PwC’s Observatory for Management Companies 2025 Barometer reveals valuable insights into Luxembourg’s ManCo market

PwC Luxembourg has just released its 2025 Barometer for the previous year’s « Observatory for Management Companies« . This is the tenth edition of the survey results speaking to both the relevance and popularity of this flagship publication dedicated to delivering a comprehensive and accurate overview of Luxembourg’s Management Companies (ManCos) market.

Key highlights:

Representative sample:

Dedicated to providing an in-depth analysis of Luxembourg’s Management Companies (ManCos) market, this year’s barometer offers a comprehensive overview encompassing UCITS ManCos, Alternative Investment Fund Managers (AIFMs), and those holding both UCITS and AIFM licences, known as « Super ManCos. » This latest iteration involved 72 participants, holding 83% of the ManCo AuM as of December 2024, encompassing 77% of employees.

ManCo snapshots

Market dynamics, growth trends

Despite global challenges, Luxembourg remains an attractive hub reinforcing its position as the centre of excellence in Asset Management in Europe, having 29% of the regulated European total net assets of UCITS and AIFs domiciled in the country. Luxembourg's ecosystem sustained its competitiveness and agility with a total AuM exceeding the €5,800 billion mark. Luxembourg ManCos have seen a notable increase (+12.3% in total) in all liquid and private assets, driven by the evolution of the market stock. Alternative Investments continued to grow steadily, confirming Luxembourg is the domicile of choice for regulated and unregulated alternative products and for their AIFM.

Substance and governance:

Governance in Luxembourg's ManCos continues to evolve. Increasing regulatory requirements have led to a rise in the number of Conducting Officers and Board members, reflecting the need to demonstrate stronger substance, greater specialisation, and clearer segregation of tasks. The number of Non-Executive Directors in boards is growing, responding to the increasing demand for independent oversight. Once again, this year, tax governance remains a key focus with more Conducting Officers appointed to assess procedures affecting the evolving tax landscape.

Operating model transformation & digitalisation:

Digital transformation is accelerating, with significant investments in digitalisation and AI as ManCos are leveraging technology to improve operational efficiency and manage real-time risk assessment.

This edition of the barometer also revealed the continuous increase of branches and related FTEs abroad of Luxembourg ManCos. These branches propose marketing and fund distribution services among other operational functions to support the ManCos initiatives.

Looking forward:

This year's Barometer outlines the long-term evolution of the ManCo industry in Luxembourg, and key trends including digitalisation, the use of AI, and the rise of highly specialised ManCos.

Laurent Butticè, Management Company Leader, Audit Partner, PwC Luxembourg said: *« Facing dual challenges in maintaining competitiveness and adapting to regulatory changes, ManCos' operating models are being reshaped. This strategic shift reflects a trend towards insourcing core functions to optimise the value propositions, while outsourcing operational functions both within the group and through third-party providers to benefit regulatory expertise and operational efficiencies.*

In the Luxembourg ManCos landscape, third-party Mancos continue offering valuable "one-stop-shop" solutions, providing a comprehensive support and allowing asset managers to focus on core competencies. »

This press release offers a few important snapshots. You can discover many more details however, such as the top 20 ManCos, the top 10 AIFMS, improving ManCos' Profitability, Digital readiness: DORA and Cloud Adoption, the top trends that will affect Luxembourg Manco's industry and much more. To get the full overview of the current state and future direction of Luxembourg's ManCo industry, please make sure to download the 2025 ManCos Barometer and/or order your printed copy.

PwC Luxembourg extends a thank you to all the survey participants for their meaningful insights.