cssf

Commission de Surveillance
du Secteur Financier

AIFM Reporting Dashboard

31.12.2019

Commission de Surveillance du Secteur Financier

AIFM Reporting Dashboard

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AIFM Reporting Dashboard

1. Introduction

1.1 Scope of Report

- Current analysis of AIFMD data is dated 31/12/2019 and was built on the basis of 2017-2019 EoY reports.
- Data coverage and quality improved as at 31/12/2019 thanks to the implementation of the ESMA coordinated Data Quality Engagement Framework but some efforts remain to be done, especially on optional fields.
- Analysis focuses on LU AIFMs which manage a total net asset value of EUR 880bn. LU AIFMs can either be registered AIFM[1] subject to a more limited scope of reporting or authorised AIFM[2] subject to a wider reporting obligation under the AIFMD.
- AIFs under management of LU AIFMs are mostly AIFs based in Luxembourg (i.e. EUR 778bn), but can also be based in other EU and non-EU countries (€ 102bn).
- LU and Non LU AIFs are either regulated entities subject to an authorization from a NCA or other entities falling under the AIFs definition, but which are not subject to a direct authorization / supervision from a NCA.
- LU REG AIFs reached a total net asset value of EUR 553bn meanwhile LU Non-REG AIFs accounted for EUR 225bn.
- LU AIFM mostly manage LU AIFs (88%) and Irish AIFs (5%).

1.2 Exclusions

- LU AIFs managed by Non-LU AIFM are excluded from this analysis since the AIFMD reporting is not collected by the CSSF, but by other EU NCAs supervising the AIFM.
- Data collected by CSSF from Non-EU AIFMs under the National Private Placement Regime ("NPPR")[3] on LU or Non-LU AIFs (i.e. AIFs only marketed in Luxembourg) is not considered in the present analysis.

[1] *Art. 3 of the law of 12 July 2013 on Alternative investment fund managers*
[2] *Art. 5 of the law of 12 July 2013 on Alternative investment fund managers*
[3] *As per Article 42 of the AIFMD on conditions for the marketing in Member States without a passport of AIFs managed by a non-EU AIFM*

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2. Executive Summary

2.1 Market Overview

- 5.351 AIFs accounting for a total NAV of EUR 880bn.
- Concentrated LU AIFM sector (40% of NAV is concentrated with 3% of the largest AIFs).
- AIFs are on average smaller than UCITS. 70% of AIFs managed by LU AIFMs with NAV<EUR 100m.
- Significant growth of LU AIFM sector: Over the year 2019, AIFs are up by 36% in terms of total NAV. Strong progression recorded for PEQF (+86%) , FOFs (+40%), and OTHR (+30%).
- FOFS and traditional investment strategies (i.e. Fixed income or Equity) remain the main strategies on the LU alternative market while HFND is marginal. But with the strong progression recorded for PEQF, LU AIFs market tends to be more balanced in terms of strategies in comparison to previous years.

2.2 AIFs investors

- 93% of AIF investors are professional investors.
- Banks, pension funds, insurance companies and other financial institutions as main AIF investors.
- Top 5 investors account for 89% of NAV on average and tend to increase since 2017.

2.3 Leverage

- Overall leverage appears limited, except for HFND.
- Leverage figures (AUM/NAV, commitment and gross approaches) quite stable over the year for the majority of sub-strategies.
- Financial leverage is limited (only EUR 38bn) and low, except for HFND. Most of financial leverage is coming from unsecured borrowing and reverse repo transactions (for HFND).
- However additional financial leverage may be contracted at sub asset level (i.e. embedded leverage in SPVs may be excluded from leverage figures under certain conditions).

2.4 Global Exposures

- Overall, long exposures reported are in line with AIFs investment strategies.
- Limited use of derivatives for all investment categories, except for HFND.
- 2019 TOP 5 exposures are: shares of other UCIs (EUR 252bn), unlisted equities (EUR 141bn), real estate physical assets (EUR 116bn), forex (EUR 116bn) and loans (EUR 99bn).
- Europe and North America as dominant investment regions.

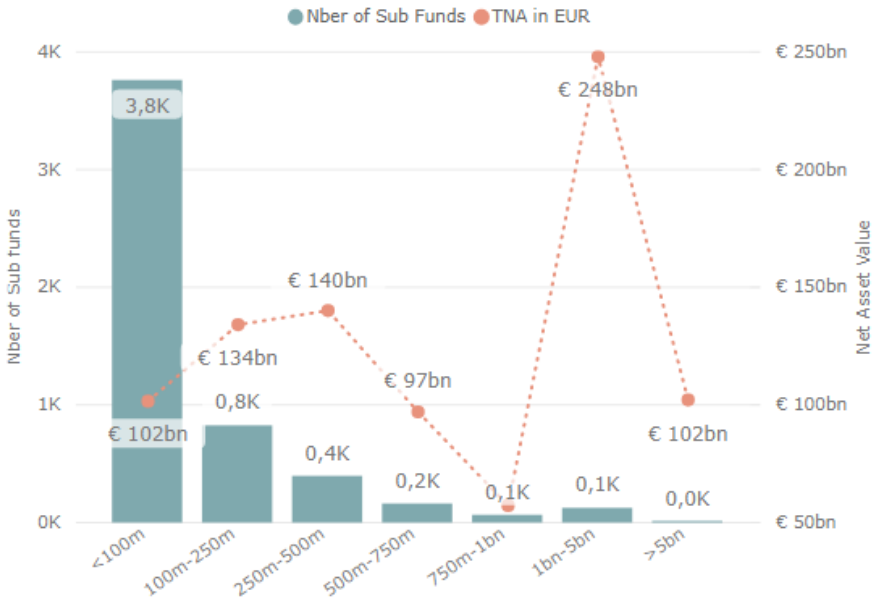
2.5 Liquidity

- Most LU AIFs are open ended funds (52% of NAV). 80% of open ended funds' NAV redeemable daily to monthly; longer redemption frequencies for PEQF and REST funds.
- Liquidity risk varying significantly across AIF types.
- PEQF, HFND and OTHR AIFs show liquidity surpluses on average for most time buckets.
- REST AIFs report a liquidity mismatch not exceeding 4% NAV for less than 6 months time buckets and a surplus from 6 month bucket onward. FOFS AIFs show a higher liquidity mismatch, the gap being most important for the 31-90 days bucket.
- Detailed review of liquidity information revealed some inconsistencies in the way LU AIFMs report AIF investor liquidity (e.g. existing LMTs not always considered by some AIFMs in their reporting).

3. Global overview of AIFs managed by LU AIFMs

3.1 Main characteristics

3.1.1 Market size overview



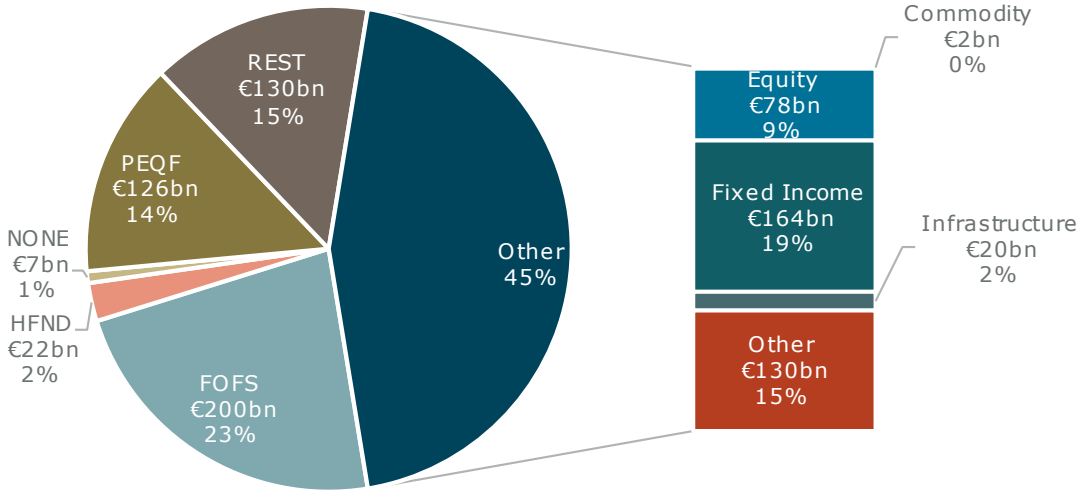
Statistical Indicators:

AIFs total number	5351*
Total TNA	€ 880.090.035.842
Mean	€ 164.472.068
First quartile	€ 10.078.889
Median	€ 37.304.260
Third quartile	€ 131.351.293

* AIFs with « no reporting flag » activated are excluded from this data sample as they create a bias in the data set.

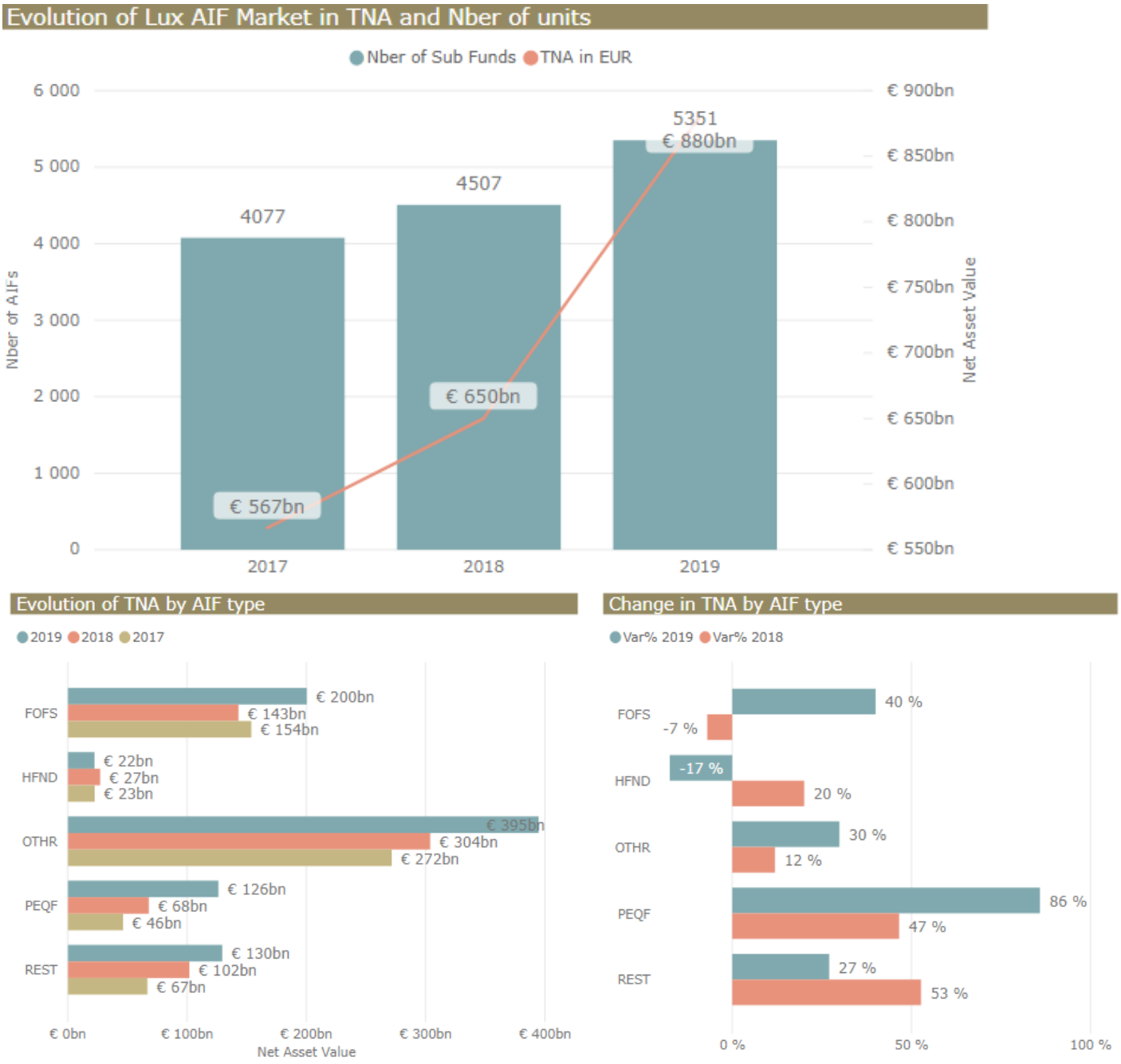
Source: AIFMD data as at 31.12.19 from all LU AIFMs

3.1.2 AIFs Investment Strategies



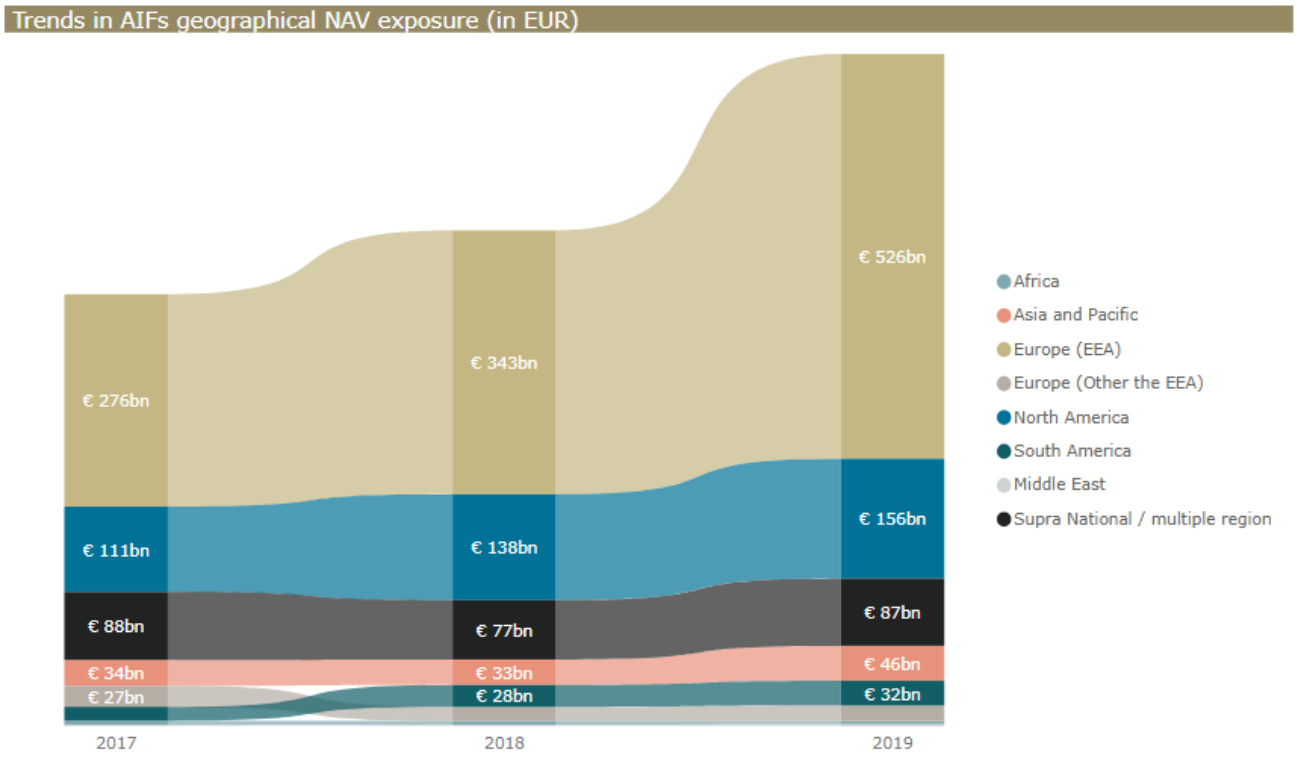
Source: AIFMD data as at 31.12.19 from all LU AIFMs

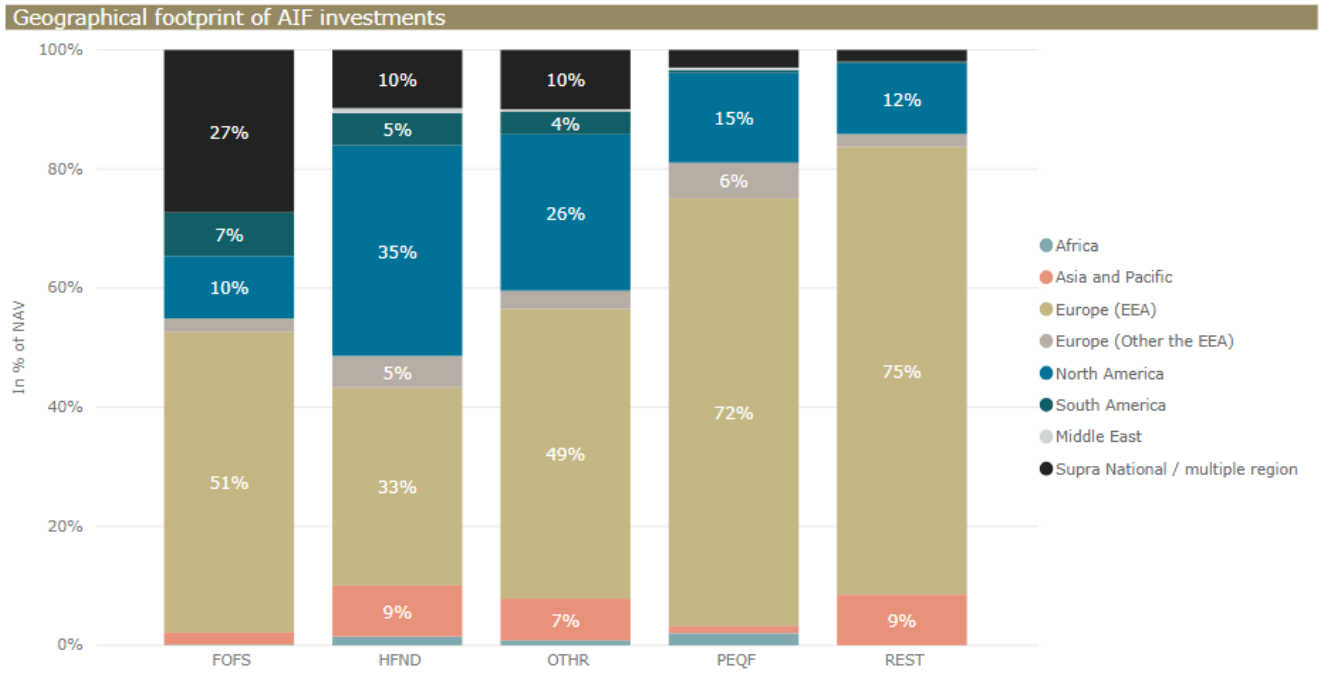
3.1.3 AIFs Market trends



Source: AIFMD data as at 31.12.19 from all LU AIFMs

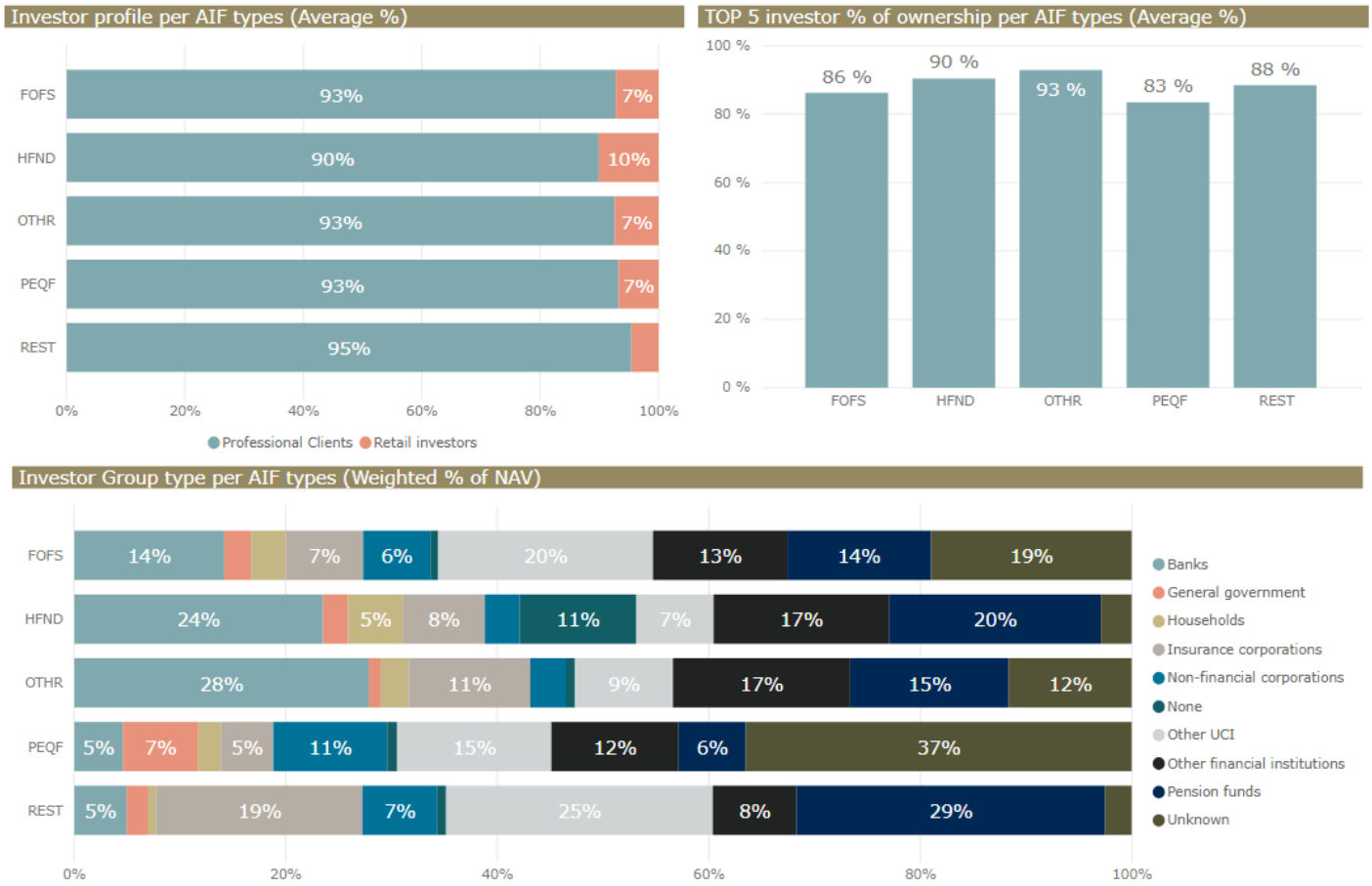
3.1.4 AIFs investments location





Source: AIFMD data as at 31.12.19 from all LU AIFMs

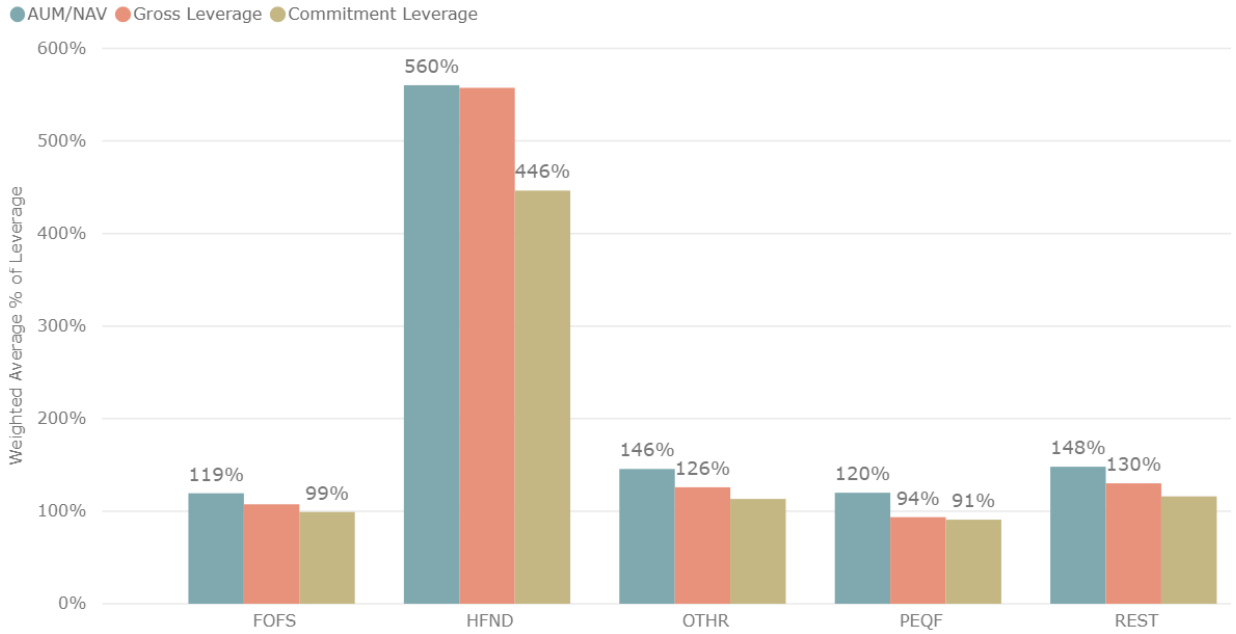
3.1.5 Investor profile of AIFs



Source: AIFMD data as at 31.12.19 from all LU AIFMs

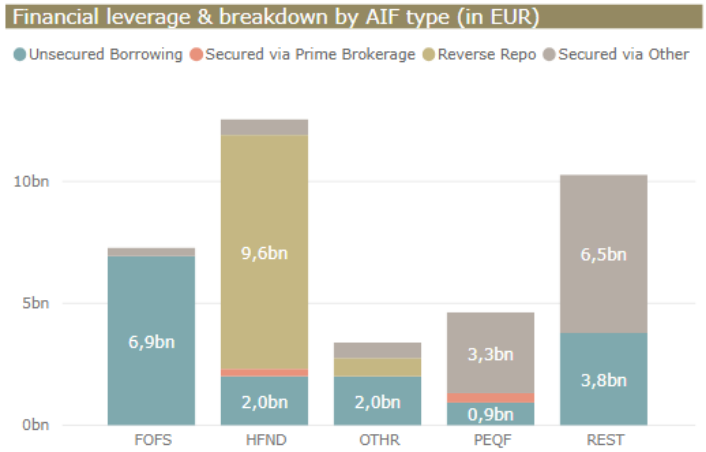
3.2 Risk profile of AIFs managed by LU AUT AIFMs

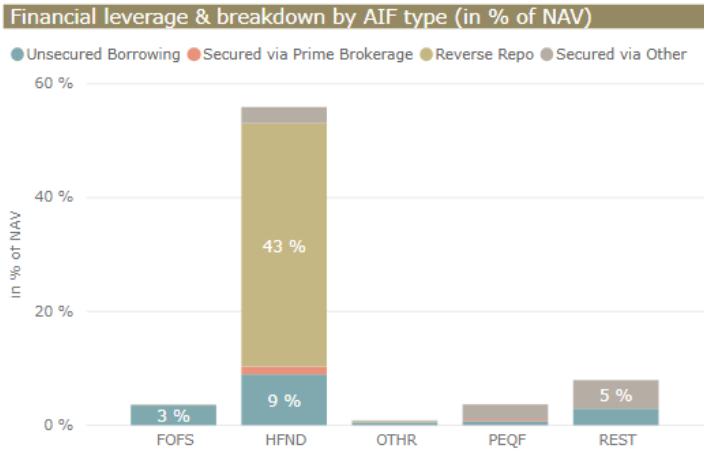
3.2.1 Leverage by AIF type (Gross Lev., Commitment Lev. and AUM/NAV methods)



Source: AIFMD data as at 31.12.19 from all LU AIFMs

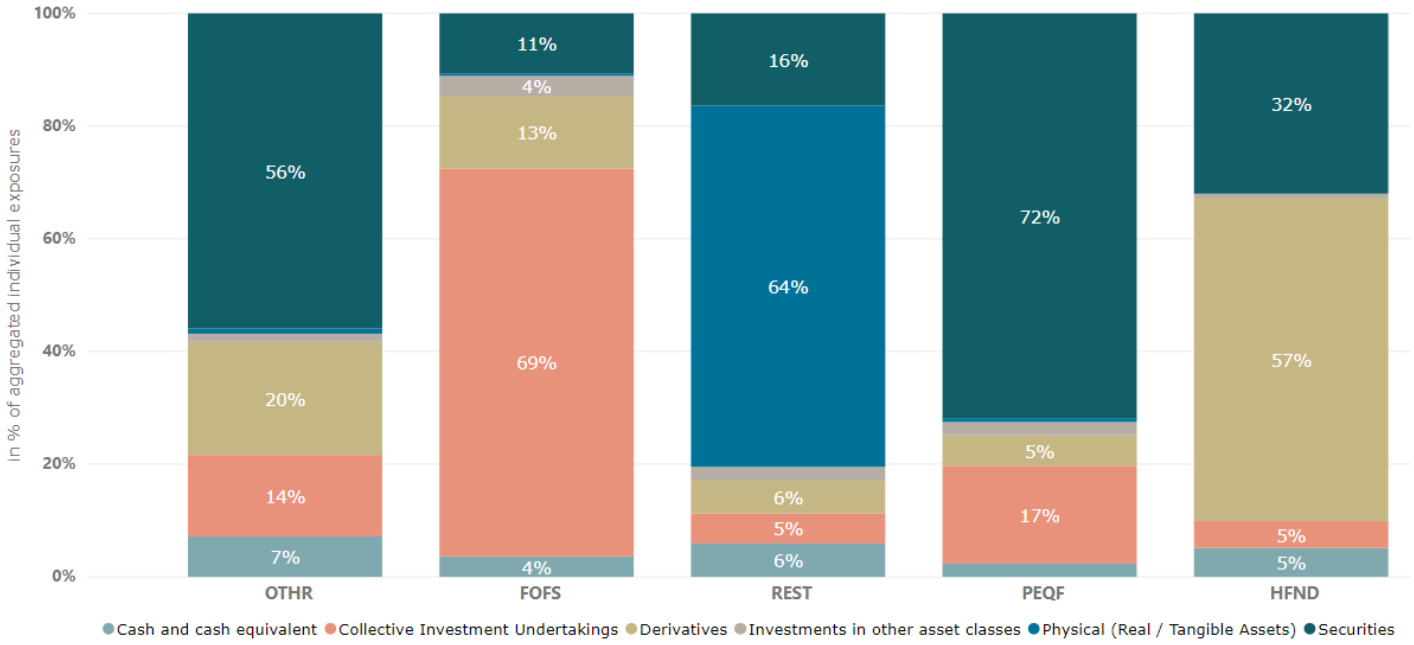
3.2.2 Financial leverage





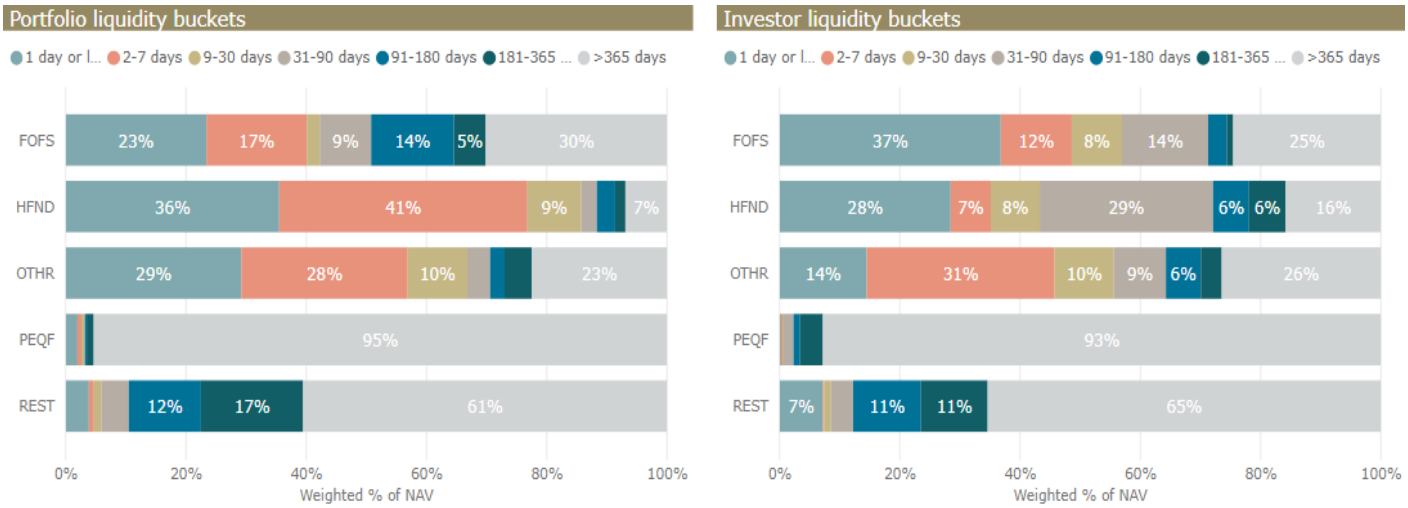
Source: AIFMD data as at 31.12.19 from all LU AIFMs

3.2.3 Global exposure – Aggregated long exposures



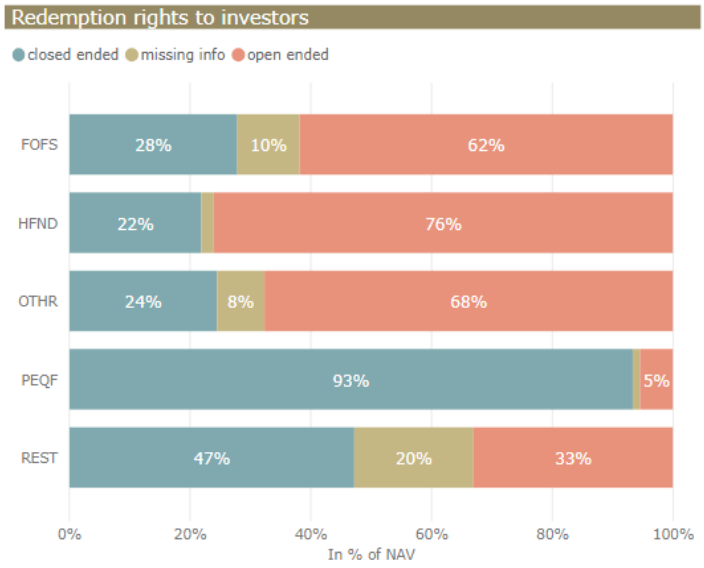
Source: AIFMD data as at 31.12.19 from all LU AIFMs

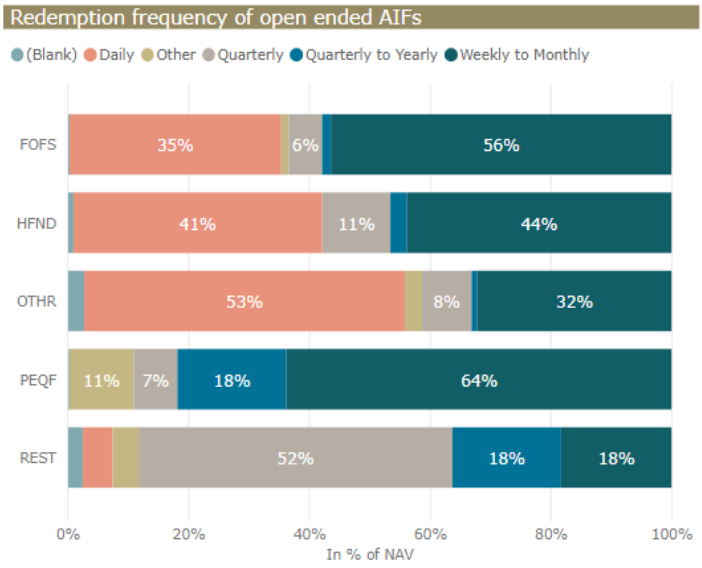
3.2.4 AIFs Liquidity profile

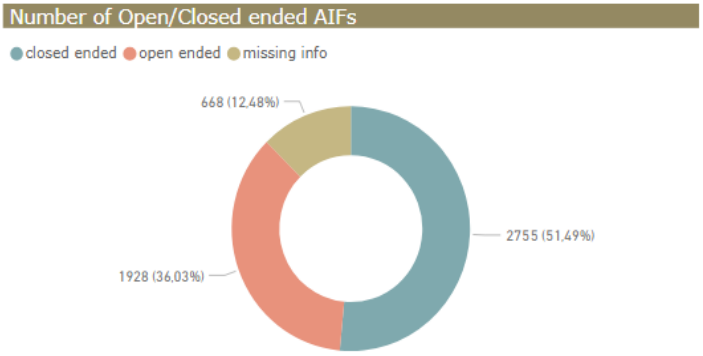


Source: AIFMD data as at 31.12.19 from all LU AIFMs

3.2.5 AIFs redemption profile







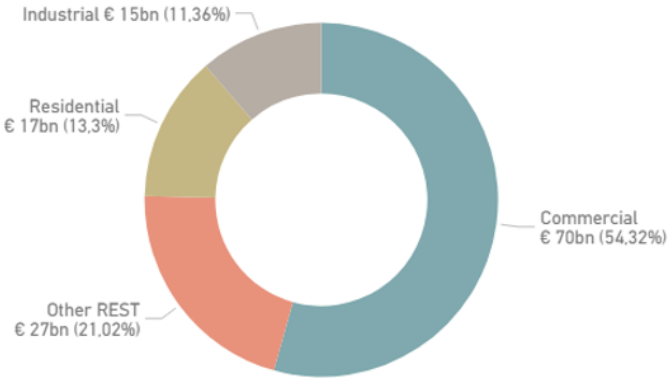
Source: AIFMD data as at 31.12.19 from all LU AIFMs

4. Risk monitoring by main investment strategies

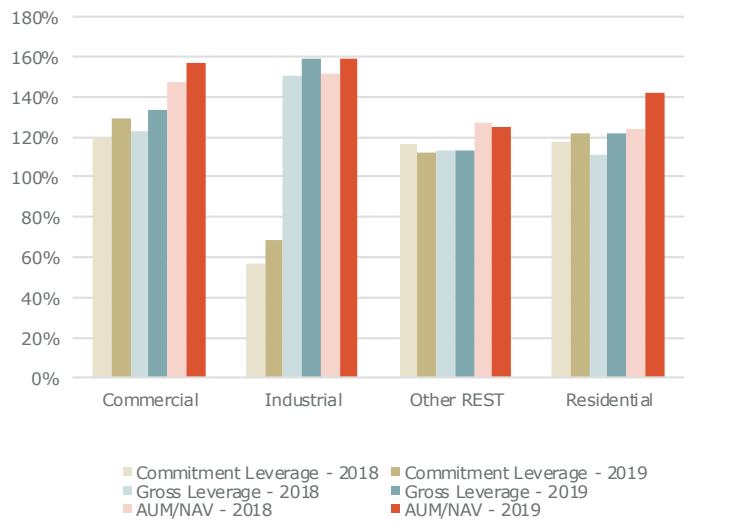
4.1 Real Estate AIFs

4.1.1 NAV and Leverage by Sub Strategy

TNA by Sub Strategy (% of REST TNA)



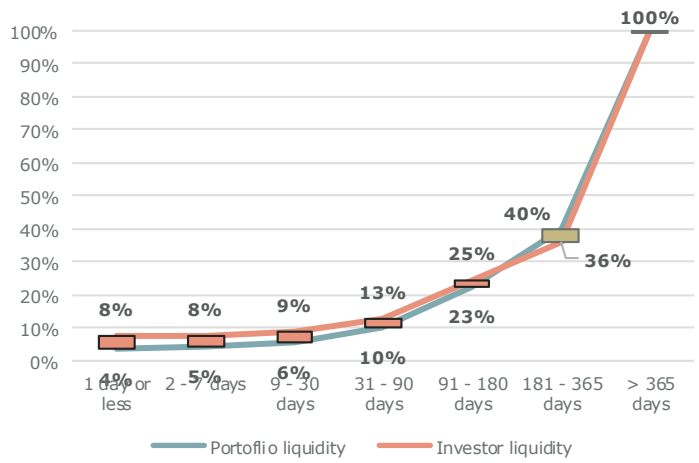
Leverage by Sub Strategy (Weighted Average % of Leverage)



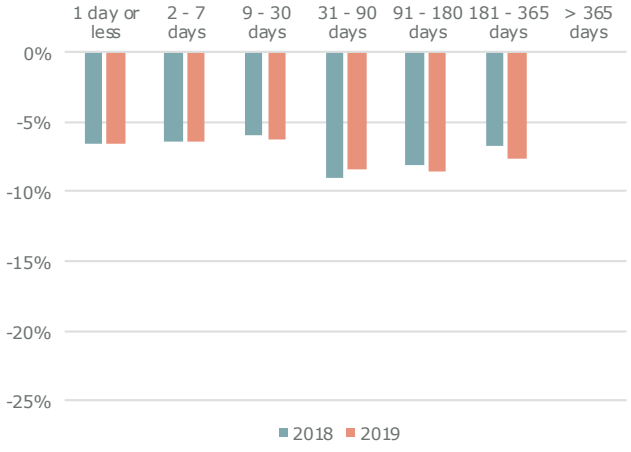
Source: AIFMD data as at 31.12.19 from all LU AUT AIFMs

4.1.2 Liquidity profile

Liquidity profile 2019 (Weighted % of NAV)



Evolution of liquidity shortage (% of REST NAV)



Source: AIFMD data as at 31.12.19 from all LU AUT AIFMs

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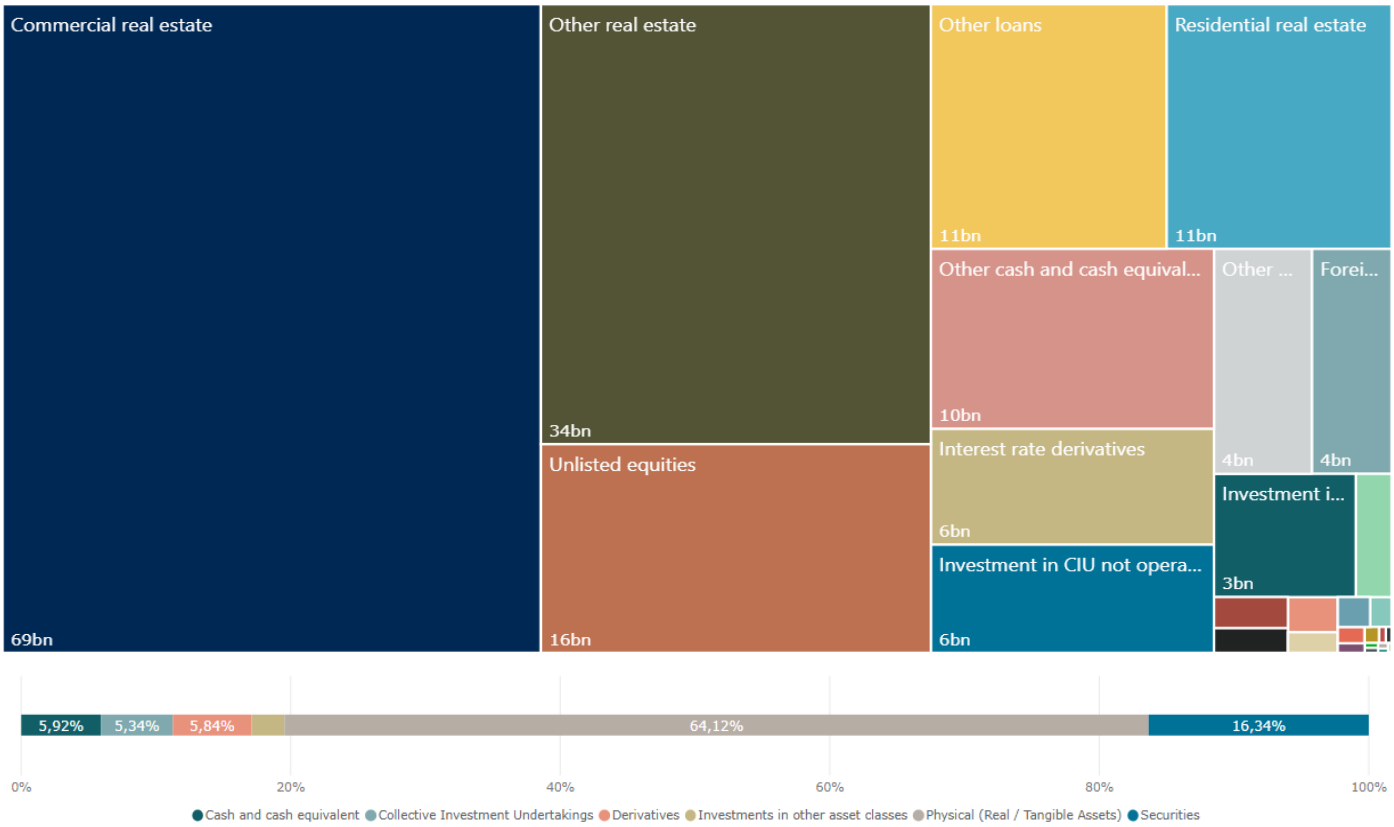
Methodology note :

- *Liquidity profile is calculated as the difference between the portfolio liquidity and the investor liquidity both reported in % of the NAV which is then cumulated by liquidity buckets.*
- *Liquidity shortage is defined as the sum of liquidity deficits at the level of each fund, whitout considering any liquidity surplus.*

4.1.3 Main Sub Asset exposures (in EUR)

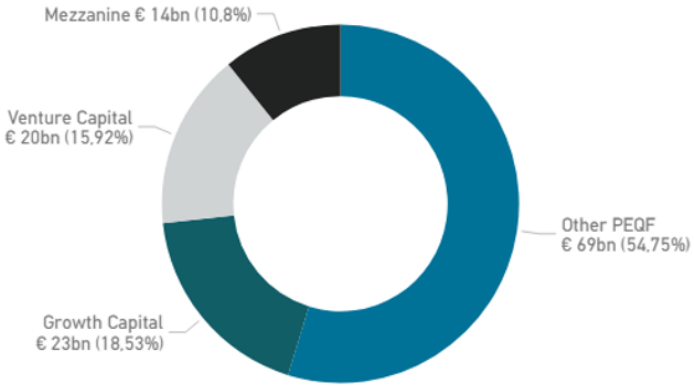


Source: AIFMD data as at 31.12.19 from all LU AUT AIFMs

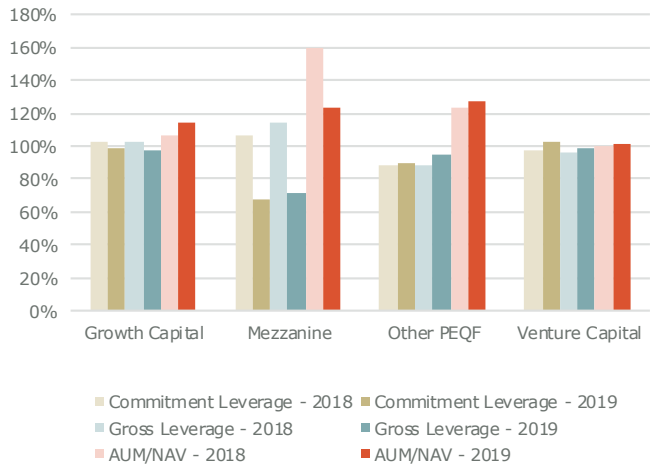
4.2 Private Equity AIFs

4.2.1 NAV and Leverage by Sub Strategy

TNA by Sub Strategy (% of PEQF TNA)



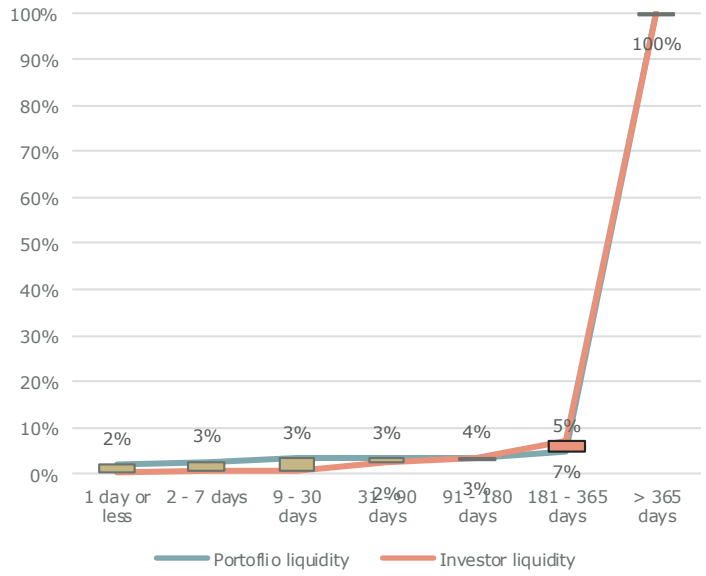
Leverage by Sub Strategy (Weighted Average % of Leverage)



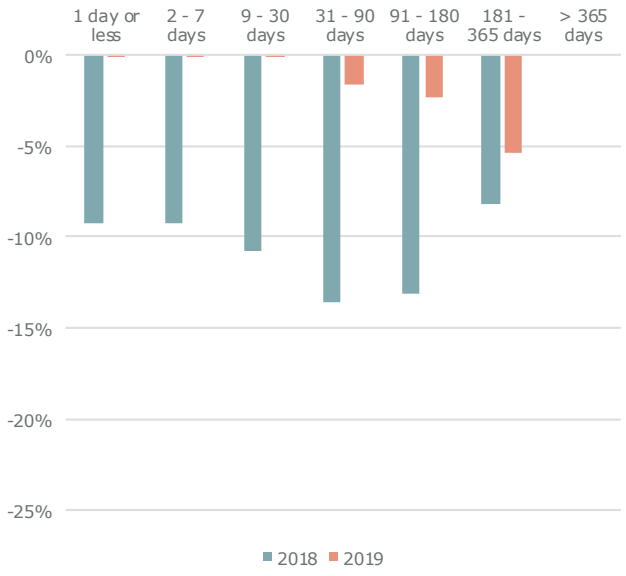
Source: AIFMD data as at 31.12.19 from all LU AUT AIFMs

4.2.2 Liquidity profile

Liquidity profile 2019 (Weighted % of NAV)

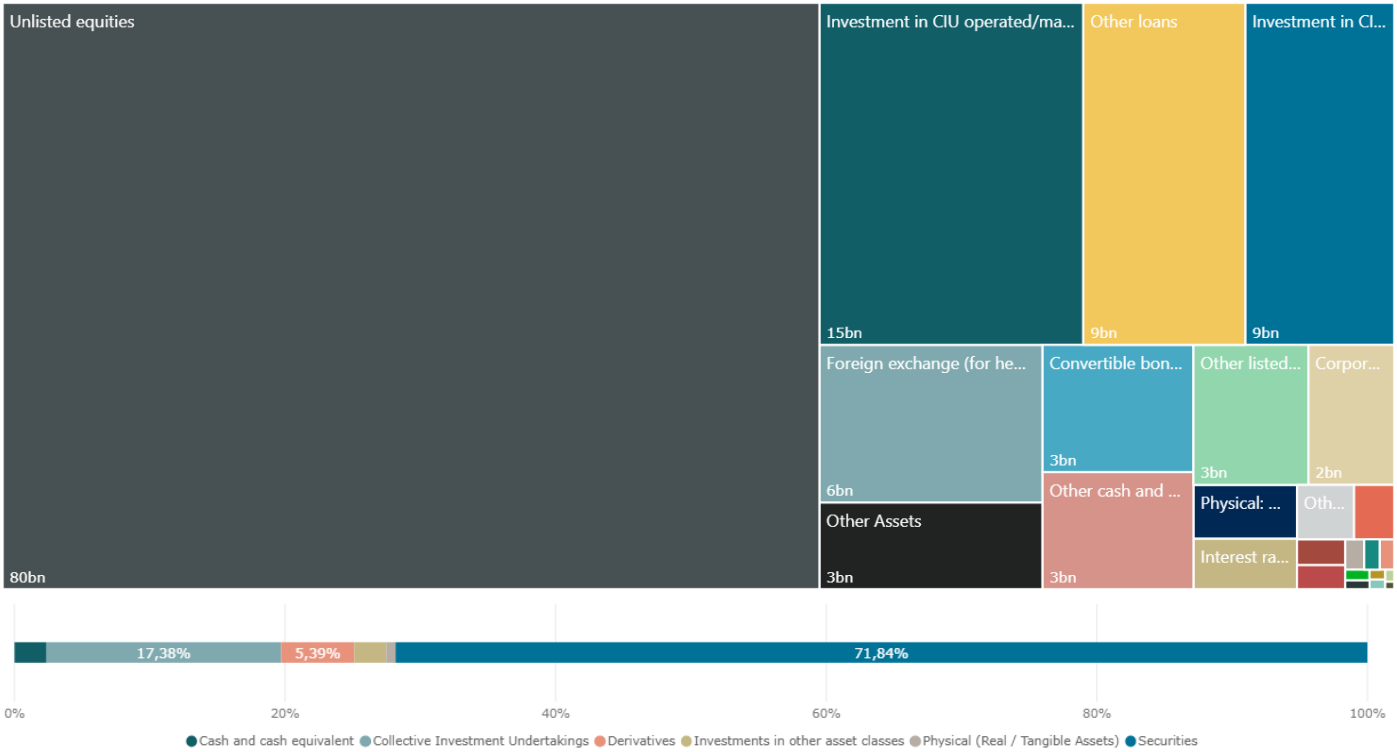


Evolution of liquidity shortage (% of PEQF NAV)



Source: AIFMD data as at 31.12.19 from all LU AUT AIFMs

4.2.3 Main Sub Asset exposures (in EUR)

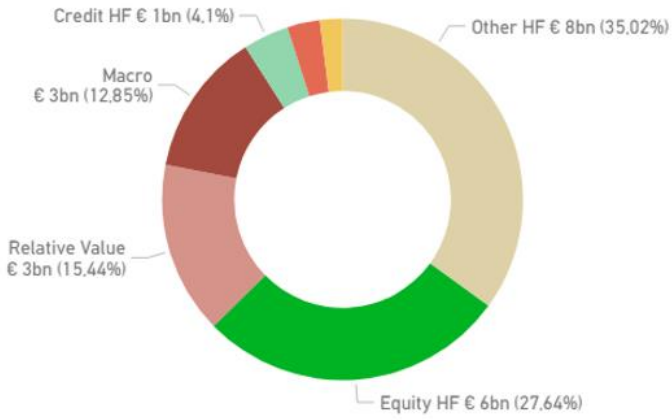


Source: AIFMD data as at 31.12.19 from all LU AUT AIFMs

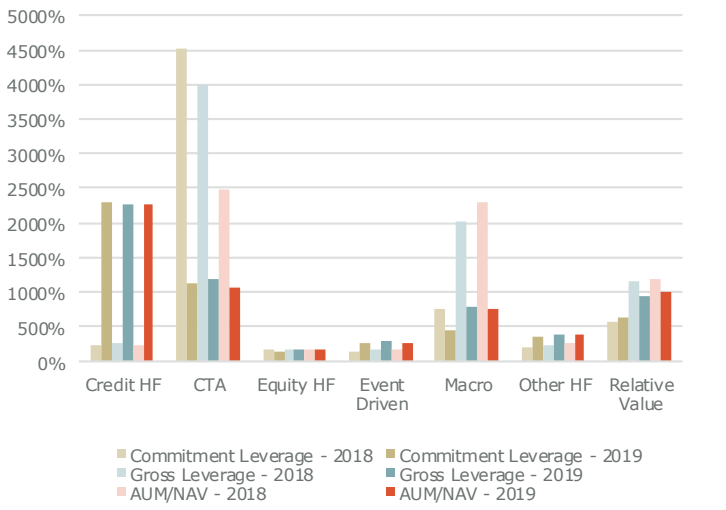
4.3 Hedge funds

4.3.1 NAV and Leverage by Sub Strategy

TNA by Sub Strategy (% of HFND TNA)



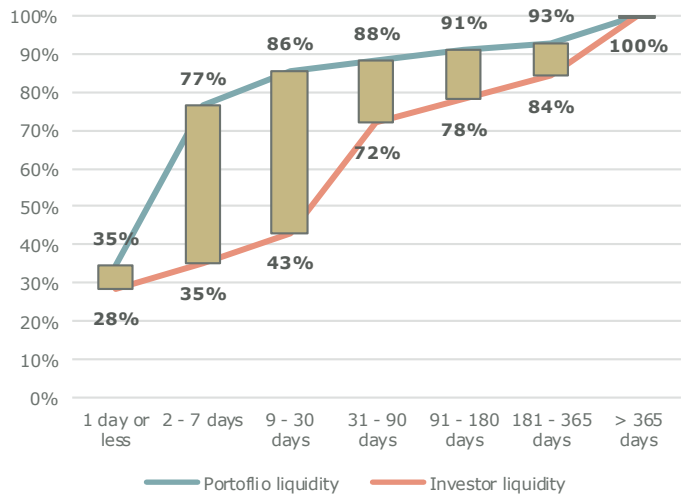
Leverage by Sub Strategy (Weighted Average % of Leverage)



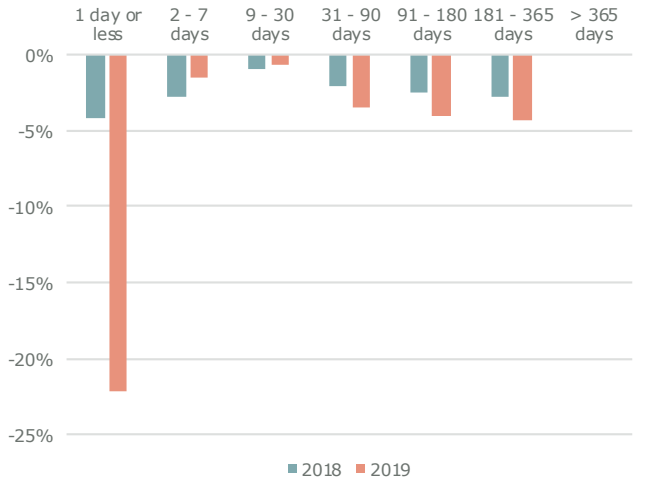
Source: AIFMD data as at 31.12.19 from all LU AUT AIFMs

4.3.2 Liquidity profile

Liquidity profile 2019 (Weighted % of NAV)

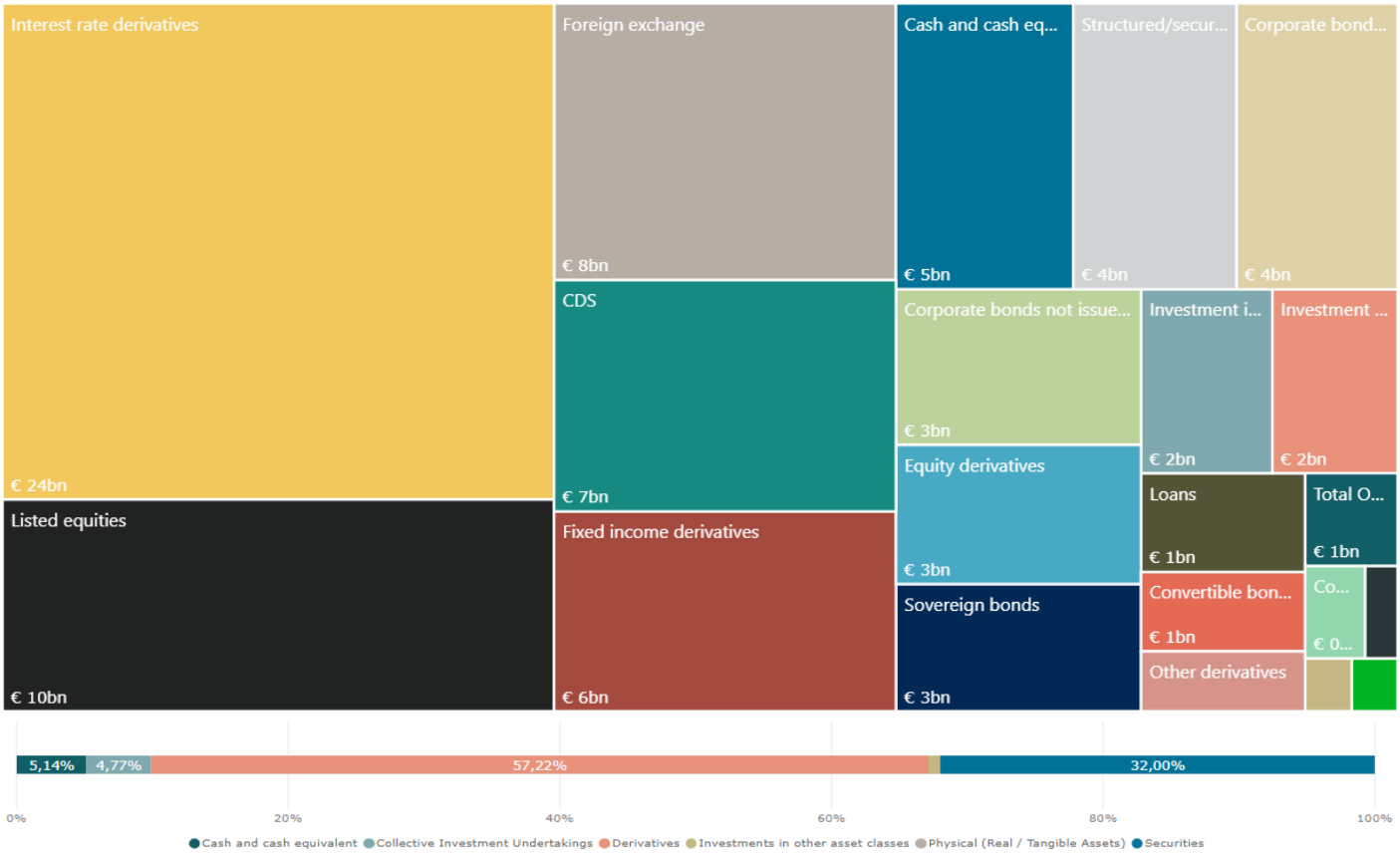


Evolution of liquidity shortage (% of HFND NAV)



Source: AIFMD data as at 31.12.19 from all LU AUT AIFMs

4.3.3 Main Sub Asset exposures (in EUR)

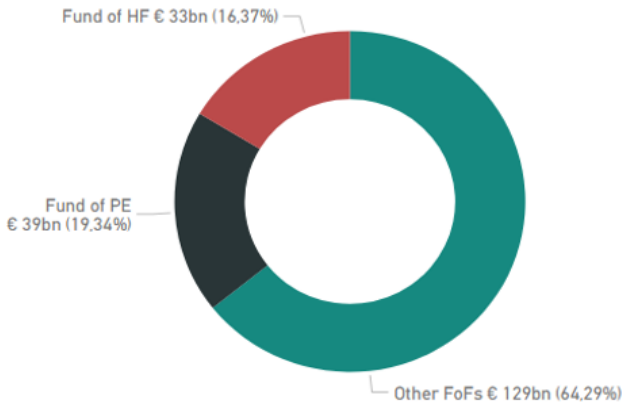


Source: AIFMD data as at 31.12.19 from all LU AUT AIFMs

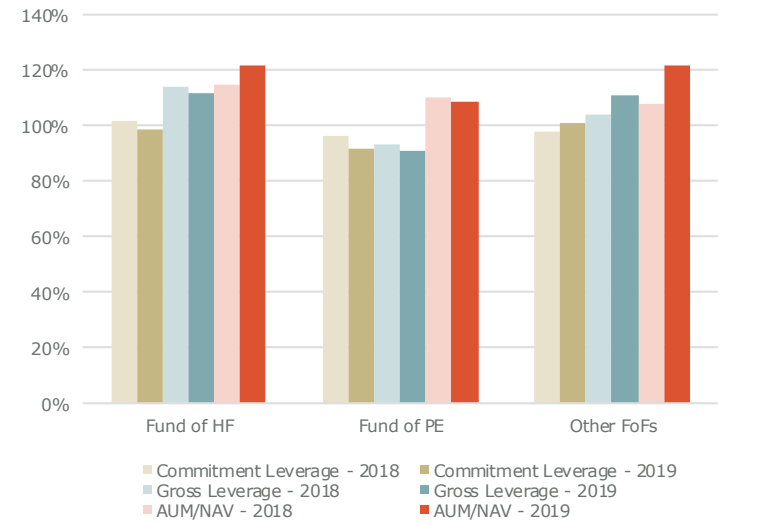
4.4 Funds of funds

4.4.1 NAV and Leverage by Sub Strategy

TNA by Sub Strategy (% of FOFS TNA)



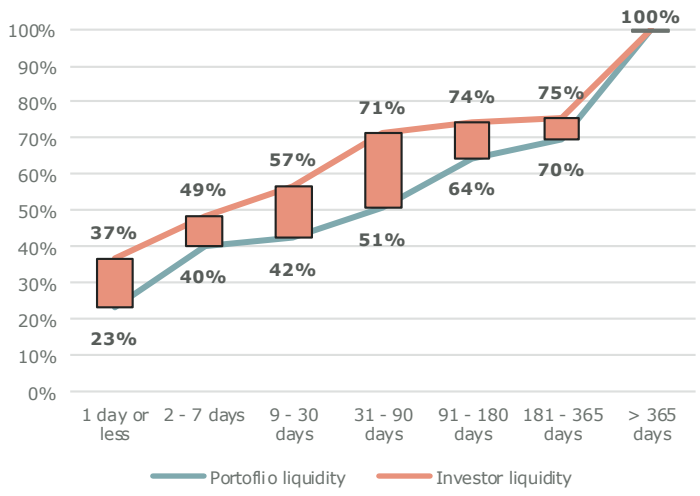
Leverage by Sub Strategy (Weighted Average % of Leverage)



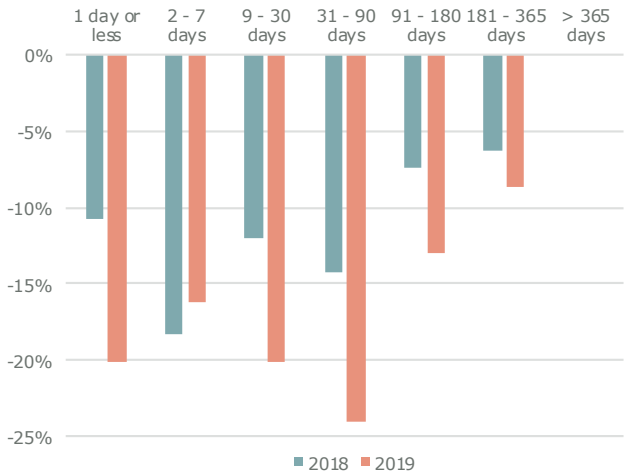
Source: AIFMD data as at 31.12.19 from all LU AUT AIFMs

4.4.2 Liquidity profile

Liquidity profile 2019 (Weighted % of NAV)



Evolution of liquidity shortage (% of FOFS NAV)



Source: AIFMD data as at 31.12.19 from all LU AUT AIFMs

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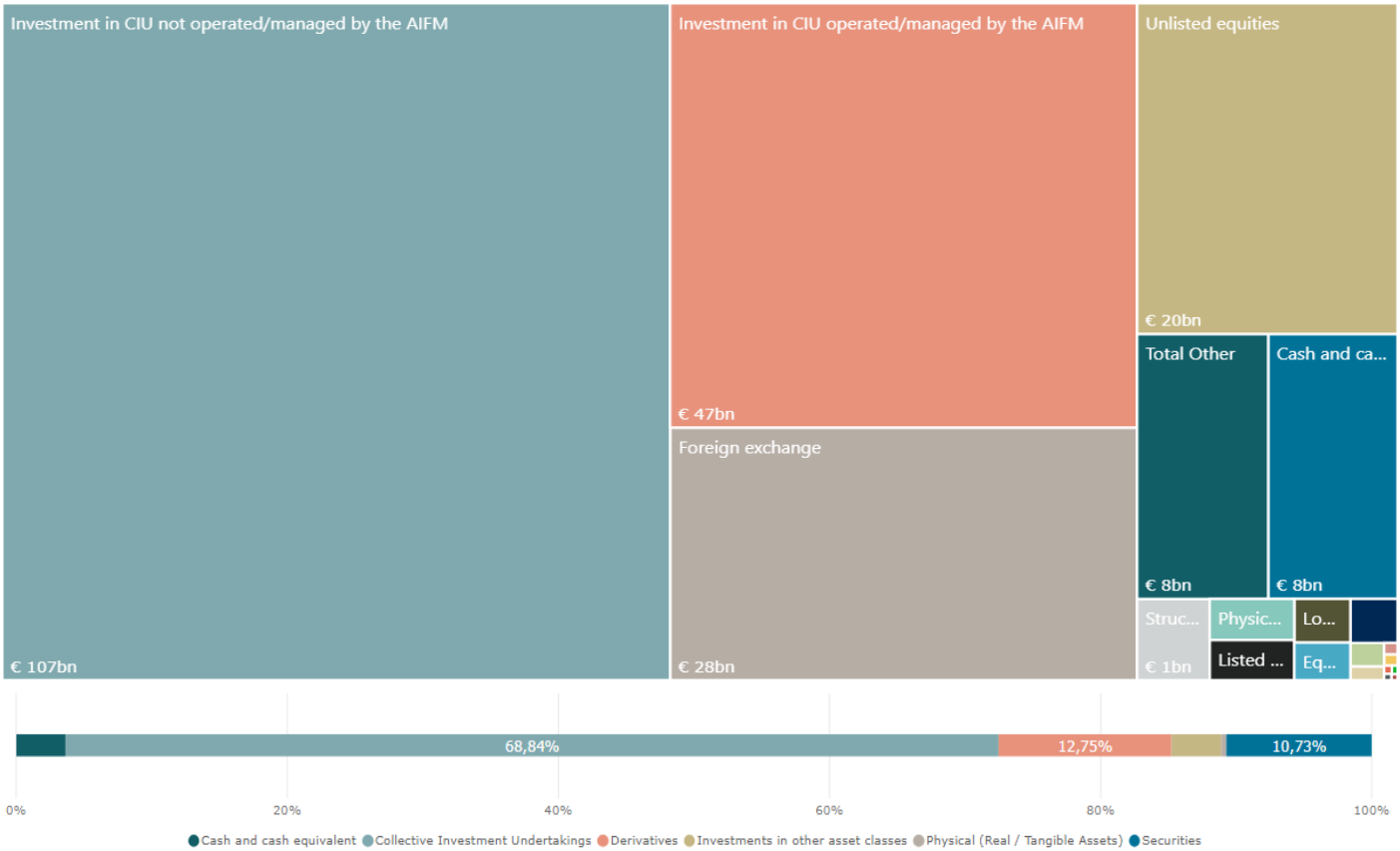
4.4.3 Main Sub Asset exposures (in EUR)

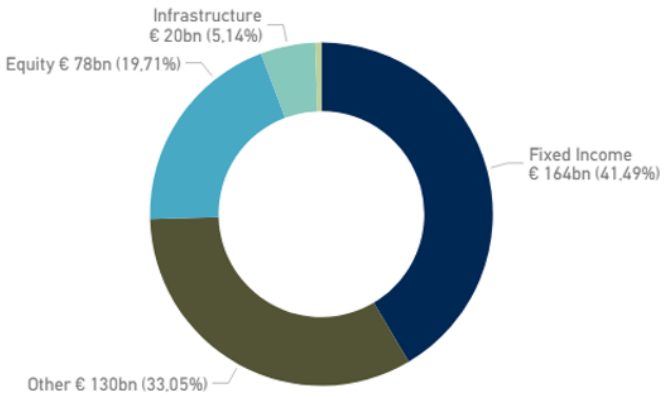


Source: AIFMD data as at 31.12.19 from all LU AUT AIFMs

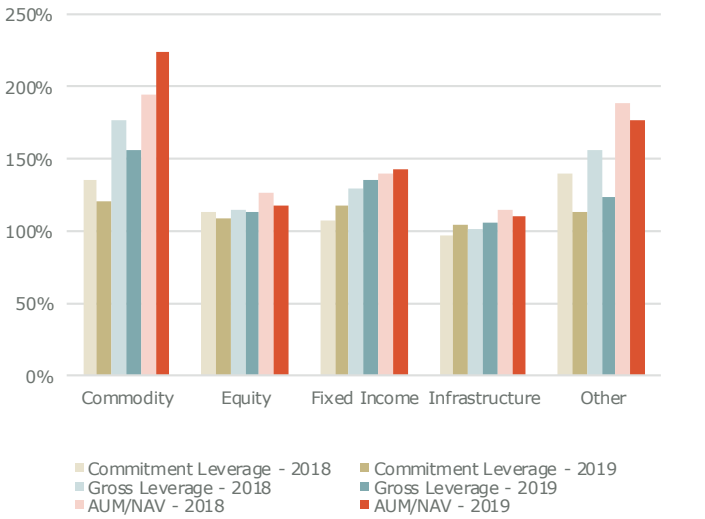
4.5 Other AIFs

4.5.1 NAV and Leverage by Sub Strategy

TNA by Sub Strategy (% of OTHR TNA)



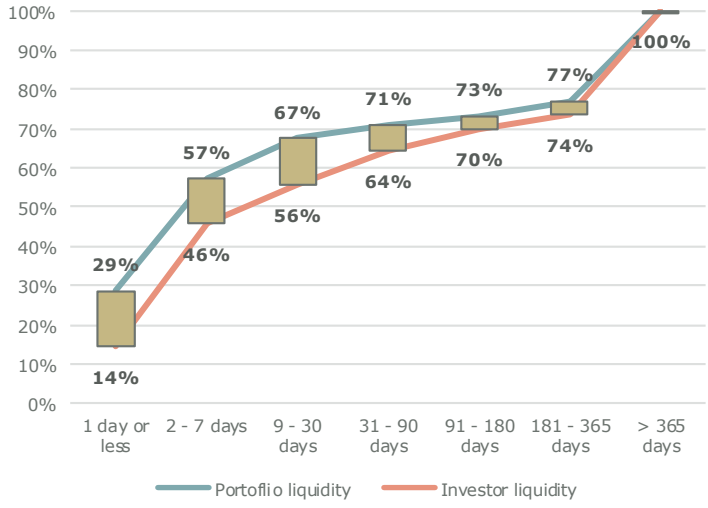
Leverage by Sub Strategy (Weighted Average % of Leverage)



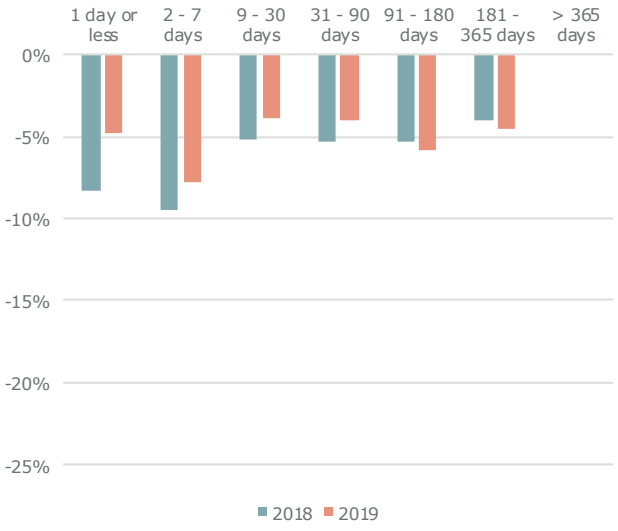
Source: AIFMD data as at 31.12.19 from all LU AUT AIFMs

4.5.2 Liquidity profile

Liquidity profile 2019 (Weighted % of NAV)



Evolution of liquidity shortage (% of OTHR NAV)



Source: AIFMD data as at 31.12.19 from all LU AUT AIFMs

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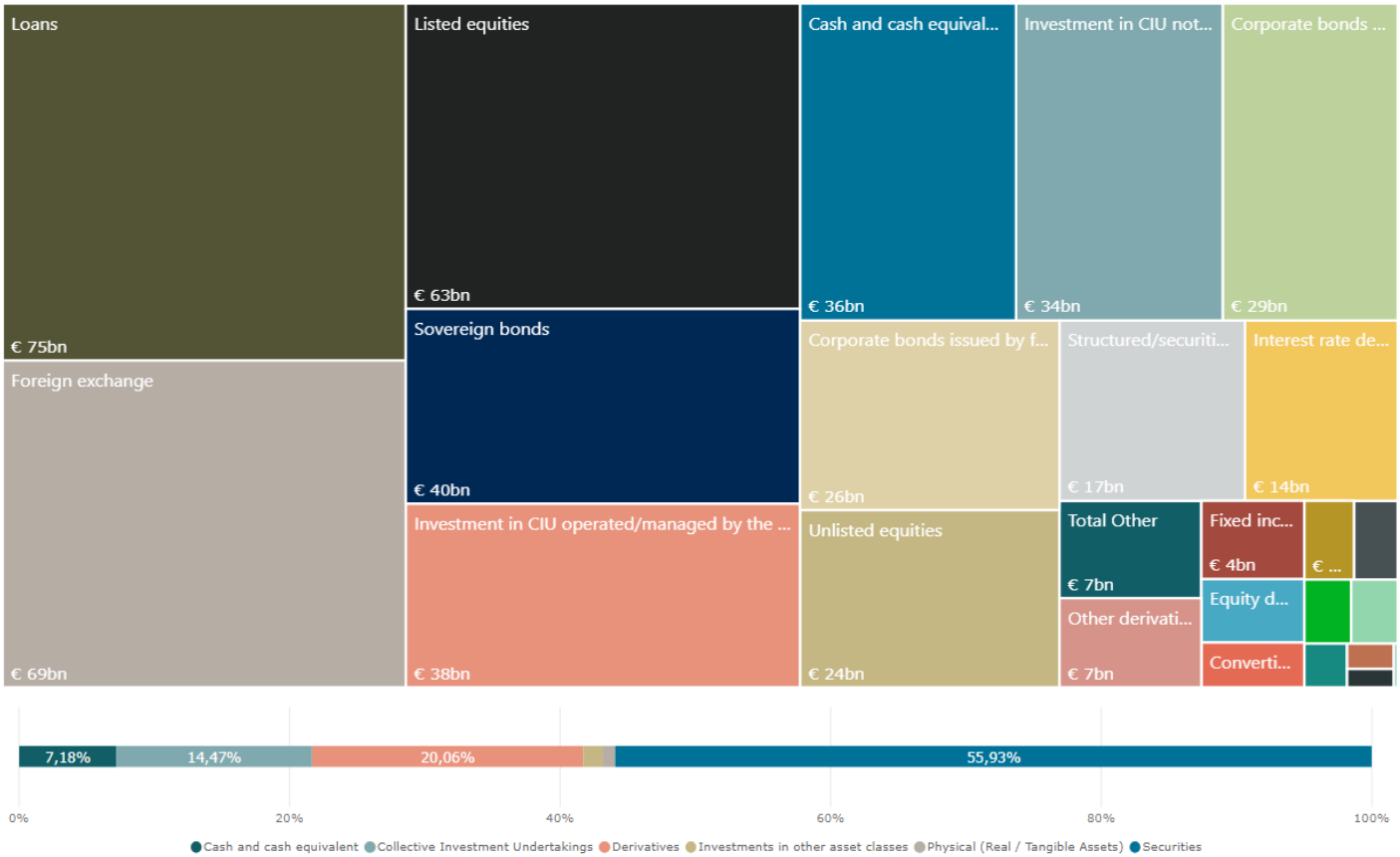
4.5.3 Main Sub Asset exposures (in EUR)



Source: AIFMD data as at 31.12.19 from all LU AUT AIFMs

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5. Terms of Content

TNA	Total Net Assets
PEQF	Private Equity Funds
REST	Real Estate Funds
FOFS	Funds of Funds
HFND	Hedge Funds
NONE	AIF type where the investment strategy of the AIF does not permit a predominant AIF type to be identified
AUT AIFMs	Authorised Alternative Investment Funds Managers
REG AIFMs	Registered Alternative Investment Funds Managers
LU AIFMs	Alternative Investment Funds Managers domiciled in Luxembourg
LU AIFs	Alternative Investment Funds based in Luxembourg
Non-LU AIFs	Alternative Investment Funds based in another EU member state
NCA	National Competent Authority
NPPR	National Private Placement Regime
REG AIFs	Regulated Alternative Investment Funds subject to an authorization from a NCA
Non-REG AIFs	Entities falling under the AIFs definition, but not subject to a direct authorization / supervision from a NCA
EOY	End of Year
AIFMD	Alternative Investment Funds Managers Directive
LMT	Liquidity Management Tools (e.g. notice period, gating/deferral)
SPV	Special Purpose Vehicle

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