



Commission de Surveillance  
du Secteur Financier

# MMF Reporting Dashboard

31 December 2023

# MMF Reporting Dashboard

## CONTENTS

<b>1. Introduction</b>	<b>3</b>
<b>2. Executive Summary</b>	<b>3</b>
<b>3. MMF market overview and general aspects</b>	<b>6</b>
3.1 Evolution of the total net assets and number of funds	6
3.2 Allocation of MMF assets as per 31 December 2023	10
3.3 Market concentration of MMFs and MMF managers as per 31 December 2023	11
3.4 Investor profiles of MMFs	12
<b>4. Detailed analysis per main MMF currencies (NAV-weighted)</b>	<b>14</b>
4.1 NAV (base currency)	14
4.2 Cumulated returns last 3 months	15
4.3 Weighted Average Maturity (WAM)	16
4.4 Weighted Average Life (WAL)	17
4.5 Liquidity – Daily Liquid Assets (DLA)	18
4.6 Liquidity – Weekly Liquid Assets (WLA)	19
4.7 Evolution of liquidity (time to liquidate) (normal market conditions)	20
4.8 Evolution of liquidity – Per MMF type (time to liquidate) (normal market conditions)	21
4.9 Evolution of 7-days liquidity (time to liquidate) (normal market conditions)	22
4.10 Breakdown of portfolio by asset type	23
4.11 Breakdown of portfolio by issuer/counterparty type	25
4.12 Breakdown of portfolio by valuation method	27
4.13 Results of stress tests (Art. 28 MMFR)	29
<b>5. List of abbreviations</b>	<b>34</b>

# MMF Reporting Dashboard

## 1. Introduction

This MMF Reporting Dashboard encompasses a set of indicators based on the data reported under Article 37 of the Regulation (EU) 2017/1131 of the European Parliament and of the Council on money market funds ("MMFR"), complemented with data from the CSSF U.1.1. reporting. Unless specified otherwise, the source of the data used for the graphs is the MMFR Reporting.

Money market funds (MMFs) need to report on a quarterly basis, with data as from Q1/2020 onwards, under Article 37 MMFR. A derogation is granted to MMFs whose assets under management in total do not exceed EUR 100 M allowing them to report on a yearly basis. In this context, it should be noted that reporting on a quarterly basis by MMFs (some on a voluntary basis) represents ~99.5% of the aggregate total net assets.

As a note, some categories characterised by the MMF type and currency may be comprised of a limited number of funds, which may impair comparisons between such categories.

For confidentiality reasons, the category ST PD CNAV MMF in GBP is not shown in some graphs when it is constituted of a single fund.

## 2. Executive Summary

### Key indicators

	ST LVNAV	ST PD CNAV	ST VNAV	STD VNAV	Total
<b>Size</b>					
Number of units (Absolute number of units)	15	11	32	53	<b>111</b>
Total NAV (Bn EUR)	255	79	83	78	<b>495</b>
Total NAV variation YoY	19%	27%	14%	22%	<b>20%</b>
<b>Of which:</b>					
NAV USD (Bn EUR)	168	78	15	13	<b>274</b>
NAV EUR (Bn EUR)	40	0	52	58	<b>151</b>
NAV GBP (Bn EUR)	45	0	14	5	<b>63</b>
NAV Other (Bn EUR)	2	1	3	1	<b>7</b>
<b>Specific indicators</b>					
Average NAV (Bn EUR)	17	7	3	1	<b>4</b>
Average WAM (Days)	35	43	39	82	<b>60</b>
Variation since last year (Days)	14	18	9	6	<b>9</b>
Average WAL (Days)	55	47	57	131	<b>91</b>
Variation since last year (Days)	12	20	8	19	<b>14</b>
Average DLA (% NAV)	35	32	21	14	<b>21</b>
Variation since last year (% NAV)	-1	-3	-1	0	<b>0</b>
Average WLA (% NAV)	51	44	34	25	<b>33</b>
Variation since last year (% NAV)	-3	-9	-3	-2	<b>-3</b>

## Market overview

- The total NAV of Luxembourg domiciled MMFs reached EUR **495bn** as per 31/12/2023, which constitutes an increase of EUR 82bn (+20%) over one year. The number of MMFs decreased from 116 active funds last year to **111 active funds** by the end of 2023, with 91 UCITS<sup>1</sup> and 20 AIFs.
- The **breakdown by categories of MMFs** remained **rather stable** compared to a year ago. As per 31/12/23, 52% of MMFs are short term low volatility NAV MMFs ("ST LVNAV" MMFs) in terms of total NAV, 17% are short term variable NAV MMFs ("ST VNAV" MMFs), 16% are standard variable NAV MMFs ("STD VNAV" MMFs) and 16% are short term public debt constant NAV MMFs ("ST PD CNAV" MMFs) (essentially in USD).

## Portfolios

- In terms of **currencies, MMFs are mainly invested in USD** (EUR 274bn / 55%), followed by EUR (EUR 151bn / 30%) and GBP (EUR 63bn / 13%). Other currencies represent less than 2% of the overall NAV of MMFs. In comparison to a year ago, the proportion of MMFs invested in GBP has decreased in favour of MMFs invested in USD, EUR and in other currencies.
- The total NAV of **USD MMFs rose** by EUR 48bn (+21%) over the year, driven by ST LVNAV and ST PD CNAV. The total NAV of **EUR MMFs** increased by EUR 32bn (+27%) over the year, driven equally by ST LVNAV, ST VNAV and STD VNAV. The NAV of **GBP MMFs** as per the end of 2023 remained **stable** compared to the end of 2022.
- **MMFs** in Luxembourg are **highly concentrated**, with the 5 largest MMFs accounting for ~51% of the total NAV which is a slight increase compared to a year ago (49%).

## MMF investors

- **85% of MMF investors are professional investors** (to be compared to 91% by the end of 2022, mainly due to data quality enhancements) and the 5 largest investors represent on average 23% of the NAV. The largest MMF investor groups are other financial institutions (30% of total NAV), followed by non-financial corporations (24%) and households (15%).
- MMF investor flows were continuously and steadily positive during the year, with a minimum total NAV of EUR 416bn in January 2023 and a maximum of EUR 495bn in December 2023.
- These inflows are mostly due to high short-term interest rates and attractive performance in comparison to bank deposits. Inflows can also be explained by the safe investment nature of MMFs, notably in the context of the US regional banks crisis that started in the first quarter of 2023.

## Performance

- Due to persistent inflationary pressures in 2023, Central Banks continued with the tightening of their monetary policies until Q3 2023, including additional interest rate increases during the year: 4 rate hikes by the US Federal

<sup>1</sup> The potential discrepancy between the number of MMFs in the MMF Reporting and in the UCITS Risk Reporting Dashboard is explained by the inclusion of dormant funds in the latter.

Reserve (from 4.50% to 5.50%), 6 by the European Central Bank (from 2.50% to 4.50%) and 5 by the Bank of England (from 3.50% to 5.25%).

- On the account of these continuous increases in short-term interest rates, the increase in **performance** that started in 2022 for all MMF categories continued during the year under review (although gradually decelerating as a result of the stabilisation of reference rates).

### Risk profiles

- MMFs globally kept their **WAM/WAL at low levels** at the beginning of 2023, before then increasing progressively **WAM/WAL** in view of a developing sentiment of being at the end of the interest rate hikes cycle that finally materialized in Q3 2023. By the end of 2023, the WAM and WAL tended to stabilise or decrease slightly for a number of funds in the context of very optimistic market anticipations of rate cuts (in terms of both timing and number of cuts). In the meantime, with continuous inflows, **liquidity remained at high levels**, with average levels of DLA and WLA well above the regulatory thresholds during the year.
- For 2023, **no ST LVNAV MMF experienced a NAV deviation larger than the 20bps** threshold foreseen under art. 33(2)(b) MMFR. **No vulnerabilities** from stress testing (Art. 28(4)) and **no liquidity measures** for ST PD CNAV and ST LVNAV MMFs (Art. 34) had to be implemented according to the MMFR Reporting.

### Main regulatory events

- On 20 July 2023, the **EU Commission** issued its report<sup>2</sup> under article 46(1) of the MMF Regulation (“MMFR”) on the functioning of the MMFR from a prudential and economic point of view. While the report identified certain vulnerabilities for MMFs and areas which would merit further assessment, it also highlighted that the MMF Regulation enhanced financial stability and overall successfully passed the test of the recent market stress episodes. Therefore, the **EU Commission decided not to propose a revision** of the legislation at the present stage.
- On 12 July 2023, the **US Securities and Exchange Commission** adopted **amendments**<sup>3</sup> to certain rules that govern money market funds in the United States in order to improve their resilience and transparency, notably by increasing minimum liquidity requirements and removing provisions in the current rule that permit temporarily suspension of redemptions.

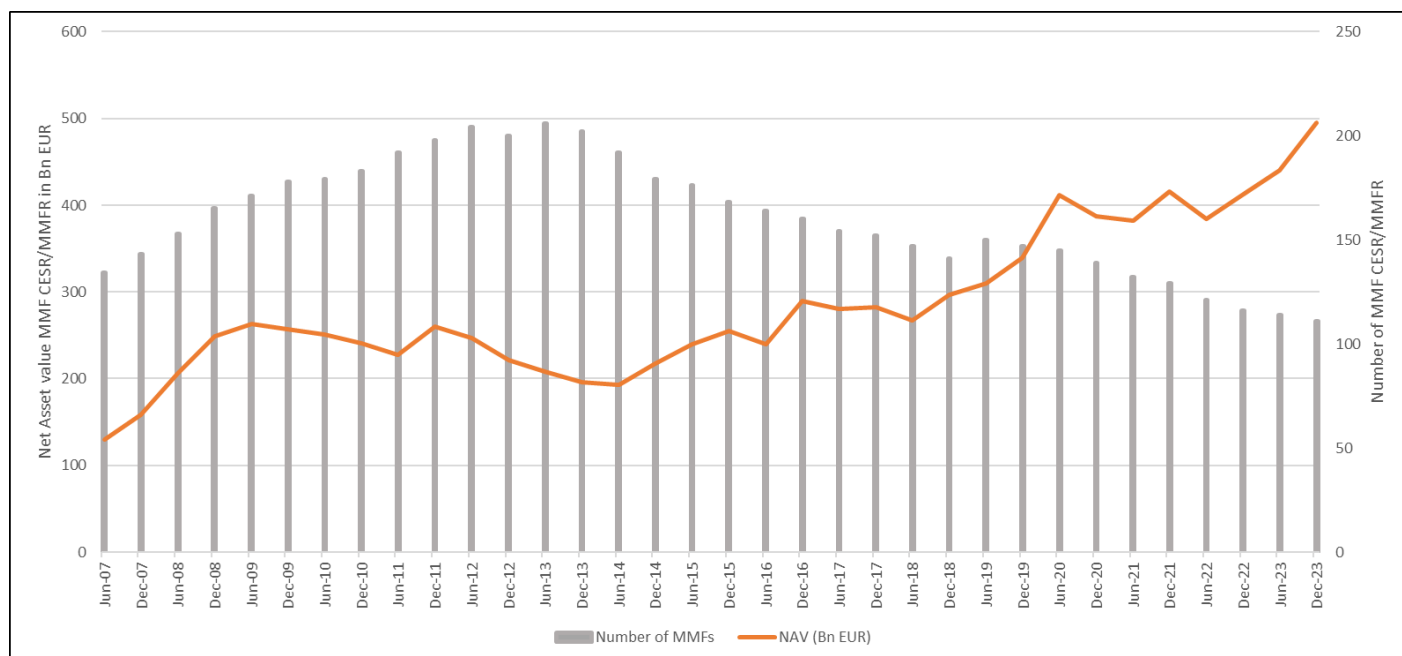
<sup>2</sup> [Commission adopts report on the functioning of the Money Market Funds Regulation \(MMF\) \(europa.eu\)](#)

<sup>3</sup> [SEC.gov | SEC Adopts Money Market Fund Reforms and Amendments to Form PF Reporting Requirements for Large Liquidity Fund Advisers](#)

### 3. MMF market overview and general aspects

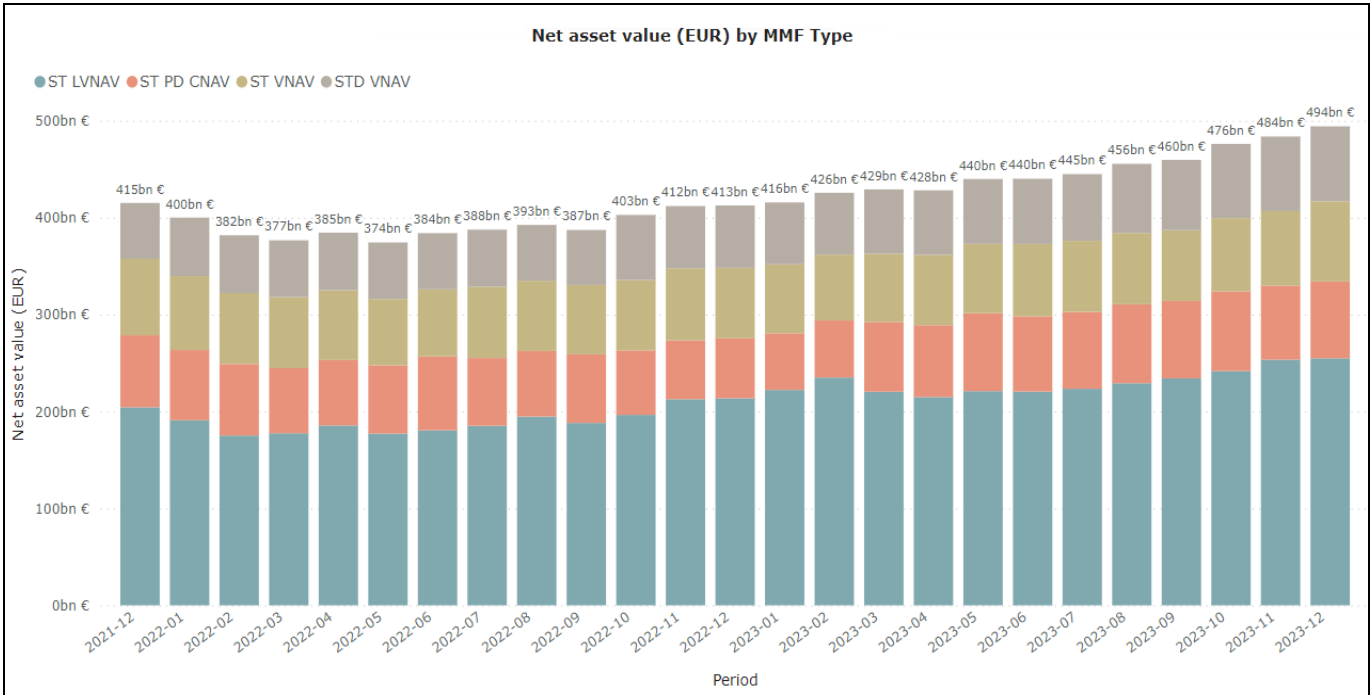
#### 3.1 Evolution of the total net assets and number of funds

- Bi-yearly evolution of the TNA and number of MMFs since 2007 (data U.1.1, CSSF)



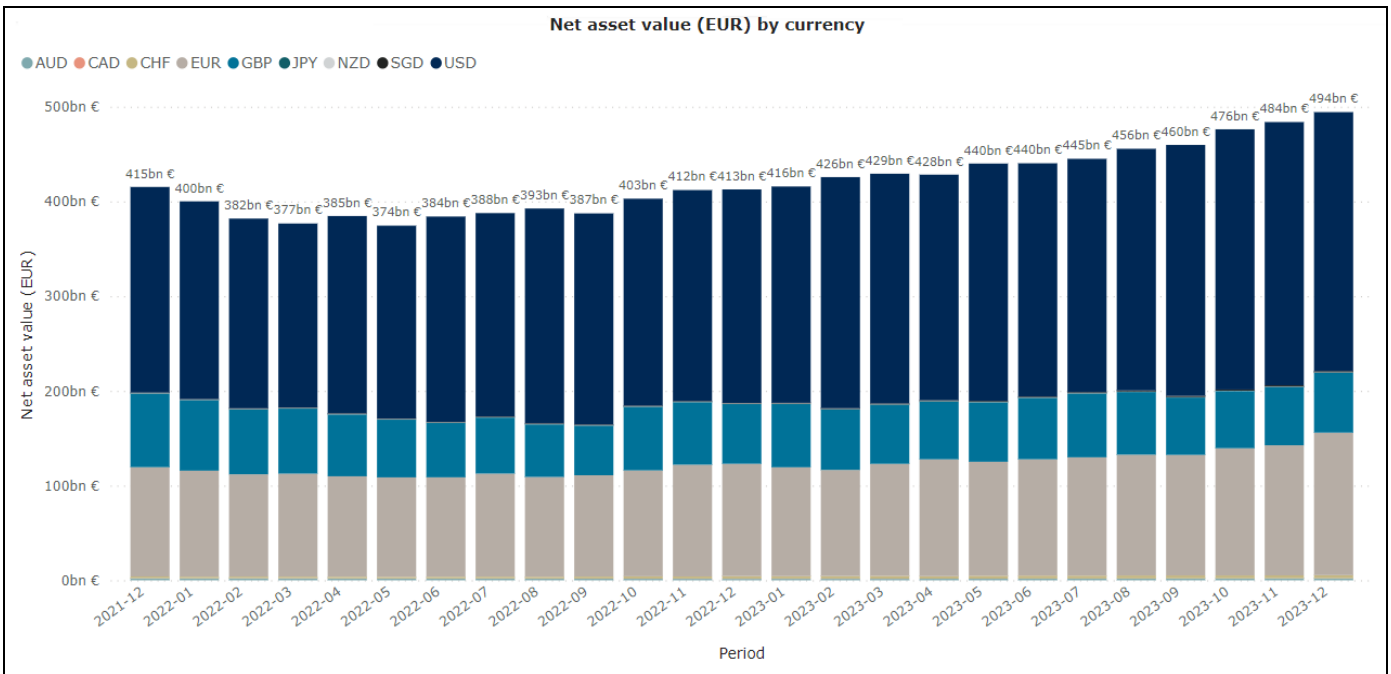
Note: The data from 2012 to 2018 is based on the MMF classification as per [CESR's Guidelines on a common definition of European MMFs](#). From 2019, the data is based on the MMF classification as per the MMFR. The number of funds only represents active funds.

- Monthly evolution of the NAV by MMF type since Q4 2021 (data U.1.1)

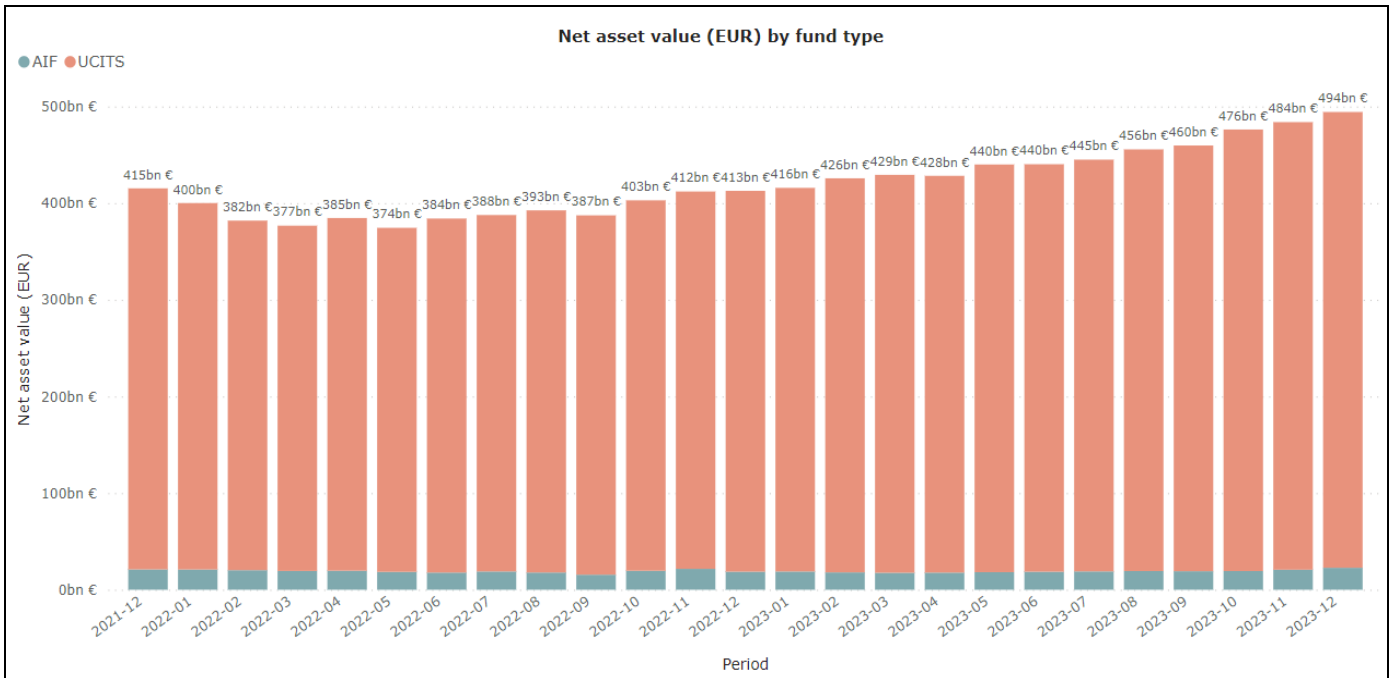


Note: Small discrepancies between the total TNA provided by the MMFR and the U.1.1 are linked to the different underlying assumptions used by these two different data sources.

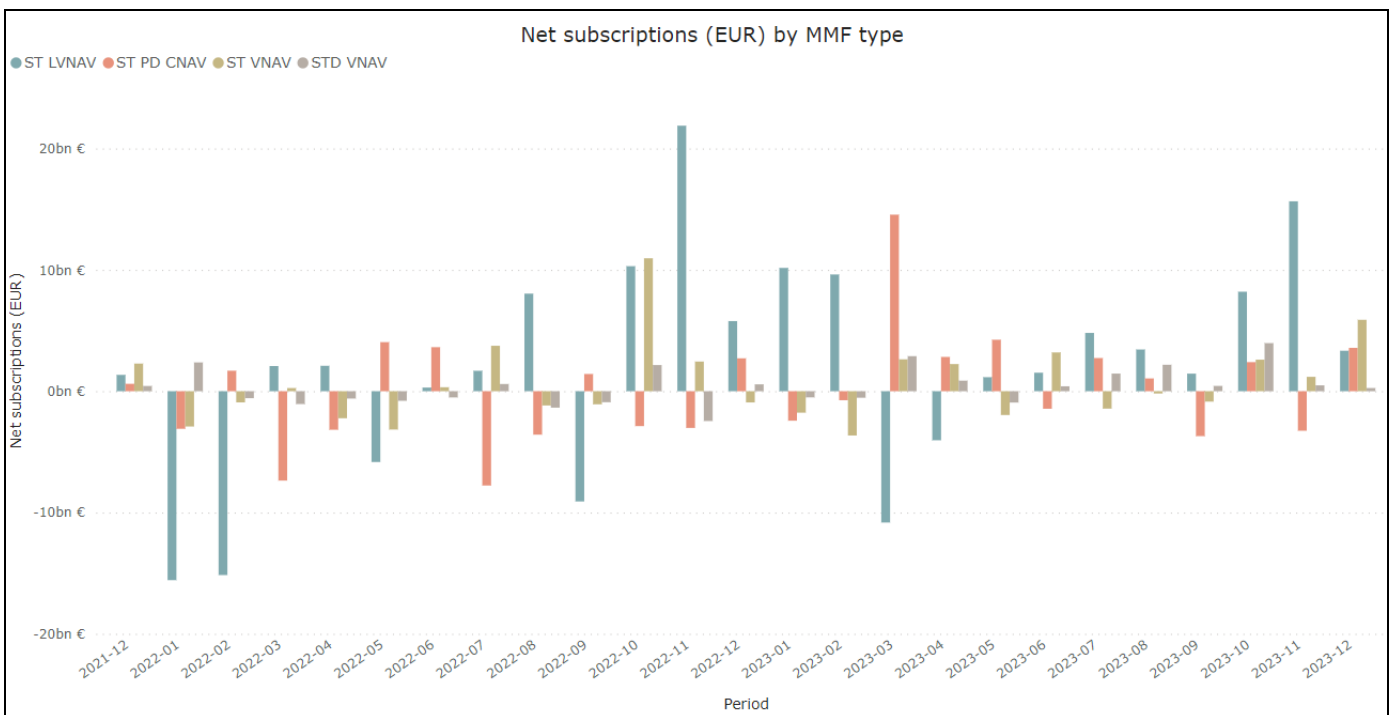
- Monthly evolution of the NAV by MMF currencies since Q4 2021 (data U.1.1)



- Monthly evolution of the NAV by MMF legal type since Q4 2021 (data U.1.1)

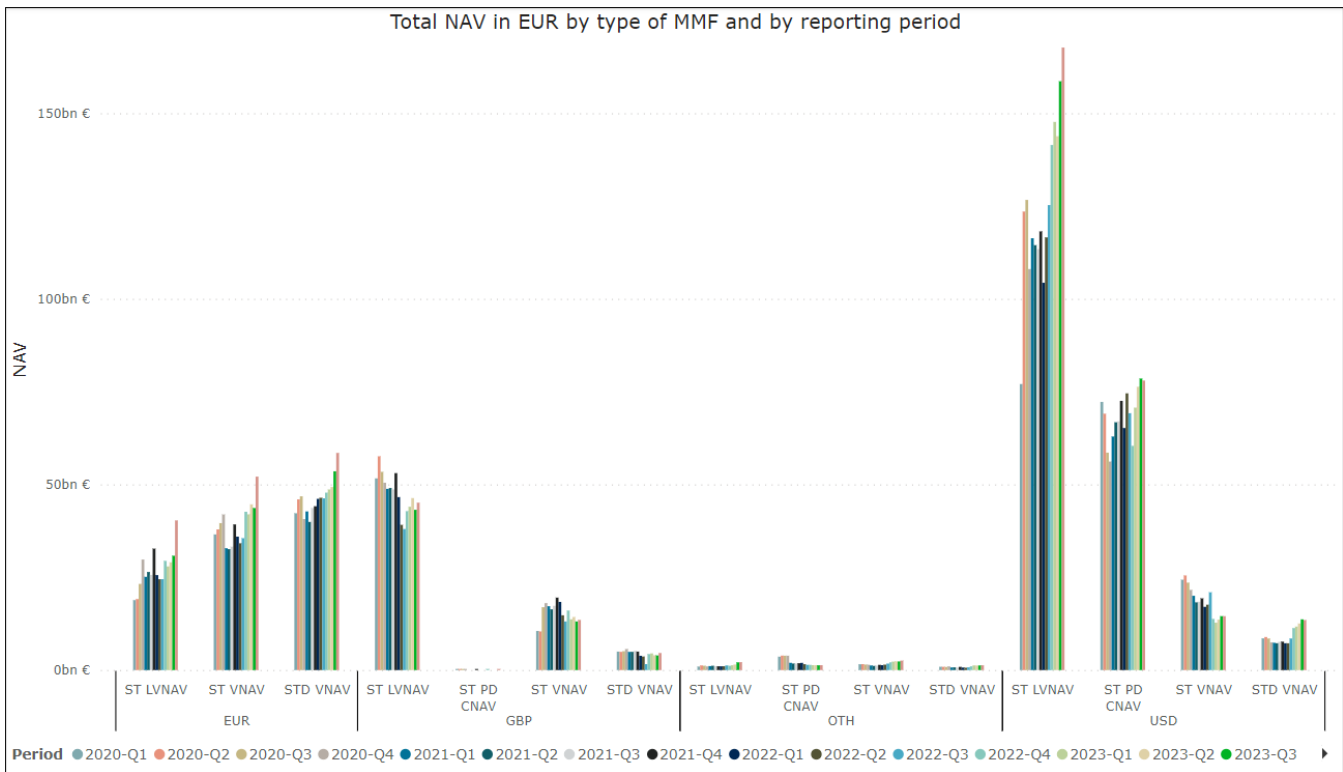


- Monthly evolution of subscriptions/redemptions by MMF type since Q4 2021 (data U.1.1)

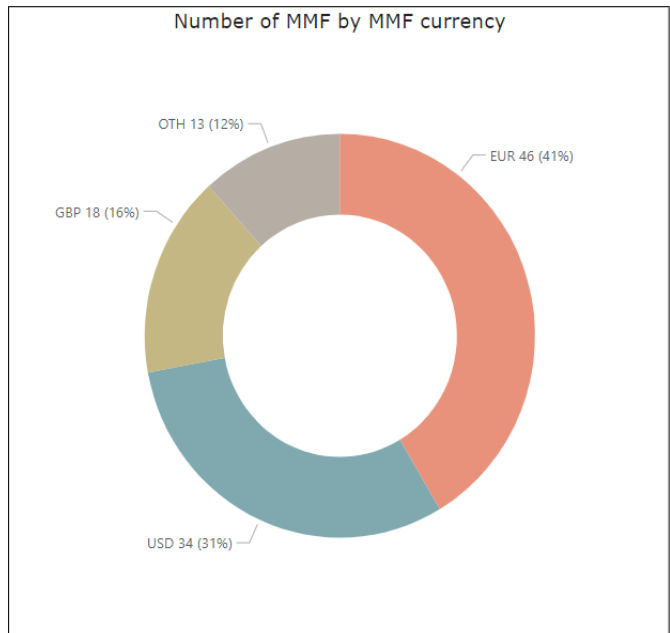
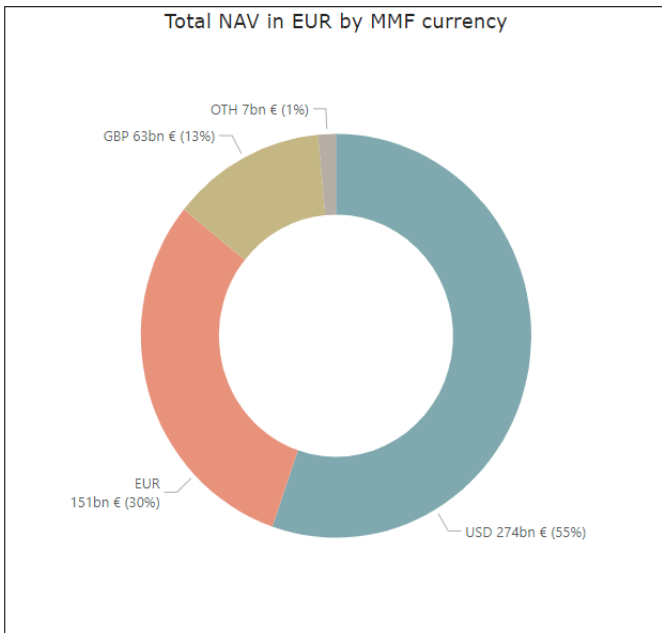
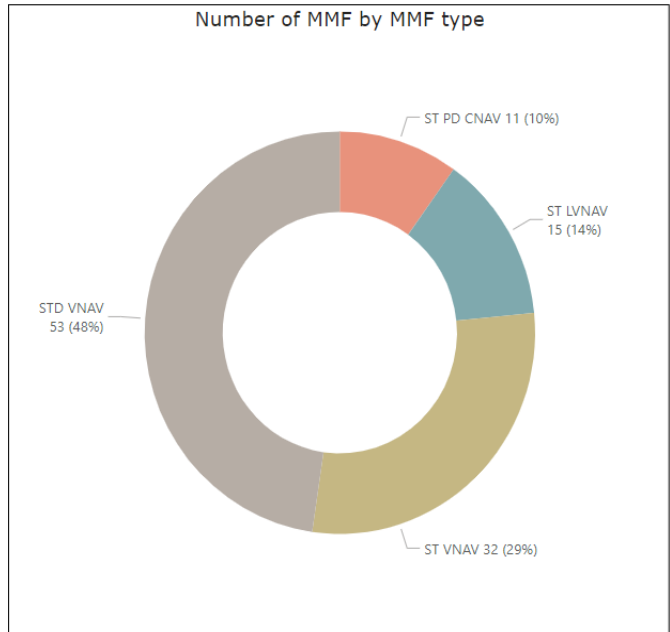
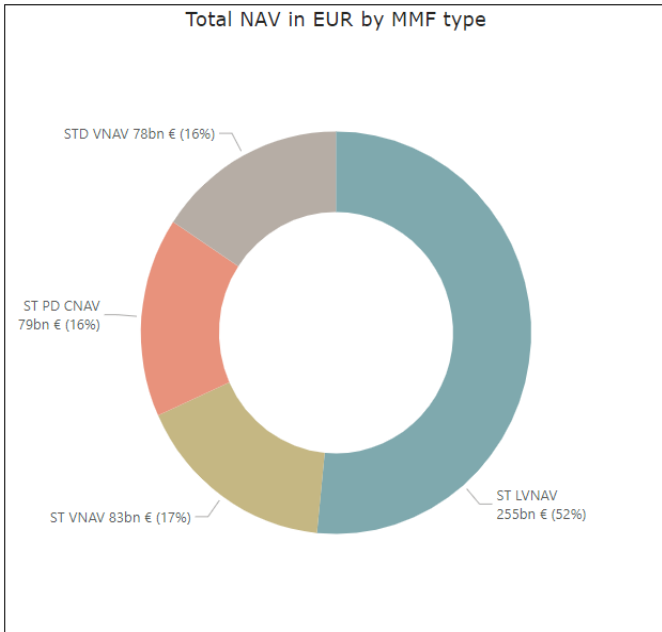


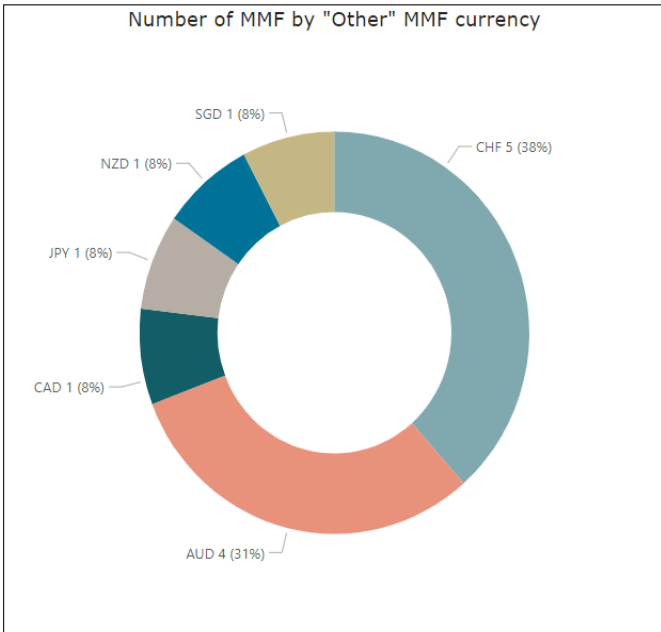
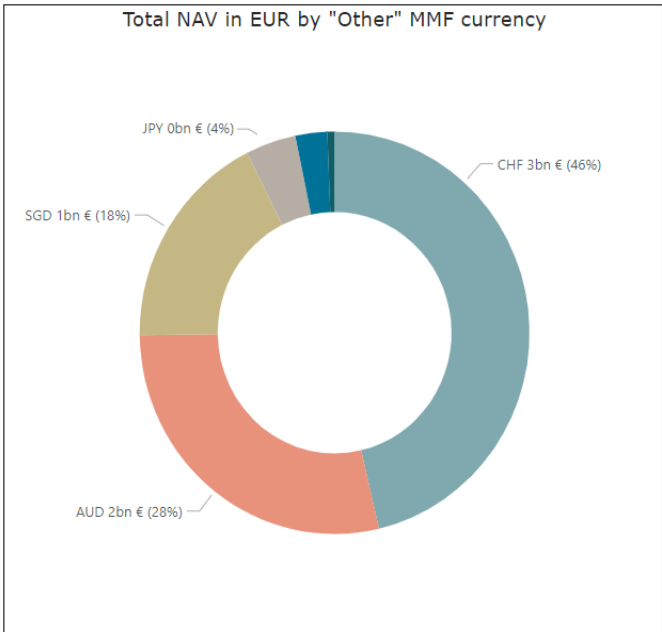


- Quarterly evolution of the TNA per MMF type by currencies since Q1 2020 (data MMFR)

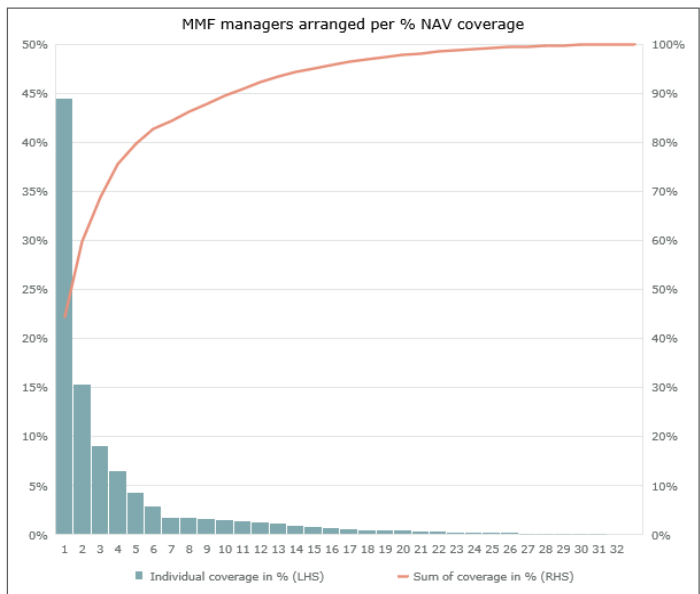
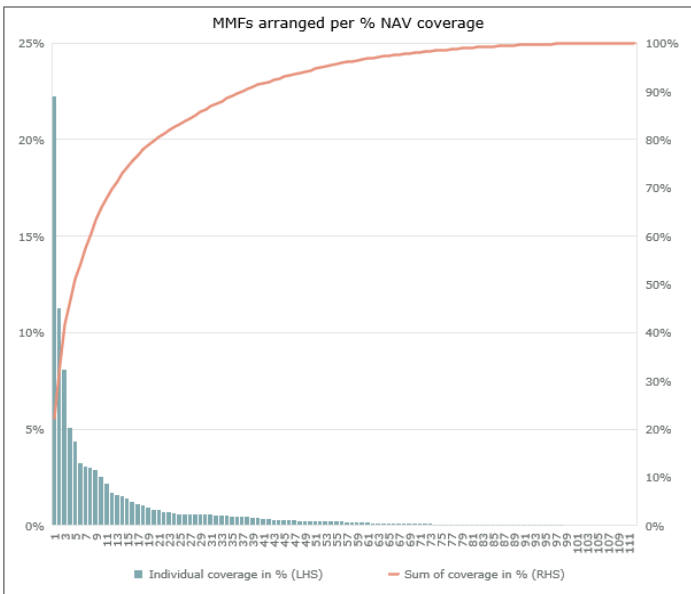


### 3.2 Allocation of MMF assets as per 31 December 2023

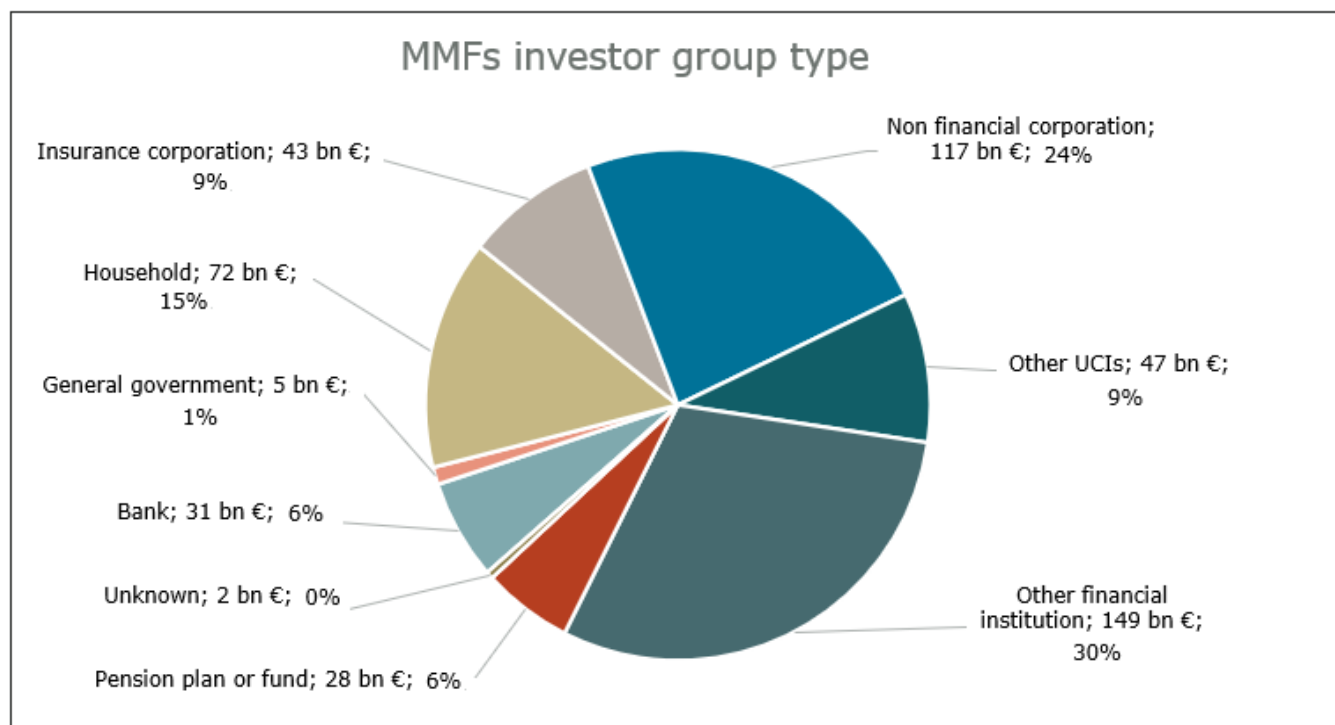
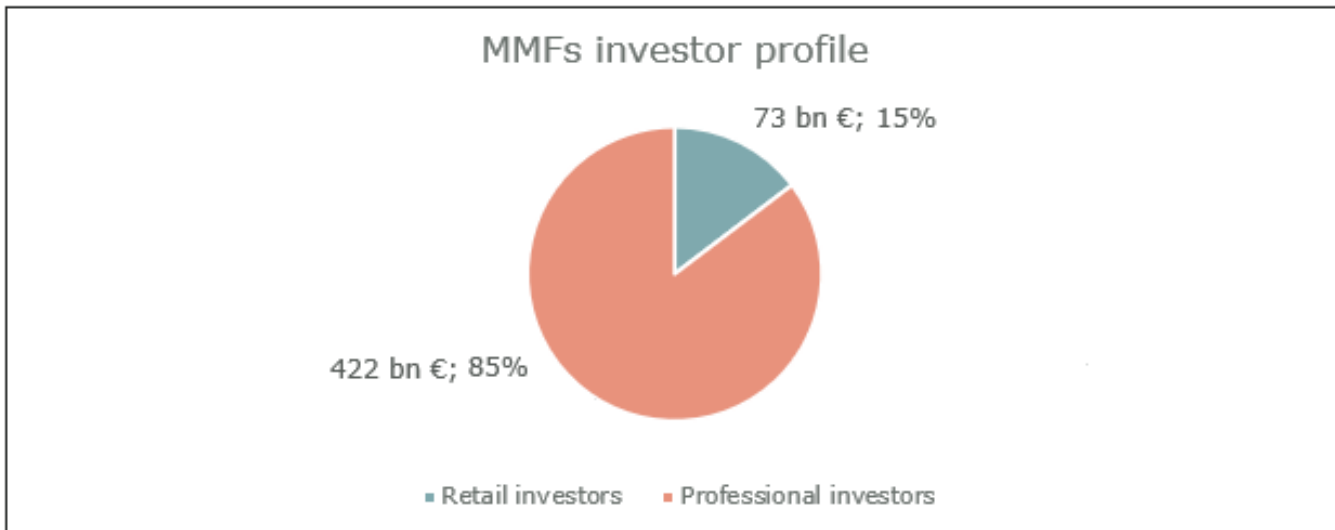




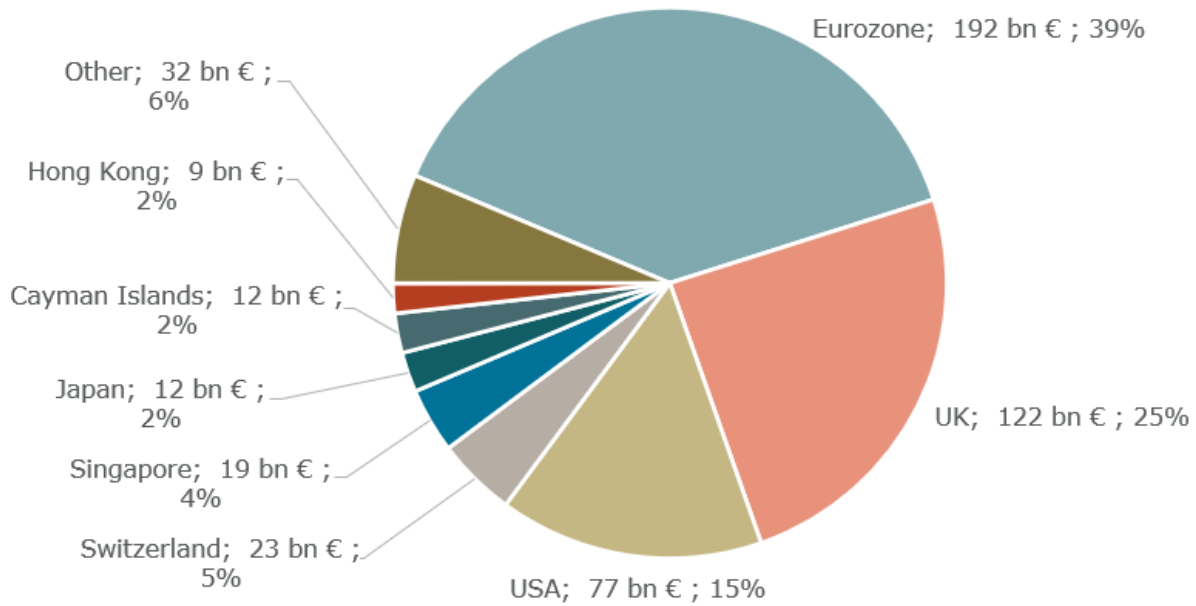
### 3.3 Market concentration of MMFs and MMF managers as per 31 December 2023



### 3.4 Investor profiles of MMFs

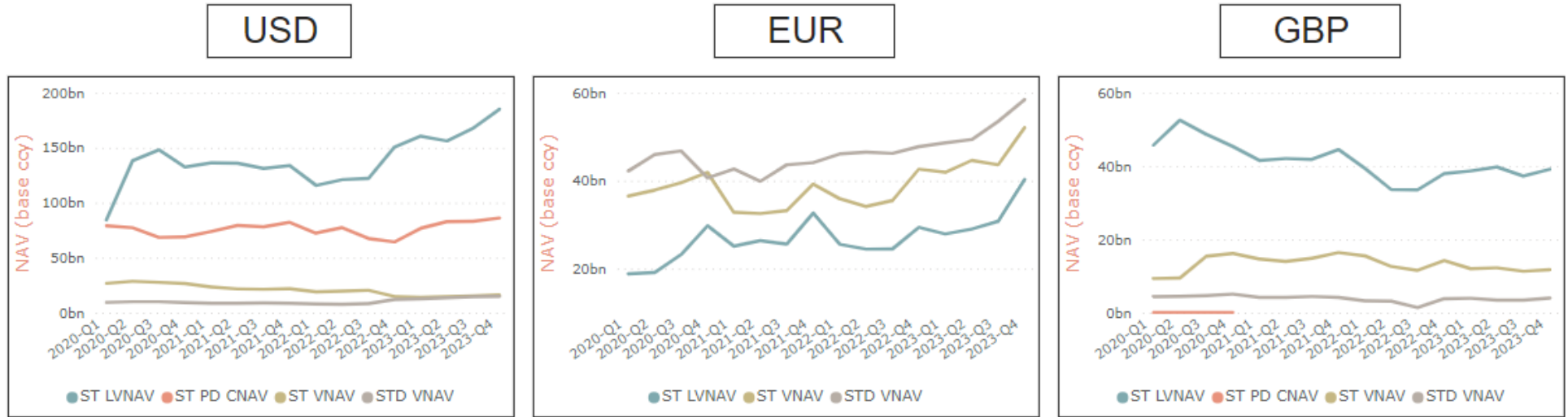


## Geographical breakdown of investors

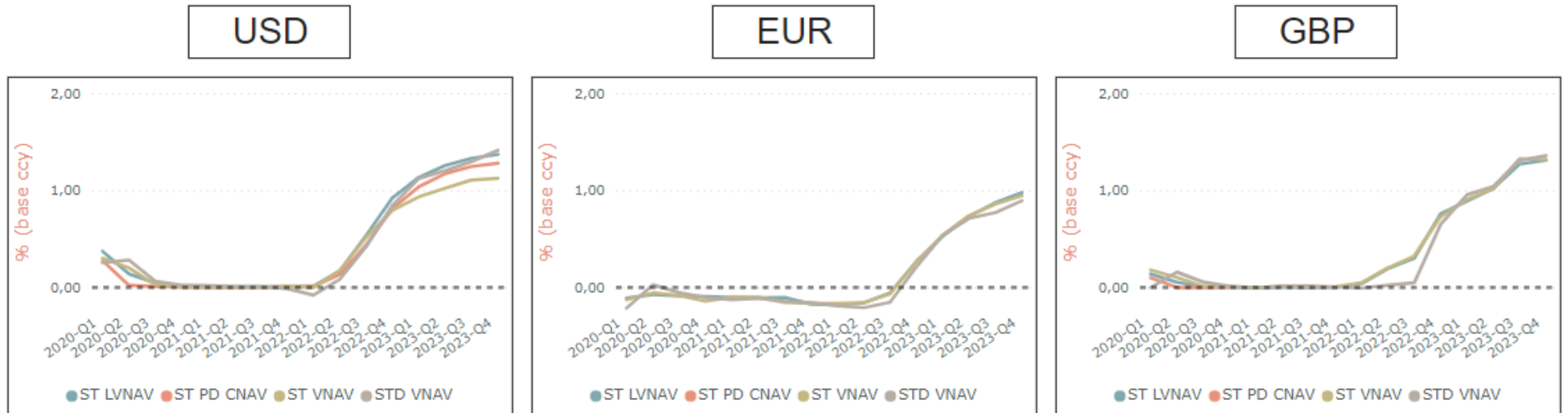


## 4. Detailed analysis per main MMF currencies (NAV-weighted)

### 4.1 NAV (base currency)



## 4.2 Cumulated returns last 3 months

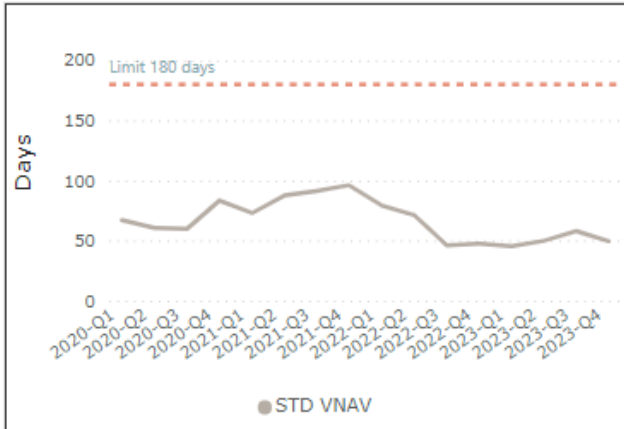
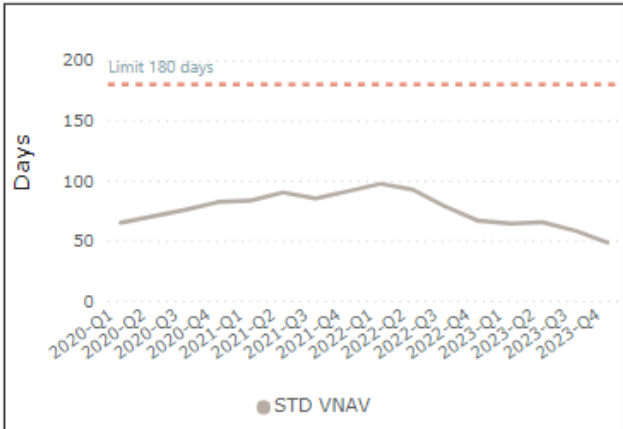
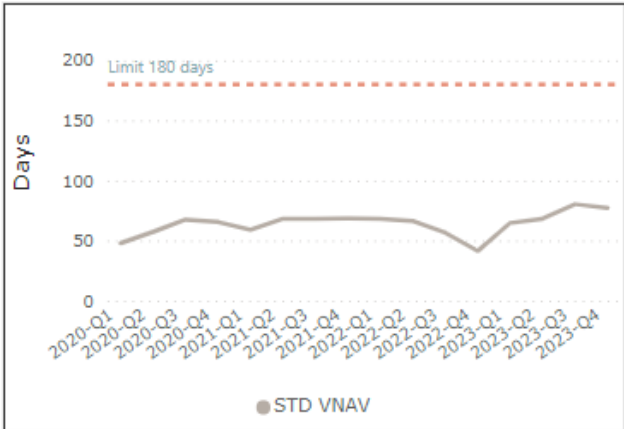
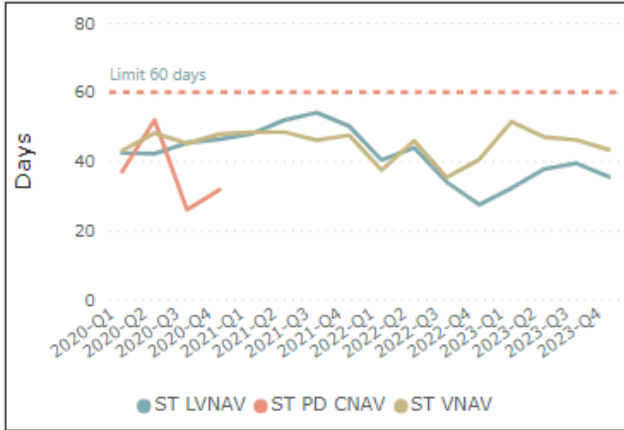
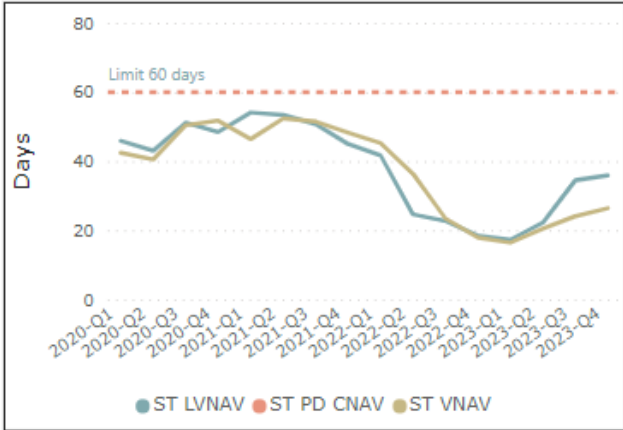
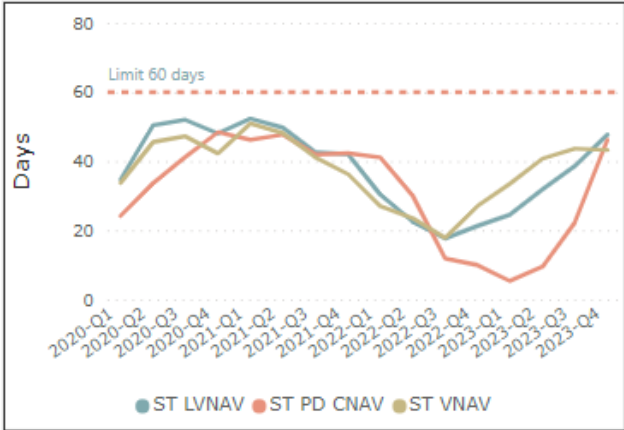


### 4.3 Weighted Average Maturity (WAM)

USD

EUR

GBP



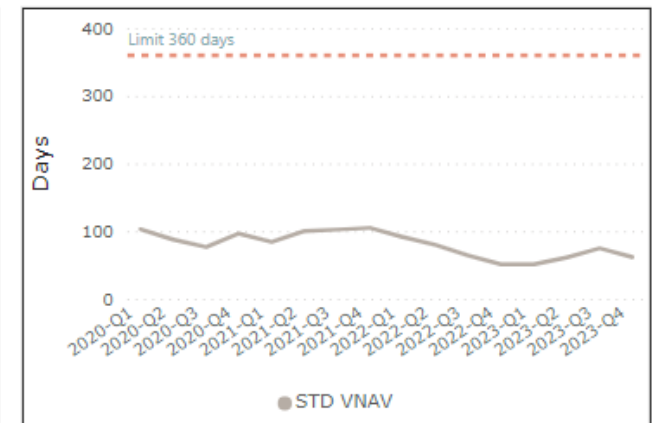
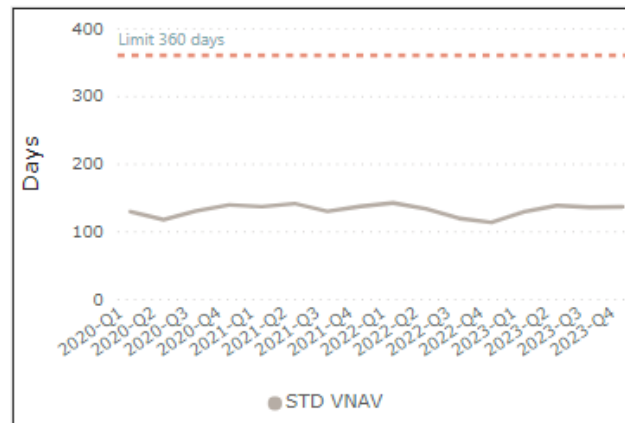
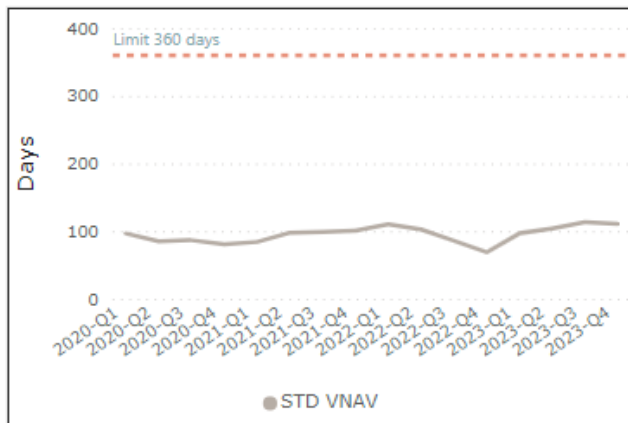
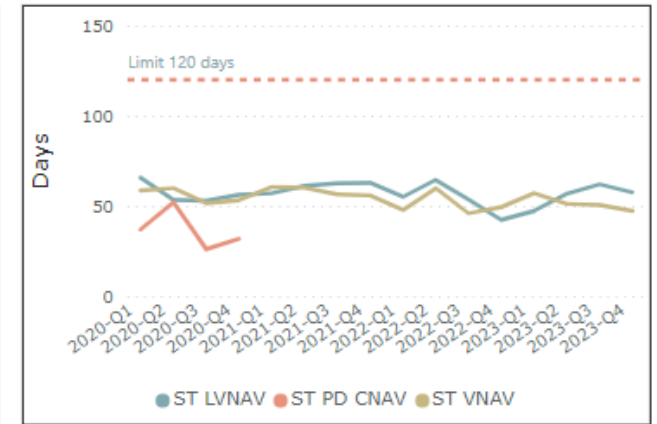
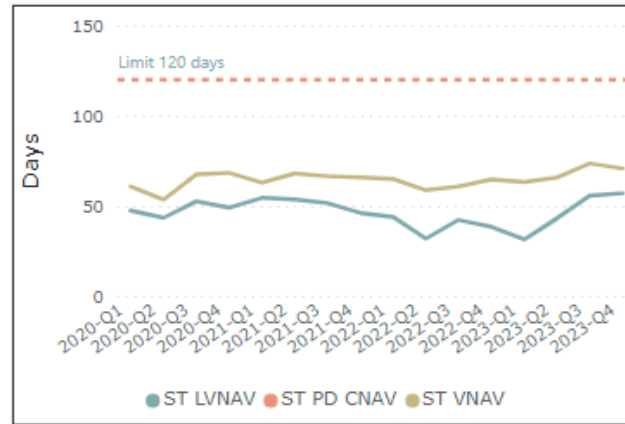
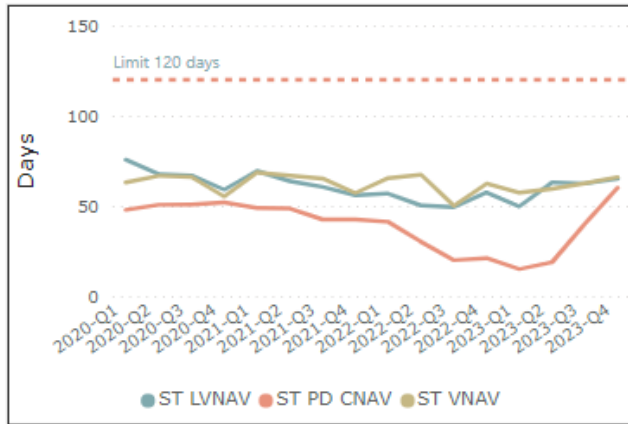


#### 4.4 Weighted Average Life (WAL)

USD

EUR

GBP

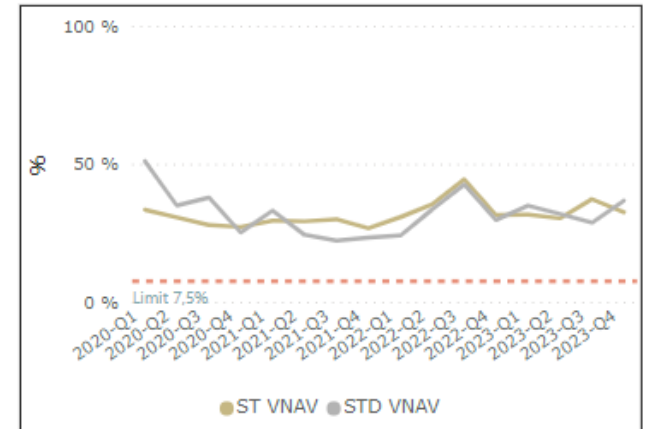
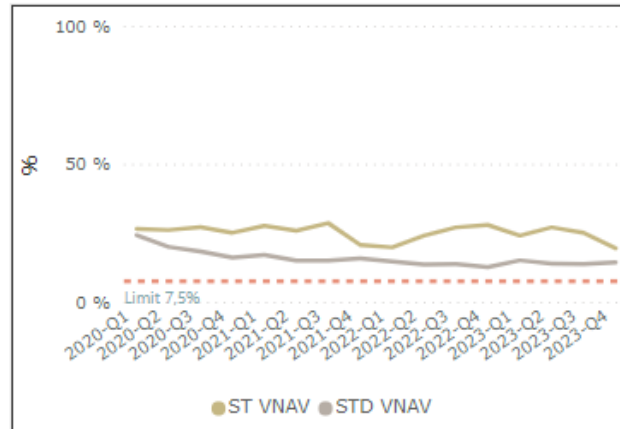
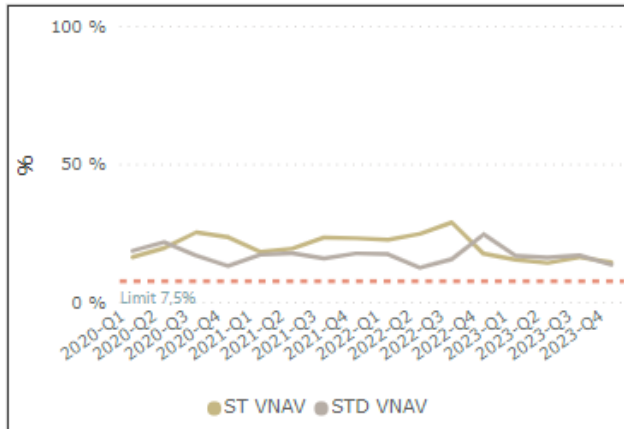
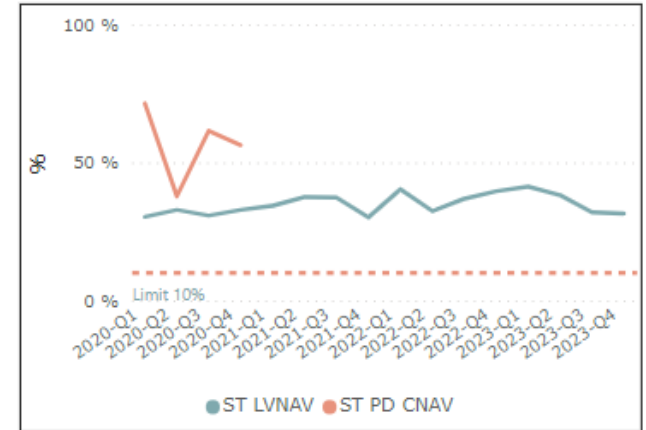
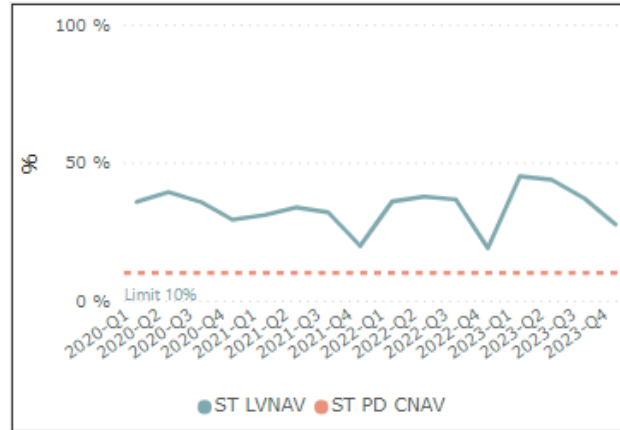
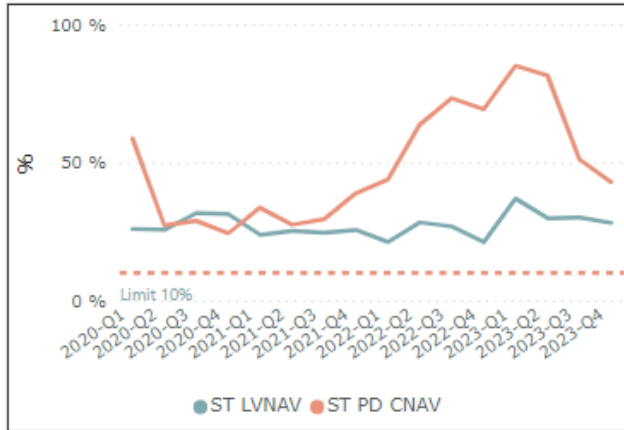


#### 4.5 Liquidity – Daily Liquid Assets (DLA)

USD

EUR

GBP

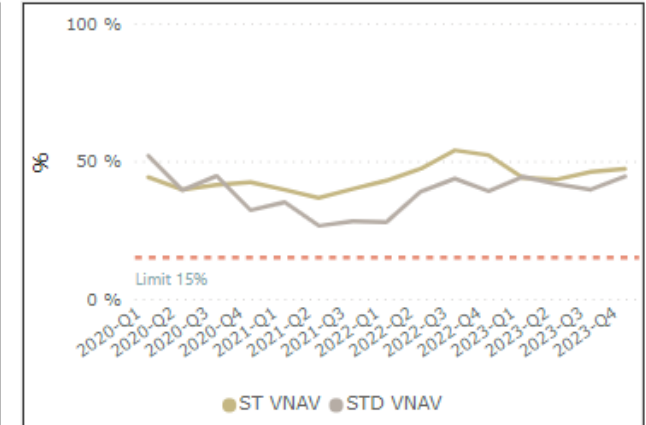
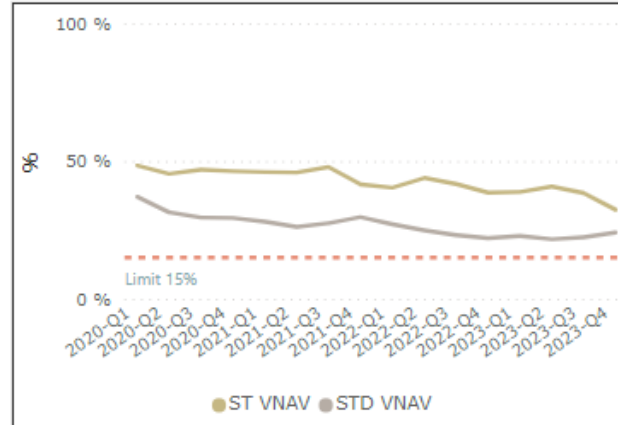
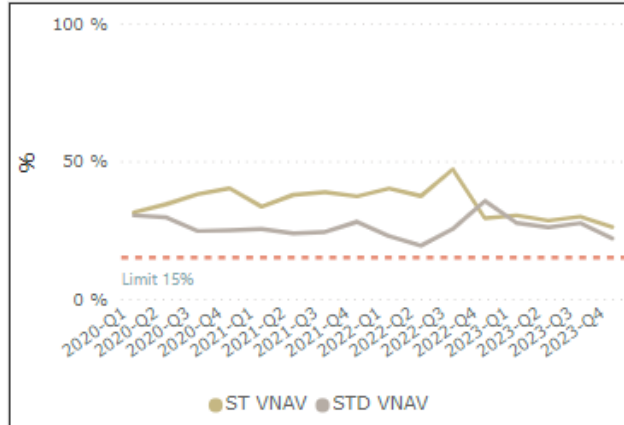
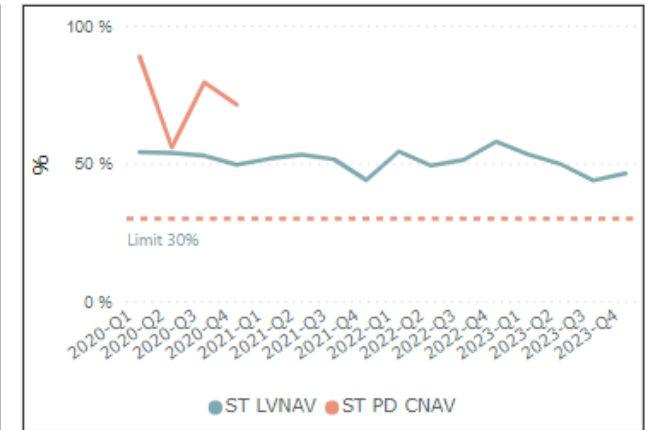
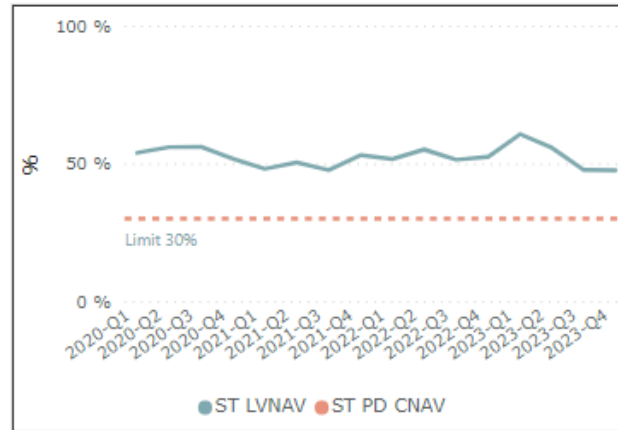
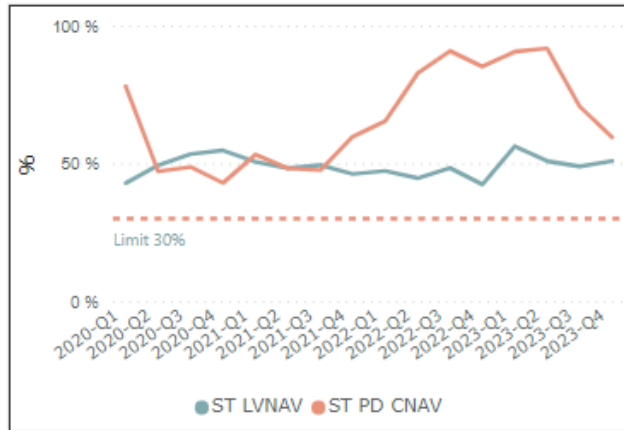


#### 4.6 Liquidity – Weekly Liquid Assets (WLA)

USD

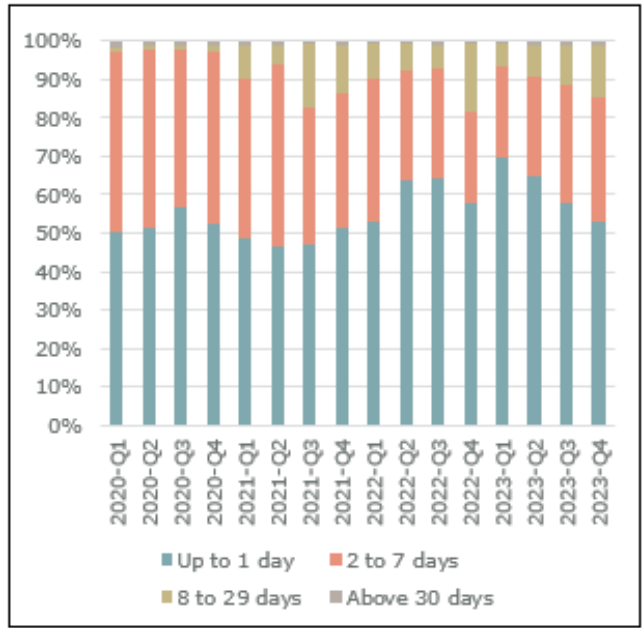
EUR

GBP

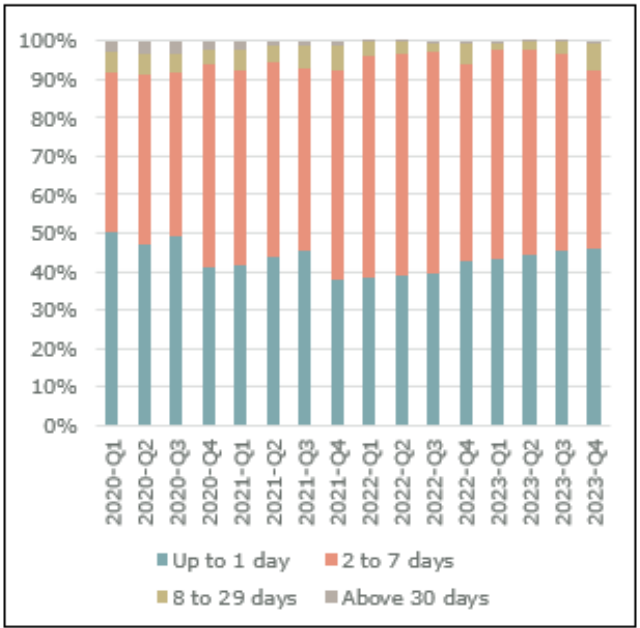


#### 4.7 Evolution of liquidity (time to liquidate) (normal market conditions)

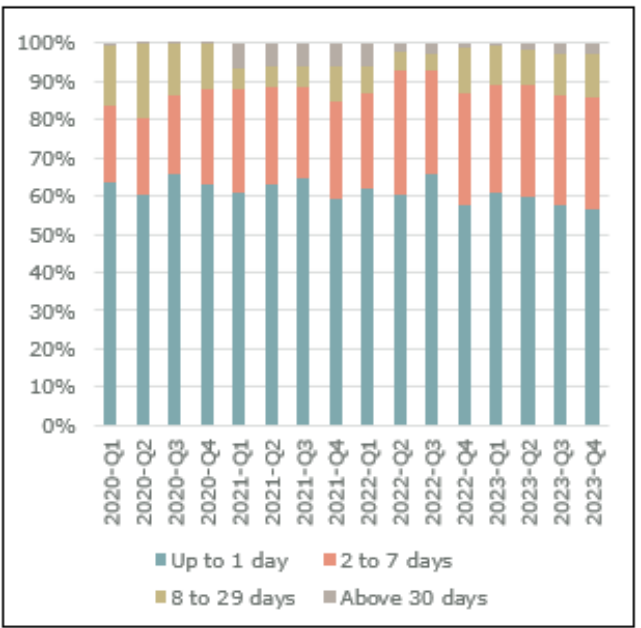
USD



EUR



GBP



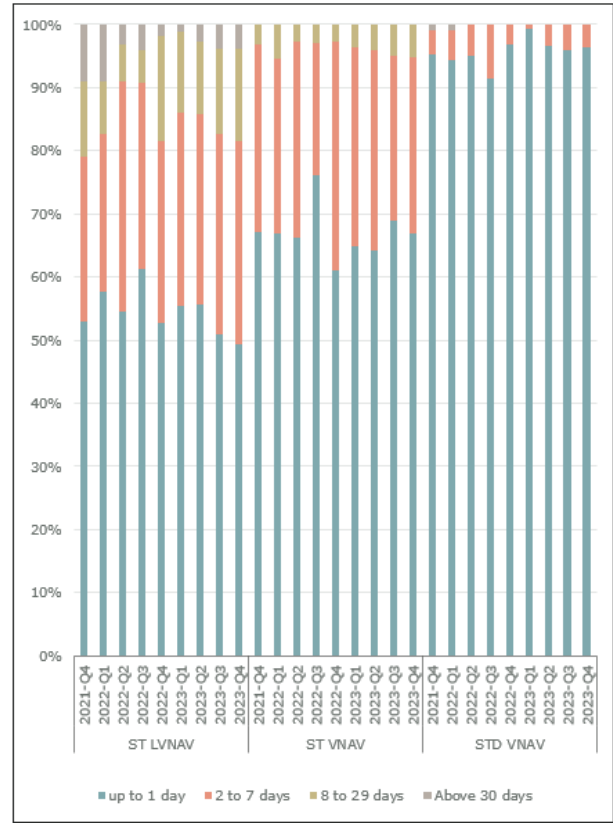
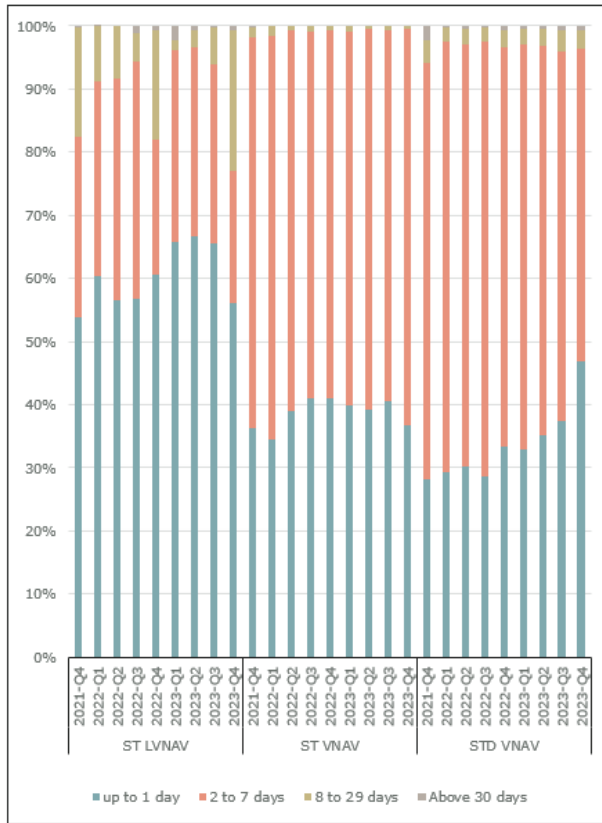
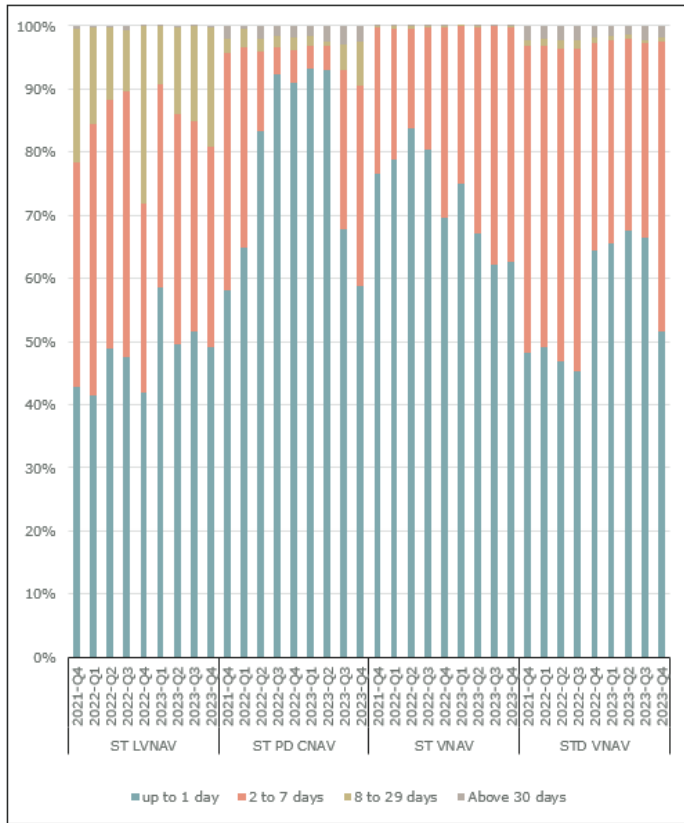
Note: The figures are based on the self-assessment of the Investment Fund Managers.

#### 4.8 Evolution of liquidity – Per MMF type (time to liquidate) (normal market conditions)

USD

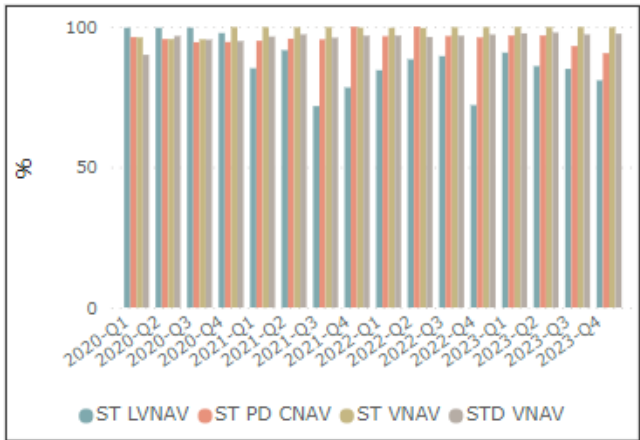
EUR

GBP

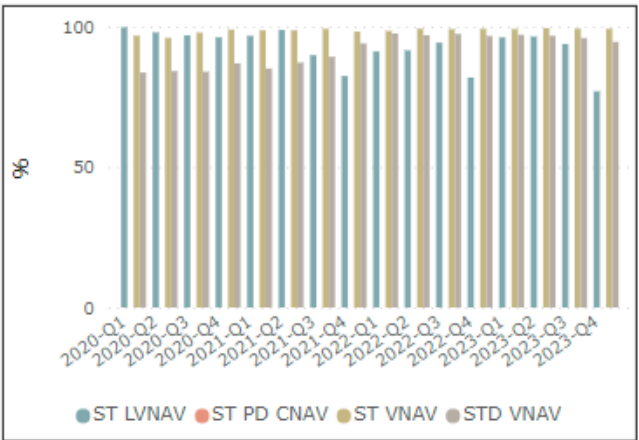


#### 4.9 Evolution of 7-days liquidity (time to liquidate) (normal market conditions)

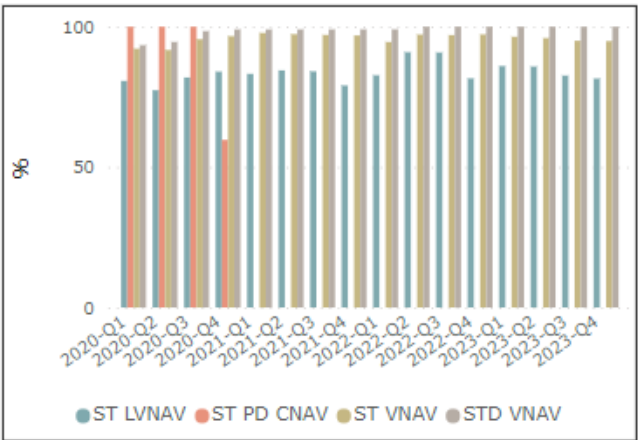
USD



EUR

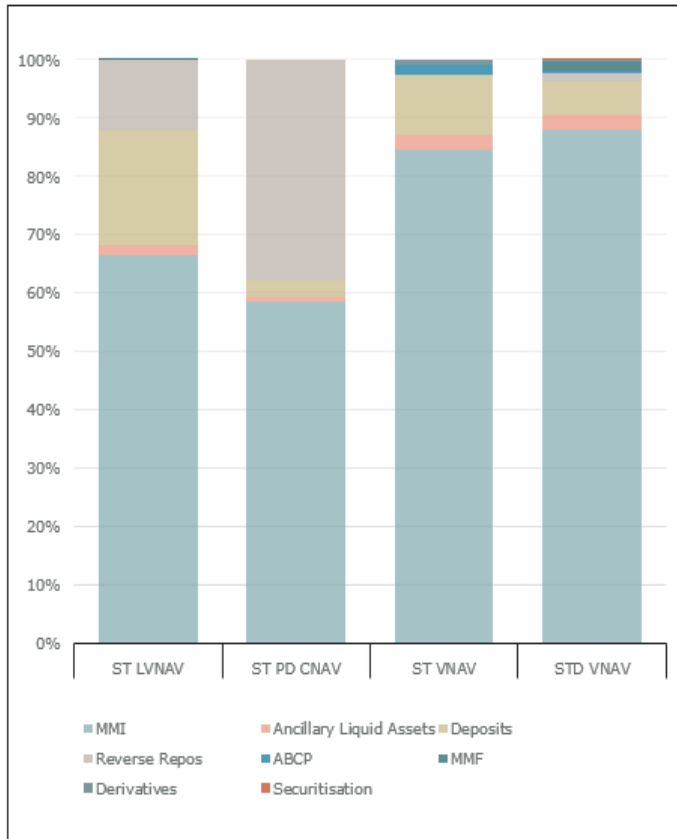


GBP

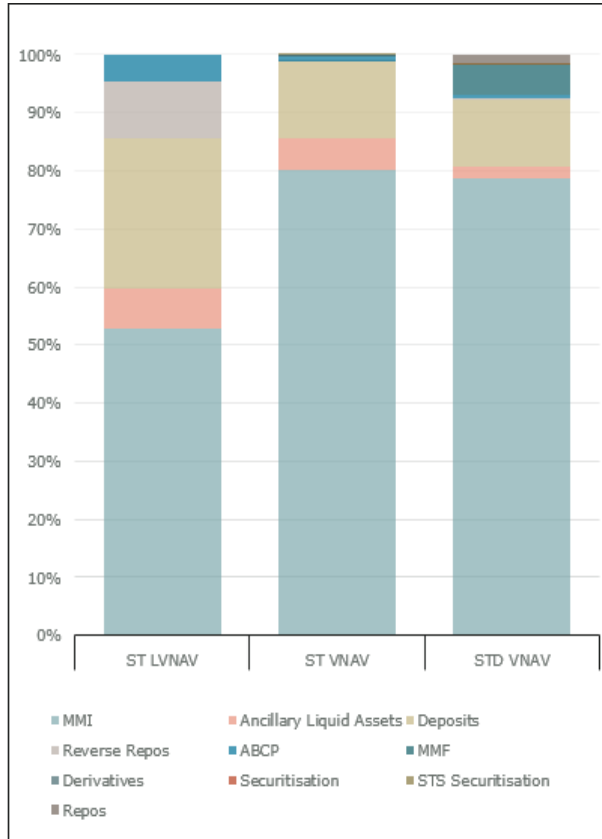


#### 4.10 Breakdown of portfolio by asset type

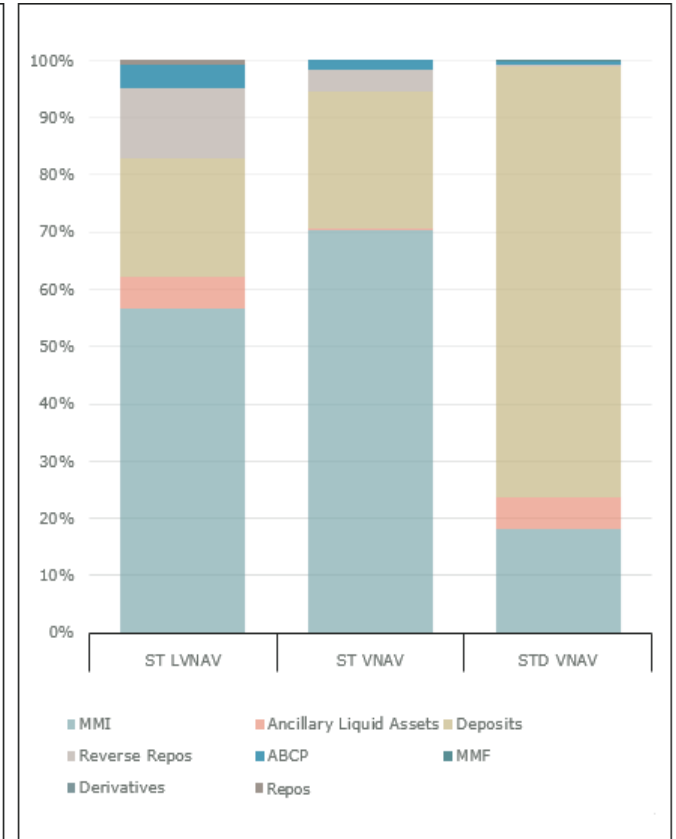
USD



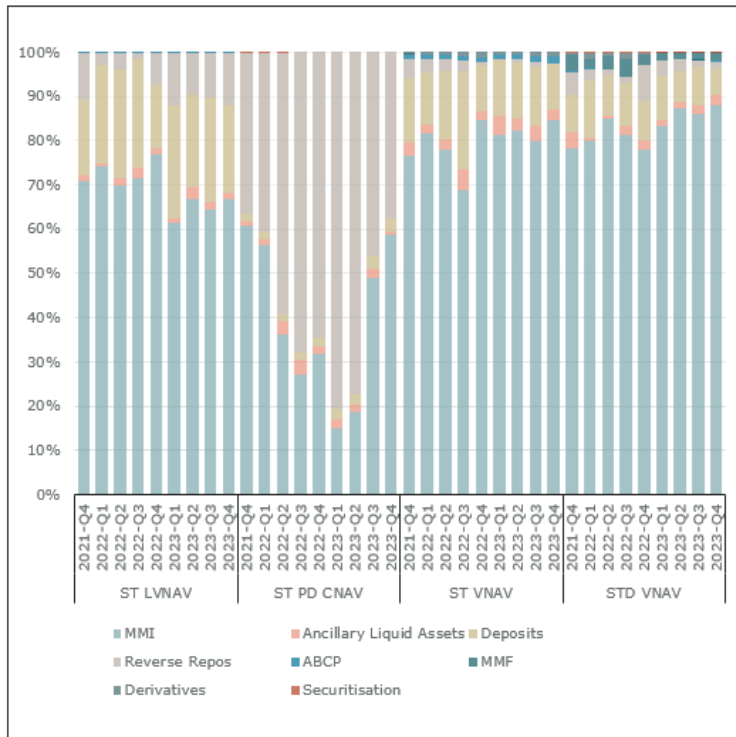
EUR



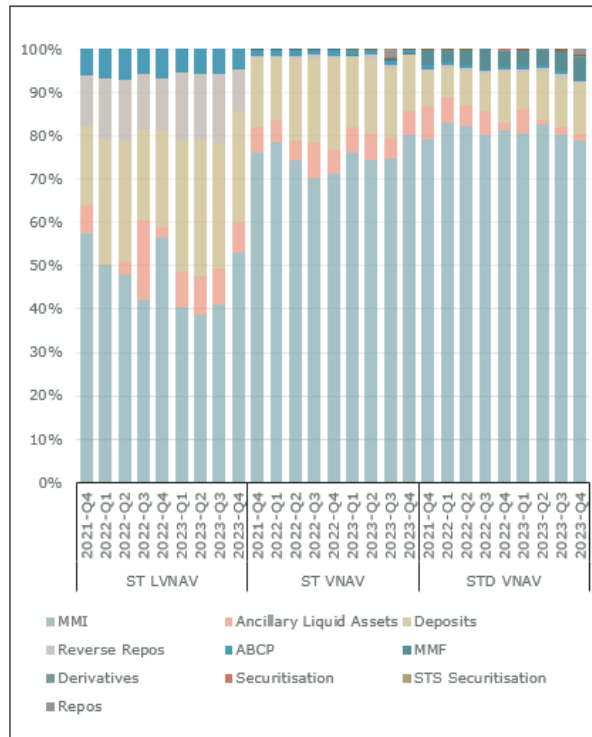
GBP



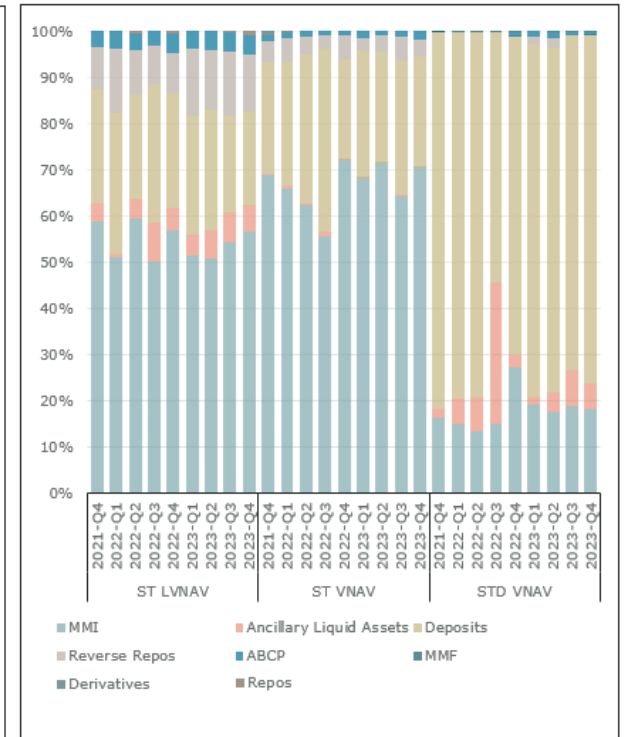
USD



EUR

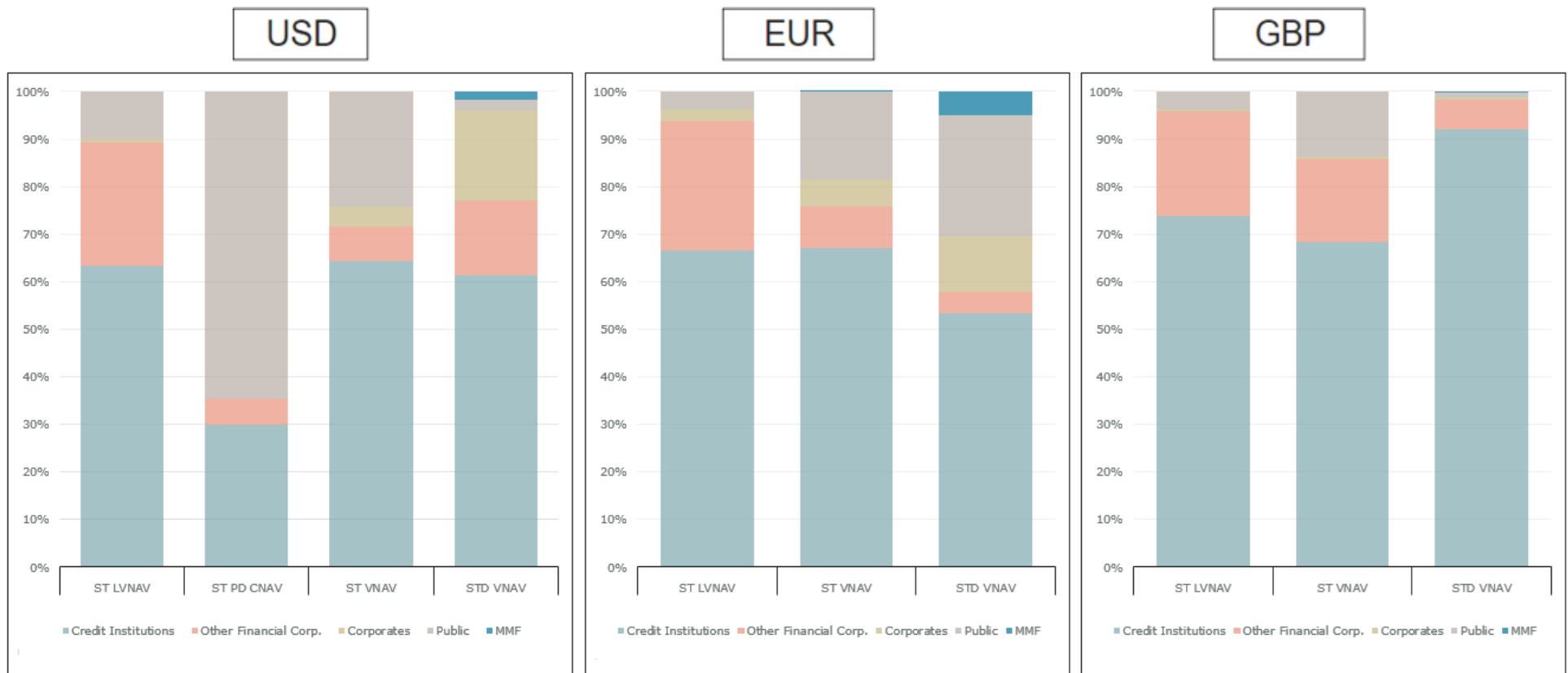


GBP

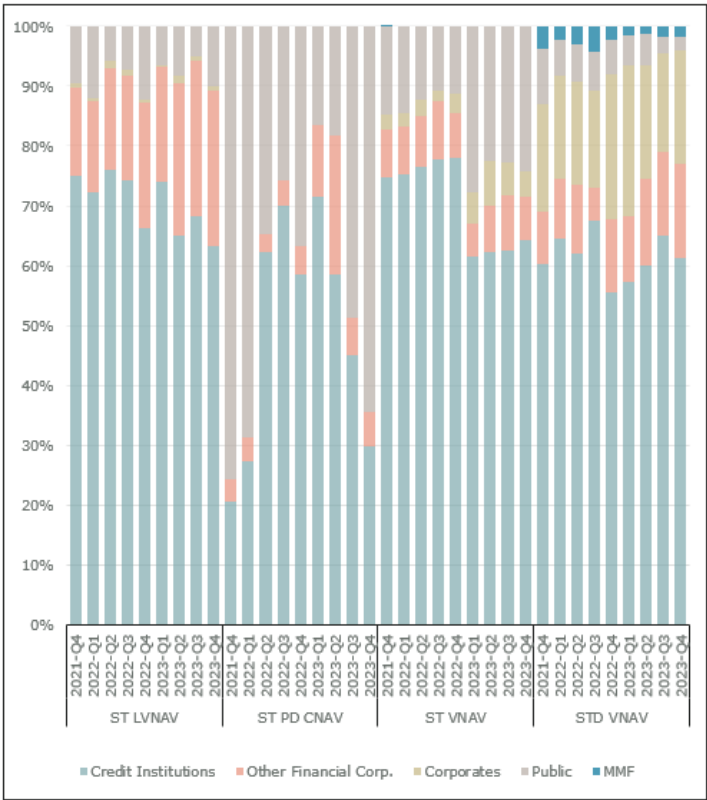




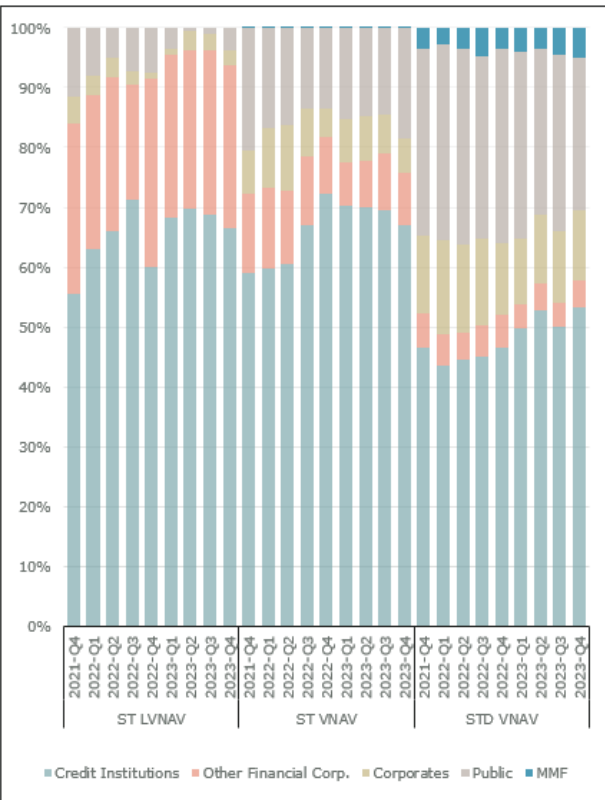
#### 4.11 Breakdown of portfolio by issuer/counterparty type



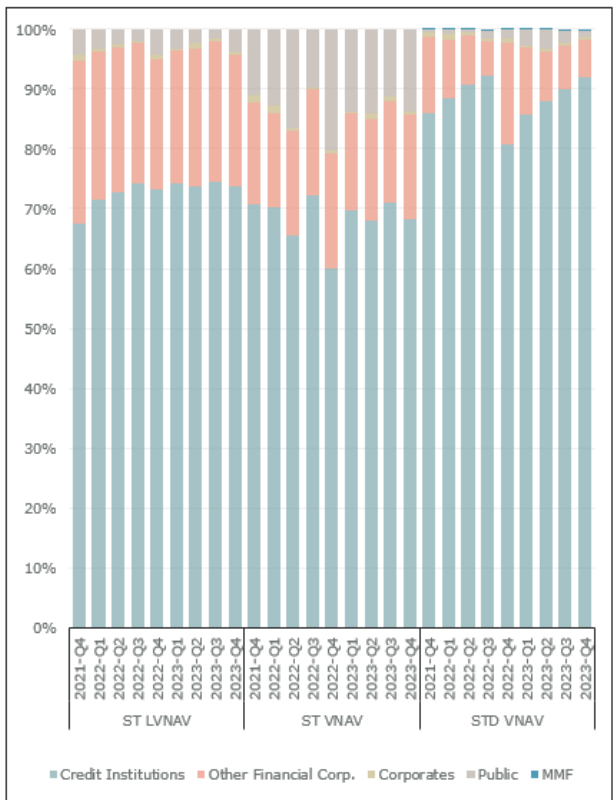
USD



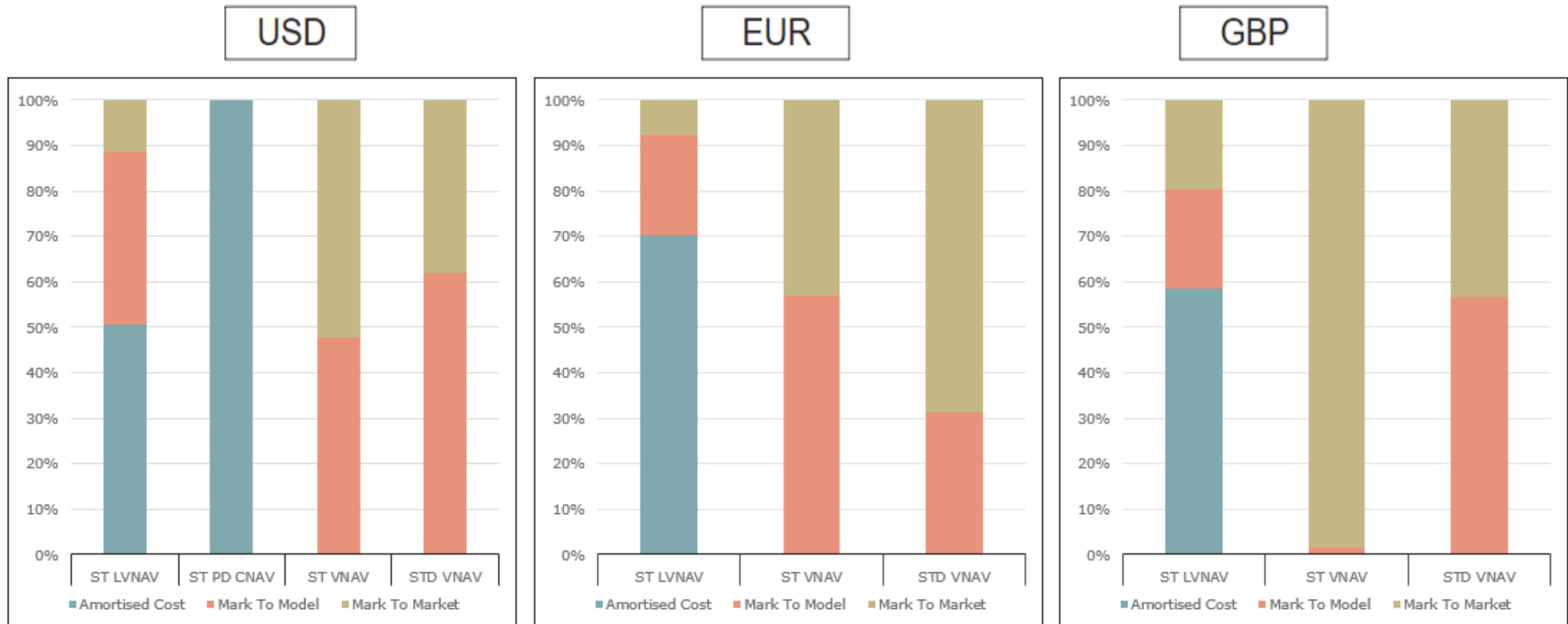
EUR



GBP

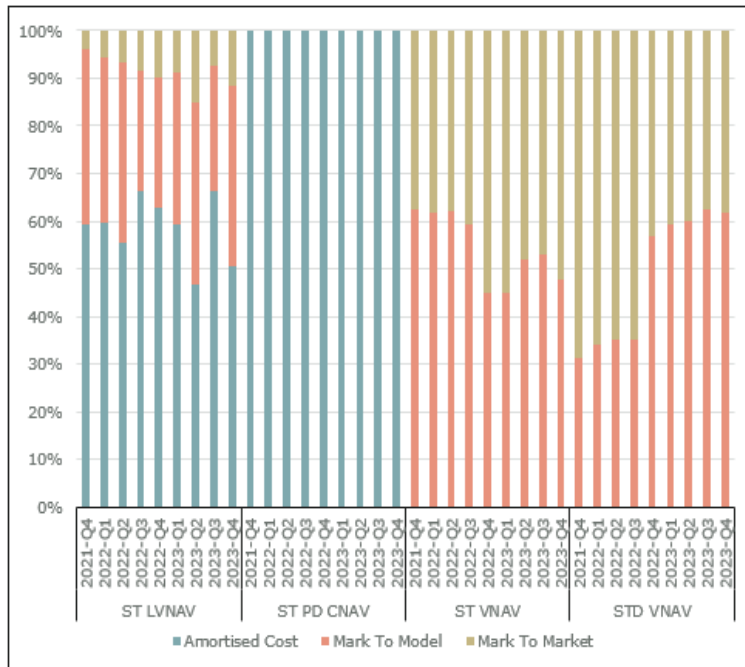


#### 4.12 Breakdown of portfolio by valuation method

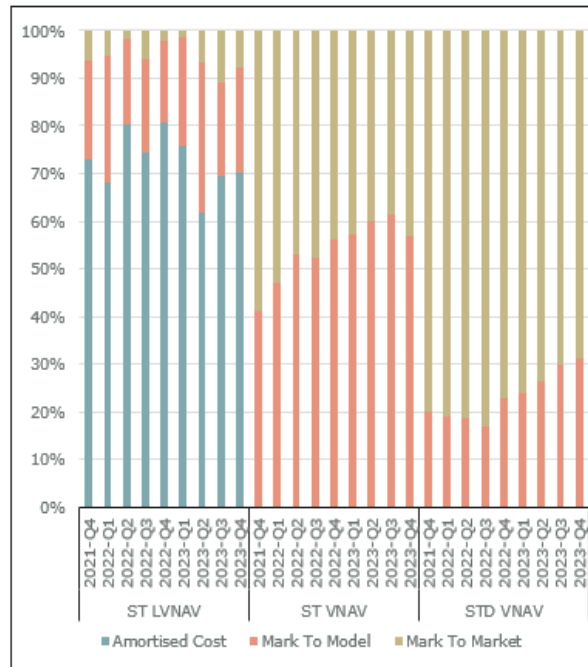


Note: In the MMFR Reporting, a valuation method is indicated for MMI, ABCP, securitisations and STS securitisations. The size of these assets represents overall 68% of the total MMFs assets.

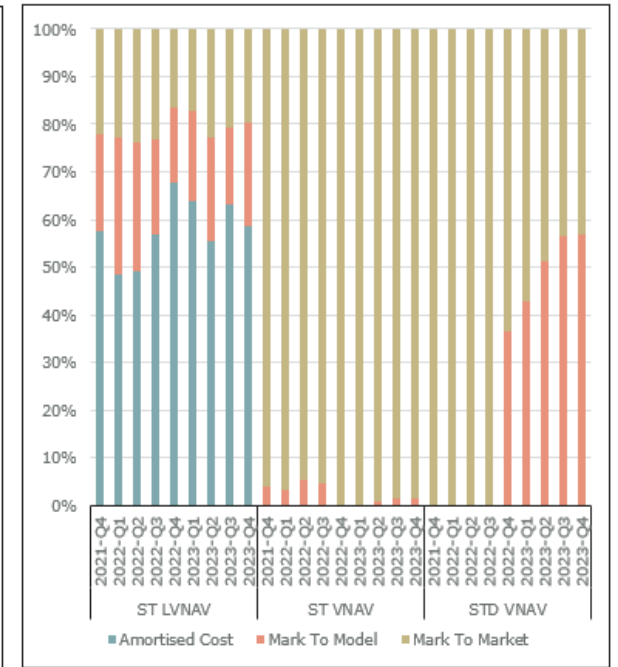
USD



EUR



GBP



#### 4.13 Results of stress tests (Art. 28 MMFR)

The results of the stress tests are based on the "2022 Guidelines" dated 17 January 2023 (ESMA34-49-495)<sup>4</sup> that have been released in November 2022 with updated stress test parameters. The new calibration reflects the uncertainty about the economic consequences of the Russian invasion of Ukraine, geopolitical tensions and the resurgence of the COVID-19 pandemic compounded with zero-COVID policies in some regions.

This version of the guidelines has been introduced in Luxembourg with the CSSF Circular 23/831<sup>5</sup> which provides the key changes that have been operated. This version applied as from the reporting date 31 March 2023 onwards.

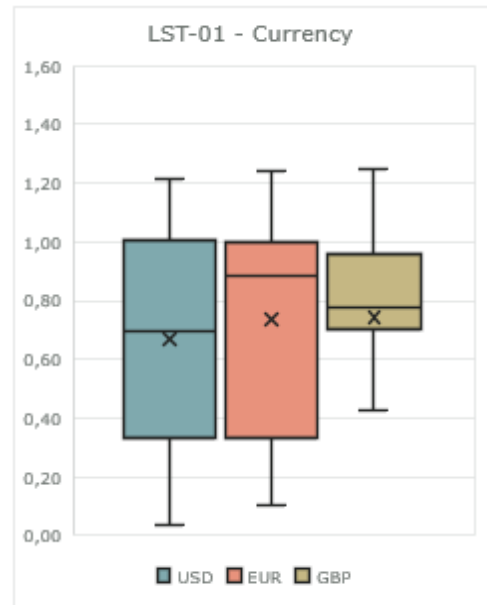
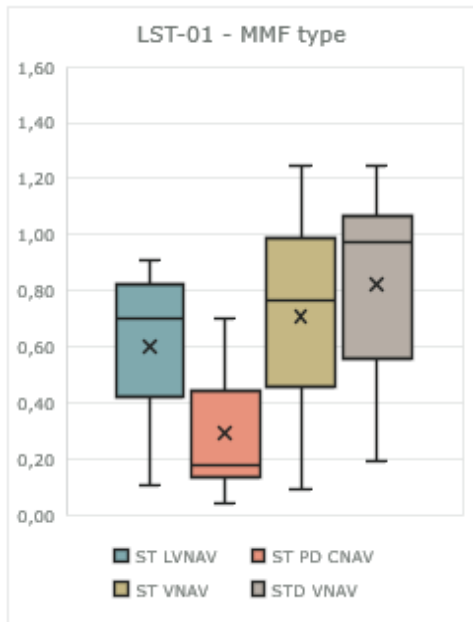
The results of the stress tests are summarized by a set of boxplots, where the box lower value stands for the first quartile and box upper value for the third quartile and where the box is split by a horizontal line at the median value and marked by an X at the mean value. The length of the whiskers is equal to the maximum of 1.5 the size of the boxplot (minimum/maximum values beyond 1.5 times the size of the boxplot, if any, are not displayed).

<sup>4</sup> Updated version of the "Guidelines on stress test scenarios under the MMFR" applicable as from the reporting date 31 March 2023 onwards : [esma34-49-495\\_guidelines\\_on\\_mmf\\_stress\\_tests.pdf\(europa.eu\)](#)

<sup>5</sup> [cssf23\\_831eng.pdf](#)

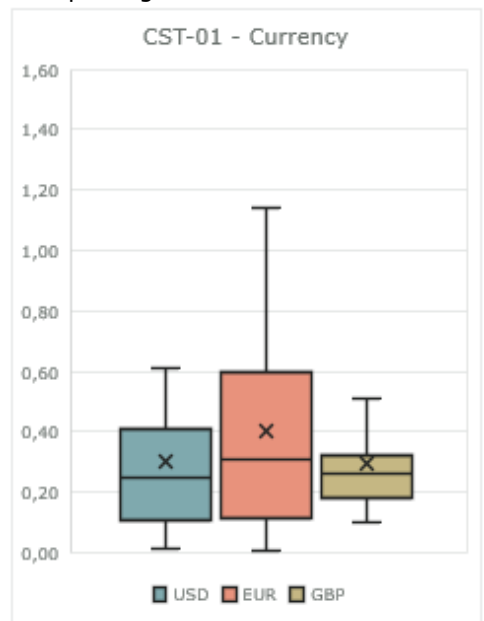
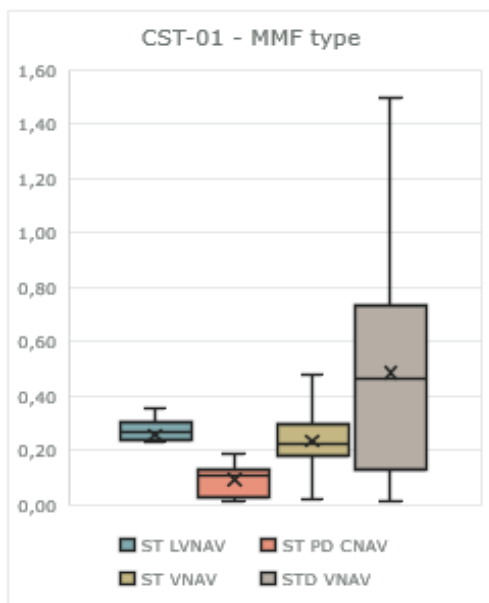
- **Liquidity**

Scenario: Discount factors are applied to the price of assets held in the portfolios of MMFs to reflect an increase in liquidity premia due to deterioration of market liquidity conditions. Measured as percentage of the Reporting NAV.



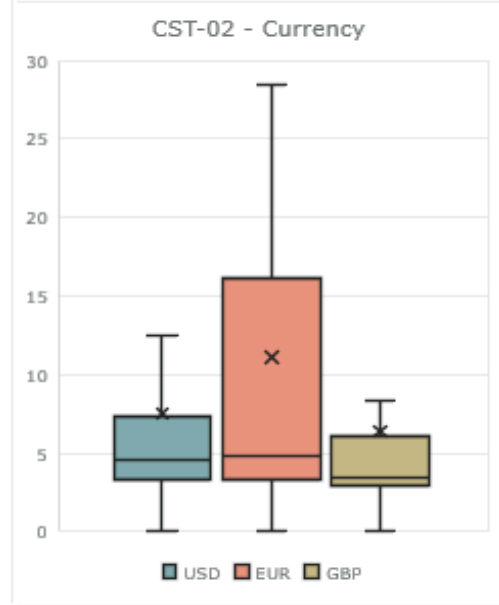
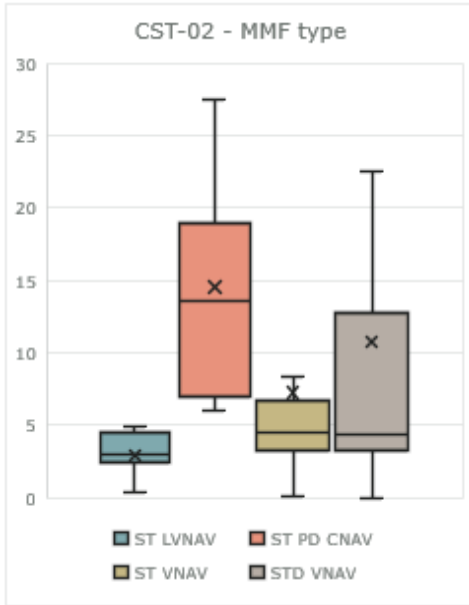
- **Credit / Credit spreads**

Scenario of an increase in credit spreads. Measured as percentage of the Reporting NAV.



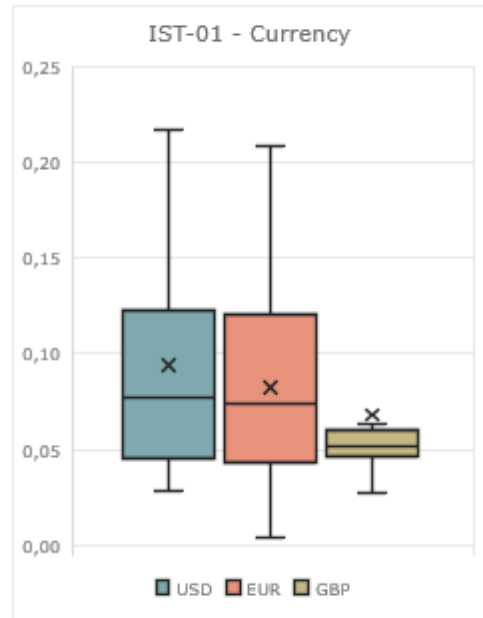
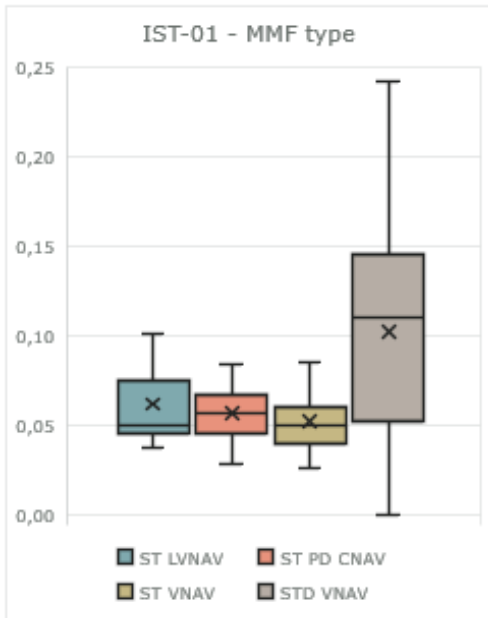
- **Credit / Concentration**

Scenario of the default of the two main exposures. Measured as percentage of the Reporting NAV.



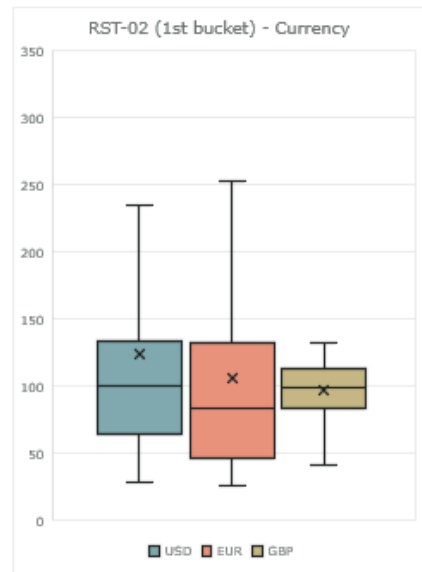
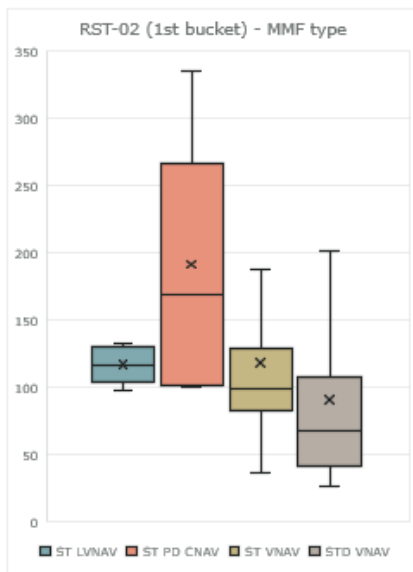
- **Interest rates**

Scenario of an increase in interest rates. Measured as percentage of the Reporting NAV.



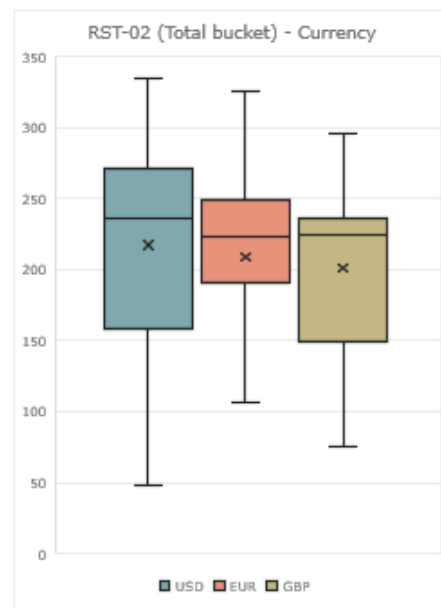
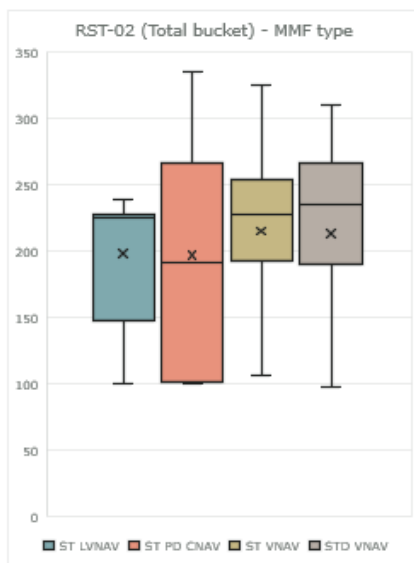
- Levels of redemption / Weekly Liquidity stress test – Bucket 1**

Scenario: capacity to meet weekly outflows under a stressed redemption scenario with available weekly liquid assets based on the formula  $Result (\%) = \frac{\text{Weekly Liquid Assets (Bucket 1)}}{\text{Weekly outflows}}$ . Weekly liquid assets are classified in two buckets (buckets 1 and 2) according to their category and credit quality by reference to "Credit Quality Steps", within the meaning of the COMMISSION IMPLEMENTING REGULATION (EU) 2016/1799 (but only bucket 1 is considered). Weekly outflows are calculated assuming that the MMF faces net weekly redemption requests from 40% of the professional investors and 30% of the retail investors.



- Levels of redemption / Weekly Liquidity stress test – Buckets 1 and 2**

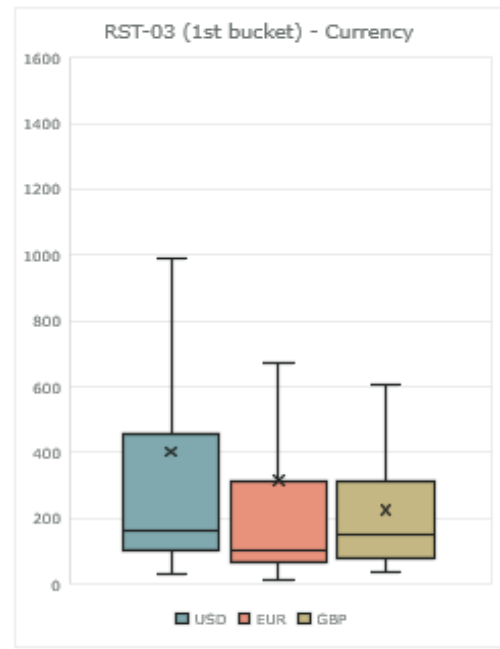
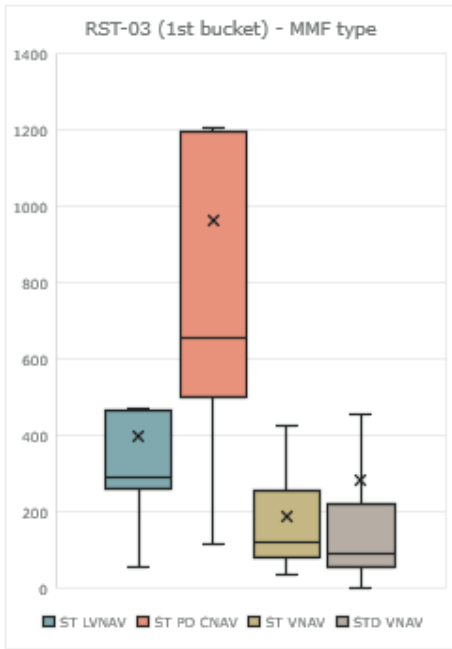
Scenario: same than before, except that both buckets 1 and 2 are considered to calculate weekly liquid assets following the formula  $Result (\%) = \frac{\text{Weekly Liquid Assets (Buckets 1 and 2)}}{\text{Weekly outflows}}$ .





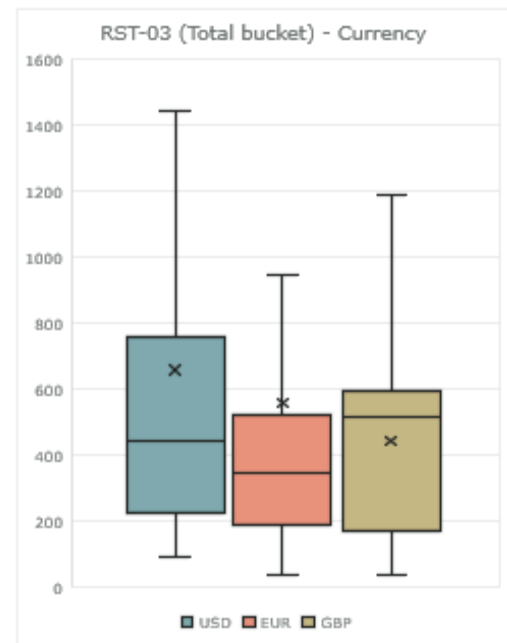
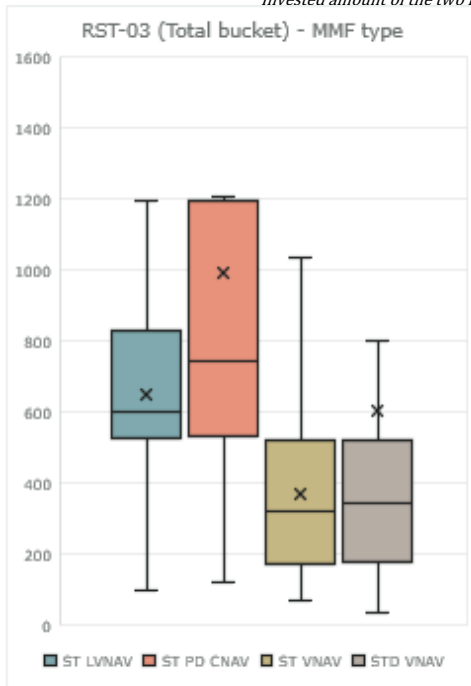
- Levels of redemption / Concentration stress test – Bucket 1**

Scenario: capacity to meet redemption requests from the two main investors with available weekly liquid assets based on the formula  $Result (\%) = \frac{\text{Weekly Liquid Assets (Bucket 1)}}{\text{Invested amount of the two main investors}}$ .



- Levels of redemption / Concentration stress test – Buckets 1 and 2**

Scenario: capacity to meet redemption requests from the two main investors with available weekly liquid assets based on the formula  $Result (\%) = \frac{\text{Weekly Liquid Assets (Buckets 1 and 2)}}{\text{Invested amount of the two main investors}}$ .



## 5. List of abbreviations

ABCP	Asset-backed commercial paper
CESR	Committee of European Securities Regulators
DLA	Daily liquid assets
NAV	Net asset value
ST PD CNAV	Short-term public debt constant net asset value
ST LVNAV	Short-term low volatility net asset value
ST VNAV	Short-term variable net asset value
STD VNAV	Standard variable net asset value
STS securitisation	Simple, transparent and standardised securitisation as set forth by Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 (Securitisation Regulation)
WAL	Weighted average life
WAM	Weighted average maturity
WLA	Weekly liquid assets



**Commission de Surveillance du Secteur Financier**

283, route d'Arlon

L-2991 Luxembourg (+352) 26 25 1-1

[direction@cssf.lu](mailto:direction@cssf.lu)

[www.cssf.lu](http://www.cssf.lu)