

To: Public Affairs & Communications Committee, Capital Markets Union PG, Conduct of Business Committee, Personal Insurance Committee, Economics & Finance Committee, Distribution PG, PRIIPs PG

ESMA publishes its report on the costs and performance of retail investment products

Latest developments

On 14 January, the European Securities and Markets Authority (ESMA) published its [5th market report on the costs and performance of EU retail investment products](#). The report provides an overview of key macroeconomic trends in 2023, with regard to Undertakings for Collective Investment in Transferable Securities (UCITS), retail Alternative Investment Funds (AIFs), and Structured Retail Products (SRPs).

The ESMA report shows a decline in the costs of key financial products, more specifically:

- **UCITS costs have gradually declined, and their performance improved in 2023** but remained below 2021 levels, with bond and mixed funds still delivering negative returns.
- **ESG UCITS had lower costs and generally outperformed** non-ESG funds.
- **AIFs are less demanded by retail investors** in comparison with the UCITS market, while they delivered positive returns in 2023.
- **SRPs saw lower costs** and increased sales linked to inflation and interest rates, although their costs remain complex for investors to assess.

The secretariat will continue monitoring ESMA's publications and will keep members informed.

Next steps

The EIOPA Cost & Past Performance (CPP) report is expected to be published in March 2025 (tbc). Members can refer to [COB-DIS-23-245](#) to access the secretariat's analysis of the previous CPP report of December 2023.

For more info

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