FACT BOOK 2026

24TH EDITION

Key Findings

TRENDS IN EUROPEAN INVESTMENT FUNDS

EFAMA
European Fund and Asset Management Association

EFAMA is the voice of the EUR 34.5 trillion European investment management industry.

Through our 29 national associations and 47 corporate members, we represent the rich diversity of market participants that characterises the European investment management industry. This sets us apart and makes us the natural interlocutors of European policymakers.

We can also rely on the expertise of our 27 associate members, mainly consultancies, asset servicing companies and law firms.

EFAMA's purpose is to:

a. foster optimal conditions for the European fund and asset management industry in its efforts to create value for investors;

b. influence and support the ongoing development of the regulatory environment including the European Single Market;

c. advocate for the interests of its members among stakeholders;

d. build confidence and trust in the industry;

e. promote scientific research concerning the industry.

To that effect, we carry out activities such as:

- supporting the development of, and adherence to, high professional standards which recognise the interests of investors;
- providing an effective voice for the industry by developing and maintaining a strong reputation and relationships with key stakeholders;
- promoting the professional interests of members and providing services to enable members to contribute to, and benefit from, the Association's work;
- fostering the realisation of an effective European Single Market through engagement with the relevant EU institutions and national authorities;
- representing the industry in European and international policy and regulatory discussions;
- promoting and conducting research and data collection concerning the industry and acting as a trusted source of data;
- disseminating information and issuing publications;
- organising conferences, seminars, workshops, etc. at European level.

FACT BOOK 2026
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Foreword

I am delighted to present this new edition of the EFAMA Fact Book, a publication that has become an indispensable reference for anyone seeking a comprehensive overview of the trends, data, and developments shaping the European investment fund industry. Despite tariff turmoil and market volatility, **in 2025 UCITS net sales reached an all-time high** of EUR 814 billion.

Several findings in this year's edition stood out to me – not only because they highlight the strength of the European fund industry, but also because they underscore the importance of several key policy issues on which EFAMA has been actively engaged.

First, the **share of EU cross-border funds has increased from 49% to 55% over the past decade**. This growth reflects the enduring success of UCITS as a global investment brand and its status as one of Europe's most successful financial exports. UCITS funds are now distributed in more than 50 countries outside the EU, particularly across Asia, Latin America, and the Middle East. EFAMA is working closely with the European Commission on its review of the **UCITS Eligible Assets Directive**, advocating for a modernised framework that safeguards the reputation of this global gold standard.

Second, European **retail investors made record purchases of investment funds in 2025**, totalling EUR 295 billion. As direct household investments in bonds declined and purchases of listed shares remained very low, investment funds are increasingly becoming the primary way for European households to access capital markets. Yet, around 40% of household financial assets are still held in low-yielding bank deposits. Shifting even a fraction of these savings into capital markets could significantly boost household retirement savings and finance Europe's investment needs. Therefore, it is essential that the EU's **Retail Investment Strategy** strikes the right balance between investor protection and accessibility, while avoiding unnecessary complexity or costs.

Third, after nearly a decade of decline, **the share of European stocks in equity UCITS portfolios increased again in 2025**. This rebound was supported by stronger market performance, renewed investor interest in European equity funds, and the depreciation of the US dollar. While this is encouraging, sustaining the momentum will require broader **structural reforms to strengthen Europe's competitiveness**. This includes cutting excessive red tape, deepening the Single Market, improving tax efficiency, and fostering innovation.

It remains to be seen what 2026 will bring. So far, however, markets and fund investors appear to be quite resilient despite the ongoing conflicts in the Middle East and in Ukraine, as well as many economic challenges. As we navigate the year ahead, I am confident that the strength, reliability, and international credibility of the UCITS and AIF frameworks will continue to attract investors from Europe and around the world.

To conclude, I would like to express my gratitude to the EFAMA Research team for their unwavering commitment to this publication. I also want to extend a heartfelt thank you to the sponsors for their financial support and, lastly, to our member associations, whose data and insights are essential to the Fact Book's success year after year.

Samantha Ricciardi
EFAMA President

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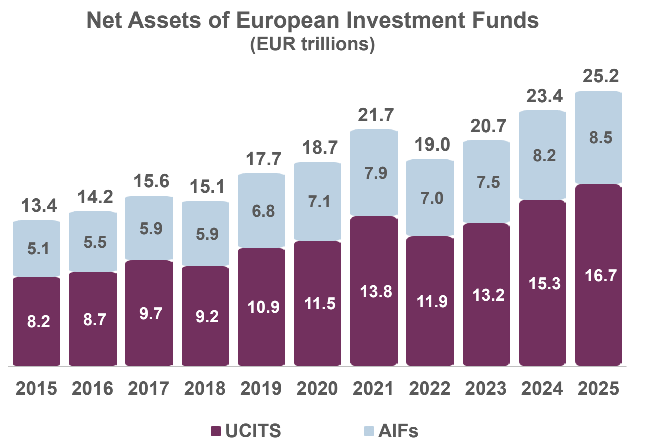
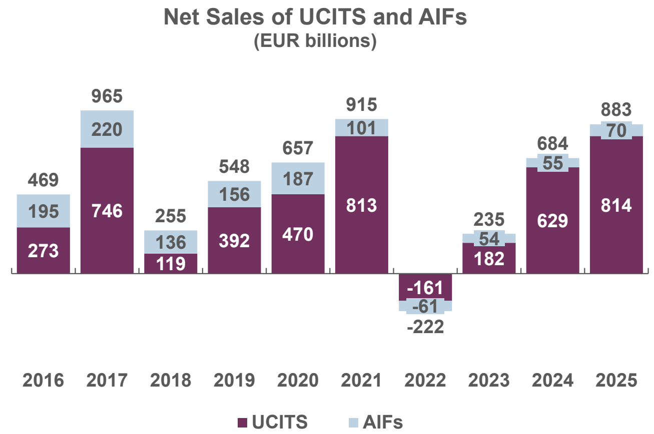
KEY FINDINGS AND FIGURES

THE EUROPEAN INVESTMENT FUND INDUSTRY AT A GLANCE

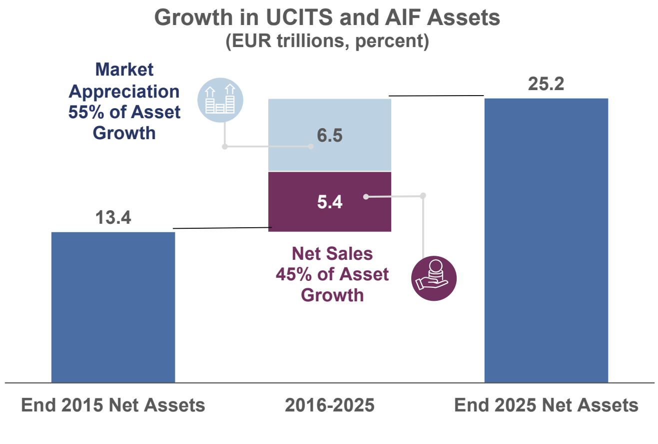
Net assets at end 2025
EUR 25.2 trillion
UCITS
EUR 16.7 trillion
AIFs
EUR 8.5 trillion



Net inflows in 2025
EUR 883 billion
UCITS
EUR 814 billion
AIFs
EUR 70 billion



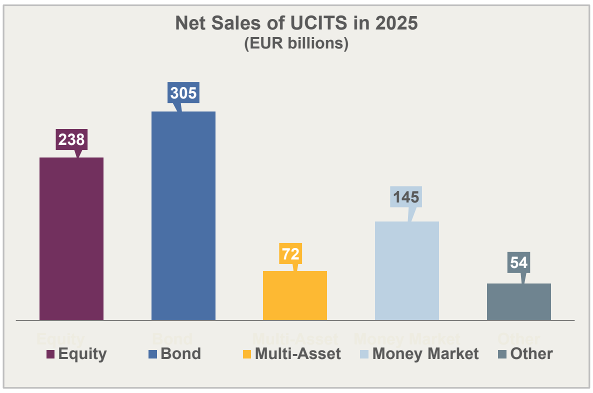
Net asset increase since end 2015
EUR 13.4 trillion
Market appreciation
EUR 6.5 trillion
Net sales
EUR 5.4 trillion



WHAT HAPPENED IN THE UCITS MARKET IN 2025?

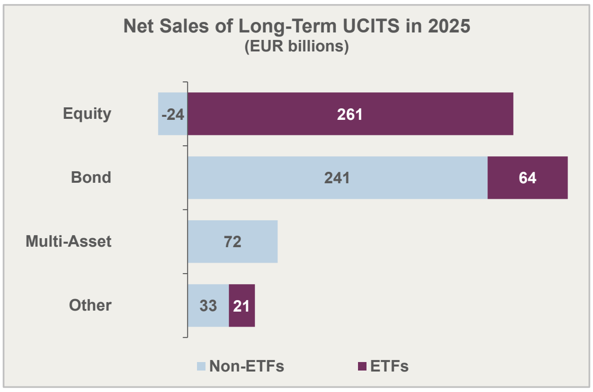
UCITS had a record-breaking year in 2025, with net sales reaching EUR 814 bn.

Bond UCITS saw the strongest net inflows in 2025 amid major central banks continuing their rate cuts. Equity UCITS also saw strong net sales as stock markets performed rather well, with especially European stocks showing strong returns. Multi-asset UCITS flows returned to positive territory after two years of net outflows. At the same time, robust inflows into MMFs (money market funds) indicate that some investors adopted a more cautious stance in a year full of geopolitical uncertainty and currency volatility.



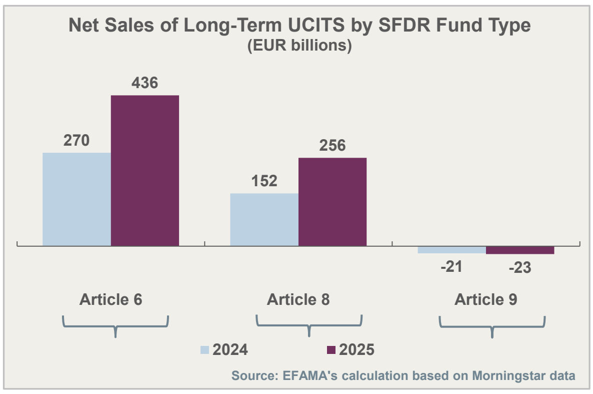
For the third consecutive year, net sales of ETFs reached an all-time high.

The record 2025 net inflows into ETFs (EUR 347 bn) were primarily driven by equity ETFs (EUR 261 bn). These contrast with the overall net sales of equity UCITS of only EUR 238 bn. This meant that non-ETF equity UCITS saw net outflows of EUR 24 bn throughout 2025, the third year of net outflows from non-ETF equity UCITS. In the bond UCITS market, both ETF and non-ETF bond UCITS saw solid net inflows.



Net flows of SFDR Article 9 funds remained negative, while Article 8 and Article 6 fund inflows picked up.

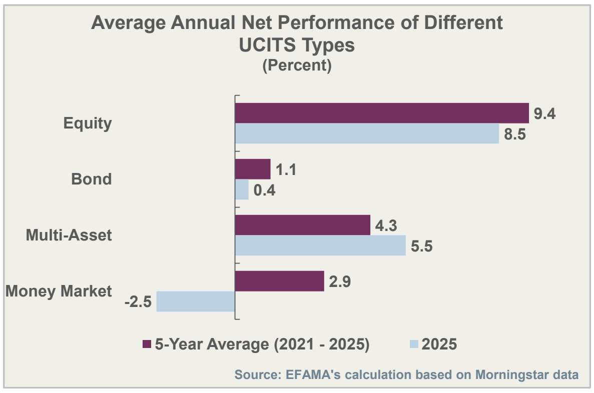
The net sales of SFDR Article 9 funds were negative in 2025, just like in 2024. Conversely, Article 6 and Article 8 funds saw net inflows pick up. This contrast was largely driven by the sustained success of ETFs and, to a lesser extent, MMFs. The vast majority of ETFs track broad stock and bond indices and are therefore classified under Article 6, while MMFs are predominantly categorised as Article 8. Most Article 9 funds are non-ETF equity funds, and those funds saw general net outflows in 2025.



HOW HAVE PERFORMANCES AND COSTS OF UCITS SHIFTED RECENTLY?

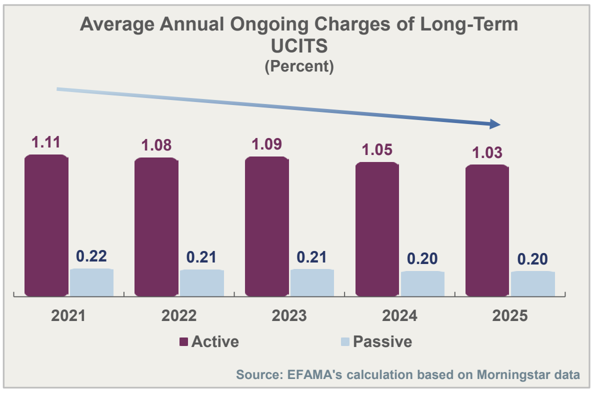
Average annual 2025 performances for most major UCITS types were below the 5-year average.

Equity UCITS delivered an average return of 8.5%, somewhat below the five-year average (9.4%). Bond UCITS saw relatively low returns in 2025 (0.4%), whereas multi-asset UCITS yielded 5.5% and was the only UCITS category to beat its five-year average (4.3%). MMFs posted negative average returns in 2025 (-2.5%), compared to 2.9% for the five-year average. Most 2025 returns were negatively impacted by a depreciation of the US dollar that year, which had a particularly strong effect on MMFs.



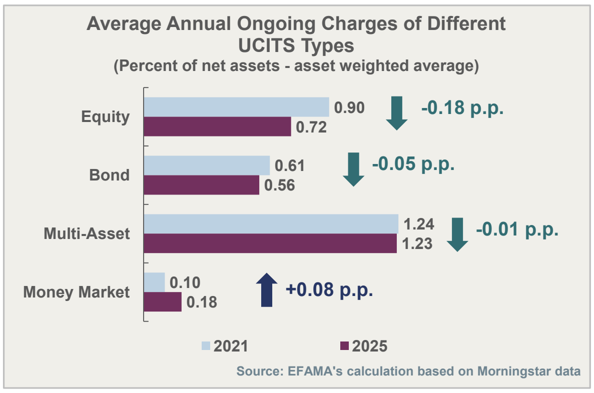
The average cost of long-term UCITS steadily decreased over the last five years.

Between 2021 and 2025, the average cost of active long-term UCITS declined from 1.11% to 1.03%. Fees for passive long-term UCITS also fell, albeit less so than active funds, dropping from 0.22% in 2021 to 0.20% in 2025. This downward trend is likely to continue, fuelled by increased transparency on costs and fees and growing competition between fund managers in general and between active and passive funds in particular.



Fund costs are coming down across the board for all the main types of long-term UCITS.

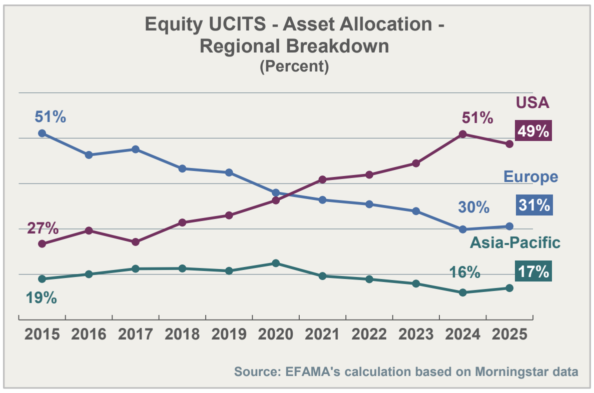
Equity UCITS saw their average costs drop the most over the past years, declining by 18 basis points from 0.90% in 2021 to 0.72% in 2025. Average bond UCITS costs fell by five basis points over the same period, down to 0.56%. Multi-asset UCITS remained pricier and costs have barely changed; fees decreased by only 1 basis point over the past five years. With an average cost of just 0.18%, MMFs are significantly cheaper than most other funds, though MMF fees have crept up in recent years, mainly due to exchange rate effects.



HOW HAS THE ASSET ALLOCATION OF UCITS CHANGED?

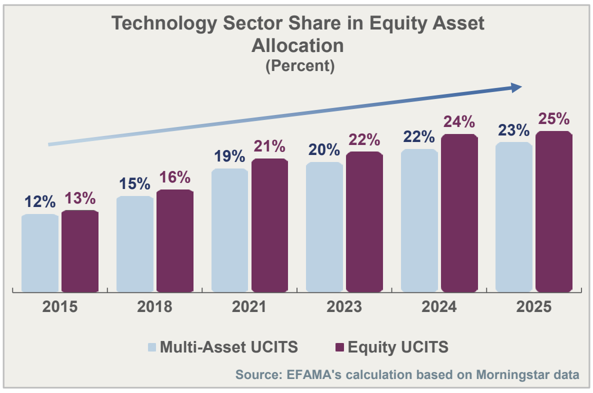
The share of US stocks in the equity UCITS asset allocation fell in 2025, bucking a ten-year trend.

The share of European equities declined between 2015 and 2024, while US exposure rose sharply, reflecting the sustained strong performance of US markets, the global reach of the UCITS brand, and strong international demand for US equities. In 2025, however, the trend reversed as the US share fell back, while European equities recovered, driven by stronger market performance and renewed investor interest in European equity funds. A sizable depreciation of the US dollar against the euro throughout 2025 also played a major role.



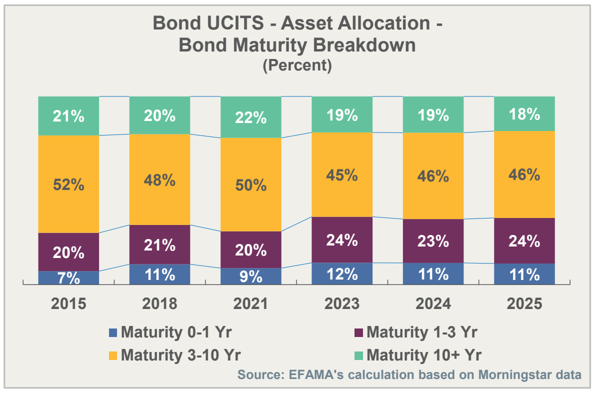
The importance of technology stocks in the UCITS asset allocation doubled over 10 years.

Over the last ten years, the share of the technology sector stocks in the equity asset allocation of both equity UCITS and multi-asset UCITS has roughly doubled. This was primarily driven by the strong stock market performance of the global tech giants. The sector saw remarkably rapid expansion during the pandemic years of 2020 and 2021. In recent years, the sector share valuations surged even higher, fuelled by the AI craze.



Bond UCITS shifted their asset allocation towards shorter-term securities.

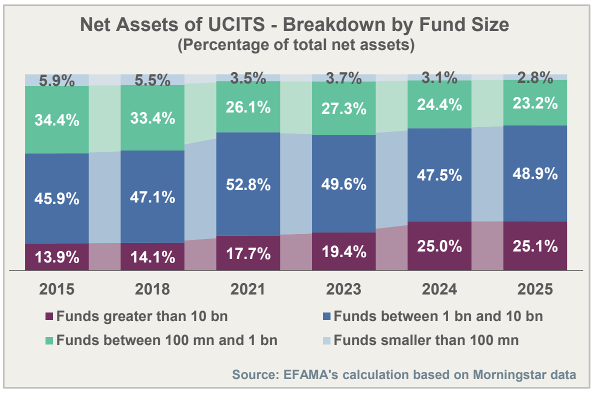
The maturity profile of bond holdings in bond UCITS shifted toward shorter-term securities after 2021, particularly those maturing in less than a year. This was largely driven by the flattening of yield curves in 2022 and their inversion in 2023. Yet even as yield curves normalised in 2024 and steepened further in 2025, a tilt towards shorter-term securities remained noticeable, as investors preferred shorter maturities amid geopolitical tensions.



WHAT ARE THE LONG-TERM TRENDS IN THE UCITS INDUSTRY?

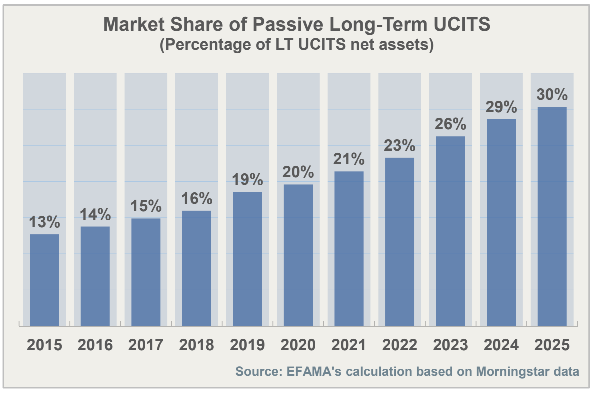
Larger funds are becoming increasingly important in the UCITS market.

It is sometimes noted that there are too many small funds in Europe, which fail to fully leverage economies of scale to better cover their fixed costs. Indeed, by end 2025, there were around 11,100 UCITS with less than EUR 100 million under management. However, these small funds only amount to about 2.8% of the total UCITS market size in 2025, and their share is declining gradually. In contrast, the proportion of larger funds - those over EUR 1 bn and those over EUR 10 bn - continues to rise, helped recently by the success of ETFs and MMFs.



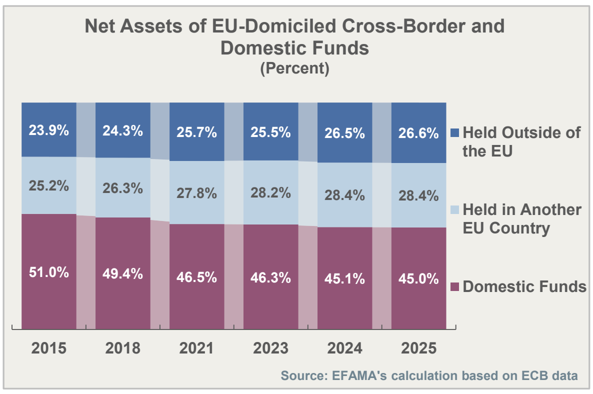
Passive UCITS are continuing their inexorable rise, more than doubling their market share over the past decade.

The market share of passive UCITS climbed from 13% in 2015 to 30% by end 2025, growing by three percentage points in both 2023 and 2024 and a further one percentage point in 2025. This sharp rise reflects growing investor preference for lower-cost investment options and the increasing appeal of ETFs. Given that almost all ETFs are passive by design, they attracted net new money due to their cost-effectiveness, liquidity and ease of access.



The UCITS industry is becoming more international, both inside and outside the EU.

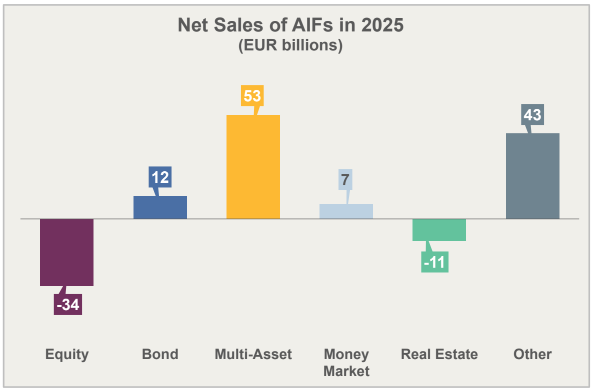
The share of cross-border funds domiciled in the European Union grew from about 49% in 2015 to 55% by 2025. The share of cross-border funds held in another EU country grew the most, confirming the vitality of the single market for UCITS and AIFs. Funds held outside Europe also saw their share increase briskly, underscoring UCITS's status as one of the EU's most successful financial exports. UCITS are now sold in over 50 countries beyond the EU, particularly in Asia, South America, and the Middle East.



WHAT HAPPENED IN THE AIF MARKET IN RECENT YEARS?

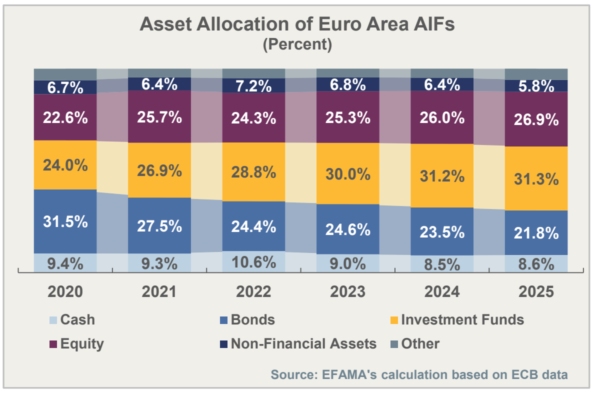
Net sales of AIFs remained muted in 2025 and had a completely different pattern from UCITS.

Net inflows into AIFs reached EUR 70 bn in 2025, somewhat higher than in 2024. Due to their distinct investor base, AIFs follow a different sales pattern to that of UCITS. Multi-asset AIFs led net sales, mainly due to robust net sales of German 'Spezialfonds', followed by other AIFs. In contrast, equity AIFs saw net outflows, as Dutch pension funds continued to transition from AIF wrappers to segregated mandates. Also real estate fund flows were negative in 2025.



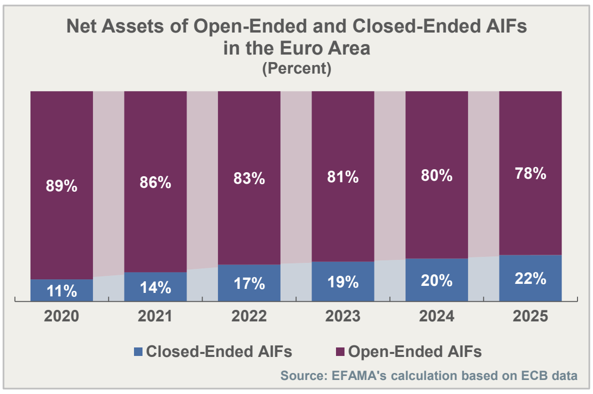
AIFs have steadily increased the share of investment funds in their asset allocation.

Over the past five years, the share of directly held bonds in the asset allocation of EA (euro area) AIFs has gradually declined. Directly held equities have fluctuated in line with stock market movements. In contrast, the proportion of investment funds held by AIFs has grown consistently. This shift indicates that AIF managers are increasingly turning to other fund managers for portfolio exposure, making greater use of passive strategies and ETFs as part of their investment strategy.



Closed-ended AIFs doubled in market share over the past five years.

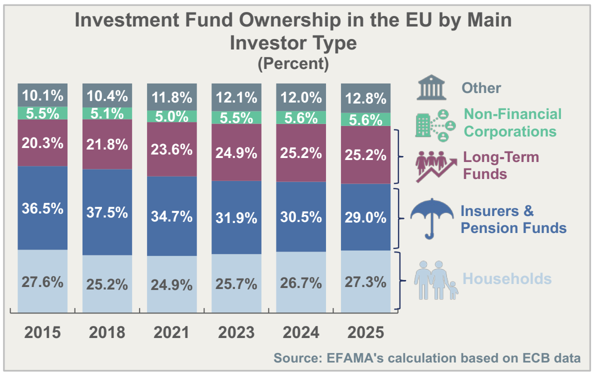
Closed-end funds issue only a fixed number of fund shares to a limited number of investors. Compared to open-ended funds, they are a significantly less liquid investment option for investors, as fund shares cannot be redeemed directly by the fund. This gives these funds the flexibility to invest in less-liquid assets such as infrastructure or private debt, as they don't need to maintain cash buffers. The share of closed-ended AIFs in total AIFs has doubled from 11% in 2020 to 22% in 2025. This was driven by growing investor interest in private markets and the popularity of RAIFs in Luxembourg.



WHO INVESTS IN EUROPEAN INVESTMENT FUNDS?

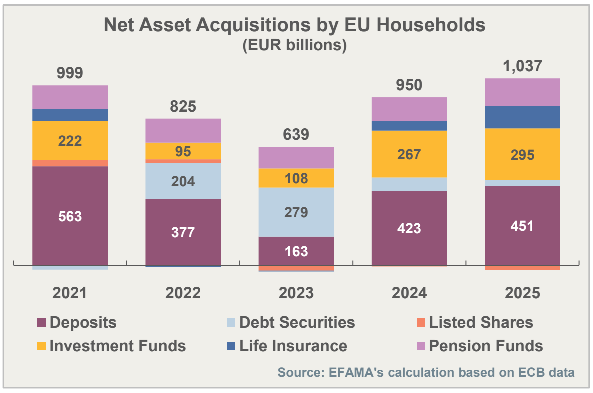
Insurers and pension funds remain the largest fund investors in the EU, but households are growing in importance.

At the end of 2025, insurers and pension funds accounted for 29% of total fund ownership in Europe, although their share has gradually declined over the past decade. Households are the second-largest investor category, with their share steadily increasing in recent years, supported by strong net fund purchases. Long-term investment funds are the third main investor type, with a growing share that reflects the greater use of ETFs and index funds in adjusting fund portfolio exposures.



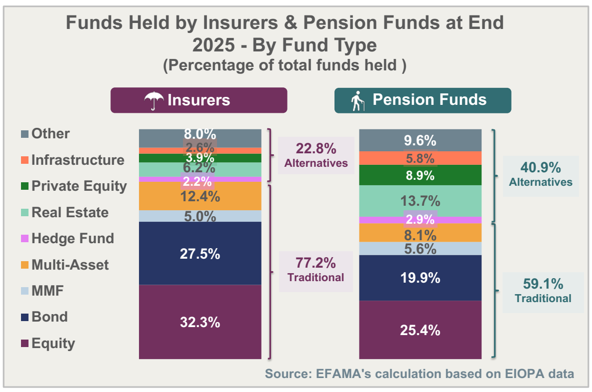
European households made record fund purchases in 2025, emphasising the key role funds play for retail access to capital markets.

In 2025, retail investors in Europe recorded a new all-time high in net fund acquisitions (EUR 295 bn). Flows were positive in all but three countries, indicating a broad-based trend across Europe. As direct bond purchases dwindled in 2025 and savings in listed stocks have been close to zero for years, it becomes increasingly clear that households rely almost exclusively on investment funds for direct exposure to capital markets.



Both insurers and pension funds make extensive use of investment funds in their asset allocation but invest in different types of funds.

For insurers, the share of assets invested in funds rose briskly, reflecting the crucial role funds play in regional/sector diversification and accessing equity markets. Pension funds also rely heavily on funds, but compared to insurers, allocate a larger share to alternative funds such as private equity or infrastructure. Allocations to alternative funds have grown strongly in recent years, both for insurers and pension funds, highlighting the increasing reliance of these investors on the specialised expertise of asset managers to access specific asset classes.



WHERE ARE EUROPEAN FUNDS DOMICILED AND WHERE ARE THEY HELD?

Country	Funds by Country of Domiciliation at End 2025		Funds by Country of Ownership at End 2025	
	Net Assets (EUR billion)	Market Share	Net Assets (EUR billion)	Market Share
Austria	243	1.0%	356	1.5%
Belgium	248	1.0%	641	2.8%
Bulgaria	2	0.01%	7	0.03%
Croatia	6	0.02%	10	0.04%
Cyprus	8	0.03%	15	0.1%
Czech Republic	43	0.2%	104	0.5%
Denmark	348	1.4%	474	2.1%
Finland	202	0.8%	412	1.8%
France	2,717	10.8%	2,527	10.9%
Germany	2,966	11.8%	4,469	19.4%
Greece	25	0.1%	43	0.2%
Hungary	54	0.2%	85	0.4%
Ireland	5,516	21.9%	1,181	5.1%
Italy	478	1.9%	1,508	6.5%
Liechtenstein	146	0.6%	n.a.	n.a.
Luxembourg	6,199	24.6%	2,066	8.9%
Malta	25	0.1%	14	0.1%
Netherlands	869	3.4%	1,213	5.3%
Norway	240	1.0%	280	1.2%
Poland	103	0.4%	113	0.5%
Portugal	47	0.2%	101	0.4%
Romania	11	0.04%	14	0.1%
Slovakia	13	0.1%	46	0.2%
Slovenia	8	0.03%	13	0.1%
Spain	472	1.9%	936	4.1%
Sweden	748	3.0%	1,000	4.3%
Switzerland	1,097	4.3%	2,288	9.9%
Turkey	198	0.8%	143	0.6%
UK	2,207	8.7%	3,032	13.1%
Europe	25,239		23,092	

Funds by Country of Domiciliation

1. Luxembourg 25%
2. Ireland 22%
3. Germany 12%
4. France 11%
5. UK 9%

The top five countries accounted for 78% of total net fund assets in Europe at end 2025.

Funds by Country of Ownership

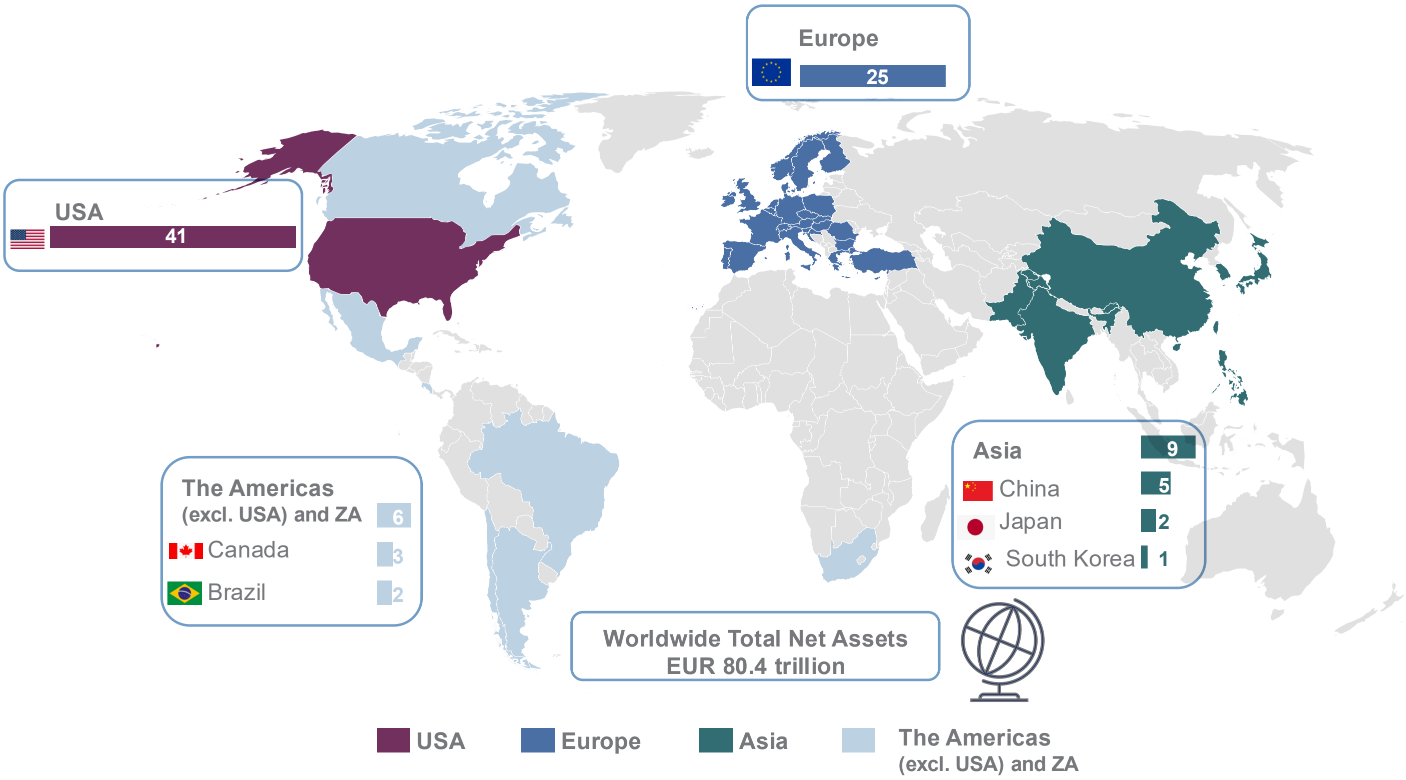
1. Germany 19%
2. UK 13%
3. France 11%
4. Switzerland 10%
5. Luxembourg 9%

The top five countries accounted for 62% of fund ownership in Europe at end 2025.

WHERE ARE FUNDS DOMICILED ACROSS THE WORLD?

Worldwide Assets of Investment Funds at End 2025

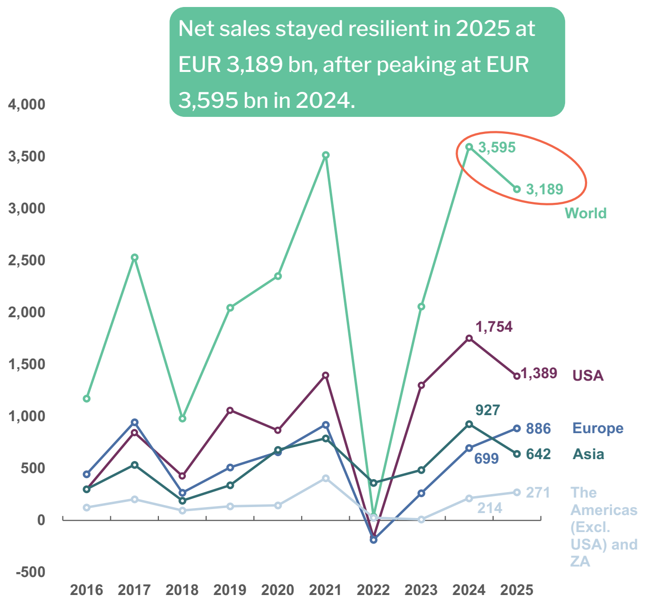
(EUR trillions)



WHAT HAPPENED IN THE GLOBAL FUND MARKET IN RECENT YEARS?

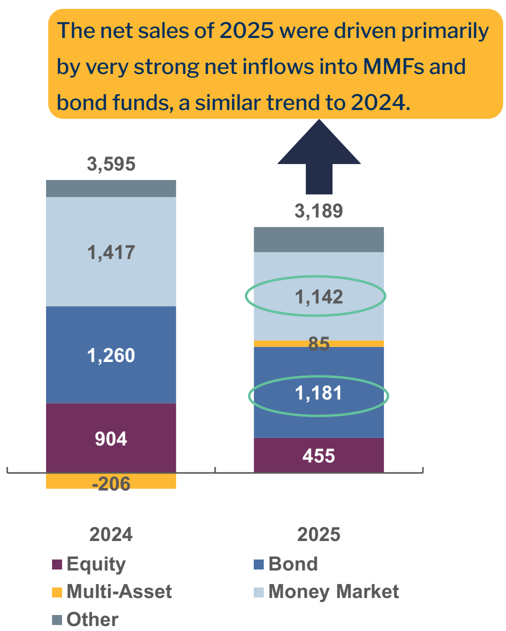
Net Sales of Investment Funds by Domicile

(EUR billions)



Net Sales of Investment Funds by Type

(EUR billions)



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Acknowledgements

The publication of the 2026 Fact Book was only made possible through the invaluable assistance of EFAMA's Economics and Research Standing Committee. Their insightful discussions on the topics covered in this report were instrumental in its development.

Additionally, we extend our sincere gratitude to EFAMA member associations, whose significant contributions in the form of national statistics have been vital to the continued success of the Fact Book.

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