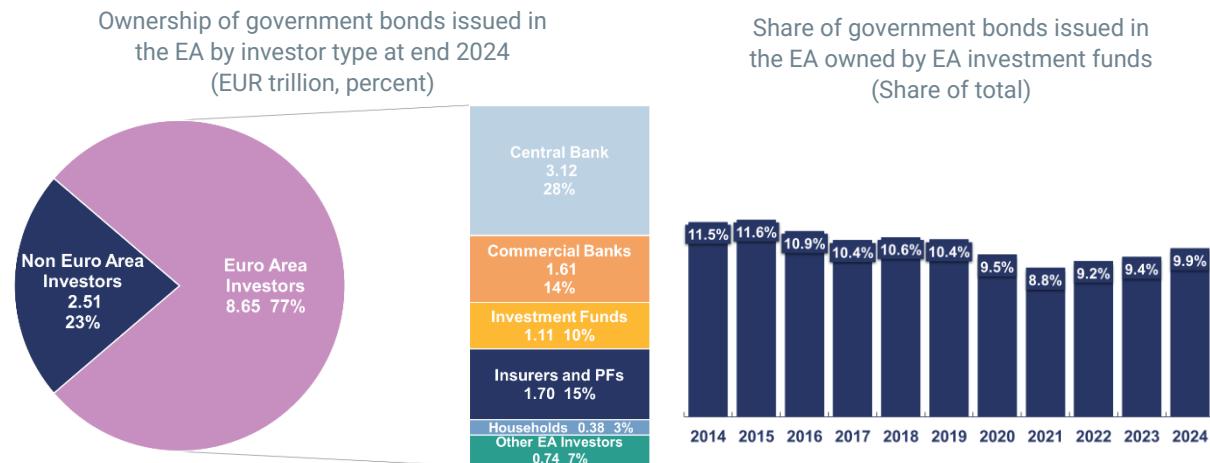
Source: EFAMA's calculation based on ECB data

Compared with the stock market, ownership of EA-issued bonds is far more concentrated among domestic investors, with non-EA holders representing less than one quarter of the total. Among domestic investors, the influence of the Eurosystem (the ECB and national central banks) is particularly notable: after years of bond purchases under quantitative easing, it still holds around 18% of all EA-issued bonds, although this share has been steadily declining since the programme ended in 2022. Commercial banks—largely due to their holdings of short-term paper—along with insurers and pension funds, also remain major investors. EA investment funds hold about 15.4% of outstanding EA-issued bonds, but their share has been gradually rising in recent years.

Looking only at investors in government bonds (Exhibit 2.4), the ECB's role becomes even clearer (28%), with investment funds accounting for less than 10% of the total. In the corporate bond market (Exhibit 2.5), investment funds are far more prominent and are the largest domestic investor. Their share increased sharply, rising from 14.5% in 2014 to 20.9% in 2024, demonstrating both growing investor demand for corporate debt and the expanding role of asset managers in corporate financing.

EXHIBIT 2.4

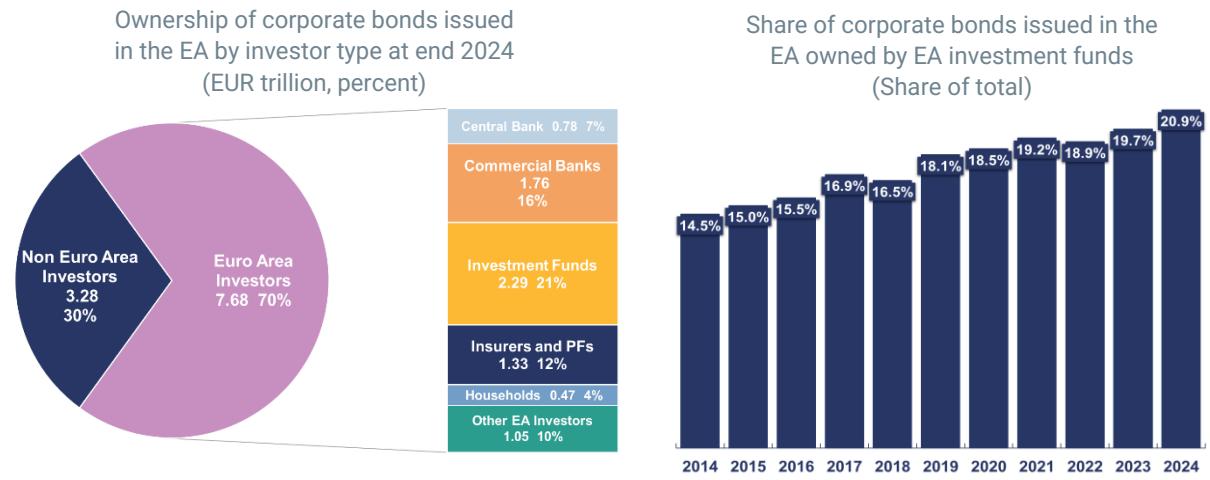
Ownership of government bonds issued in the euro area



Source: EFAMA's calculation based on ECB data

EXHIBIT 2.5

Ownership of corporate bonds issued in the euro area



Source: EFAMA's calculation based on ECB data

Overall funding contribution of asset managers

To assess the broader impact of European asset managers on the financing of the whole EU economy, not just the euro area, we broadened our analysis beyond EA-domiciled investment funds. We incorporated investment funds domiciled in the EU but outside the euro area, as well as assets managed by European asset managers through discretionary mandates, both within and outside the EU. Exhibit 2.6 presents estimates of the holdings of EU-issued listed shares and bonds across these different segments.

For listed equities, the role of mandates managed outside the EU is particularly striking. Asset managers based in the UK, in particular, oversee substantial portfolios of EU-issued shares, underscoring the international dimension of EU equity ownership and the role of UK asset managers.

The bond market, however, exhibits a very different pattern. Here, EA-based asset managers—especially in France and Italy—play a dominant role through large domestic mandates invested in EA-issued bonds. This highlights the crucial role of euro-area managers in intermediating fixed-income financing for European issuers.

Combining all segments, we estimate that at end-2024 European asset managers held around EUR 2,870 billion in EU-issued listed shares and EUR 6,810 billion in EU-issued debt securities. Relative to the total outstanding amounts, this corresponds to approximately 24% of all listed shares and 28% of all debt securities issued by EU-resident companies and other issuers.

EXHIBIT 2.6

Listed shares and bonds issued in the EU and the amounts held by European asset managers in their portfolios at end 2024

(EUR billions, percent)

	Listed Shares	Bonds
Total assets (listed shares/bonds) issued in the EU	11,748	24,630
EA assets held by EA-domiciled funds	1,438	3,397
EU assets held by EU funds outside the EA	373	765
EU assets in discretionary mandates managed in the EU	210	2,149
EU assets in discretionary mandates managed outside the EU (UK + CH) - Estimation	849	500
EU-issued assets owned by European asset managers	2,870	6,810
EU-issued assets owned by European asset managers as share of total EU-issued assets	24%	28%

Source: EFAMA's calculation based on data from EFAMA and ECB

It is important to note that these percentages are an estimation of the lower end of the contribution of European asset managers to EU economic financing, as they exclude shares and bonds held by EA investment funds that were issued in EU countries outside the EA. More generally, these figures also exclude assets other than listed shares and debt securities. As can be seen in section 4, assets outside these categories, 'other' assets, comprised about 22% of the portfolios of both investment funds and discretionary mandates at the end of 2024.

3. Clients of the European Asset Management Industry

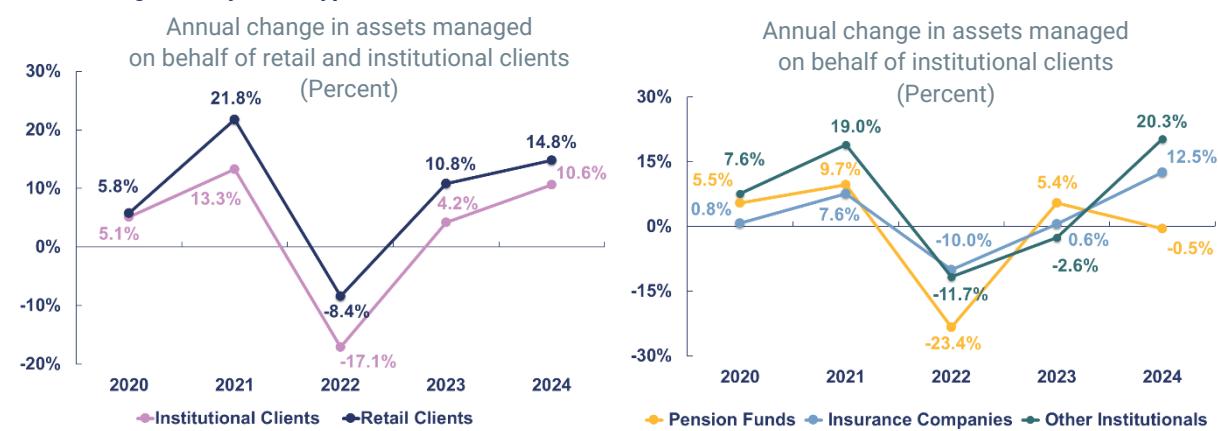
3.1. Clients at the European level

Asset managers provide services to two main types of clients: retail and institutional. Retail clients are primarily individual investors - typically households - but also high-net-worth individuals (HNWIs). Institutional clients encompass pension funds (PFs), insurance companies, banks, and other entities (such as sovereign wealth funds, holding companies, corporations, charities, and foundations).

Up until now, institutional clients have dominated the asset management industry. This is because they manage large amounts of financial assets and often outsource management of all or a significant portion of their assets to external asset managers. However, over the past five years retail assets have consistently grown stronger than institutional assets. Both institutional and retail clients saw particularly strong growth in 2021, driven by buoyant stock markets. Assets managed on behalf of all clients declined in 2022. Asset growth recovered in 2023 and has continued to increase in 2024.

EXHIBIT 3.1

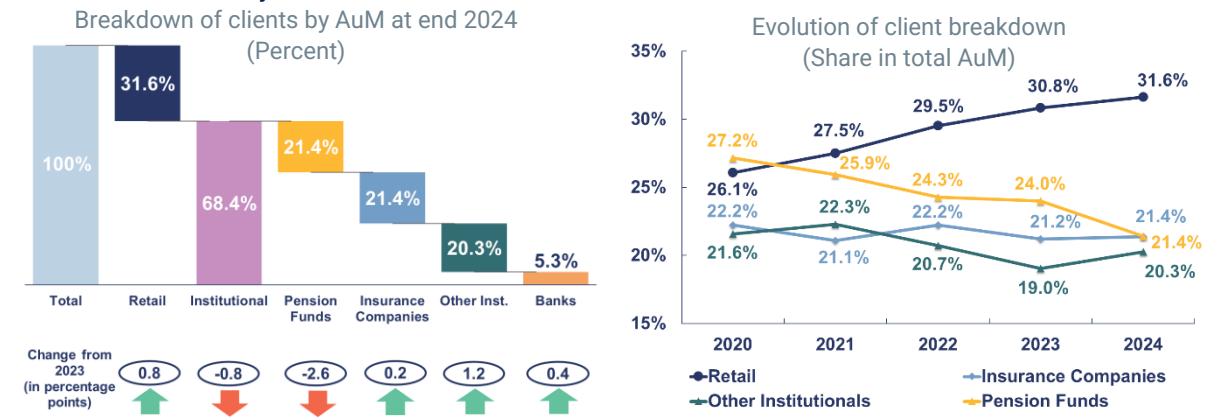
AuM asset growth by client type – Recent trends



The stronger growth in the retail AuM in recent years led to a sizeable increase in the share of those clients in total AuM, from 26% in 2020 to almost 32% in 2024. Correspondingly, the share of institutional clients, mainly pension funds, steadily declined.

EXHIBIT 3.2

Breakdown of clients by AuM – Recent trends



The significant growth in assets managed for retail clients in 2021–2024 aligns with the influx of new money from European households into capital market instruments over this period. Retail investors made record investments in funds in 2021 and continued buying funds in 2022 and 2023. Net acquisitions by retail investors rose to EUR 258 billion in 2024.^{ix} Also, in 2025 to date, European retail investors continue to invest sizable amounts of net new money into funds.

Why did so many retail investors find their way (back) to the fund markets in recent years?

The COVID-19 pandemic in 2020 was the first trigger. Lockdown measures in 2020 meant that many people had a sizeable portion of their income they couldn't spend on leisure activities such as travel and more time to dedicate to managing their savings; as a result, they invested in capital markets. The surge in inflation in 2022, alongside the slow response of banks in raising interest rates on savings accounts, was a second trigger. It pushed savers to shift some of their deposits into capital market instruments to preserve purchasing power and take advantage of rising interest rates. Net fund purchases faced direct competition from government bond issuances in 2023. In some countries, such as Belgium and Italy, governments successfully attracted household savers by offering higher yields than bank deposits, sometimes supported by tax incentives. However, in 2024, retail purchases of debt securities dropped again, while fund acquisitions bounced back. This confirms that European retail investors largely rely on investment funds to gain exposure to capital markets.^x

The emergence of user-friendly online investment platforms and information channels in recent years has also increased retail participation, particularly among young investors. Digital platforms, often operated by brokers, neobanks or FinTechs, are making inroads, supported by marketing campaigns specifically targeted at young people.

In terms of how retail investors are entering the fund market, ETFs are increasingly the vehicle of choice. ETFs outsold long-term UCITS in 2022, 2023, and 2024.^{xi} In France, more than 500,000 retail investors bought ETFs in 2024, compared to less than 300,000 in 2023, a more than 70% increase over one year.^{xii} The market for ETF savings plans is growing rapidly in several European countries, most notably Germany, but also in Austria, Italy, Spain, Switzerland, Denmark, and Sweden. The number of ETF savings plans across Europe increased by 42.1% year-on-year in 2024, reaching 10.8 million.^{xiii} Yet there is still potential for growth in the European retail ETF landscape. In the US, it is estimated that about 3 in 4 young investors now hold an ETF.^{xiv}

Market shares of institutional clients generally declined over the past five years, despite a real growth in net assets in most years.

The market share of pension funds has seen the sharpest decline in recent years, with a particularly strong decline in 2024. This was mainly influenced by evolutions in the UK. After peaking in 2018 - mainly due to the expansion of the UK automatic pension enrolment scheme - the market share of pension funds has gradually declined in recent years. The main reason behind this is an increasing number of defined benefit (DB) pension schemes that have wound down or reached full funding and transferred assets to insurance companies. Additionally, the lingering impact of the 2022 gilt market crisis – which saw UK government bond prices plunge – depressed asset values managed on behalf of pension funds, slowing their recovery.^{xv}

The share of assets managed for insurance companies also saw a gradual decline in 2021-2023, driven by Solvency II regulations, which limited insurers' equity exposure compared to pension funds. As a result, insurers benefited less from the strong stock market performance that year. In 2024, the share of insurers

recovered slightly. Fluctuations in the assets managed on behalf of the insurance sector are often connected to price evolutions of bonds. There is also a certain degree of blurred lines between pension fund and insurance assets, for example, pension assets structured via a unit-linked insurance wrapper will often be counted as an insurance client, not a pension fund client.

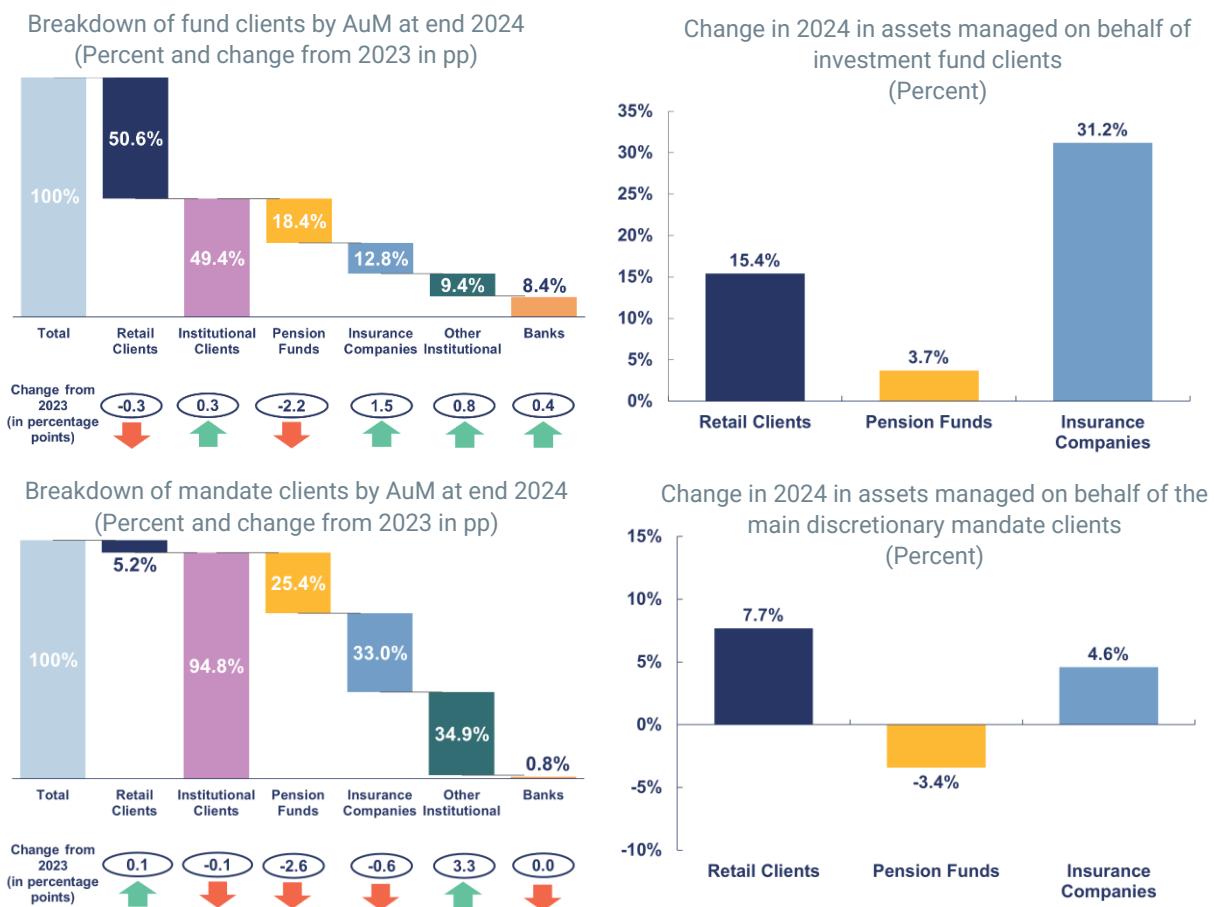
Investment funds and discretionary mandates are typically geared toward different types of clients.

In the investment fund market, retail investors are the primary clients. However, certain institutional clients - specifically pension funds and, to a lesser extent, insurers, other institutional clients, and banks - also make extensive use of investment funds. In 2024, the share of retail clients in the European fund market actually edged down by 0.3 percentage points, a result of AuM managed on behalf of retail clients growing less strongly than AuM managed on behalf of institutional insurance clients.^{xvi}

In the mandate market, institutional clients dominate, accounting for just under 95%. This reflects the nature of mandates, which usually require large minimum investments and are therefore far less easy for retail investors to access. However, the increase in retail market share in 2024 points to the growing success of robo-advisors and online investment platforms, which are making discretionary mandates more accessible also for retail clients.

EXHIBIT 3.3

Breakdown of clients by AuM – IF vs. DM



Note: These charts include figures for only a subset of countries. It includes data from the following countries: Austria (IF only), Bulgaria, Czech Republic, Denmark, France, Germany (IF data based on client types of open-ended Spezialfonds domiciled in Germany), Greece, Hungary, Italy, Poland (IF only), Portugal, Romania, Slovenia, Spain, Switzerland, Turkey and the UK.

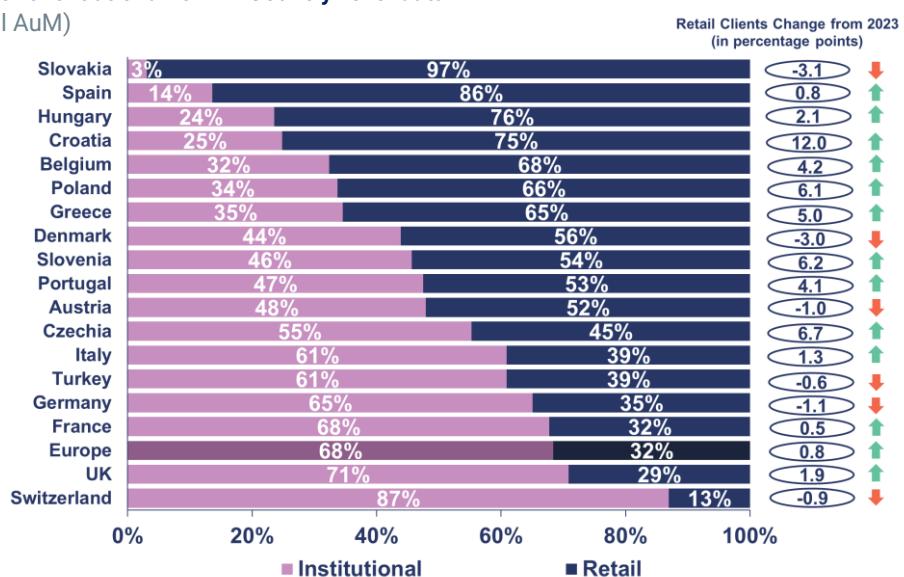
3.2. Clients at country level

Examining the client base of asset managers across Europe reveals notable differences between countries. These variations are influenced by several factors, including the structure of national pension systems, the role of insurance products in retirement savings, bank involvement in distributing retail investment products and the cross-border operations of asset managers along with their ability to attract capital from international investors.^{xvii}

EXHIBIT 3.4

AuM by type of client at end 2024 – Country-level data

(Share in total AuM)



Note: Spanish data does not include comprehensive figures on mandates, only on discretionary portfolio management.

Looking at the change in the share of retail clients over the past year, 12 countries saw increases, while only a few experienced declines. This indicates that the strong retail demand for funds in 2024 was not driven by a single large market but rather was widespread among retail investors in most European countries.

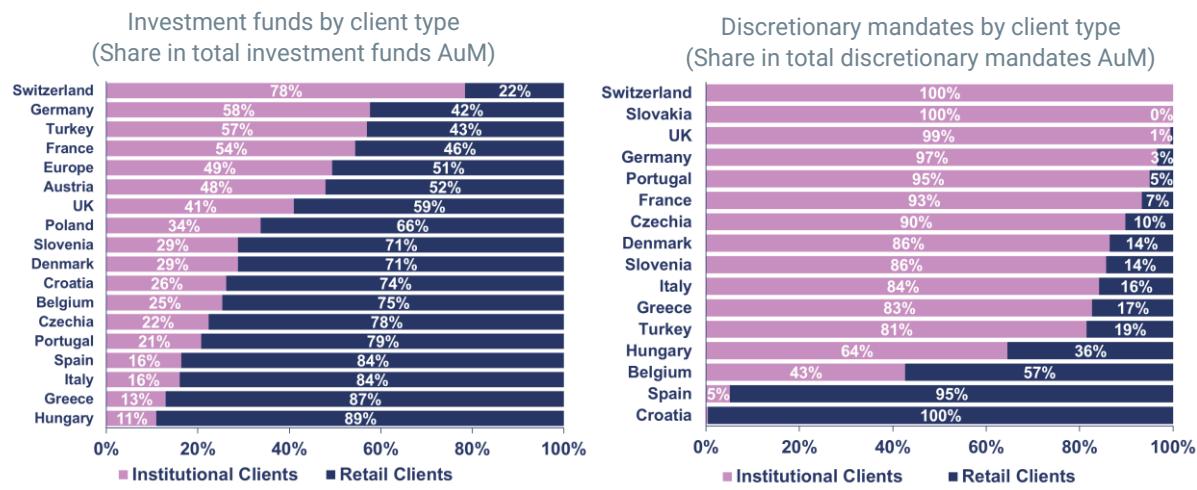
There are notable differences in the client base of investment funds and discretionary mandates in each of the main European markets:

- In the **United Kingdom**, mandates are more popular than funds in terms of AuM. Pension funds are the largest individual client group of asset managers, although their share declined substantially in recent years. Retail clients accounted for 29% of the market in 2024, below the European average (32%) but gradually rising.
- Asset managers in **France** mainly serve the insurance sector across both mandate and fund markets. Investment funds are widely used in workplace pension schemes, while money market funds play a crucial role in cash management for many French corporations.
- In **Germany**, mandates are less prevalent than funds. In the fund market, 'Spezialfonds' are popular fund investment vehicles dedicated exclusively to insurance companies, pension funds, and other institutional investors.

- In **Switzerland**, asset managers predominantly serve institutional clients in both the mandate and fund segments. Bank clients, in particular, make up 24% of the Swiss market - a much higher proportion than in other European countries, where bank clients are typically negligible. However, this is unsurprising given the overall size of the Swiss banking sector. Retail clients account for only 13% of AUM, the smallest share of all European countries
- Asset managers in **Italy** mainly focus on mandates, with insurance companies the main clients. Conversely, funds are largely targeted at the retail market. Retail clients have seen their market share increase in recent years, peaking at 39% in 2024
- In the **Netherlands** and **Denmark**, with their large second-pillar pension systems, pension funds are the industry's main clients. Since 2020, mainly Dutch pension funds have increasingly shifted away from fund structures towards discretionary mandates, driven by the more advantageous capital requirements offered under the IFR/IFD prudential rules.
- In **Spain**, investment funds are far more popular than mandates. Funds managed by Spanish asset managers mainly target retail investors. Spanish data on mandates covers only discretionary portfolio management, and as a result, is predominantly focused on retail clients.
- Asset managers in **Belgium** also focus more on funds than mandates. These funds predominantly serve retail clients, who account for 68% of the market at the end of 2024.

EXHIBIT 3.5

Investment funds and discretionary mandates by client type at end 2024 – Country-level data



Note: Spanish data does not include comprehensive figures on mandates, only on discretionary portfolio management

3.3. Domestic and foreign clients

AuM for domestic clients accounted for 63.9% of the total at end 2024, down from 70% in 2020. This decline reflects the growing importance of foreign clients for European asset managers. This trend was driven by the consistently higher growth in assets managed on behalf of foreign clients compared to domestic. In 2024, assets managed for domestic clients grew by 5.7%, while those managed for foreign clients increased by 24.5%. These trends align with one of the key objectives of the SIU: the integration of national capital markets into a unified European market.

Examining the foreign client proportions within the fund and mandate markets separately, the share of foreign clients is higher in the mandate market than in the fund market (39% compared to 34%). This is primarily attributable to the high percentage of European mandates being managed in the UK, where the asset management sector has more international clients.^{xviii} Another contributing factor is the fact that 95% of the mandate assets are managed on behalf of institutional clients. These can typically explore cross-border asset management options much more easily than retail clients can.

EXHIBIT 3.6

Domestic and foreign Clients – Recent trends



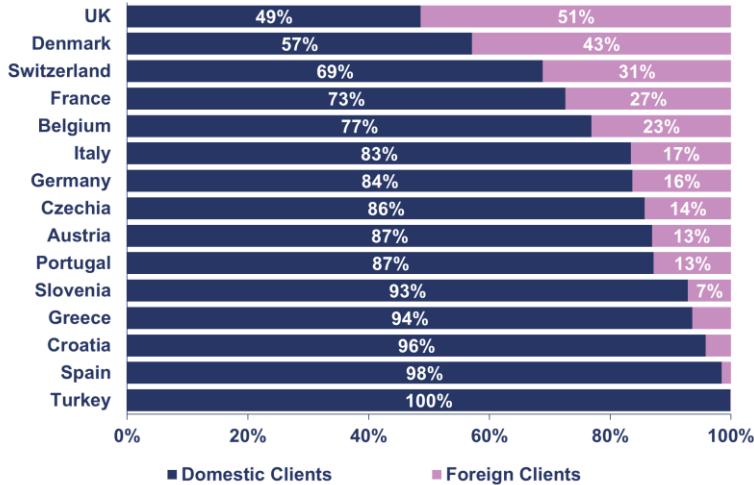
Zooming in on country-specific data, the UK had the highest share of AuM managed on behalf of foreign clients. This highlights London's role as a key international hub, serving as the operational centre from where global asset management companies manage their assets across the globe.

However, several other major European asset management centres have also experienced notable growth in foreign clients in recent years, reflecting the expansion of pan-European asset management activities. In 2024, France, Switzerland, and Italy all recorded increases in the share of foreign clients compared to 2023.

EXHIBIT 3.7

Domestic and foreign clients at end 2024 – Country-level data

(Share in total AuM)



Private Wealth Allocation to Private Assets

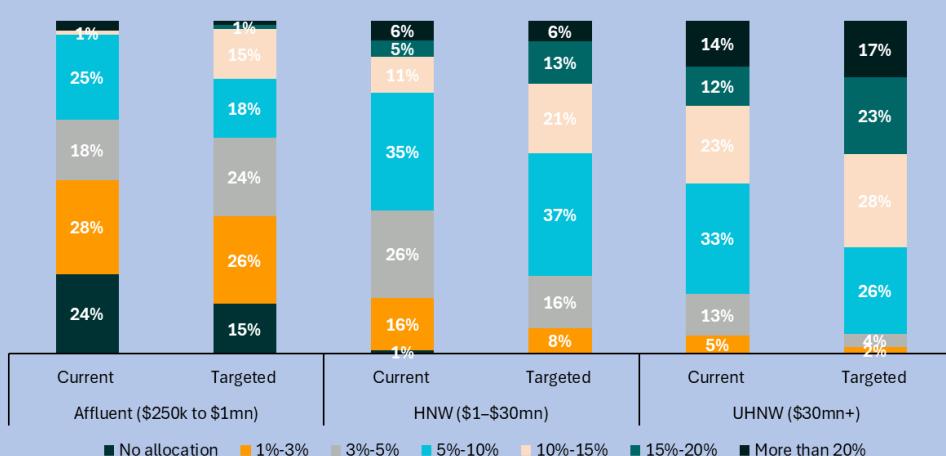
A perspective by Novantigo¹

The majority of large and mid-sized private banks and wealth managers surveyed by Novantigo already offer private assets to their advisory clients, and many are increasingly building discretionary solutions that provide access to private markets through evergreen fund structures. While some smaller institutions remain slightly behind, many are proactively exploring opportunities in this space and considering how to introduce private investment strategies to their clients.

Novantigo's data indicates that ultra-high net worth (UHNW) clients have the most substantial exposure to private assets: 33% of them allocate 5%-10% of their portfolios to private markets overall, with another 23% in the 10%-15% range, and 26% allocating more than 15%. In stark contrast, affluent clients (with \$250,000 to \$1 million in assets) largely remain underexposed – nearly a quarter (24%) have no allocation at all, and over half (52%) allocate no more than 3%. These differences point to both structural or operational barriers to access and a more cautious approach among lower-tier segments.

Looking ahead, all segments are expected to increase their private market allocations, particularly in the HNW and UHNW client segments. Among HNW clients, the proportion targeting allocations above 10% is expected to jump from 22% to 40%. For UHNW clients, this share rises even more sharply – from 49% today to 68%. This growth reflects a broader industry push to deepen private market access and extend participation across client segments, supported in part by more flexible evergreen fund structures.

Figure 1
Current and projected overall exposure to private assets by client segment



Source: Novantigo Private Banks and Wealth Managers Fund Selectors Survey Q2 2025

The Move from Traditional Closed-End to Evergreen Funds

Private investors typically access private assets through a range of structures. According to the fund selectors survey, 81% reported that their clients use closed-end funds, 65% use

evergreen funds, and 49% invest directly – most often in real estate. France and Switzerland stood out as the two markets where a higher proportion of respondents reported client usage of evergreen funds. This is likely due to Switzerland's concentration of large, sophisticated private banks and wealth managers, and France's long-standing familiarity with local evergreen fund structures.

Looking ahead, our research suggests that private investors will increasingly use evergreen funds as their core exposure to private assets, while relying on traditional drawdown structures for more niche strategies (e.g. venture capital) that are harder to access via evergreen vehicles. Novantigo anticipates a significant shift in fundraising over the next three to five years, with a growing preference for evergreen funds over closed-end funds.

Historically, around 80% of new investments or inflows into private assets were directed toward closed-end funds. In 2025, however, the share of flows into closed-end funds has declined, while allocations to evergreen funds have risen – potentially reaching a 50/50 split. Looking further ahead, several private banks and wealth managers expect that fundraising for evergreen funds will surpass closed-end funds, with inflows into evergreen structures potentially accounting for 60%–90% of total private asset investments by 2030.

It is therefore unsurprising to see a surge in new evergreen fund launches across Europe, as asset managers aim to capitalise on this rapidly evolving market.

Rapid Expansion of the European Evergreen Funds Market

According to Novantigo's Evergreen Funds and ELTIFs database, the European evergreen fund market continued its strong momentum from 4Q 2024 to 3Q 2025, with total AUM rising from nearly €54 billion at the end of 2024 to €93.4 billion by 3Q 2025 – an exceptional 73% growth in less than a year.

Non-ELTIF evergreen funds remain the dominant structure, representing €84.7 billion, compared with €8.7 billion in open-end ELTIFs.

Looking ahead, Novantigo estimates that the evergreen fund market could reach up to €110 billion by the end of 2025. Under the most optimistic growth path, evergreen funds could exceed €800 billion by 2030, while even conservative projections indicate the market is on track to exceed €500 billion by the end of the decade.

Non-ELTIF Evergreen Funds

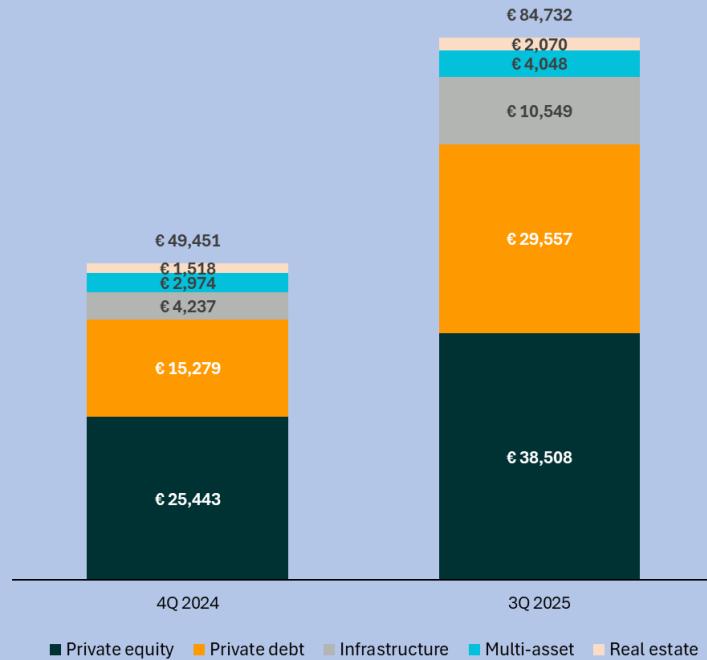
Non-ELTIF evergreen fund AUM has grown by 71% since the end of 2024, reaching €84.7 billion as of September 2025. Infrastructure was the fastest-growing segment, up 150% since the end of 2024, followed by private debt.

2025 stands out as a record year so far, with 39 new non-ELTIF evergreen funds launched across asset classes, compared to 21 in 2024 and 19 in 2023. Growth has been broad-based, although some segments are clearly leading. Private debt remains the most active area, with 38 total fund launches to date, including 15 in 2025 alone – reflecting strong investor appetite for stable, income-generating strategies in a higher-rate environment.

Despite the surge in new products, the top 10 non-ELTIF evergreen funds accounted for 48% of total non-ELTIF AUM as of 3Q 2025.

Figure 2

Europe-domiciled non-ELTIF evergreen funds AUM, 4Q 2024 - 3Q 2025
(Million EUR)



Sources: Various including asset managers' fund prospectuses, publications and fund managers.

ELTIF Market

The combined ELTIF market – encompassing both closed-end and open-end structures – reached nearly €28 billion by the end of 3Q 2025. Of this, €8.7 billion sits in open-end ELTIFs, with the remainder in closed-end ELTIFs.

Between 4Q 2024 and 3Q 2025, multi-asset ELTIFs saw the fastest growth at 79%, followed by infrastructure (+48%) and private equity (+31%). Private debt also recorded notable growth of 28%. This highlights a broad-based expansion, with multi-asset and infrastructure strategies leading the surge.

In total, 224 ELTIFs were launched by 110 asset managers up to 3Q 2025. Of these, only 75 are open-end ELTIFs, with a significant proportion introduced in 2025. As shown in Exhibit 3, the majority of managers active in the ELTIF market have launched just a single ELTIF to date. However, many additional ELTIFs are expected to enter the market, with the most recent quarters seeing more private equity firms – including EQT, KKR, and Blackstone – expanding into the space.

Despite increasing product launches, the open-end ELTIF segment continues to be dominated by the top 10 open-end ELTIFs, representing nearly 70% of total open-end ELTIF AUM as of 2025.

In terms of fund domicile, Luxembourg remains the leading hub, with 132 of the 224 ELTIFs registered there. France is the second-largest market, with 65 ELTIFs domiciled locally. We also note a handful of ELTIFs domiciled in Spain and Germany, and an increasing number in Ireland.

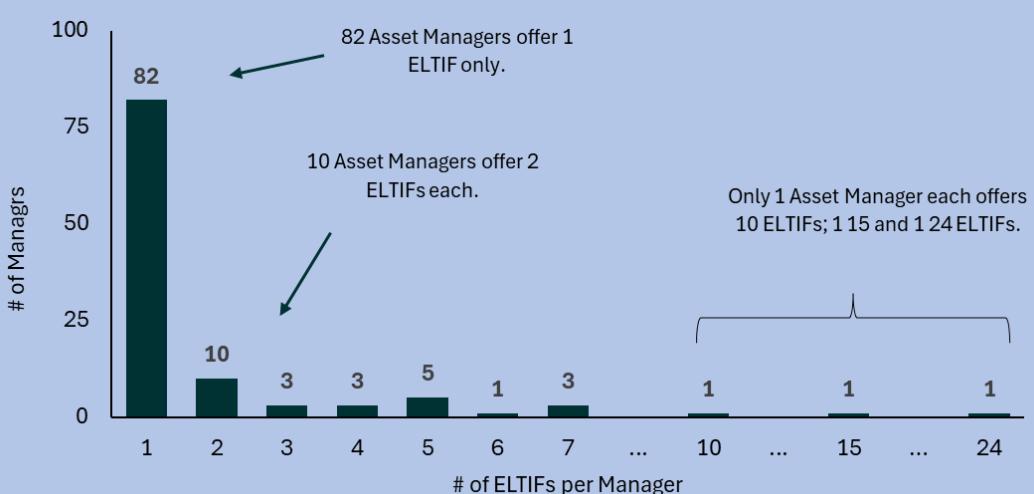
While open-ended ELTIFs continue to dominate recent launches (45 out of 82 ELTIFs launched in 2025 were open-ended), a notable number of closed-ended vehicles have also entered the market. The closed-ended structure is more commonly chosen for impact and sustainable investing strategies, or for those focusing on the private equity and growth sectors.

Figure 3
ELTIFs AUM, 4Q 2024 - 3Q 2025
(Million EUR)



Sources: Various including asset managers' fund prospectuses, publications and fund managers.

Figure 4
ELTIF Launch Count by Asset Manager, 3Q 2025



Sources: Various including asset managers' fund prospectuses, publications and fund managers.

Building Evergreen Fund Shelves: Adoption and Outlook

Novantigo's survey of fund selectors reveals that evergreen funds are still relatively underrepresented on private banks' and wealth managers' product shelves. Half of our survey respondents currently have no evergreen funds on their shelves. But this is set to change rapidly. In Italy, 50% of private banks currently do not offer any evergreen products; however, by the end of 2025, this proportion is expected to decrease to 20% as more institutions introduce evergreen funds into their product offerings. 35% of Italian fund selectors surveyed plan to onboard one to two evergreen funds by year-end, 30% aim for three to five, and 15% anticipate having more than five.

Our research conversations with a wide range of private banks and wealth managers across Europe reveal a clear long-term ambition: to build well-diversified evergreen fund platforms. The eventual size of these evergreen shelves, however, will vary by institution. Top-tier global private banks, for example, aim to offer between 20 and 30 evergreen funds over the long term.

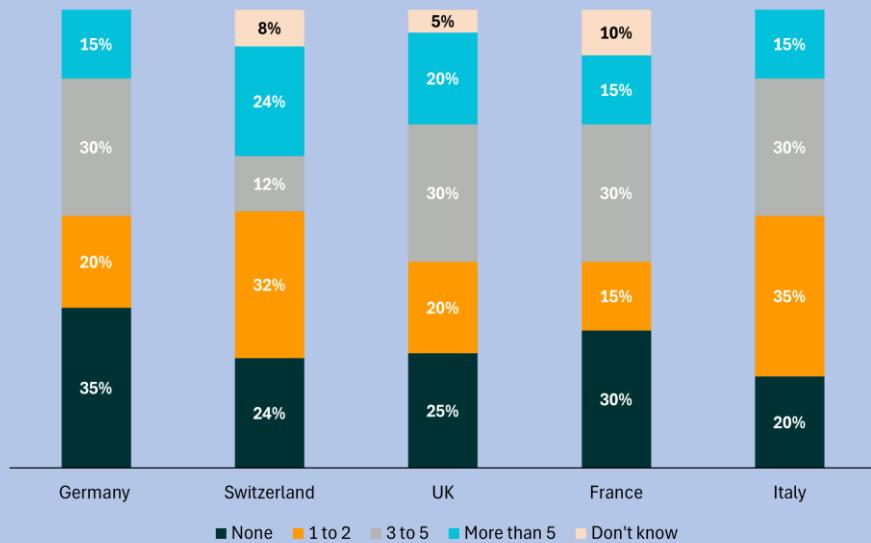
For instance, one large French private bank told Novantigo: *"Our aim is to have around 20 evergreen products by next year, and we see the natural cap being between 25 and 30. Beyond that, it becomes operationally difficult. These aren't easy products to manage and selling them is very different from traditional mutual funds".*

Mid-sized, or so-called Tier 2 private banks and wealth managers, are generally targeting 10 to 20 funds, while smaller Tier 3 firms expect to maintain a more focused range of 5 to 10 evergreen funds by 2030, often selecting a few core options per asset class.

That said, despite these ambitious goals, the rollout has been gradual at some firms. Several private banks that began onboarding evergreen funds in 2025 have only added a few so far, often citing operational hurdles or delays on the asset manager side. However, most expect the pace to accelerate in 2026.

As more private banks and wealth managers begin to move decisively in the coming year, competition among asset managers will intensify. Those that have not yet launched evergreen products may need to act quickly – once product shelves are filled with well-known brands and core solutions, opportunities for entry will become more limited. That said, this may open the door for niche managers or those offering differentiated, thematic evergreen strategies.

Figure 5
Private banks' planned evergreen fund counts on product shelves by end-2025



Source: Novantigo Private Banks and Wealth Managers Survey Q2 2025

¹ Authors: Justina Deveikyte, CAIA, and André Schnurrenberger, CFA

4. Asset Allocation in Europe

4.1. Investment portfolios

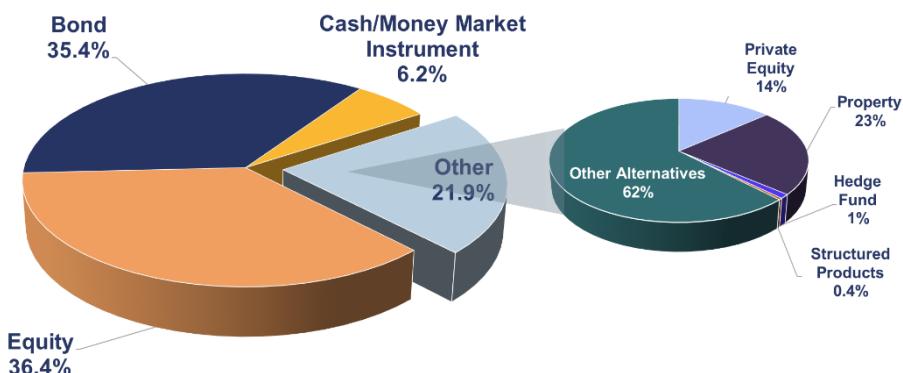
The asset allocation of investment portfolios reflects both the guidelines set by asset owners in discretionary mandates and the varied objectives of investment funds. At end 2024, Equity makes up 36.4% of all assets managed by asset managers in Europe, closely followed by bonds at 35.4%. Money market instruments, deposits and cash equivalents accounted for 6.2%. The remaining 21.9% consisted of 'other' assets.

These 'other' assets are a broad mix that includes private equity, private debt, hedge funds, real estate, securitised debt, infrastructure and commodities. A common characteristic among these 'alternative' assets is their lower liquidity. Our estimates show that 23% of this category is allocated to real estate, 14% to private equity and 1% to hedge funds. The remaining 62% is spread across various alternative assets, or the exact nature of those assets cannot easily be determined.

EXHIBIT 4.1

Asset allocation at end 2024

(Share in total AuM)



In recent years, the share of equities in asset managers' portfolios has risen steadily, driven by stock market developments. Equity allocations surged in 2021, bolstered by strong gains in listed equities. A sharp market correction caused the equity share to fall in 2022, but it rebounded in 2023 as stock markets recovered. In 2024, the equity share increased significantly—by 3.7 percentage points—driven by the double-digit gains of most major stock market indices over the year. In terms of total asset growth, AuM in equity rose by more than 24% in 2024.

Conversely, the proportion of bonds in overall asset allocations followed a downward trend from 2020 to 2024, with a steep decline in 2022 as rapid rate hikes weighed on fixed-income valuations. The bond share recovered slightly in 2023 when rate increases paused, but slipped again in 2024, though only marginally (by 0.1 percentage points). In terms of total asset growth, AuM in bonds rose by almost 12% in 2024.

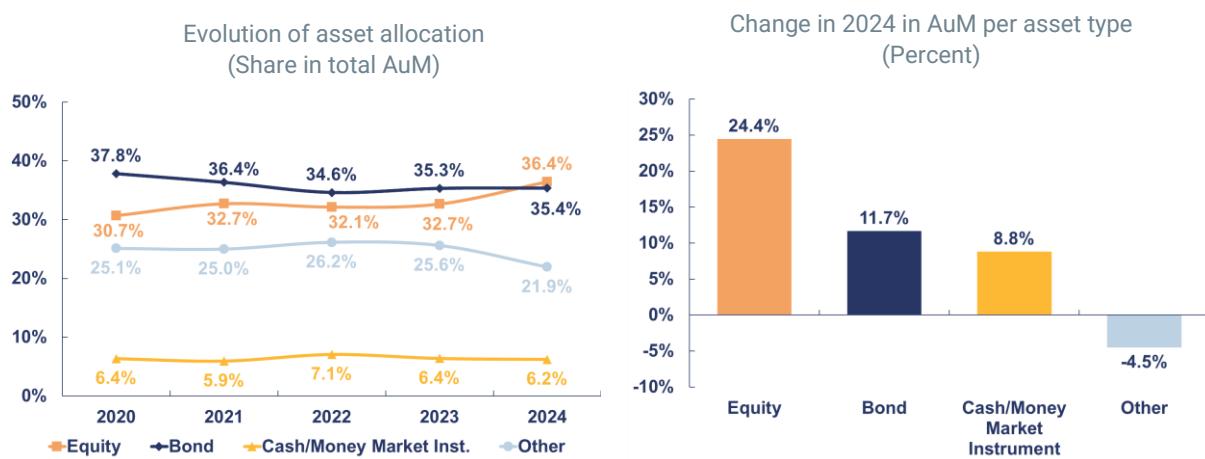
The market share of cash and money market instruments edged down in 2024 (minus 0.2 percentage points) but stayed broadly stable. In terms of total asset growth, AuM in cash and money market instruments grew by 8.8%. The relatively strong asset growth of cash equivalent financial assets is related to the success of money market funds in 2024, which saw record net inflows that year.^{xix} This surge was mainly driven by attractive short-term interest rates. Additionally, the stable share of cash holdings in

European asset managers' portfolios suggests that some of their clients took a wait-and-see approach amid geopolitical uncertainties.

The share of 'other' assets dropped markedly in 2024. Reasons for this decline are varied but include a certain degree of stagnation in the growth of private alternative assets, the decline of Liability-Driven Investment (LDI) strategies in the UK and improvements in survey data collection in Germany. All of this resulted in a 4.5 percent decline of AuM managed in 'other' assets over 2024.

EXHIBIT 4.2

Asset allocation – Recent trends

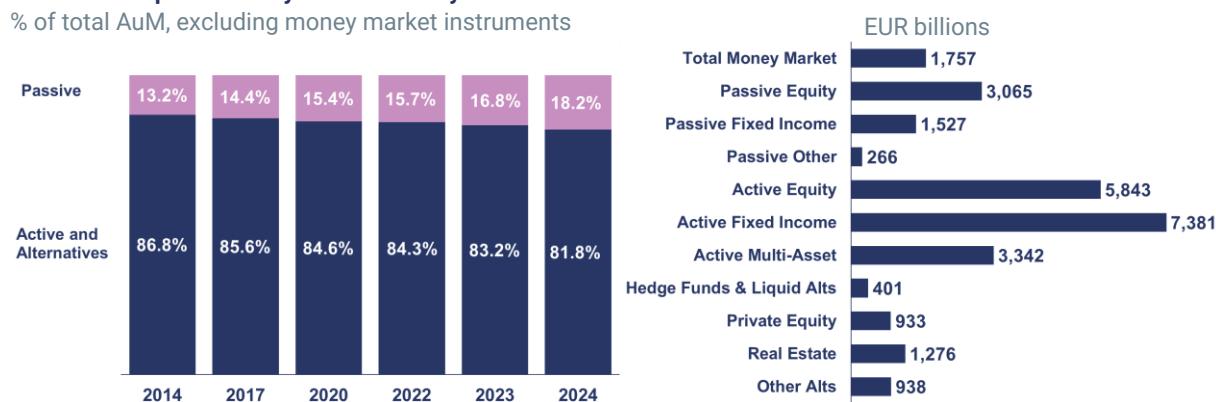


Another key trend in the asset managers' allocation choices is the inexorable rise in the share of passive asset management. This shift accelerated notably in 2023, but shows no sign of abating in 2024 as the passive share jumped from 16.8% to 18.2% and aligns with the rapid growth in ETFs, which are predominantly passive, index-tracking vehicles.^{xx} The continued decline in the fees of passive investment strategies, combined with the easy liquidity of ETFs, is the main driver behind this evolution. Preliminary data^{xxi} indicate that the share of passively managed assets is larger in mandates than in funds for Europe as a whole. A reason for this could be that the main mandate clients, insurers and pension funds, have been pushing hard for ever-lower management fees in recent years. However, the absence of data from several large European countries limits the ability to draw definitive conclusions.

EXHIBIT 4.3

Western European AuM by investment style and asset class

% of total AuM, excluding money market instruments

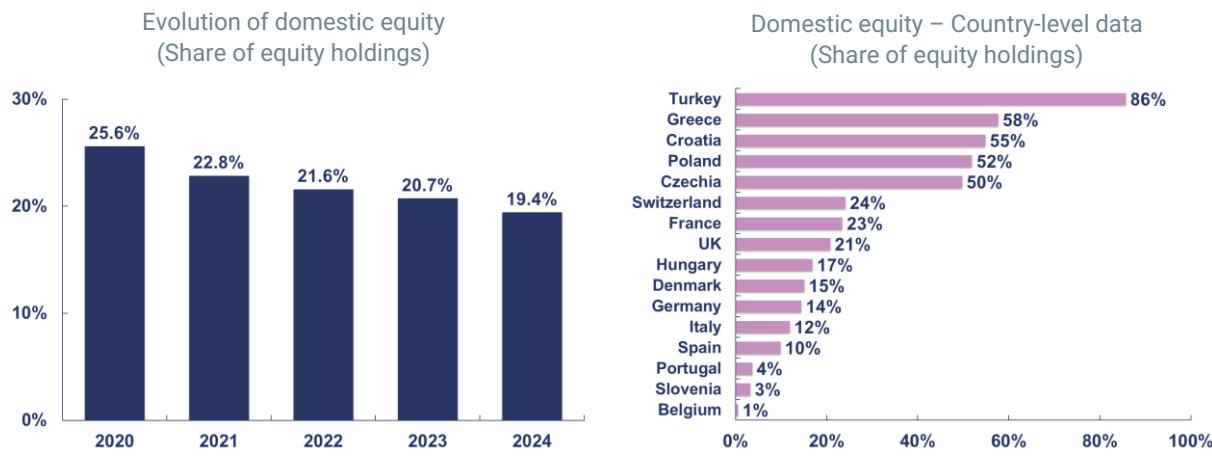


Source: McKinsey Performance Lens Global Growth Cube

Holdings of domestic equity - equity issued in the same country as the asset manager - have gradually declined, dropping from 25.6% in 2020 to around 19.4% by end 2024. However, the proportion of domestic equity varies significantly across European countries and tends to be higher in Turkey, Greece and most Eastern European countries. There are three reasons for this. First, asset managers in those countries often have a competitive advantage in managing local stocks, while global asset managers may not necessarily be interested in using resources to select stocks of smaller companies, often due to the relatively lower demand for stocks issued in smaller countries. Second, a degree of 'home bias' can fuel demand for local stocks, encouraging local asset managers to manage domestic equity funds in certain countries. Third, additional factors - such as regulatory constraints or exchange rate risks - can also play a role. This is the case in, for example, Turkey, where the high share of domestic equity has been affected by the high volatility of the Turkish lira in recent years.

EXHIBIT 4.4

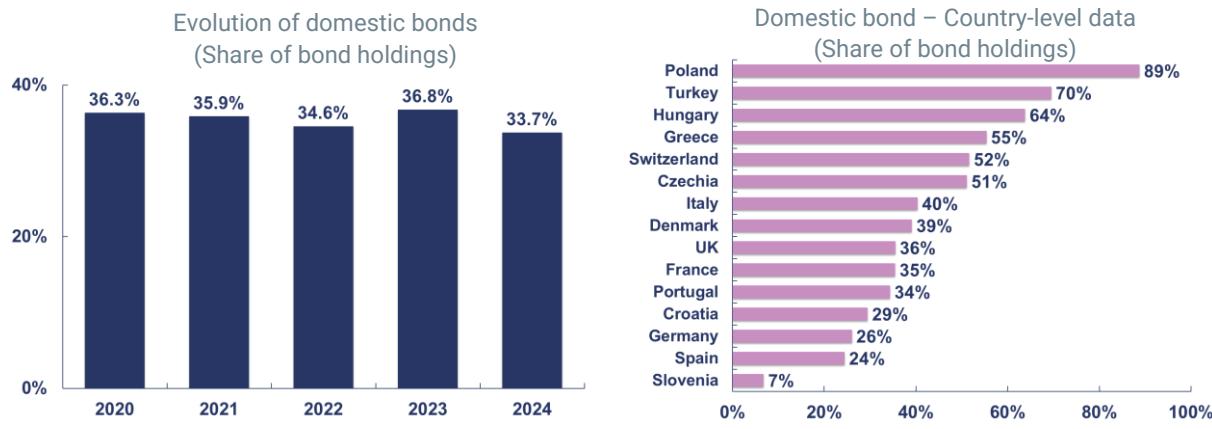
Asset allocation in domestic equity – Recent trends and country-level data



Asset managers tend to hold higher percentages in domestic bonds than they do in domestic equity, as there is often a stronger 'home bias' for domestic bonds. The share of domestic bonds has seen a gradual downward trend, albeit at a slower pace than in equity holdings. The share did rise in 2023, but continued its slide in 2024. There is a wide variation in the share of local bonds between countries, for reasons similar to those for the share of domestic equity.

EXHIBIT 4.5

Asset allocation in domestic bonds – Recent trends and country-level data



4.2. Asset allocation of funds and mandates

There are considerable differences between the asset allocation of investment funds and discretionary mandates.^{xxii}

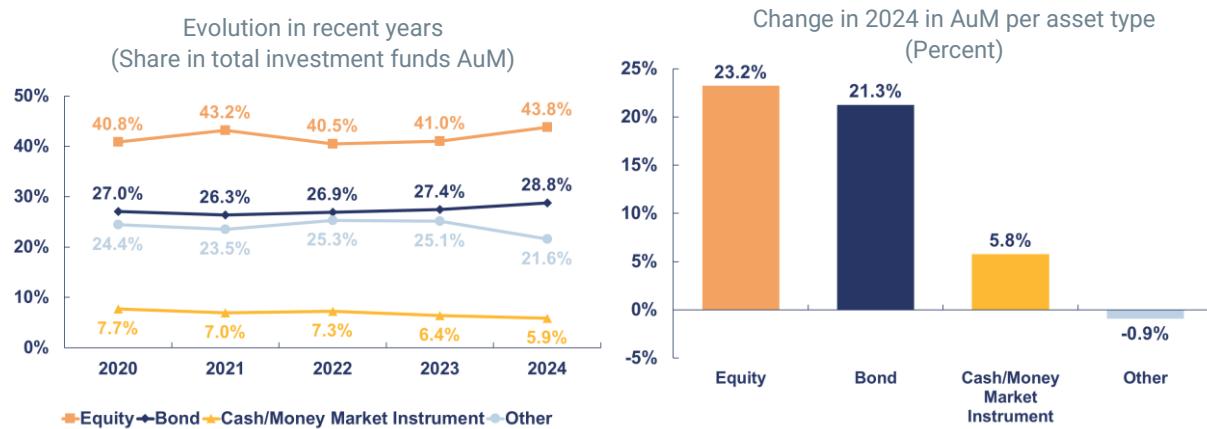
In the investment fund market, equity dominates, representing almost 44% of AuM at end 2024. This share has seen a general increase, falling in 2022 as global stock prices declined, only to continue its upward trend in 2023 and 2024. The share of bonds has also increased in recent years, as higher interest rates made bond funds attractive once again, but growth was less strong than equity. Shares of cash/money market instruments have dipped down in recent years. The market share of other assets dove down in the past year, dropping from 25.1% in 2023 to 21.6% at end 2024.

Looking at the change in AuM by asset type over 2024, equity registered strong growth of 23.2%. This figure outpaced annual increases in most European stock indices, but not US ones, with the S&P 500 returning around 24% in 2024. Bond holdings grew briskly as well (up 21.3% over 2024). Just as in 2023, most of the 2024 growth here came from strong net inflows into bond funds over the year and from fund managers reallocating a larger share of their assets into fixed income.

Cash/money market instruments grew by only around 5.8%. This contrasts starkly with the net asset growth of UCITS money market funds (MMFs) in 2024, which reached 19% thanks to the record net inflows (EUR 226 billion).^{xxiii} This was offset by fund managers using some of their cash reserves to invest in equity and fixed income. AuM in other assets fell by about 1 percent over 2024, mainly a result of better data collection on Spezialfonds in Germany, as most other countries still saw other assets increase.

EXHIBIT 4.6

Asset allocation in investment funds – Recent trends

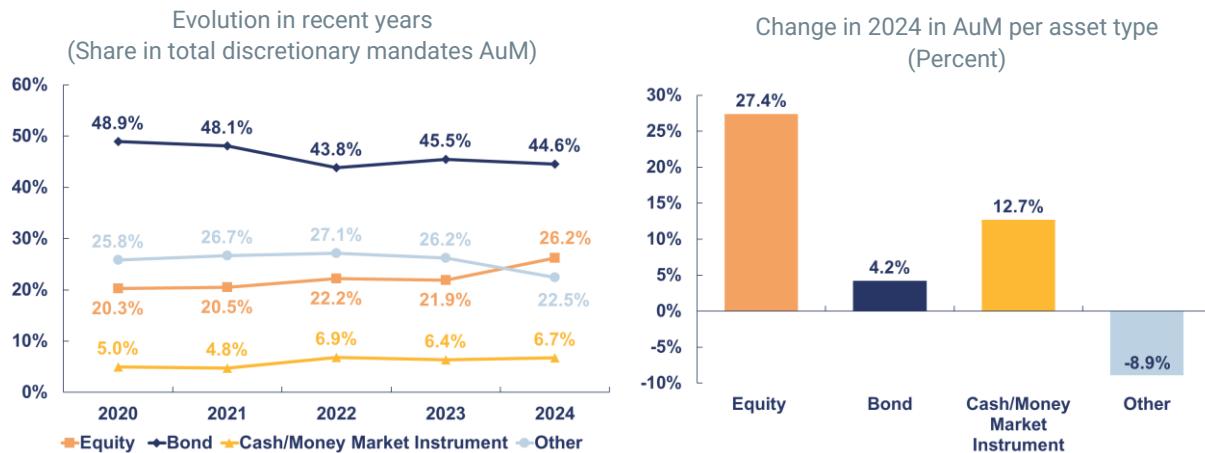


Mandates have an asset allocation that is much more biased toward bonds, as pension funds and insurers tend to prefer fixed-income assets. However, in 2024, it was mainly the equity share that rose strongly, by 2.8 percentage points, whereas bonds dropped by 0.9 percentage points.

Analysing AuM developments by asset type in 2024 shows that equity holdings rose by 27.4%—outpacing both fund growth and most major stock indices. Cash and money market instruments increased by 12.7%, while bond holdings saw a more modest rise of 4.2%. In contrast, allocations to other assets fell by 8.9%. These figures indicate that European asset managers actively rebalanced mandate portfolios in 2024, significantly increasing equity exposure, adding some cash, and reducing positions in other assets. The drop in other assets is mainly due to the sharp falls in derivative-heavy LDI portfolios of UK pension fund managers. These became a lot less popular after the 2022 gilt market crisis. A shift towards derisking, caused by higher interest rates and the rising maturity of DB pension schemes, also played a role.^{xxiv}

EXHIBIT 4.7

Asset allocation in discretionary mandates - Recent trends

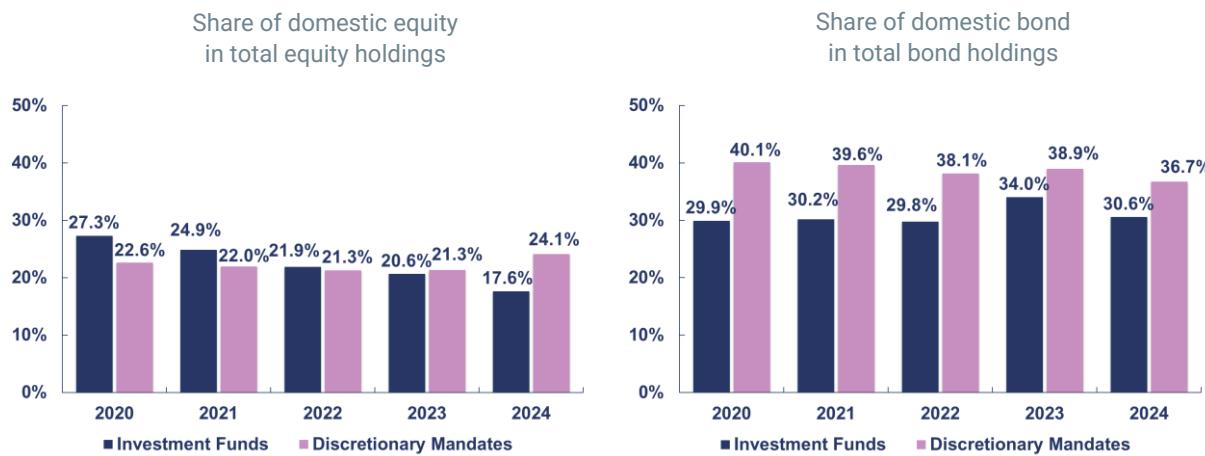


Domestic equity holdings in both investment funds and discretionary mandates have followed a similar downward trend in recent years. While investment funds historically held a larger share of domestic equities than mandates, this share has steadily declined, largely due to the rapid growth of index funds with higher exposure to global stocks. Since 2023, the domestic equity share in funds has fallen below that of mandates.

Domestic bond holdings remain notably higher in mandates (36.7%) than in funds (30.6%), reflecting a stronger “home bias” as mandate clients—primarily insurers and pension funds—prefer domestic debt. In the investment fund market, the domestic bond share was generally stable around 30%, spiking in 2023 following the sharp rise in interest rates the previous year, before dropping again in 2024. Discretionary mandates also experienced a gradual decline in domestic bond holdings, also with a similar temporary uptick in 2023 before decreasing once more in 2024.

EXHIBIT 4.8

Asset allocation in domestic equity and bonds – Recent trends



4.3. ESG assets

Integrating Environmental, Social and Governance (ESG) factors into their asset allocation has become a key consideration for European asset managers. This is a broad process that can include investing in assets that support climate action, improve energy or water efficiency, advance human rights and equal opportunities, enhance board diversity, or otherwise contribute to a more sustainable economy. It can also involve designing investment strategies that reduce exposure to potential stranded assets.

The strong momentum behind sustainable investing by asset managers appears to have lost some traction in 2024. By the end of 2024, roughly 50% of fund assets in Europe^{xxv} applied some sort of ESG investment approach, slightly lower than in 2023 (52%). In the discretionary mandate market, this percentage is a bit higher - about 59% - up about one percentage point from the end of 2023. The difference between funds and mandates can again be explained by the fact that institutional investors - the main clients of mandates - often make stringent ESG demands for the management of their assets.

One factor behind the dip in ESG assets within investment funds AuM in 2024 is the rapid growth of ETFs and index-tracking funds, which represent a growing segment of the fund market. These funds mainly track indices composed of a wide variety of stocks or bonds. Often, not all of the financial assets in such an index can be considered as sustainable.

At the regulatory level, the **Sustainable Finance Disclosure Regulation (SFDR)** - which put in place a set of sustainability-related disclosure obligations - has significantly impacted the asset management industry. The SFDR establishes a set of sustainability-related disclosure requirements, obliging asset managers to provide specific ESG disclosures across their product offerings, as outlined in Articles 6, 8, and 9 of the Regulation.

Although it was not the EU regulator's intention, the application of SFDR has resulted in a split of the EU fund universe into three de facto product labels:

- **SFDR Article 6** requires all fund managers to make disclosures on the integration of sustainability risks and their likely impact on the returns of the financial products they make available. Funds that only fulfil the Article 6 criteria - but not those of Articles 8 or 9 - are therefore known as Article 6 funds and are generally considered to be funds with no ESG characteristics.
- **SFDR Article 8** requires funds that promote environmental and/or social characteristics to specify, in pre-contractual disclosures, how they will attain the promoted environmental or social characteristics (or a combination of both) and that the investee companies follow good governance practices. Article 8 funds are consequently considered as those with environmental and/or social characteristics. They are also sometimes referred to as 'light green' funds.
- **SFDR Article 9** requires funds with a sustainability objective to specify, in pre-contractual disclosures, how they will attain the objective and whether an index has been designated as a reference benchmark. For that reason, Article 9 funds are considered as having an explicit sustainability objective. In some cases, these funds are also called 'dark green' funds.

At end 2024, just over EUR 1.5 trillion of SFDR Article 8 funds were managed in France, followed by the Netherlands (EUR 717 billion) and Sweden (EUR 619 billion). In Switzerland, Denmark, Italy, Belgium, Norway, Spain, Austria, and Finland, between EUR 300 billion and EUR 90 billion of Article 8 fund assets were being managed.

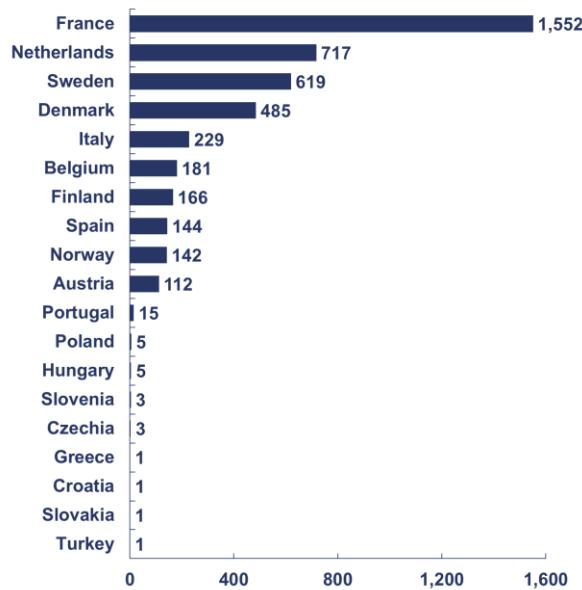
The management of SFDR Article 9 funds is more concentrated, with around EUR 95 billion being managed in France. Between EUR 25 billion and EUR 12 billion of Article 9 net assets were managed in Sweden, Denmark, the Netherlands, and Italy. ^{xxvi}

Differences between countries can be attributed to several factors, most notably to variations in client demand and the differing maturity levels of ESG fund markets.

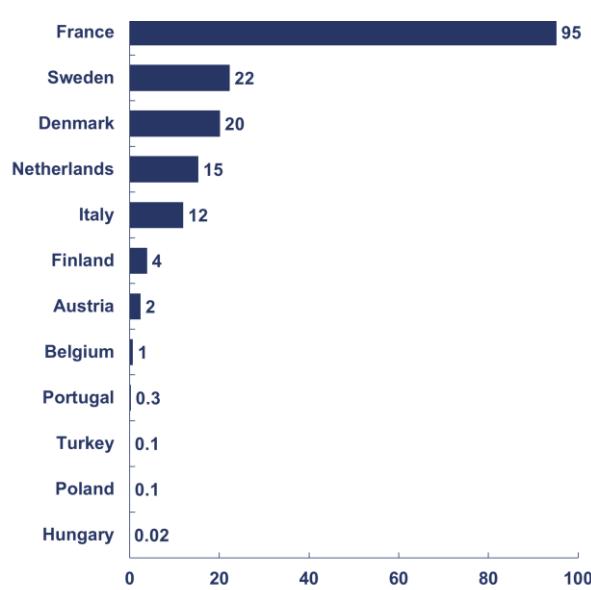
EXHIBIT 4.9 ^{xxvii}

SFDR Article 8 and 9 funds – Selected country-level data
(EUR billions at end 2024)

SFDR Article 8 funds managed in selected European countries



SFDR Article 9 funds managed in selected European countries

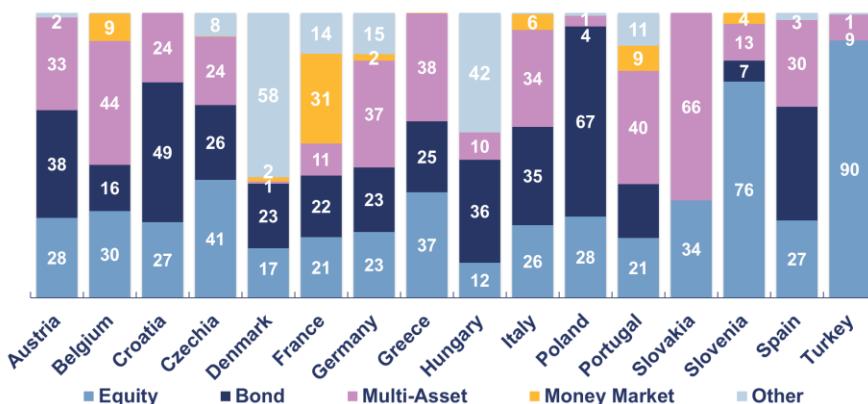


Note: EFAMA estimates; data for certain countries is unavailable

In most European countries, the Article 8 funds managed there mainly consist of a mix of long-term funds such as equity, bond and multi-asset funds. Management of Article 8 MMFs is primarily concentrated in France.

EXHIBIT 4.10

SFDR Article 8 fund market: Breakdown by fund type - country-level data
(Percent of total Article 8 fund net assets at end 2024)

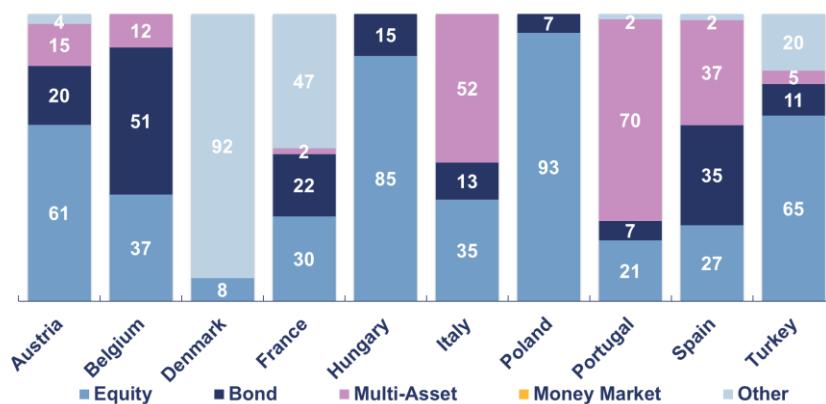


The Article 9 fund market has traditionally focused on equity funds, which account for the majority of net assets in many countries. In Southern Europe - Italy, Portugal, and Spain - multi-asset Article 9 funds are popular. In France and Denmark, meanwhile, other funds - primarily real estate funds - hold a significant share.

EXHIBIT 4.11

SFDR Article 9 fund market: Breakdown by fund type - Country-level data

(Percent of total Article 9 fund net assets at end 2024)



Examining exhibits 4.9, 4.10 and 4.11, we can make a couple of observations:

- Fund managers in France manage significant portions of both Article 8 and Article 9 funds.
- In the Article 8 fund market, the Netherlands ranks second, highlighting the importance of pension funds in the Dutch market, with Sweden in third place.

It is important to note that the SFDR market has already seen substantial changes since its inception in 2021, as policymakers and regulators have worked to harmonise guidance and clarify essential aspects of the Regulation. The most significant - and notable – shift so far occurred in the second half of 2022, when a large number of Article 9 funds were reclassified as Article 8. These ‘downgrades’ occurred due to the fund industry’s cautious interpretation of a clarification by ESMA in June 2022, of the EC’s July 2021 Q&A, stating that the portfolio of Article 9 funds should exclusively consist of sustainable investments (100%), whereas up until then, many fund managers were under a ‘good faith assumption’ that a portion of an Article 9 fund’s portfolio could also be invested in ‘non-sustainable investments’. ^{xxviii}

Under the EC’s newly proposed **SFDR 2.0**, the current de facto Article 8 and 9 labels would be completely overhauled and replaced by a new three-category framework: **Transition, ESG Basic, and Sustainable**.

Each category comes with mandatory minimum criteria, such as a threshold (proposed at 70%) for alignment with its stated sustainability goal, and a list of required exclusions. Products that do not meet any of the new categories would be considered “unclassified” and restricted from using ESG-related terms in their names or marketing materials.

This shift marks a move away from SFDR as purely a disclosure regime toward a more structured product classification system – making it easier for investors to understand a fund’s sustainability ambition.

5. Industry Organisation

5.1. Asset management companies and industry concentration

Number of asset managers in Europe

Slightly fewer than 5,500 asset management companies were active in Europe in 2024. In the EU alone, 1,380 UCITS Management Companies (ManCos) and 2,880 AIF Managers (AIFMs) were active.

The number of UCITS Mancos and AIFMs differs widely across European countries and shows only a weak relationship to the volume of fund assets domiciled or managed in each jurisdiction. In some markets, a large fund industry is served by a relatively small number of ManCos due to consolidation, economies of scale, or the presence of major cross-border players. In others, a sizeable population of smaller or specialised ManCos and AIFMs supports a more fragmented industry landscape. As a result, the number of ManCos and AIFMs reflects not only market size, but also national regulatory frameworks, industry structure, and the role of local versus international asset managers.

In the EU, France hosts the largest number of asset management companies, reflecting the strong presence of independent and specialised asset managers, including private equity fund managers in this market. Luxembourg also has a relatively high number of asset management companies. This is primarily due to its central role in the cross-border distribution of UCITS and AIFs, as fund houses need to maintain a management company in each country where they have funds domiciled.

EXHIBIT 5.1

Number of asset management companies ¹

Country	Number of UCITS Mancos	Number of AIFMs	Number of UCITS ManCos and AIFMs (# of asset managers) ²
Austria	16	27	40
Belgium	14	29	37
Bulgaria	30	54	57
Croatia	8	25	28
Cyprus	6	52	55
Czech Republic	9	67	76
Denmark	16	73	84
Estonia	7	12	13
Finland	24	46	61
France	304	701	913
Germany	49	159	195
Greece	14	30	33
Hungary	24	138	155
Ireland	125	170	262
Italy	51	134	163
Latvia	8	11	11
Lithuania	11	19	20
Luxembourg	403	432	779
Malta	16	64	76
Netherlands	21	125	141
Poland	24	399	423
Portugal	17	63	76
Romania	14	28	36
Slovakia	4	11	13
Slovenia	5	12	12
Spain	111	359	455
Sweden	49	109	139
EU	1,380	2,881	3,759
Liechtenstein	15	21	35
Norway	34	125	98
Switzerland			515
Turkey			69
United Kingdom ³			1,000
Europe total	1,429	3,027	5,476

¹ The figures give the number of UCITS management companies and AIF managers registered in the [ESMA register](#).

² Totals are corrected for double counting; UCITS Manco and AIFMs with the same name are only counted once.

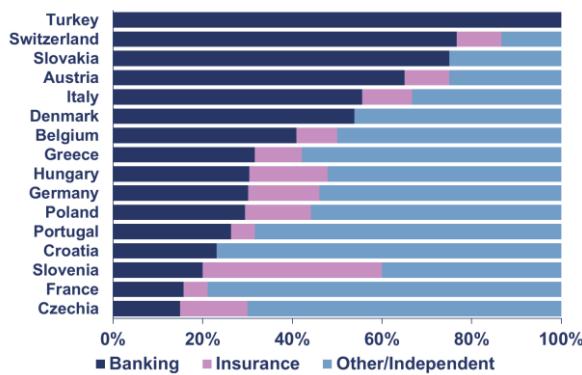
³ For the United Kingdom, the number of asset managers is estimated.

Parent groups

One additional dimension of the European asset management industry's structure is whether asset management firms operate independently or as part of larger financial services groups. This structure differs widely between countries. Exhibit 5.2 illustrates the number of asset management companies affiliated with either banking or insurance groups. Firms that are independent or controlled by other types of financial institutions are categorised as 'Other/Independent'.

EXHIBIT 5.2

Number of asset management companies by parent group categories at end 2024



Market concentration

The Oliver Wyman perspective on the next page discusses in detail the consolidation process currently underway in the global and European asset management industry. Explaining how it is also set to increase in the future.

Section 5.1 of [the 2024 edition of the Asset Management in Europe Report](#) uses EFAMA data to look at shifts in market concentration by examining the market share of the largest asset managers as a percentage of total assets in a few selected European countries. It showed a more mixed picture across European countries, as the degree of market concentration depends heavily on how the asset management sector is structured in different European countries.

It showed that the UK, the largest asset management market, has become slightly more concentrated, whereas several other large markets - France, Germany and Italy – have become less concentrated over the past five years. Overall, there was no direct correlation between the total AuM growth in a specific country and its respective shift in market concentration.

Several factors influence shifts in market concentration across European countries:

- Mergers and acquisitions (M&A) can have a major impact. In Spain, for instance, the notable increase in concentration largely reflects the 2020 merger of two major top-five asset managers.
- Branches of larger global asset managers are gaining market share in various European countries, which could be the reason behind declining market concentrations in some countries, as these branches saw their local market shares increase.
- The rising popularity of ETFs across Europe also has an impact. Some of the observed declines in market concentration in certain countries could be due to the fact that the bulk of ETFs are mostly managed outside the EU. In this context, local asset managers were pressured to adapt business models, shifting toward niche segments where they could compete more effectively and economies of scale play less of a role. This shift could, in turn, have contributed to a reduction in market concentration.

Thinning the herd: the race for relevance fuelling M&A in asset management

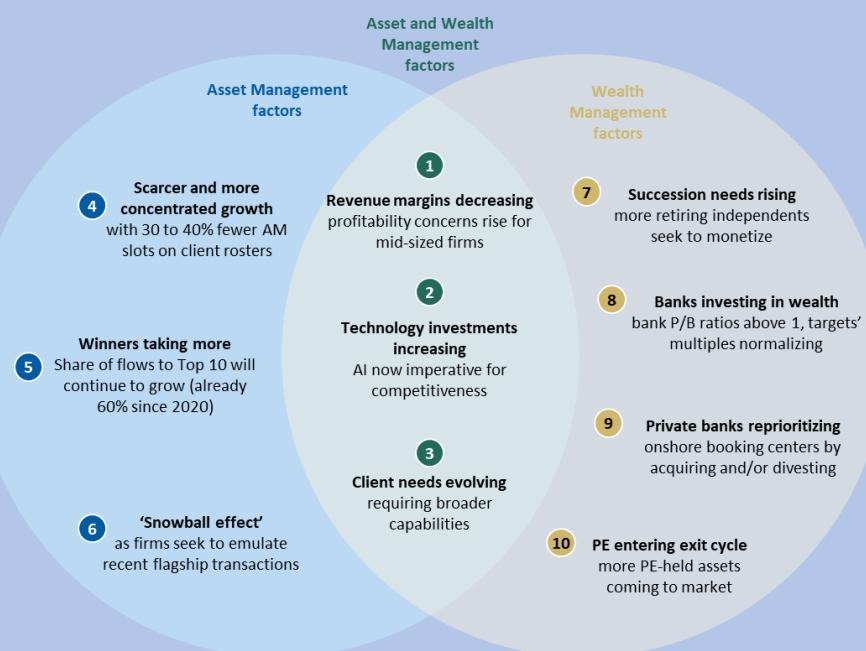
A perspective by Oliver Wyman ¹

We are entering a new era of consolidation, here's why

The wealth and asset management industries have long been among the most fragmented within financial services. Despite the economies of scale of both industries, there was no imperative to consolidate. The bar to profitability could be achieved with a tight-knit team and few clients. There was enough organic growth to go around, and beta was lifting all boats. Asset management clients themselves were highly fragmented (pension funds, insurance companies, independent wealth managers), each working with a wide array of fund providers.

Figure 1

Ten factors contribute to the new wave of consolidation in asset and wealth management



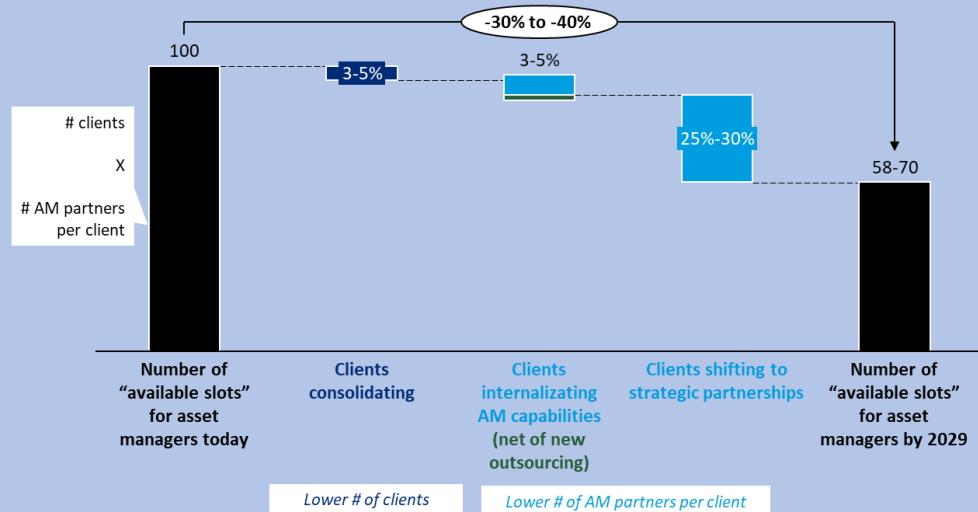
Source: Oliver Wyman analysis

The picture is changing. Profitability is challenged with mid-sized players displaying the lowest (and decreasing) operating margins. While revenue margins continue to drop, technology and AI require ever more investment to stay competitive. Leaders are taking an increasingly disproportionate share of the net new money as they leverage their scale's benefits to reinvest in capabilities and relationships to capture new capital- and resource-intensive pockets of growth. As asset management clients consolidate, internalise and shift to strategic partnerships, opportunities for growth become scarcer and more concentrated.

We expect the combination of these factors to drive consolidation as mid-sized players become attractive targets for leaders seeking further scale and diversification.

Figure 2

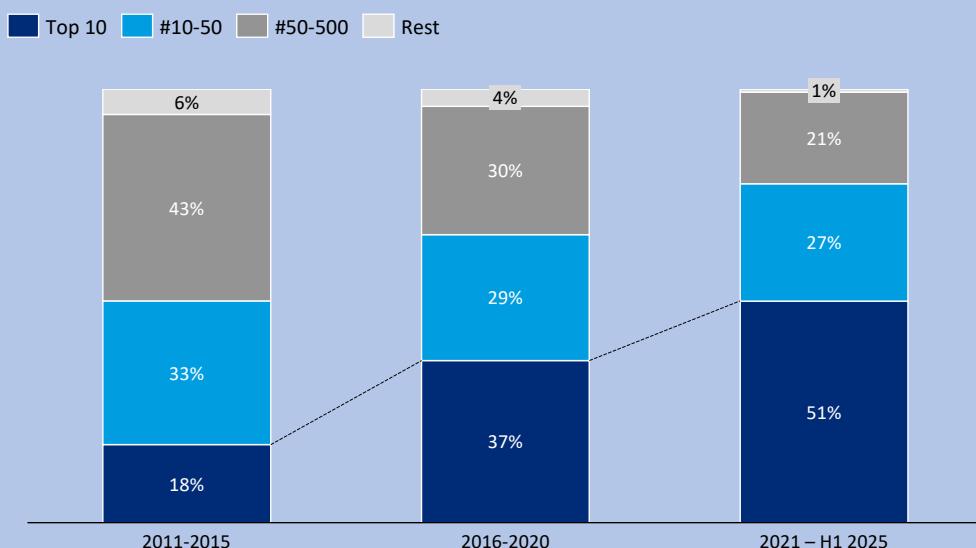
Projected evolution of asset manager slots (# of clients X # of AM partners per client)
Base 100, 2024 to 2029



Source: Oliver Wyman analysis

Figure 3

Market share of net flows by asset manager AUM ranking, in European mutual funds and ETFs Europe, 2011-H1 2025



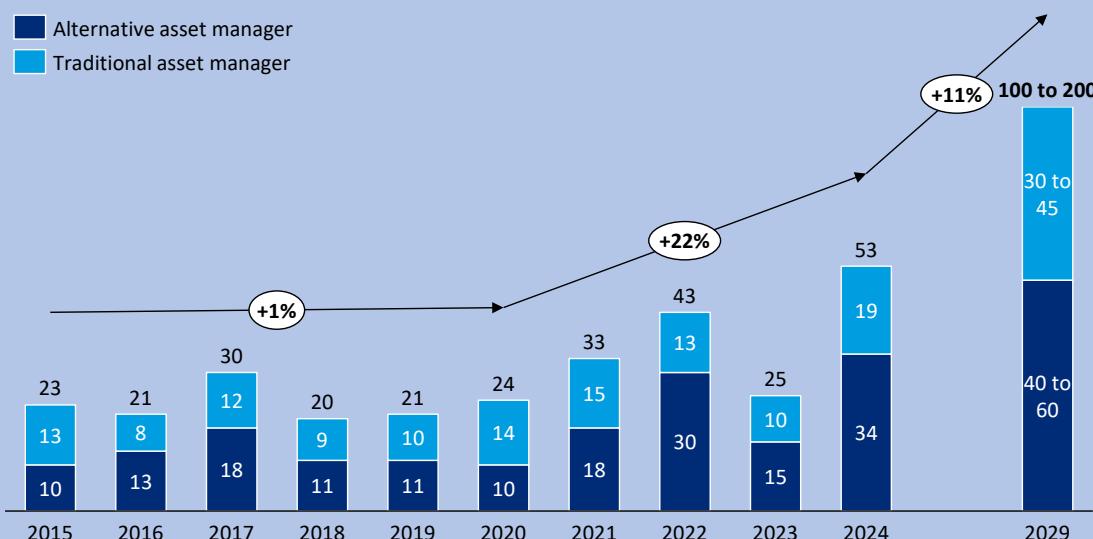
Source: Broadridge, Oliver Wyman Global Asset Management Model

The effects are already on display. Global transaction numbers have entered a new normal at over 200 significant deals per year since 2022 (twice the rate of the previous decade) across both asset and wealth management. In Europe, asset management transactions have ballooned, reaching a high of 53 in 2024 (more than twice the average of the 2010s). Moreover, the industry is no longer producing net new managers of mutual funds or ETFs. Averaging over 150 for the past two decades, the yearly net new additions of traditional asset managers have dropped to a handful over the past three years. Even buoyant private markets are displaying a similar trend.

By 2029, we expect 100 to 200 significant asset management transactions yearly, resulting in up to 20% fewer asset managers within the next five years. Success in this new era of consolidation will require asset and wealth managers to consider M&A as a core lever of their growth strategies.

Figure 4
Number of M&A transactions targeting European asset managers

2015-H1 2025, excl. small transactions not captured (e.g., firms under \$1 BN of assets)



Source: Dealogic, Oliver Wyman analysis

The five plays of asset management transaction activity

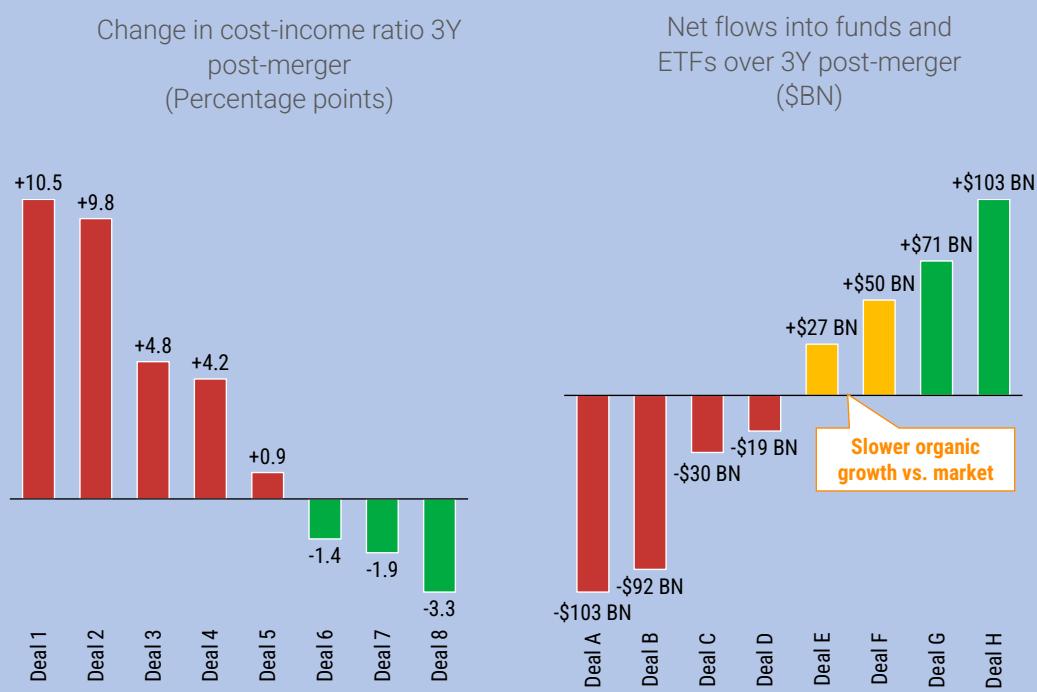
Intra-sector combinations: the reality of scale plays in asset management

While large traditional mergers represent a fraction of deal numbers, they have grabbed headlines given their impact on industry league tables. The theory combines ambitious cost synergies (often above 25% of target's cost base) and cross-selling targets. Yet, the sustainability of the scale boost depends on the entity's ability to 1) manage client attrition and 2) sustain and drive organic inflows. So far, success has been mixed. In our analysis of eight flagship transactions (completed before 2022), most saw an increase in cost-income ratios three years post transactions. Cost synergies have struggled to materialise: the more aggressively a company pursues cost synergy targets, the greater the integration dis-synergies become from talent and client attrition.

Elusive cost savings have been exacerbated by even more elusive revenue synergies, with outflows from client attrition outpacing (over)estimated cross-selling potential as firms realize that selling into client bases with different preferences related to investment (risk appetite, regional bias, ESG preferences or lack thereof) and distribution preferences (need for local presence, language barriers) is more difficult than expected. This has proven particularly challenging in cross-border transactions (27% of AM deals over the past 15 years).

Figure 5

Mergers have not been the panacea for traditional asset managers' costs or flows
2015-H1 2025, excl. small transactions not captured (e.g., firms under \$1 BN of assets)



Source: Capital IQ, Broadridge, Oliver Wyman analysis

Despite these challenges, we expect more high-profile transactions among the 50+ traditional asset managers between \$500 BN and \$2 TN as they seek scale to compete with the Top 10 and mitigate the winner takes most dynamic of the 2020s. We expect most to be driven by client and product/capability complementarity (rather than pure cost synergy plays) and to materialise through more cross-border transactions and deals between insurance-affiliated and bank/wealth-affiliated managers as their respective owners consider their strategic options for their asset management businesses.

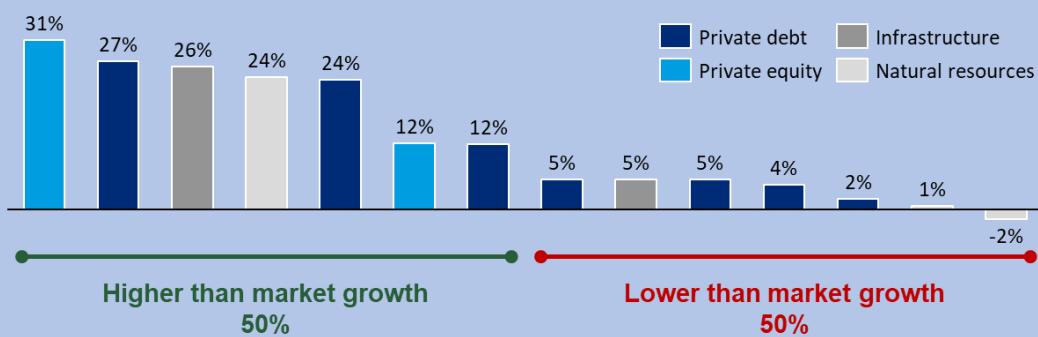
Intra-sector combinations: traditional managers racing for alts, already over or more to come?

Traditional managers have raced to acquire private market specialists over the past decade. However, the higher valuations commanded by alternative managers (21.7 vs. 13.4 average price to 1Y-forward EPS) mean traditional managers must demonstrate clear added value post-deal for it to be considerably accretive. As cost synergies are rarely central to such deals, this would mainly take the form of incremental fundraising through the traditional

manager's scaled distribution capabilities, notably in retail channels. While this has greater appeal for boutique private market specialists, the advantage gradually diminishes for larger private market players.

Figure 6

AUM growth since acquisition of private asset specialists acquired by traditional managers
CAGR to 2024, deals closed between 2020 and 2023, excludes one deal with no available data



Note: Asset class denotes the majority asset class of the acquired firm. Private equity includes private equity secondaries. Growth is compared on an asset class basis and within a comparable timescale.

Source: press releases, Oliver Wyman Global Asset Management model, Oliver Wyman analysis

The track record is mixed, with half of alternative specialists acquired by a top 50 traditional asset manager seeing faster asset growth than the market. These challenges are amplified by cultural (risk appetite, talent management, incentive structures) and operational (disparate systems, tools and datasets) challenges in post-merger integration.

Going forward, we expect the growth of private markets in retail and retirement model portfolios to unlock new avenues for revenue synergies and fuel further partnerships (whether transactional or strategic).

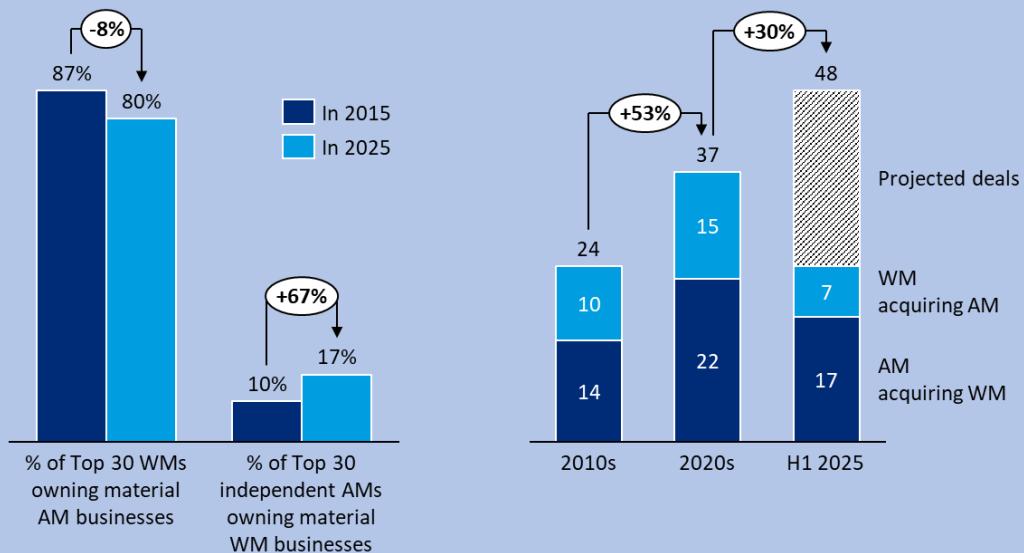
Inter-sector combinations: should a wealth manager own its asset manager... or vice versa?

Most of the top 30 global wealth managers operate their own asset management divisions, a stable figure over the past decade. In contrast, few of the top 30 independent asset managers own material wealth management activities. Their number has nonetheless near doubled in the past decade with acquisitions of traditional wealth/advisory firms or investments in digital direct-to-client platforms.

However, the landscape is changing, particularly outside of the Top 30, with deals between asset and wealth managers multiplying.

Figure 7

Evolution of asset and wealth combinations (LHS) and average yearly transactions (RHS)



Source: Dealogic, Oliver Wyman analysis

Note: asset managers operating non-material (<1% of assets) direct management for HNW clients are not considered as owning WM businesses.

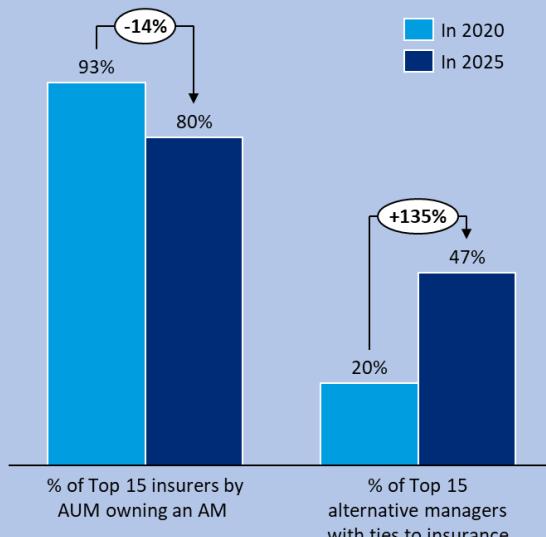
Unlocking value from the combination of wealth and asset management does not come 'organically' and requires purposeful strategic action to steer both businesses together in a way that maximises shareholder value. This leaves wealth managers with asset management arms at a crossroads. Those committed to a more integrated strategy will invest and likely drive increased M&A activity as they look to scale and build their asset management capabilities. Others are likely to consider carve-outs. We expect such carve-out considerations to be more prominent among private-bank affiliated managers with high open architecture rates than in more retail-oriented banking groups (particularly European) where closed architecture is often critical to deliver cost-competitive packaged solutions. In parallel, we expect more asset managers to explore building proprietary wealth management distribution. As more value shifts to distribution, asset managers will seek to secure access to clients and preferred distribution to stabilise flows and capture more of the economics.

Inter-sector combinations: should an insurer own its asset manager... or vice versa?

Nearly all insurance companies have evolved to have some internal investment capabilities to support their general accounts. Some have sought to monetise those capabilities by creating third-party asset managers to generate additional (capital-light) fee revenue streams. Others have instead moved to a primarily outsourced model, transferring (and monetising) balance sheet management responsibilities to third parties. Meanwhile, alternative asset managers have looked to secure access to balance sheets to fuel their growth through acquisitions or strategic partnerships with insurers.

Figure 8

Evolution of insurance x AM combinations of top 15 insurers and alternative managers by AUM
2020-2025



Note: ties to insurance defined as ownership or strategic partnerships (incl. minority stakes)

Source: IPE, Dealogic, Oliver Wyman analysis

We expect three main 'plays' to drive significant transaction activity at the frontier of insurance and asset management.

- 1) **PE-driven search for permanent capital:** These deals will be driven by PE shops looking to grow their private credit franchises by taking ownership stakes in one or more insurers (or helping to capitalise a separate reinsurer). The primary logic of these deals are predicated on the creation of an "insurance-private credit flywheel" where the insurer becomes more competitive in spread-intensive products (e.g., whole life insurance, annuities), which feeds more premiums into the AM, which helps them scale and deliver superior yields to the insurer, which in turn helps the AM scale further and drive growth in the AM's third-party business as well. Some alternative managers may seek to strike strategic partnerships to conduct a similar strategy without an ownership stake.
- 2) **Insurers focusing on their core business:** These deals will be driven by insurers that want to focus on their core insurance business, so they will divest their asset management arms. The money raised from the divestiture can be redeployed into the core (non-spread-intensive business), while the asset manager is free to set its strategic direction and operate independently of its former parent (although often with a temporary investment management agreement to smooth the asset manager's transition to a third-party manager while ensuring continuity of service levels to the insurer). In the ideal case, the enterprise value of the insurer will increase as it becomes more competitive in its core markets and (in some cases) benefits from its equity investment in an asset manager that is more successful as a standalone company than when it was part of the insurer.
- 3) **Insurers pursuing a "kill two birds with one stone" strategy:** Insurers that already have meaningful asset management capabilities but lack the full range of private markets

and alternative capabilities necessary to compete, both in their core insurance business and in the third-party asset management space, will pursue a strategy focused on “killing two birds with one stone”. This will trigger substantial activity from team lift-outs to transformational deals as insurers bulk up their AM capabilities that simultaneously bolster their ability to compete in their core business (primarily through building greater access to originate proprietary spread), while also improving their competitiveness in higher- multiple third-party asset management.

A playbook for execution: from target identification to post-merger integration

Acquisitions in asset and wealth management can be perilous, and we have seen the high dispersion of success across each type of play throughout this report. Succeeding in such transactions requires more than a good idea. Choosing the right play is just the first step. Four more are essential to running an efficient and successful acquisition without destroying value.

- 1. Choosing the right target:** We expect most value to stem from complementary businesses rather than pure cost-driven deals. This complementarity should be assessed through the lens of clients (regional or channel-based), products (anticipating cross-selling strategy and managing rationalisation to avoid attrition), risk (operational, investment and ESG), culture (frequently underestimated yet fundamental driver of integration outcomes) and compensation (weighing options of harmonisation and dual systems).
- 2. Structuring to de-risk the transaction:** We have seen the challenges of retaining value post-mergers. We expect more innovation from acquirers to mitigate four key risks. First, reducing attrition risk through long-term distribution contracts or investment management agreements with previous owners will be critical for inter-sector deals. Second, talent retention is a cornerstone of success and can be secured through a combination of earn-outs, retention bonuses, equity rollovers, time-based vesting schedules and covenants tying individuals to post-close roles. Third, reputational, legal and compliance risks should be anticipated beyond the due diligence phase with warranties covering past conduct or escrow provisions. Finally, beta risk has been a major barrier to transactions, especially for financial sponsors who will innovate to avoid “paying for beta” through beta risk-sharing mechanisms that carry over to closure, and beyond.
- 3. Executing efficiently pre-closing:** As transaction activity boils, competition will intensify, requiring firms to act swiftly and decisively. Aligning on high-level principles early (deal objectives, integration model, valuation approach), involving all stakeholders early to avoid false starts (legal, compliance, tax, finance, HR), keeping communication lines open (preserving trust and momentum), and making effective and controlled use of third parties will all be critical in turning idea into action.
- 4. Running flawless post-merger integration:** post-closing, realising objectives will require a clear vision, a bold future state design (favouring simplicity over perfection, and actions that minimise execution risk), ruthless execution of cost and revenue synergies (building contingency, embedded in budgeting, and holding executives to account), and conscientious cultural alignment.

¹ Authors: Valentin Allard, CFA, Kamil Kaczmarski, CFA, Magnus Burkl and William Mayne

5.2. Delegation

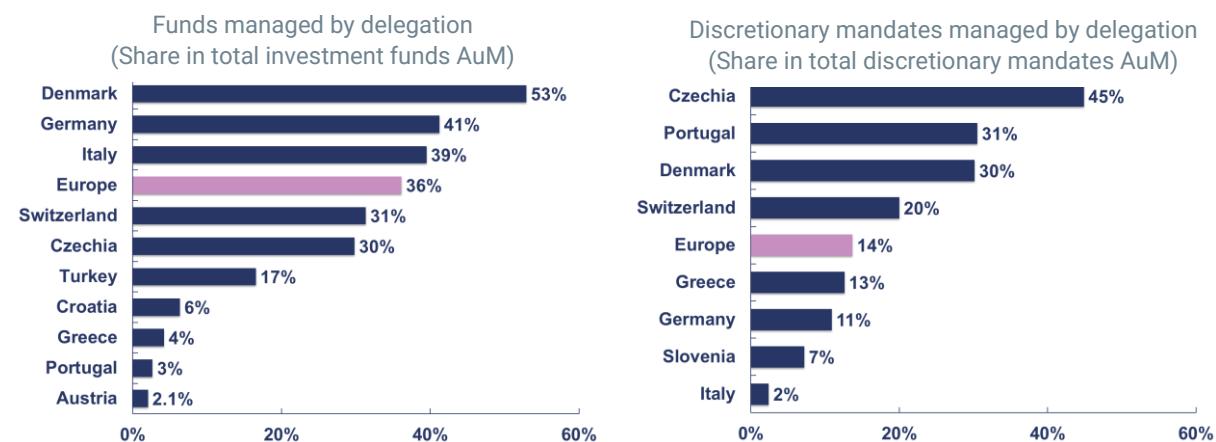
Delegation is a common practice in the European asset management industry. At its core, delegation involves fund/asset managers outsourcing the day-to-day management of all or part of their assets to another asset manager, while maintaining their fiduciary responsibility vis-à-vis the end investors. It is important to note that asset managers cannot delegate core activities, such as defining a fund's investment strategy. They must also ensure that the asset manager being delegated to complies with the risk management policy and relevant regulatory standards.

The asset manager benefitting from the delegation can be a related party, for example, another company within the same parent group, allowing for closer coordination and alignment of investment strategies. Alternatively, it can be an independent, unrelated third-party asset manager, which may bring specialised expertise, access to different markets or investment approaches, and potentially greater operational flexibility.

By the end of 2024, roughly 36% of investment fund assets in the countries shown below were managed through delegation, up around two percentage points from the previous year. The extent of delegation varies widely across countries, depending on the structure of the domestic fund industry and the main clients involved.

EXHIBIT 5.3

Delegation of investment funds and discretionary mandates at end 2024 – country-level data



These charts include figures for only a subset of countries. Data on the following countries are included: Austria (IF only), Croatia, Cyprus, Czech Republic, Denmark, Germany, Greece, Italy, Portugal, Switzerland and Turkey (IF only).

Discretionary mandates can also be managed via delegation, as companies outsource the day-to-day management of mandate assets whilst maintaining their role as administrator or financial advisor for the end investors.

However, the share of mandate assets managed via delegation is much lower than for funds—around 14% in 2024 for the countries shown in Exhibit 5.3. This lower level reflects the bespoke nature of mandates, which are often tailored to specific clients and therefore harder to delegate than funds with more standardised investment objectives. Nevertheless, the share of delegated mandates rose in 2024, increasing by approximately one percentage point.

For the European asset management industry, the benefits of delegation are clear. It allows for greater organisational flexibility, better access to expertise, and increased international competitiveness.

5.3. Revenues, costs and profit margins

Industry operating profit margins, measured in basis points of average AuM (pre-tax operating profits divided by revenues), gradually recovered from the lows of the 2008 global financial crisis, reaching a peak of 15.1% in 2021. This growth reflected rising revenue margins alongside a decline in operating costs relative to AuM, primarily driven by asset growth.

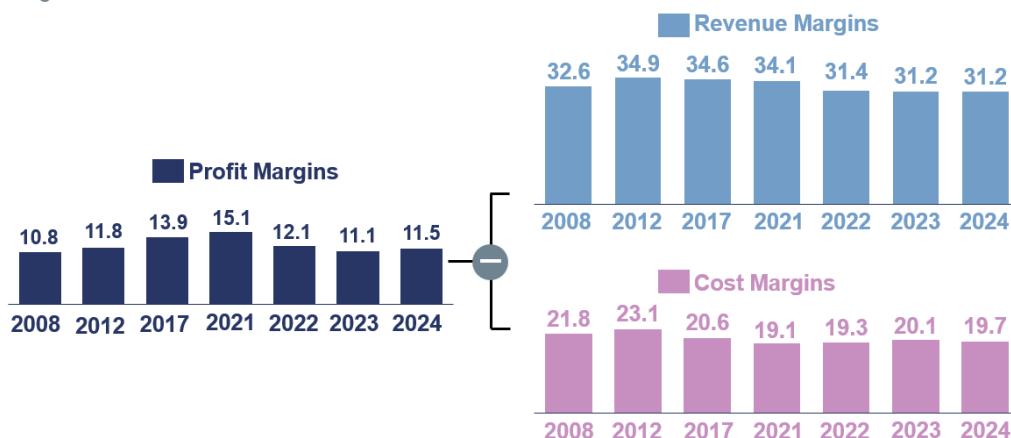
2022 saw profit margins fall sharply from 15.1% to 12.1%, due to a steep drop in revenue margins amid weaker financial markets. The decline continued in 2023, with margins falling further to 11.1% as revenue pressures persisted from ongoing fund fee compression, while cost margins increased.

In 2024, profit margins improved slightly. Revenue margins remained stable compared with 2023, while cost margins declined somewhat, supported by strong AuM growth over the year.

EXHIBIT 5.4

Profit, revenue and cost margins of western European asset managers

Bps of average AuM



Source: McKinsey Performance Lens Global Asset Management Survey

Absolute costs, expressed in EUR billions rather than as a percentage of AuM, will continue to increase for asset managers. As shown in Exhibit 5.5, absolute costs for asset managers rose sharply until 2021, driven by operations and technology costs, as well as management and overhead costs. Costs declined somewhat in 2022-23, with distribution costs dropping due to the growing popularity of online platforms, which tend to be cheaper. Also, the actual investment management cost declined, most likely due to a shift towards passive. However, 2024 saw absolute costs rise across the board, with also distribution and investment management expenses increasing once again.

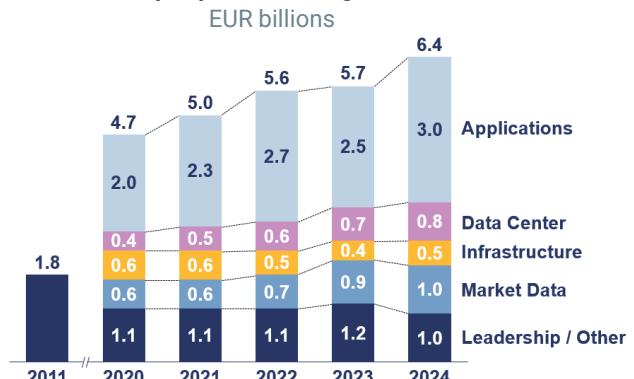
Technology and operations costs have risen in every single year recently, primarily driven by ever-increasing investments in hardware, software, and data that asset managers need to remain competitive. Application development, the single largest technology expense, increased rapidly until 2022, shooting up even more in 2024. Investments in data centres and market data expenses also rose sharply in recent years, more than doubling since 2020. Also the cost of market data has almost doubled since 2020, a result of higher ESG data requirements and steep fee increases from stock exchanges, which have far outpaced inflation. The only area of technology costs to decline in 2024 was tech leadership and other expenses

EXHIBIT 5.5

Cost distribution, third-party asset managers in Western Europe



European AM technology function spend, third-party asset managers



Source: McKinsey Performance Lens Global Asset Management Survey

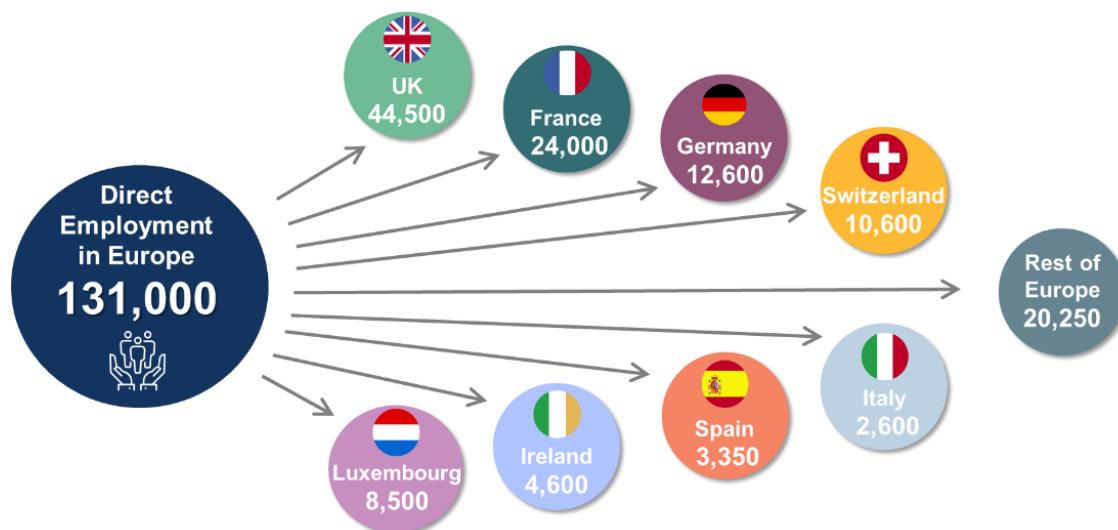
5.4. Employment

A final key indicator of the asset management industry's impact is the level of direct employment it generates. Based on data reported by most EFAMA members, we estimate that approximately 131,000 people were directly employed in the European asset management sector at end-2024.

Most of these jobs are concentrated in key asset management centres: the UK, France, Germany and Switzerland. Luxembourg^{xxix} and Ireland^{xxx}, the two main cross-border fund domiciliation hubs, also employ significant numbers of people directly within asset management companies.

EXHIBIT 5.6

Direct employment in European asset management companies in 2024



We can also assess the broader employment footprint of the asset management industry by looking beyond direct employment to the substantial number of indirect jobs it generates. These indirect jobs encompass a wide range of services and functions that asset managers typically outsource, including accounting, auditing, custody, IT, legal services, marketing, research and FinTech. They also include jobs in fund distribution, which in most European countries is primarily carried out by banks or financial advisors.

Some EFAMA members have estimates on the number of indirect jobs created by the asset management sector in their respective countries. Depending on the country, each direct job in the sector generates between 1.7 and 5 full-time jobs in related services, including distribution. A study by the French asset management association (AFG) calculated that 4.6 indirect jobs are created for each direct job.^{xxxii}

Applying this 4.6 multiplier to countries without indirect employment data allows us to estimate the total number of jobs supported by the European asset management industry. Combining direct employment with all the jobs generated across the wider ecosystem of service providers, the industry is estimated to collectively create roughly 600,000 full-time-equivalent jobs across Europe.

However, the industry's employment impact reaches well beyond the direct and indirect jobs it creates. As highlighted in Section 2.4, asset managers also contribute to job creation by financing significant parts of the European economy.

EXHIBIT 5.7

Total estimated employment in the European asset management industry in 2024



Statistical Data Annex

A.1: European AuM, by geographical breakdown, at end 2024
(EUR billions and percent)

Country	AuM	% Δ in 2024 ¹	Market Share	AuM / GDP
UK	12,069	15%	36.5%	349%
France	5,290	9%	16.0%	181%
Switzerland	3,670	9%	11.1%	424%
Germany	3,209	7%	9.7%	75%
Netherlands	2,119	7%	6.4%	187%
Italy	1,528	2%	4.6%	70%
Spain ²	583	15%	1.8%	37%
Denmark	548	17%	1.7%	138%
Belgium	447	8%	1.4%	73%
Austria ³	202	7%	0.6%	42%
Turkey	110	183%	0.3%	9%
Poland ³	89	21%	0.3%	11%
Czech Republic	71	33%	0.2%	22%
Hungary	57	16%	0.2%	28%
Portugal	52	17%	0.2%	18%
Greece	30	35%	0.1%	12%
Slovakia	12	20%	0.0%	9%
Slovenia	9	18%	0.0%	13%
Croatia	5	21%	0.0%	5%
Other ⁵	2,923	n.a.	8.9%	n.a.
Europe	33,022	12%	100.0%	139%
Of which: EU	16,850	9%	51.0%	94%

¹ End 2024 AuM compared to end 2023 AuM.

² Spanish data do not include comprehensive figures on mandates, only on discretionary portfolio management.

³ & ⁴ Austrian and Polish data include investment fund assets only.

⁵ 'Other' includes estimated data for the missing European countries.

A.2: Investment fund assets, by geographical breakdown of AuM, at end 2024
(EUR billions and percent)

Country	AuM	% Δ in 2024 ¹	Market Share	AuM / GDP
UK	5,904	24%	30.8%	171%
France	3,160	0%	16.5%	108%
Germany	2,593	7%	13.5%	60%
Switzerland	2,218	13%	11.6%	256%
Netherlands	902	9%	4.7%	80%
Italy	521	0%	2.7%	24%
Spain	446	15%	2.3%	28%
Denmark	382	22.0%	2.0%	96%
Belgium	266	13%	1.4%	43%
Austria	202	7%	1.1%	42%
Turkey	92	160%	0.5%	8%
Poland	89	21%	0.5%	11%
Hungary	44	19%	0.2%	21%
Portugal	33	28%	0.2%	12%
Czech Republic	32	36%	0.2%	10%
Greece	20	43%	0.1%	9%
Slovakia	11	16%	0.1%	9%
Slovenia	6	30%	0.0%	9%
Croatia	4	22%	0.0%	5%
Other ²	1,897	n.a.	9.9%	n.a.
Europe	19,162	15%	100.0%	81%
Of which: EU	10,740	11%	56.0%	60%

¹ End 2024 AuM compared to end 2023 AuM

² 'Other' includes estimated data for the missing European countries.

A.3: Discretionary mandates, by geographical breakdown of AuM, at end 2023
(EUR billions and percent)

Country	AuM	% Δ in 2024 ¹	Market Share	AuM / GDP
UK	6,165	7%	44.5%	179%
France	1,790	6%	12.9%	61%
Switzerland	1,452	4%	10.5%	168%
Netherlands	1,217	6%	8.8%	107%
Italy	1,007	3%	7.3%	46%
Germany	616	6%	4.4%	14%
Belgium ²	182	2%	1.3%	30%
Denmark	167	8%	1.2%	42%
Spain ³	137	16%	1.0%	9%
Czech Republic	39	31%	0.3%	12%
Portugal	19	2%	0.1%	7%
Turkey	18	422%	0.1%	1%
Hungary	13	6%	0.1%	7%
Greece	9	19%	0.1%	3.9%
Slovenia	3	-3%	0.0%	4%
Croatia	0	8%	0.0%	0.3%
Other ⁴	1,026	n.a.	7.4%	n.a.
Europe	13,859	7%	100.0%	58%
Of which: EU	6,110	-14%	44.1%	34%

¹ End 2024 AuM compared to end 2023 AuM.

² Belgian data include unit-linked insurance products and pension funds.

³ Spanish data do not include comprehensive figures on mandates, only on discretionary portfolio management.

⁴ 'Other' includes estimated data for the missing European countries.

A.4: Investment fund assets, at end 2024
Ranking based on fund domiciliation and fund ownership
(EUR billions and percent)

Country	Investment Funds by Country of Management		Investment Funds by Country of Domiciliation		Investment Funds by Country of Fund Ownership	
	Net Assets	Market Share	Net Assets	Market Share	Net Assets	Market Share
Austria	202	1.1%	228	1.0%	325	1.6%
Belgium	266	1.4%	231	1.0%	577	2.8%
Croatia	4	0.02%	4	0.02%	8	0.04%
Czech Republic	32	0.17%	33	0.15%	82	0.40%
France	3,500	18.26%	2,502	10.99%	2,287	11.2%
Germany	2,593	13.5%	2,808	12.3%	4,164	20.4%
Greece	20	0.1%	25	0.1%	33	0.2%
Hungary	44	0.2%	43	0.2%	68	0.3%
Italy	521	2.7%	443	1.9%	1,422	7.0%
Netherlands	902	4.7%	902	4.0%	1,262	6.2%
Poland	89	0.5%	89	0.4%	82	0.4%
Portugal	33	0.2%	39	0.2%	86	0.4%
Slovakia	11	0.1%	11	0.0%	37	0.2%
Slovenia	6	0.0%	7	0.0%	11	0.1%
Spain	446	2.3%	418	1.8%	822	4.0%
Finland			183	0.8%	381	1.9%
Ireland			4,993	21.9%	1,071	5.3%
Luxembourg			5,820	25.6%	1,680	8.2%
Malta			24	0.1%	16	0.1%
Romania			8	0.04%	10	0.05%
Sweden			657	2.9%	894	4.4%
EU	10,567	55.1%	19,469	85.5%	15,320	75.2%
Switzerland	2,218	11.6%	986	4.3%	2,118	10.4%
Turkey	92	0.5%	155	0.7%	122	0.6%
UK	5,904	30.8%	2,152	9.5%	2,810	13.8%
Europe	19,162	100%	22,762	100%	20,370	100%

For the countries in grey, country-specific data for funds by country of management is not available.

A.5: Listed stocks issued in the euro area (EA) and shares owned by EA investment funds
(At end 2024, EUR billions and percent)

Issuer	Total listed stocks issued in the EA	Total EA issued listed stocks held by EA Investors	EA issued listed stocks held by EA investment funds	Share of EA issued bonds held by EA investment funds
Financial Companies	2,438	1,206	350	14.3%
Non-financial companies	7,466	4,453	1,089	14.6%
Total Economy	9,904	5,659	1,438	14.5%

Source: EFAMA's calculation based on ECB data

A.6: Bonds issued in the euro area (EA) and shares owned by EA investment funds
(At end 2023, EUR billions and percent)

Issuer	Total bonds Issued in the EA	Total EA issued bonds held by EA Investors	EA issued bonds held by EA investment funds	Share of EA issued bonds held by EA investment funds
Governments	11,168	8,654	1,106	9.9%
Corporates (Financial and Non-financial)	10,958	7,676	2,291	20.9%
Total Economy	22,126	16,330	3,397	15.4%

Source: EFAMA's calculation based on ECB data

A.7: AuM by type of client and country at end 2024
(Share in total AuM)

Country	Institutional Clients					Retail Clients
	Pension Funds	Insurers	Banks	Other Inst.	Total Institutional	
Austria	9%	11%	3%	25%	48%	52%
Belgium	3%	8%	5%	16%	32%	68%
Croatia	1%	4%	4%	16%	25%	75%
Czech Republic	23%	18%	4%	10%	55%	45%
Denmark	18%	6%	3%	18%	44%	56%
France	10%	44%	5%	8%	68%	32%
Germany	15%	28%	8%	13%	65%	35%
Greece	20%	8%	1%	6%	35%	65%
Hungary	11%	8%	0%	4%	24%	76%
Italy	6%	44%	1%	11%	61%	39%
Poland	0%	3%	0%	31%	34%	66%
Portugal	6%	14%	2%	25%	47%	53%
Slovakia	3%	0%	0%	0%	3%	97%
Slovenia	6%	38%	0%	1%	46%	54%
Spain	1%	2%	0%	11%	14%	86%
Switzerland	37%	14%	24%	12%	87%	13%
Turkey	40%	1%	7%	13%	61%	39%
UK	27%	13%	0%	31%	71%	29%
Europe	21.4%	21.4%	5.3%	20.3%	68.4%	31.6%

A.8: Breakdown of investment fund clients by AuM at end 2024
(Share in total AuM)

Country	Institutional Clients					Retail Clients
	Pension Funds	Insurers	Banks	Other Inst.	Total Institutional	
Austria	9%	11%	3%	25%	48%	52%
Belgium	n.a.	n.a.	n.a.	n.a.	25%	75%
Croatia	1%	4%	4%	17%	26%	74%
Czech Republic	0%	3%	7%	12%	22%	78%
Denmark	9%	5%	2%	13%	29%	71%
France	9%	26%	8%	12%	54%	46%
Germany	18%	15%	10%	15%	58%	42%
Greece	2%	4%	1%	6%	13%	87%
Germany ¹	3%	4%	0%	3%	11%	89%
Italy	2%	8%	2%	5%	16%	84%
Poland	0%	3%	0%	31%	34%	66%
Portugal	1%	1%	3%	16%	21%	79%
Slovakia	0%	0%	0%	0%	0%	100%
Slovenia	0%	27%	0%	2%	29%	71%
Spain	1%	2%	0%	13%	16%	84%
Switzerland	24%	13%	36%	5%	78%	22%
Turkey	34%	0%	8%	15%	57%	43%
UK	26%	8%	0%	7%	41%	59%
Europe	18.4%	12.8%	8.4%	9.4%	49.4%	50.6%

¹ German data for institutional clients are based on the clients of open-ended Spezialfonds domiciled in Germany.

A.9: Breakdown of discretionary mandate clients by AuM at end 2024
(Share in total AuM)

Country	Institutional Clients					Retail Clients
	Pension Funds	Insurers	Banks	Other Inst.	Total Institutional	
Belgium	0%	0%	0%	0%	43%	57%
Croatia	0%	0%	0%	0%	0%	100%
Czech Republic	48%	34%	0%	8%	90%	10%
Denmark	41%	8%	6%	31%	86%	14%
France	14%	78%	1%	1%	93%	7%
Germany	4%	84%	1%	7%	97%	3%
Greece	59%	15%	1%	7%	83%	17%
Hungary	35%	22%	0%	8%	64%	36%
Italy	8%	63%	0%	14%	84%	16%
Portugal	15%	37%	1%	42%	95%	5%
Slovenia	20%	64%	0%	1%	86%	14%
Spain ¹	0%	0%	0%	5%	5%	95%
Switzerland	57%	15%	4%	23%	100%	0%
Turkey	72%	4%	1%	5%	81%	19%
UK	27%	18%	0%	55%	99%	1%
Europe	25.4%	33.0%	0.8%	34.9%	94.8%	5.2%

¹ Spanish data do not include comprehensive figures on mandates, only on discretionary portfolio management.

A.10: Asset allocation by country at end 2024
(Percent)

Country	Investment Funds				Discretionary Mandates				Funds and Mandates			
	Equity	Bond	Cash/ MMI	Other	Equity	Bond	Cash/ MMI	Other	Equity	Bond	Cash/ MMI	Other
Austria	21%	30%	0%	49%	n.a.	n.a.	n.a.	n.a.	21%	30%	0%	49%
Belgium	55%	38%	5%	2%	31%	53%	9%	7%	46%	44%	6%	4%
Croatia	32%	37%	27%	4%	37%	44%	6%	13%	32%	37%	26%	5%
Czech Republic	17%	25%	20%	39%	31%	50%	6%	14%	24%	38%	12%	25%
Denmark	39%	27%	1%	33%	38%	46%	0%	16%	38%	32%	1%	29%
France	29%	24%	16%	31%	8%	75%	4%	13%	22%	41%	12%	25%
Germany	36%	39%	5%	21%	5%	68%	5%	22%	30%	44%	5%	21%
Greece	25%	60%	10%	5%	37%	52%	9%	2%	29%	58%	10%	4%
Hungary	15%	37%	26%	21%	29%	52%	10%	9%	18%	41%	22%	18%
Italy	27%	48%	6%	19%	22%	76%	2%	0%	24%	66%	3%	7%
Poland	10%	41%	0%	49%	n.a.	n.a.	n.a.	n.a.	10%	41%	0%	49%
Portugal	18%	27%	6%	49%	9%	80%	2%	9%	15%	46%	4%	34%
Slovakia	25%	14%	0%	61%	n.a.	n.a.	n.a.	n.a.	24%	13%	0%	62%
Slovenia	69%	24%	4%	3%	21%	73%	1%	5%	54%	38%	3%	4%
Spain	26%	68%	5%	1%	26%	68%	5%	1%	26%	68%	5%	1%
Switzerland	29%	24%	2%	45%	29%	24%	2%	45%	29%	24%	2%	45%
Turkey	12%	30%	37%	21%	55%	2%	2%	41%	19%	25%	31%	24%
UK ¹	65%	24%	3%	9%	33%	33%	10%	24%	49%	28%	6%	17%
Europe	44%	29%	6%	22%	26%	45%	7%	22%	36%	35%	6%	22%

¹ UK data on investment funds include assets managed in the UK on behalf of foreign-domiciled funds, for which an accurate asset allocation breakdown is not available. EFAMA has therefore made estimates for the purposes of this table.

A.11: Asset allocation of actively vs. passively managed assets by country at end 2024
(Percent)

Country	Investment Funds		Discretionary Mandates		Funds and Mandates	
	Actively managed assets	Passively managed assets	Actively managed assets	Passively managed assets	Actively managed assets	Passively managed assets
Belgium	99%	1%	99%	1%	99%	1%
Croatia	98%	2%	97%	3%	98%	2%
Czech Republic	99%	1%	100%	0%	100%	0%
Denmark	83%	17%	94%	6%	86%	14%
France	88%	12%	98%	2%	92%	9%
Germany	95%	5%	n.a.	n.a.	n.a.	n.a.
Greece	98%	2%	94%	6%	97%	3%
Italy	99%	1%	n.a.	n.a.	n.a.	n.a.
Portugal	100%	0%	100%	0%	100%	0%
Slovenia	100%	0%	100%	0%	100%	0%
Spain	98%	2%	98%	2%	98%	2%
Switzerland	69%	31%	69%	31%	69%	31%
Turkey	95%	5%	100%	0%	96%	4%
UK	75%	25%	56%	44%	65%	35%
Europe	82%	18%	67%	33%	74%	26%

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ⁱ We are grateful to EFAMA's Economics and Research Standing Committee for valuable discussions on the state of the asset management industry. The views expressed in this report do not necessarily represent those of the Committee, and any errors are ours.

ⁱⁱ A broad yet liquid subset of the STOXX Europe 600 Index. With a variable number of components, the index represents large, mid and small capitalisation companies of 11 Eurozone countries: Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Portugal and Spain.

ⁱⁱⁱ As explained in the introduction, this report is primarily based on end-2024 data received from EFAMA member associations. The AuM at end Q3 2025 have been estimated on the basis of the growth in investment fund assets between January - September 2025.

^{iv} Table A.1 in the Statistical Data Annex contains further information on the AuM per country.

^v Table A.2 in the Statistical Data Annex contains further data on the investment fund AuM per country.

^{vi} Table A.4 in the Statistical Data Annex ranks European countries according to three separate metrics. It shows the investment fund net assets domiciled in each European countries compared to the fund ownership in those countries. These three different perspectives - fund management, fund domiciliation and fund ownership - each offer a different but complementary way to assess the European investment fund market by country.

^{vii} Table A.3 in the Statistical Data Annex contains further information on discretionary mandate assets per country.

^{viii} For more information on the clients of the asset management industry, see Section 3.

^{ix} See EFAMA (2025), page 65, [Fact Book 2025](#).

^x See EFAMA (2025), page 73, [Fact Book 2025](#).

^{xi} See EFAMA (2025), page 44, [Fact Book 2025](#).

^{xii} See AMF (2024), [ETFs: strong growth for retail investors in 2024](#).

^{xiii} See extraETF (2024), [The ETF Savings Plan Market in Continental Europe 2024](#).

^{xiv} See Nasdaq/ Invesco (2024), [The Ascension of Gen Z Investors](#).

^{xv} See The IA (2025), page 41, [Investment Management Survey 2024-2025](#).

^{xvi} The share of retail clients in the total investment fund assets managed in Europe (51%) is significantly higher than the share of investment fund assets owned by retail investment, as reported in EFAMA Fact Book on the basis of ECB data. This can be explained by two factors. First, the investment fund data presented in this report relates to the ultimate clients of investment funds, whereas the ECB data on fund ownership has the perspective of the initial direct owner of the fund. For this reason, a relatively high share of fund ownership reported - according to the ECB - concerns funds owned by other investment funds (26.7% at end-2024). Second, the Netherlands - a country with a large institutional fund market - is not covered in Exhibit 3.2, which skews the share of retail clients. On the other hand, the combined share of insurers and pension funds is roughly equivalent at about 31% / 32%.

^{xvii} Tables A.7, A.8 and A9 in the Statistical Data Annex contain further data on the AuM by type of client and per country.

^{xviii} See The IA (2025) page 22 '[Investment Management Survey 2024-2025](#)'.

^{xxix} See EFAMA (2025), page 37, [Fact Book 2025](#).

^{xx} See EFAMA Market Insights #13: '[UCITS ETFs: A growing market in volatile times](#)' and EFAMA 2025, page 44, [Fact Book 2025](#).

^{xxi} Table A.11 in the Statistical Data Annex contains further information on the active/pассив asset allocation in funds and mandates for a number of European countries.

^{xxii} Table A.10 in the Statistical Data Annex contains data on the asset allocation of investment funds and discretionary mandates per country at end 2024.

^{xxiii} See EFAMA (2025), page 37, [Fact Book 2025](#).

^{xxiv} See The IA (2025) page 58 '[Investment Management Survey 2024-2025](#)'.

^{xxv} For the subset of countries for which data are available.

^{xxvi} SFDR Article 8 and 9 funds are also being managed in other countries, predominantly the UK but also in countries outside of Europe. Unfortunately, comprehensive data on the management of SFDR Article 8 and 9 funds in those countries are not available.

^{xxvii} Data on Article 8 and Article 9 funds domiciled in the Netherlands, Sweden, Finland and Norway are used as a proxy for Article 8 and 9 funds managed in those countries.

^{xxviii} See EFAMA Market Insights #21: '[The SFDR fund market – Latest trends and the upcoming SFDR review](#)'.

^{xxix} See Luxembourg for Finance and Deloitte (2022), [LFF-Deloitte-State of the financial sector in Luxembourg](#).

^{xxx} See Irish Funds (2024), [Indecon Report Assessment of the impact of Funds & Asset Management Industry on the Irish Economy](#).

^{xxxi} See AFG (2011). '[CAHIERS DE LA GESTION -2](#)'.