

EDITORIAL

Share ownership: a generation shift underway

Every year, the AMF reports the main findings of the SoFia survey, carried out in March 2022 by the Kantar Institute, on the ownership of transferable securities (shares, bonds and collective investments).

The estimated direct ownership of individual shares is unchanged, at 6.7% of French people aged 15 and over.

This average rate has been relatively stable for some years now, and the slight variations observed remain within the margin of error inherent in this type of survey. It nevertheless covers up one major development, namely a reduction in the age of the population of individual shareholders.

Since 2019, the proportion of those under 35 in the total investor population has increased. This is especially the case for the 15-24 age group. Never, since the Sofia survey began, has their weight been so large (about 10% of declared shareholders in March 2022).

The number of these very young investors now far exceeds those in the 25-34 age group (7%). Ten years ago, the latter were proportionally twice as numerous.

This finding confirms the enthusiasm of younger investors for the stock market since 2020. An enthusiasm which coincided with the arrival in France of neo-brokers targeting these young people and offering them a new, more pleasant way of investing.

At the same time, share ownership is declining among the over-55 age group, especially in the 65 to 74 age group, which traditionally had the highest rate of ownership. Young pensioners today own fewer shares than their elders, who have moved into the higher age group, the over-75s, in which the proportion of shareholders has increased.

It is therefore clearly a renewal of the population of individual shareholders that we are witnessing. Will these neo-investors who are mostly students and are more heavily invested than previous generations at the same age, hold onto their shares in the event of steep market declines? What will they do with their portfolio when they start their working lives? ■

FOCUS

How many savers could consider diversifying their savings?

A quarter of the working population has relatively large savings and say they can consider some risk-taking, but do not hold any investment products.

For its Savings and Investment Barometer,¹ the AMF surveyed the French concerning the investments owned in their households. It thus makes it possible to observe the holding of investment products among the French most in a position to hold unsecured assets.

For this, we consider people in professional activity, whose investment horizon is long, who have savings of more than €30,000 and who also say they are risk tolerant.

It appears that one in eight French people (12.4% of the population) is in this situation. Three-quarters of them already own at least one investment product. Half of them have a life insurance policy invested in fund units, 3 out of 10 own listed shares, 3 out of 10 own funds and 1 out of 3 have an employee savings scheme.

Rate of ownership at the household level, depending on the characteristics of the person surveyed

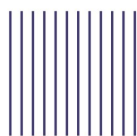
	Working population	>€30,000	Risk tolerant	> €30,000 and tolerant and working
Unit-linked life insurance*	23%	38%	40%	51%
Funds	16%	25%	25%	31%
Listed shares	15%	23%	26%	31%
Employee savings scheme	25%	26%	25%	35%

* Unit-linked life insurance "invested at least partly in non-guaranteed instruments". Source: Savings and Investment Barometer, AMF, October 2021.

Diversification in non-guaranteed assets is not appropriate for all French people.

However, a population of non-investor savers could diversify part of their savings. The suitability of this diversification is assessed on a case-by-case basis, depending on the financial situation, objectives and profile of the person concerned.

¹ 2,000 people representative of the French population aged 18 and over surveyed in October 2021.



More young people owning shares directly

The rate of share ownership remains unchanged

The latest SoFia survey,¹ carried out by the Kantar Institute in March 2022, shows that the proportion of people declaring that they hold shares directly is relatively stable, at 6.7%.

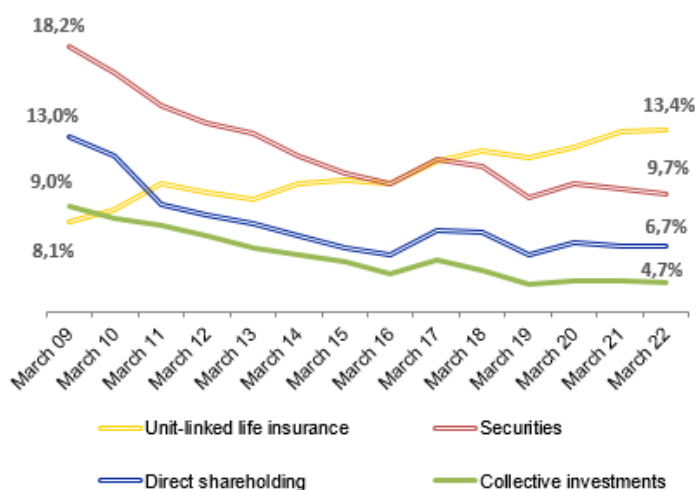
After declining for about ten years, this rate has changed little in the past seven years, taking into account the margin of error of this estimate.²

Also, the rate of ownership of collective investments in equities (excluding units of account in life insurance policies) remains at a relatively low level. The proportion of people replying that they are owners is estimated at 2.1% in March 2022. It was 7% in 2010.

Overall, the rate of ownership of equity investments, directly or via an equity fund, is 7.5% in March 2022, versus 15% in 2010.

Changes in rates of ownership of certain investments from 2009 to 2022

Source: Kantar, March 2022



More investors aged under 25

Between 2019 and 2021, the profile of equity investors became significantly younger. Among the holders of directly-owned shares, the proportion of those aged under 35 had increased from 11% to 18% in two years. It fell back to 17% in March 2022.

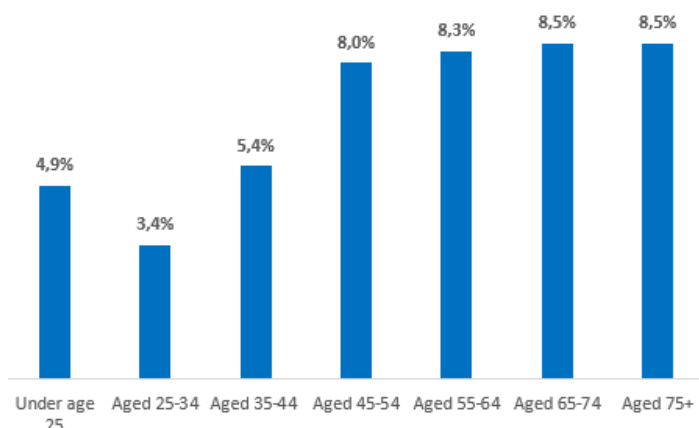
Their rate of direct share ownership, which had increased from 2.3% to 4.4%, fell back to 4.1% in 2022. Among those in the 25-34 age group, this rate decreased from 4% in 2021 to 3.4% in 2022.

¹ The SoFia survey started in 2009 and monitors a sample group representative of the French population, consisting of about 12 000 people aged 15 and over.

² Given the size of the sample for this survey, the margin of error is about 0.5 percentage points. The rate of direct share ownership in March 2022 shows a 95% probability of being between 6.2% and 7.2%.

Rate of direct share ownership according to age

Source: Kantar, March 2022



The rate of direct share ownership in the under-25 age group is historically high, at 4.9% (4.7% in 2021, 4.3% in 2020, 2.4% in 2019). Those aged under 25 are now more numerous than the 25-34 age group to say that they own shares directly: they represent 10% of individual shareholders, versus 7% for the 25-34 age group.

Fall in the rate of share ownership among those aged over 55

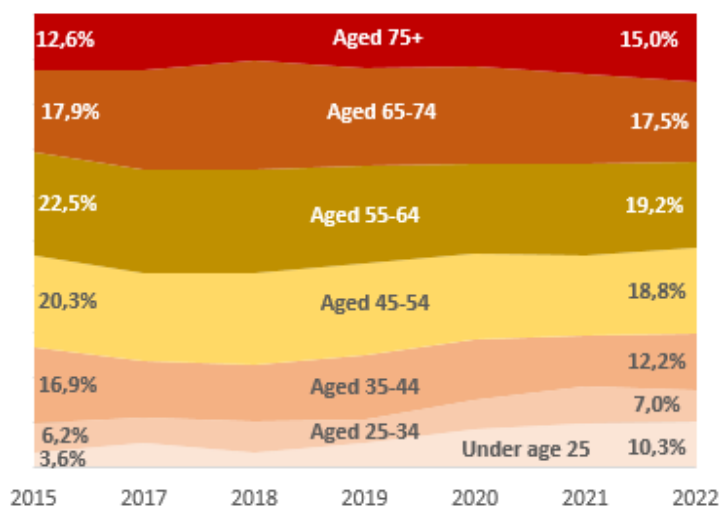
The rate of direct share ownership has declined among those in the 55 to 74 age group. In 2022, 8.4% of them say that they hold shares directly, versus 9% in 2021.

The decline has been most significant in the 65 to 74 age group. In this age group, the declared rate of direct share ownership has declined from 10.8% in 2020 to 9.5% in 2021 and 8.5% in March 2022.

Conversely, the rate of ownership among those aged 75 and over (8.5%) has increased in the past two years.

Change, by age group, in the shareholder population since 2015 (as a % of holders)

Source: Kantar, March 2022



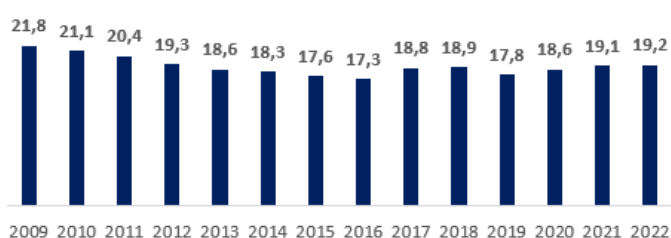
Collective investments increasingly held in life insurance policies

Transferable securities (directly owned shares and bonds, collective investments) are held less and less in securities accounts, and increasingly in unit-linked life insurance contracts. This phenomenon is becoming more marked every year.

Less than 10% said that they own securities directly in 2022, versus more than 18% in 2009. Holdings of collective investments, for all asset classes combined, are now almost twice as small as in 2009 (4.7% in 2022, versus 9% in 2009).

At the same time, the proportion of people saying that they have a unit-linked life insurance contract has increased, from 8% in 2009 to 13.4% in March 2022.

Change, since 2009, in the proportion of French people holding securities or a unit-linked life insurance contract, as a %



Source: Kantar, March 2022

A higher estimate of fund holdings in life insurance

In two surveys carried out by the AMF in October 2021, the proportion of unit-linked insurance life holders exceeds the estimate made in the course of the SoFia survey.

The annual AMF Savings and Investment Barometer survey estimated at 23%, at the household level, the proportion of holders of "unit-linked life insurance invested at least partly in non-guaranteed instruments" (also read the Focus, page 1).

The study of investment scams also estimated at 17.5% the proportion of individuals aged 18 and over having a "life insurance policy invested at least partly in non-guaranteed instruments (fund units)". ■

Overall, the proportion of savers holding securities or unit-linked policies is now equivalent to what it was about ten years ago, after slumping in 2015 and 2016. The trend is now upward, as a consequence of the marketing of fund units in life insurance policies. The proportion of French people aged over 15 holding securities or unit-linked policies stands at 19.2% in 2022, versus 17.8% in March 2019.

Holdings of securities have been stable since 2015, according to INSEE

According to the latest INSEE survey¹ on French people's wealth in early 2021, 16.7% of households owned securities (shares, bonds, collective investments). Following a major decline between 2004 (24.2%) and 2015 (17.6%), this rate has been stable since 2015.

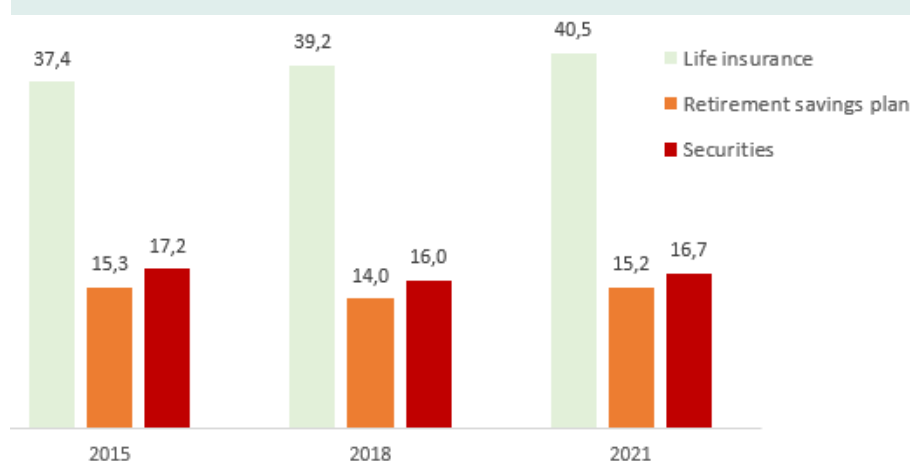
Life insurance ownership, which concerns 40.5% of households, has increased since 2010 (+5.5 percentage points), sustained by investment in Unit-linked contracts: the proportion of owner households increased from 13.3% in 2015 to 16.8%, and these products accounted for 40.9% of life insurance contracts in 2021 versus 33.6% in 2015.

At the start of 2021, the proportion of households having a retirement savings scheme stood at 15.2%, up by 1.2 percentage point since 2018.

This increase is driven partly by the 'super-complementary' pension scheme proposed by employers (6.9% of households, +0.7 percentage point since 2018), and partly by the personal retirement savings scheme ("Plan d'Épargne Retraite Populaire": PERP) and the retirement savings plan ("Plan d'Épargne Retraite": PER), held by 5.7% of households (+1.3 percentage point since 2018).

¹ The Household Wealth Survey ("Histoire de vie et Patrimoine") 2020-2021, co-financed by Banque de France, was carried out between October 2020 and March 2021 in France, on a sample of 10,253 households.

Change of life insurance, retirement savings plan and securities ownership by households, from 2015 to 2021, as a %



Source: Household Wealth Survey ("Histoire de vie et Patrimoine"), Insee Première n° 1899, May 2022

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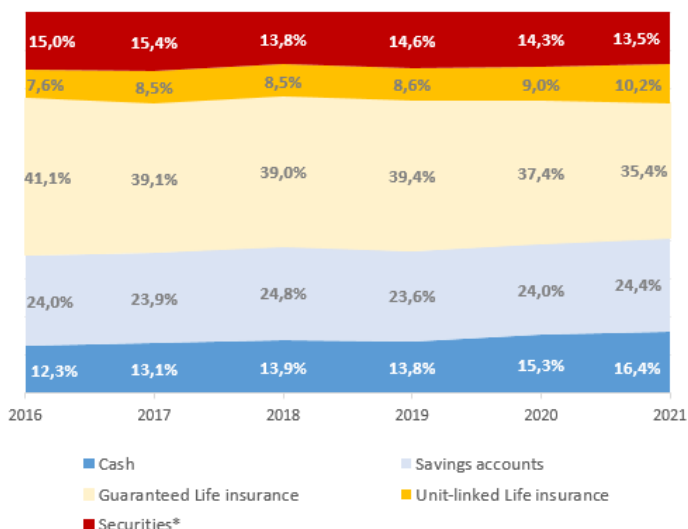
French people's investments in 2021: guaranteed liquid savings and fund units in life insurance

In 2021, the French once again saved a large proportion of their income. According to Banque de France, the main investments (excluding unlisted equities) received €152 billion in inflows, versus €187 billion in the record year of 2020. Annual French savings flows were €100bn in 2018 et 2019.

In 2021, excluding unlisted shares, 76% of this savings flow was deposited on current accounts and passbook savings accounts (€116 billion). At the same time, 24% was invested without a capital guarantee (€36 billion), including 22% in non-guaranteed instruments within life insurance contracts (fund units). Listed shares once again enjoyed a positive inflow (€6 billion after €13 billion in 2020).

The guaranteed part of French savings has been relatively stable for some years now, at between 75% and 80% of the total amount. The large flows into liquid guaranteed savings are offset by the increased value of investments in financial markets. Within non-guaranteed investment, the proportion of non-guaranteed unit-linked in insurance life contracts (fund units) increases regularly.

Change, since 2016, in the breakdown of assets held among the main types of investment

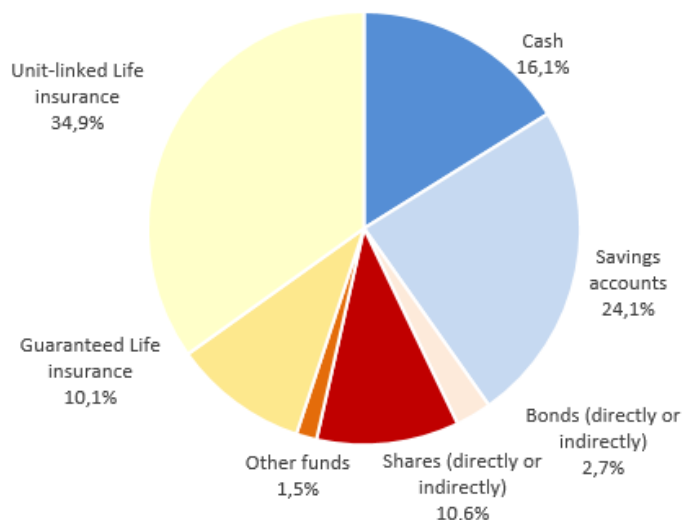


* Securities: shares and bonds owned directly or indirectly. Source: Banque de France, May 2022

In the first half of 2022, the trends are unchanged: guaranteed liquid savings on the one hand, and life insurance in unit-linked policies on the other hand, continued to receive most French savings.

Source: *Épargne et Patrimoine financiers des ménages*, Banque de France, May 2022

Breakdown of the main types of investments, at the end of 2021, excluding unlisted shares



Source: Banque de France, May 2022

Strong growth in employee savings schemes in 2021, mainly due to the increased value of the funds

In 2021, the value of employee savings plans and retirement savings plans (PER) increased sharply in an environment of rising valuations in financial markets. At the end of 2021, they were valued at €168 billion (+14% year-on-year).

Gross inflows were €16.3 billion in 2021. After deducting redemptions (€15.5 billion), net flows were concentrated on equity funds and diversified mixed funds (+€2.4 billion) and fixed-income funds (bond and money-market, +€0.4 billion). Employee investment undertakings posted a negative flow of €1.8 billion.

Collective retirement savings schemes

Out of a total value of €168 billion, the value of collective corporate retirement savings schemes in the form of securities accounts (Perco and collective corporate PER) amounted to €26 billion (+15.6%), of which €11 billion in Percos and €15 billion in the new PER retirement savings plans.

Within these schemes, around half of the account holders opted for assisted management, which provides for exposure to unsecured assets that is greater the longer the retirement horizon is, and then a gradual reduction of this exposure as retirement approaches, for at least part of their assets. This segment reached a value of €9.2 billion.

Gross inflows into collective retirement savings schemes amounted to €3.4 billion, while net inflows were €2 billion.

Source: *L'épargne salariale et l'épargne retraite d'entreprise collective*, AFG-Asset management Association, May 2022