

*Institutional investors are predominant on the financial markets and they tend to become active in their portfolio management. Indeed, as we do in this article, american researchers tried to explore the incidence of the activism of the shareholders on the market reaction.*

*In France, since 1999, firms of the SBF120 who do not respect the “Code of Best Practices on Corporate Governance of the AFG<sup>2</sup>” are pointed out and added on the widely spread « target list ». The objective of this article is to examine the impact of institutional investors activism on shareholders wealth in France. Our empirical study surveys the alerts of the AFG based on a short-term event study methodology.*

*In a first part, we explain the negative and positive possible effects of institutional investors activism on the financial performances of the firms. In a second part, we focus on how the past performances can modify the efficiency of control. In a third part, the data and research methodology are presented. Our results show a negative and significant effect on the wealth of the shareholders the day of the alert. These results demonstrate that the impact depends on the past performances measured with the book ratios or expressed as a function of the future opportunity premium for shareholders*

---

<sup>2</sup> *Financial Management French Association.*