

# In a post-Brexit world, France will be THE asset management spot'

On the 06.05.19 at 8:21AM

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## **Adrien Paredes-Vanheule**

In an exclusive interview with Asset News, Matthieu Duncan (pictured), CEO of Ostrum AM, outlines his new role as new vice president in charge of international affairs at French asset management association AFG.



Matthieu Duncan, vice president in charge of international affairs at AFG

## **Asset News: What will your mission as AFG's vice president in charge of international affairs consist of?**

**Matthieu Duncan:** The French asset management association AFG has hitherto always evolved in a president-vice president relationship. [With the re-election of Eric Pinon](#) at the head of AFG, we now have two vice presidents instead of one, which is something new. Eric Pinon believes the international dimension is more important than ever at AFG. Therefore I will lead the action of the association in Europe and globally. I have

been working in France for more than three years as chief executive officer of Ostrum Asset Management and I have over 29 years' experience in financial markets and asset management, most of which was gained abroad. I have accepted the role as I felt it was a good way to prove useful to French asset management industry.

### **How do you position France in the European and global asset management landscape?**

Paris is a very important hub in continental Europe as it remains the number one spot, both in terms of assets under management and number of asset management firms. Only the United Kingdom ranks above France in Europe. In a post-Brexit world, France will be THE asset management spot. France's assets have been noticed for a while. Key asset management players settled in Paris as well as dynamic entrepreneurial asset managers. Moreover France teems with talents. I believe this results from the French educative system. Youths graduates from schools with exceptional analytic and quantitative skills, which lead French professionals to hold key roles in asset management companies in France or elsewhere.

### **Will Brexit enable Paris to retain some of these French high-skilled talents?**

It is too early to assess that. The Brexit process, which has been messy so far, takes more time than initially planned. We will need to review the Brexit effects over a longer period.

### **How do you intend to compete with Luxembourg and Dublin in this post-Brexit world?**

Nobody really knows who will benefit from Brexit. We do not find ourselves in a win-win situation, a win-lose or a lose-lose scenario. Iterations are plenty and the impact of Brexit will diffuse throughout Europe. Everyone tries to stand ahead of the curve but it is too early to draw any conclusion.

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### **How to attract assets from emerging markets investors, in particular Chinese investors?**

Asset management is exportable. It generates strong added value and relies on a people industry. No matter where fund managers are based, what matters investors more is quality service and the yield that goes along with it. The largest institutional investors worldwide use a number of tools that help them identifying the best fund managers across the globe. At AFG, we feel that in a globalised asset management context, Paris' financial place has much to offer. Putting France on the map of the world for third-party asset management remains one of our core missions.

### **Will your appointment lead AFG to bolster international events?**

Definitely. We have just established the 'export club' whose first meeting was held last week on the topic of cross-border taxation. AFG wants to step up a notch and this export club encompasses existing events such as country meetings and meetings held in French embassies abroad. New initiatives will support our members' development outside France. We already benefit from a permanent presence in Brussels and AFG will continue to relocate its strategic committee once a year in the Belgian capital. Other

events will add to grow our presence globally. Also we will remain naturally very active within European representative bodies, EFAMA and PensionsEurope.

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**As to regulation, do you feel global stakes are sufficiently taken into account in European directives?**

There is room for improvement. We are hearing amalgams between financial jobs in various institutional speeches. Our works are interconnected but asset management distinctly differs from insurance or banking. We sometimes see regulation changing too fast because of these amalgams. These changes could result in unintended consequences deriving from certain texts like it has been the case with MiFID II. AFG will remain vigilant on this topic. We also need to digest the regulatory tsunami we faced in recent years, to review the considerable amount of regulations that have entered into force as well as the pace at which they have been implemented. Asserting our interests at European level is part of AFG's mission and we can do that in acting as far upstream as possible on reflections that will shape our regulation. Regulatory principles are often good but implementation texts pose significant challenges.

**What should be the priorities of the future Committee on Economic and Monetary Affairs at the European parliament?**

It is hard to single out one element. Nevertheless, questions raised on sustainable finance, individual retirements and Brexit should be among ECON's priorities. The reopening of directives and fundamental regulation implemented in recent years such as UCITS, AIFM, MiFID and PRIIPS should be another. We will ensure that European regulation takes more into account competitiveness issues.

**The idea of a European SRI label is taking shape. What is AFG's stance on the eventual establishment of such a label?**

Sustainable finance is a key topic addressed by AFG's vice-chairman Philippe Setbon. A consultation is ongoing on Ecolabel whose scope may soon encompass financial products. Globally speaking, the idea of a European SRI label is positive. It is better having one transposable label across all European jurisdictions than 10 labels. We will need to set requirements for funds to obtain the label, choose the entity that will grant it and find a consensus with our European peers. The latest European elections have demonstrated that public opinion has become aware of climate change-related dangers and of environmental issues. We manage assets of millions of individuals. Their concerns must be ours.