ASSOGESTIONI
associazione del risparmio gestito

The Italian Asset Management market
key figures

23 September 2015

Research Department

1. The Italian Asset Management market

- Summary statistics
- Open-end funds
- Mandates
- The recovery, some tentative explanations

2. The European Investment Fund Industry

- Net assets & sales by fund / fund group domicile

3. Savings & Wealth

- Household saving rate: trend & int’l comparison
- Household financial portfolio & private pension plans

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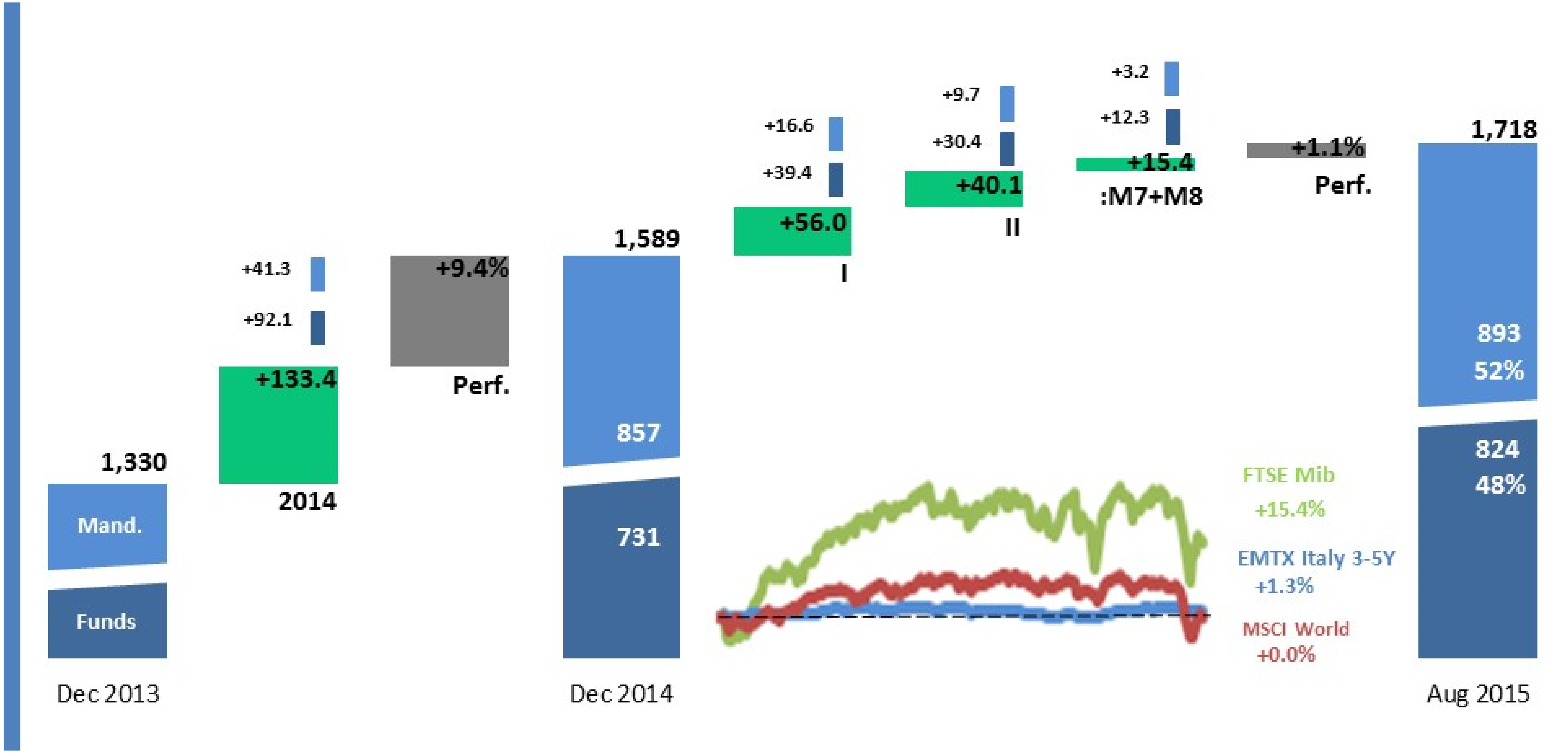
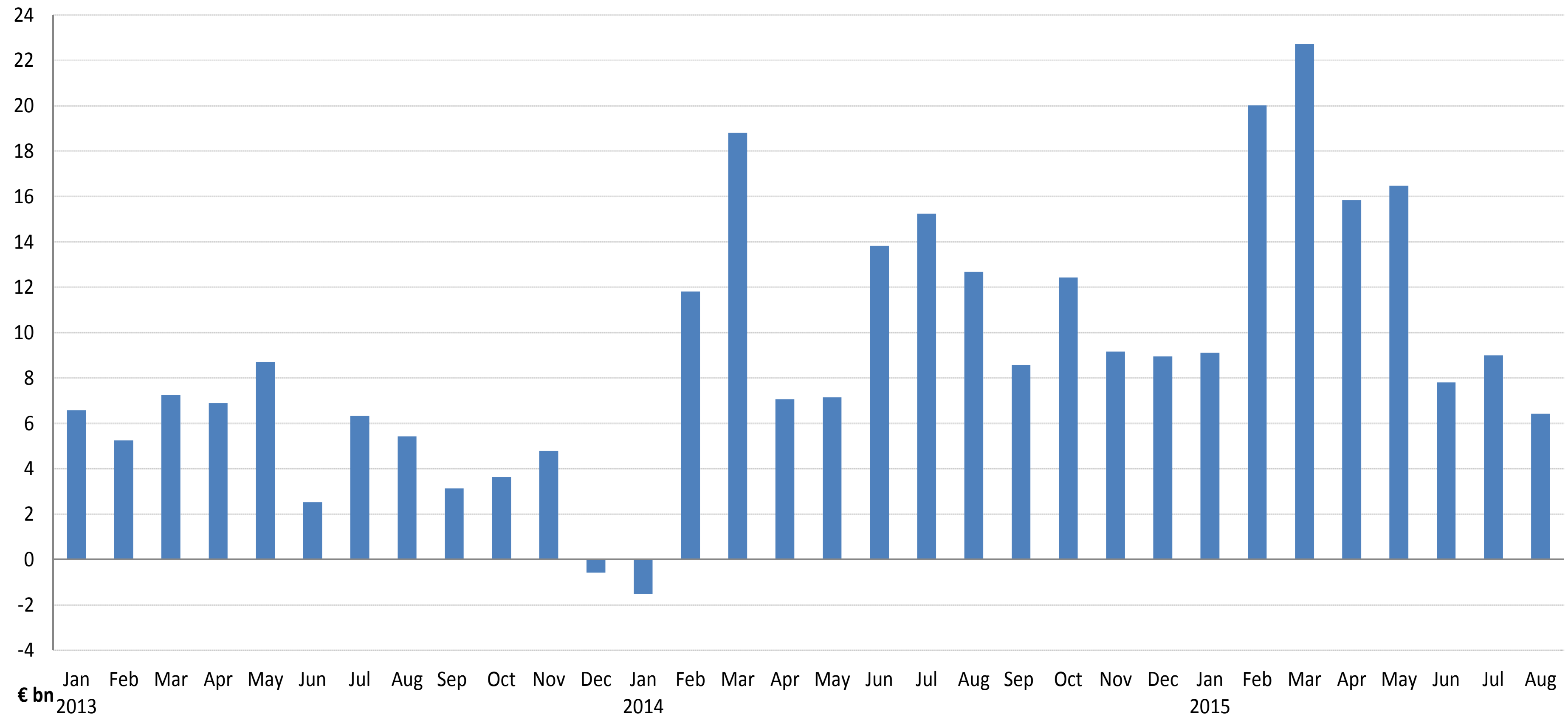
The Italian AM market (Jan 2014:Aug 2015)



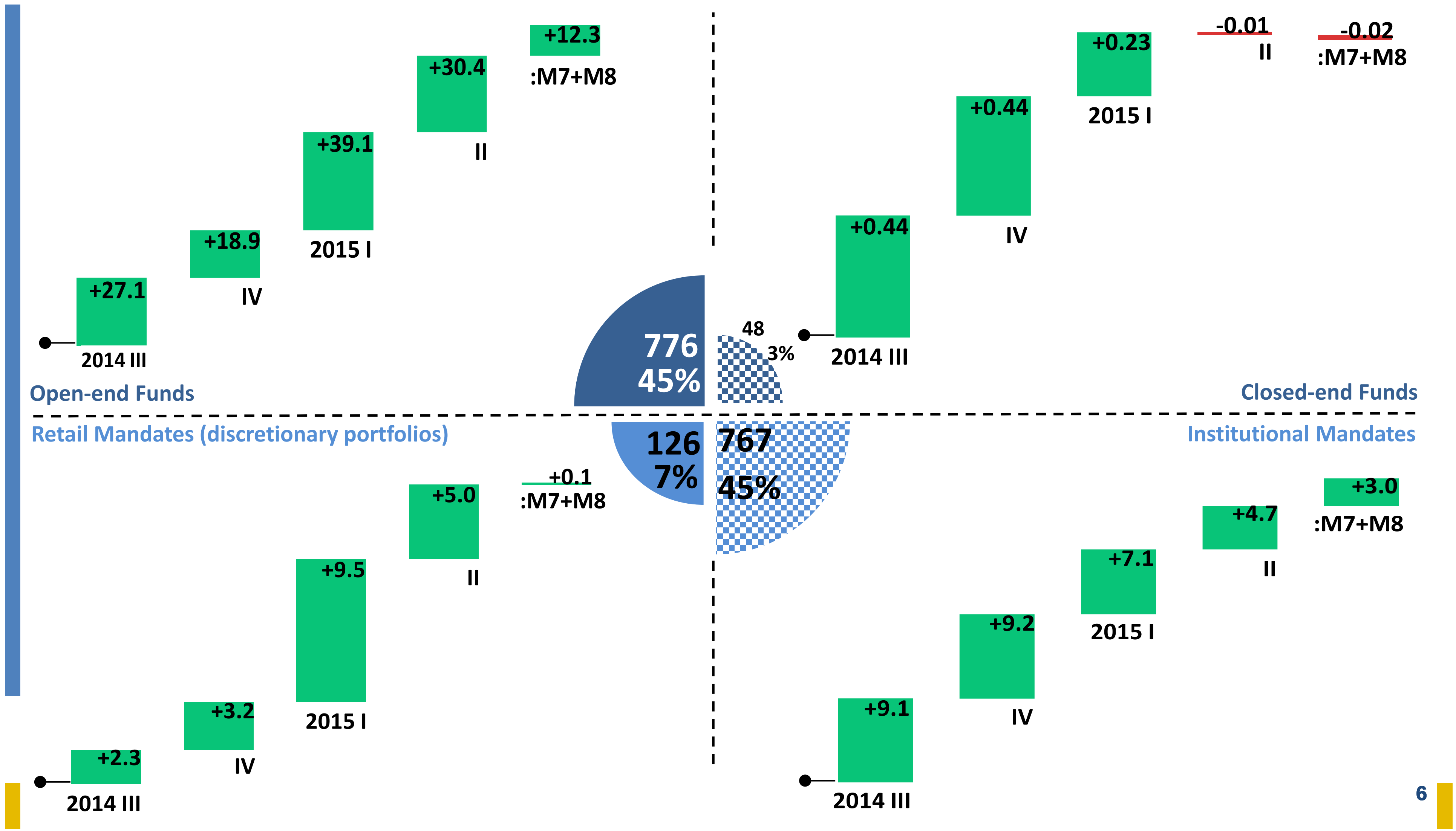
AuM, net flows & performance, €bn.

Net flows (monthly data)

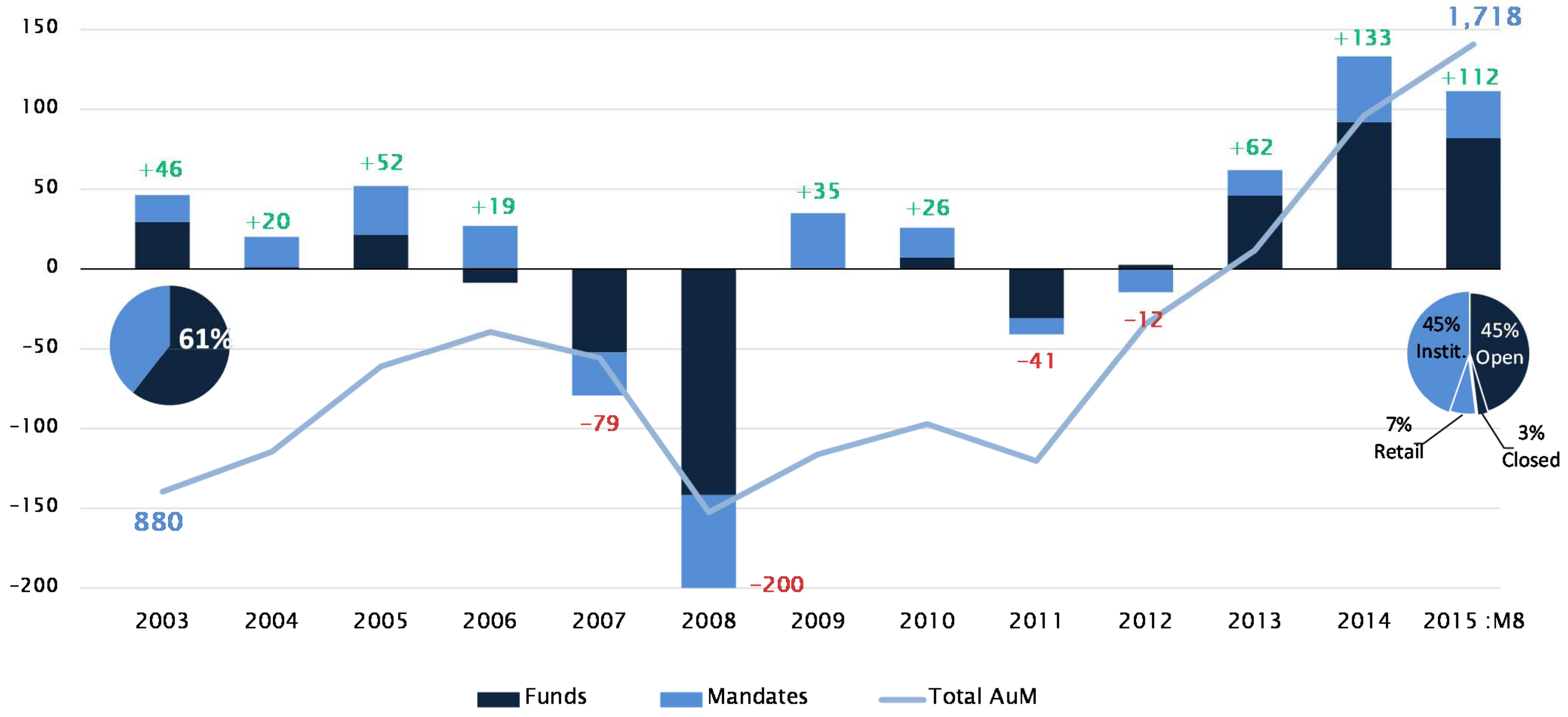


Monthly data. Source: Assogestioni.

Product breakdown

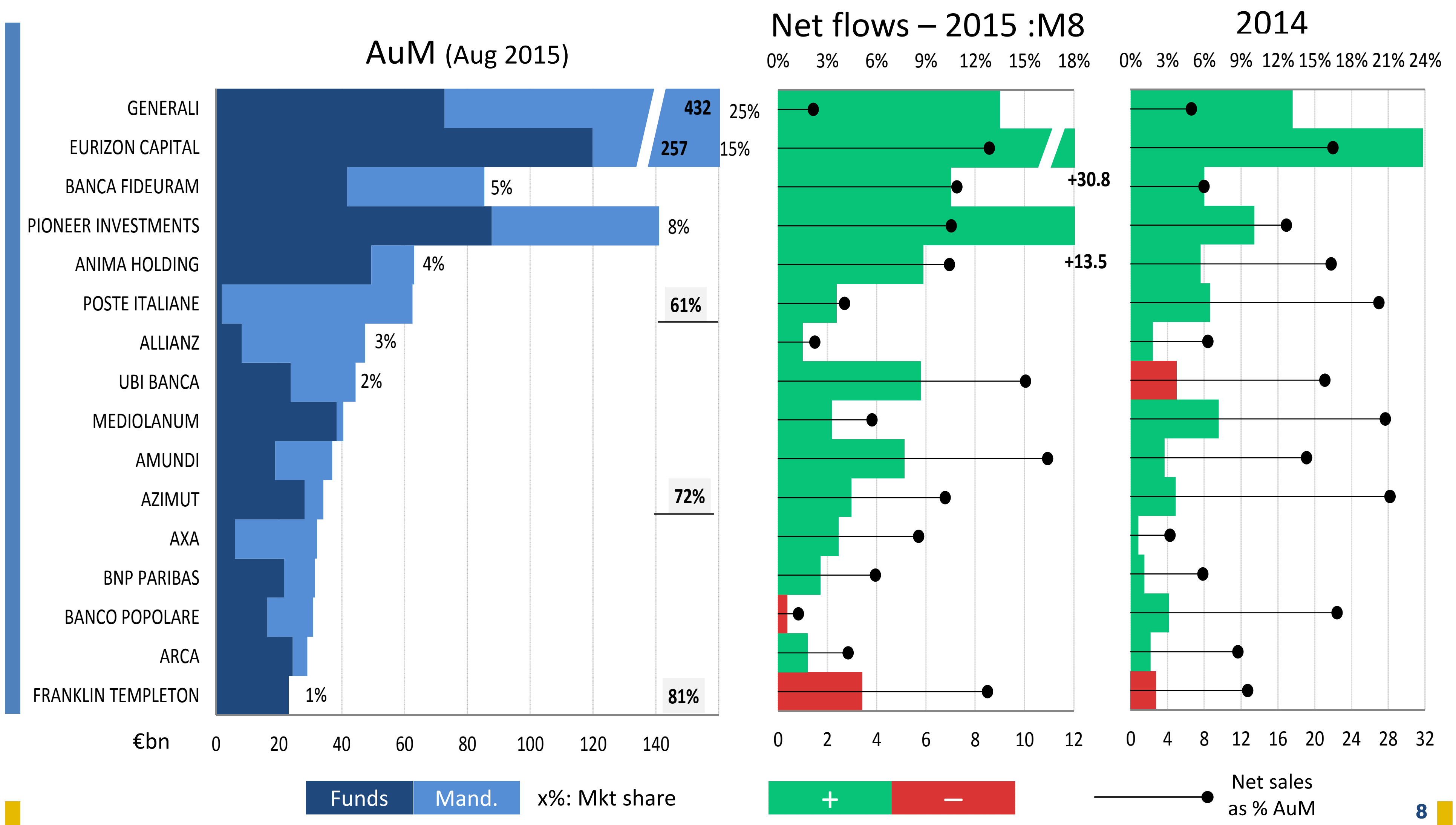


Long term trend

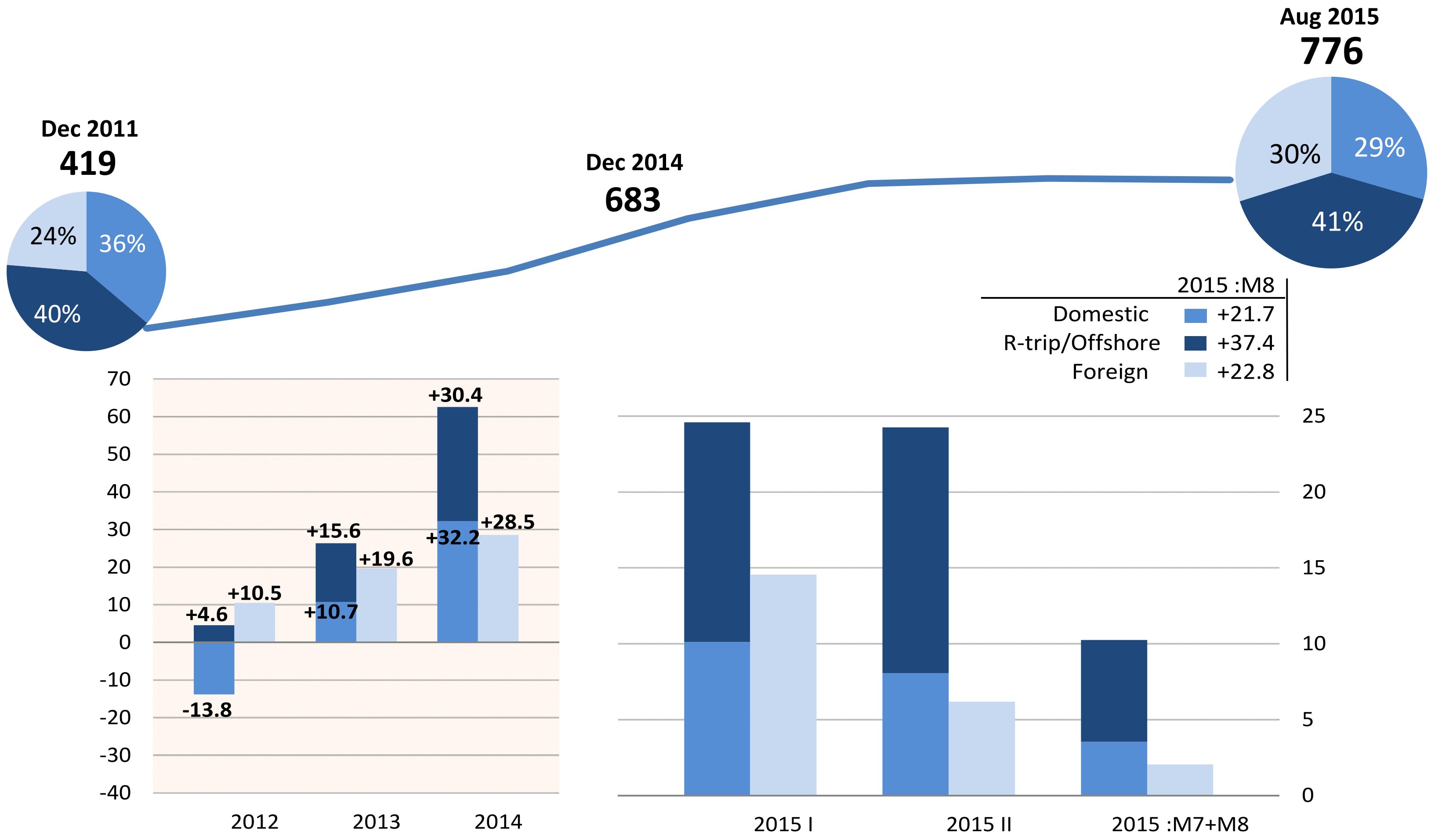


€bn, yearly data. Source: Assogestioni.

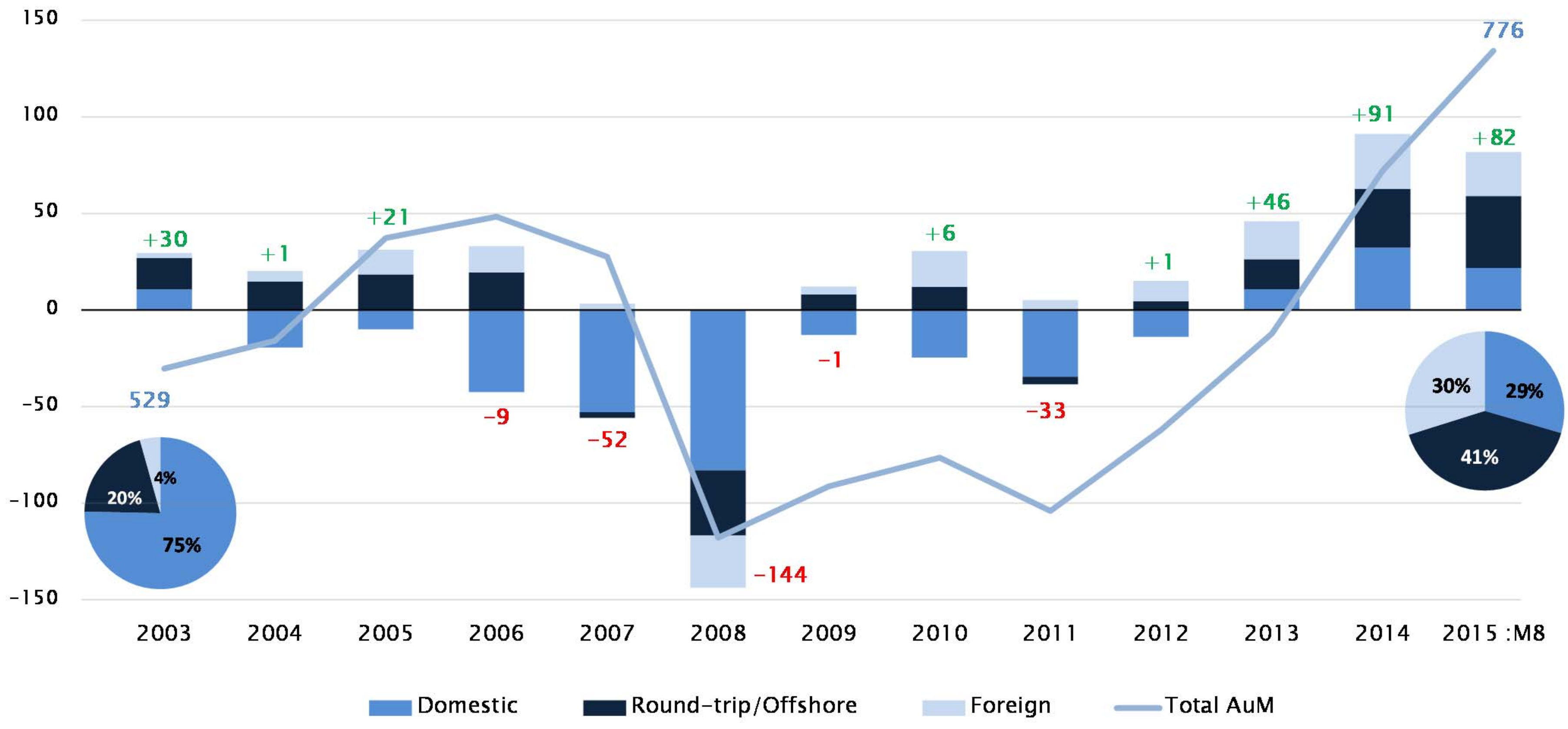
Top 15 Groups



Open-end funds: domicile breakdown

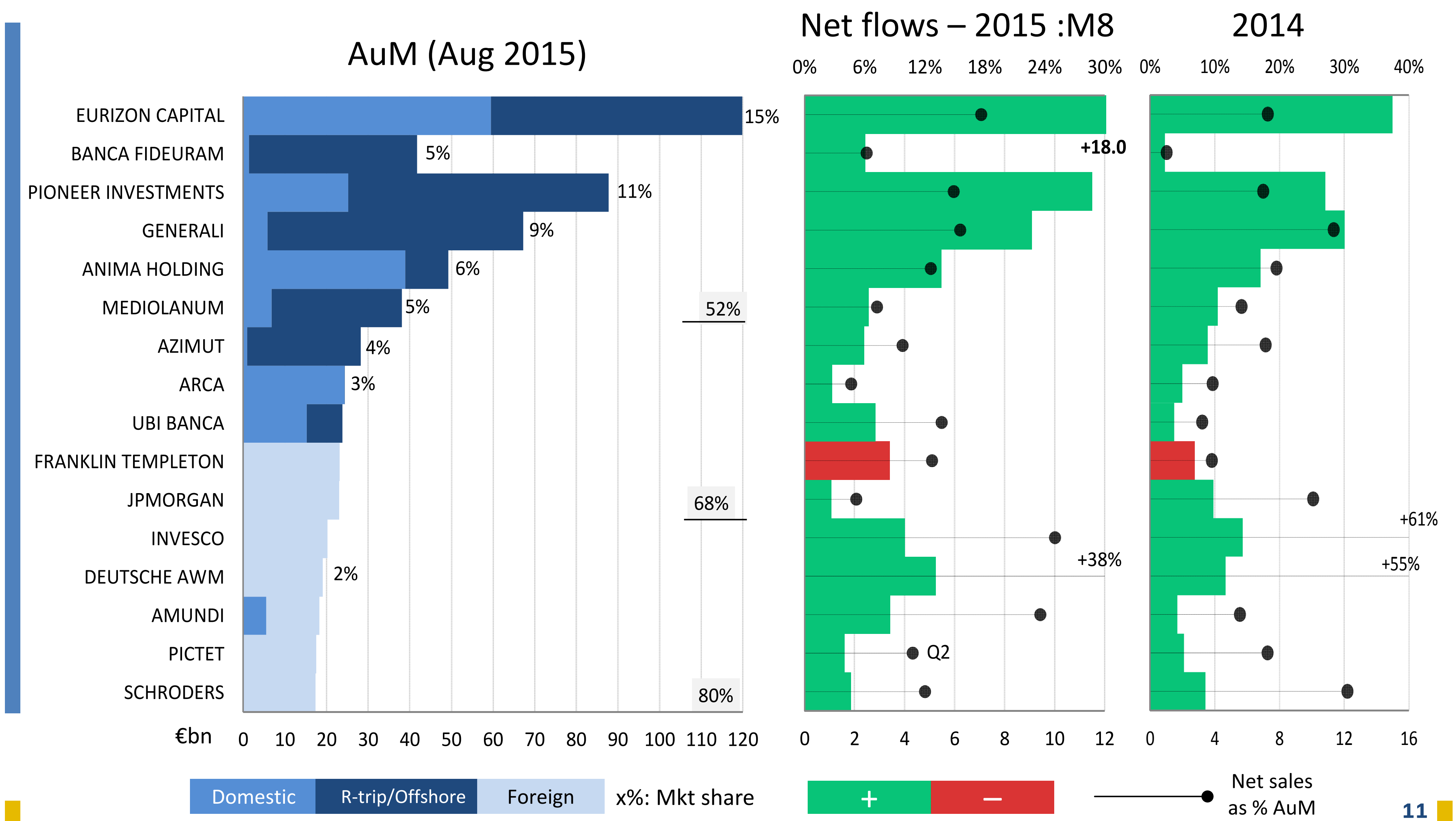


Long term trend: open-end funds

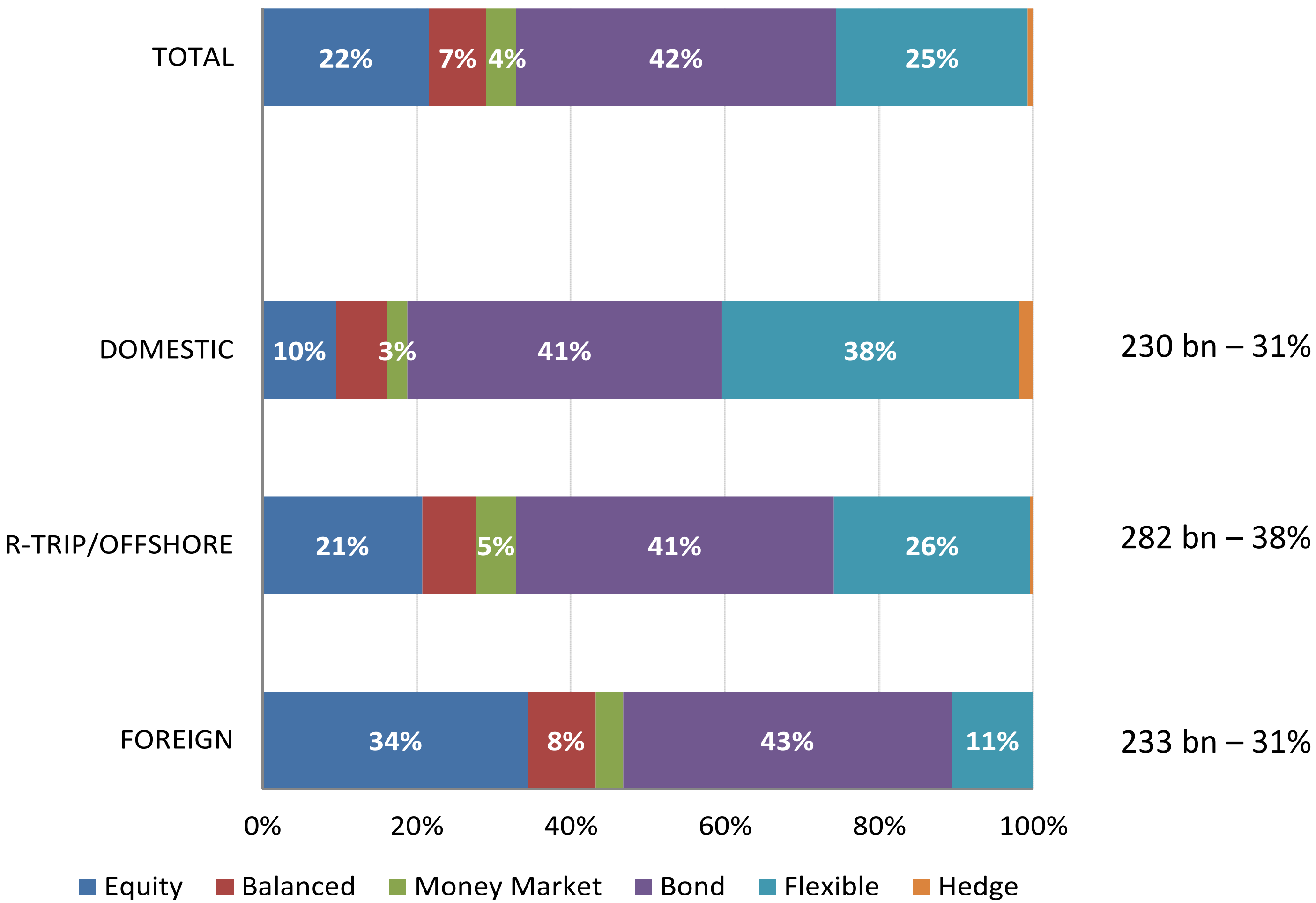


€bn, yearly data. Source: Assogestioni.

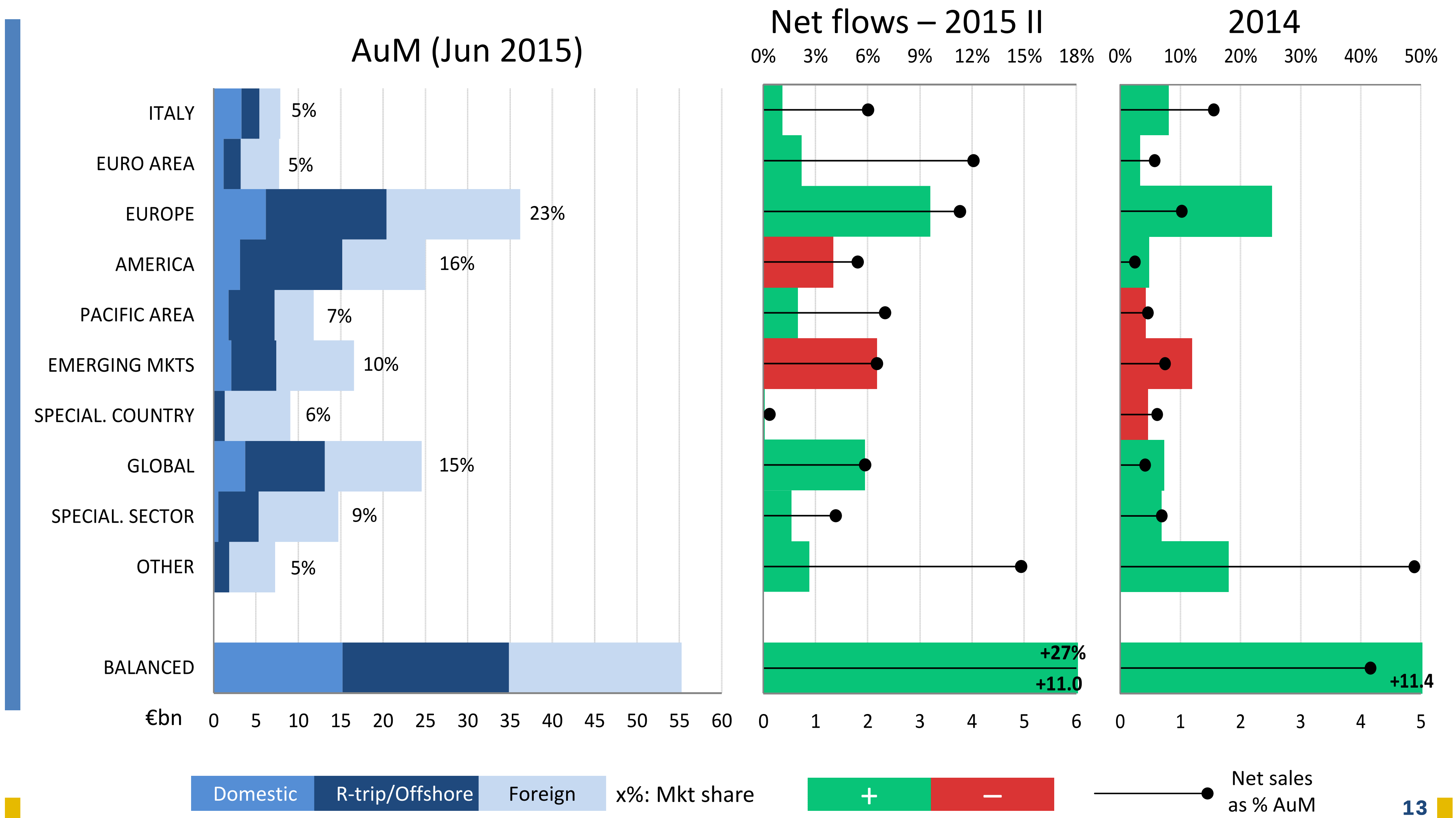
Top 15 Groups (open-end funds only)



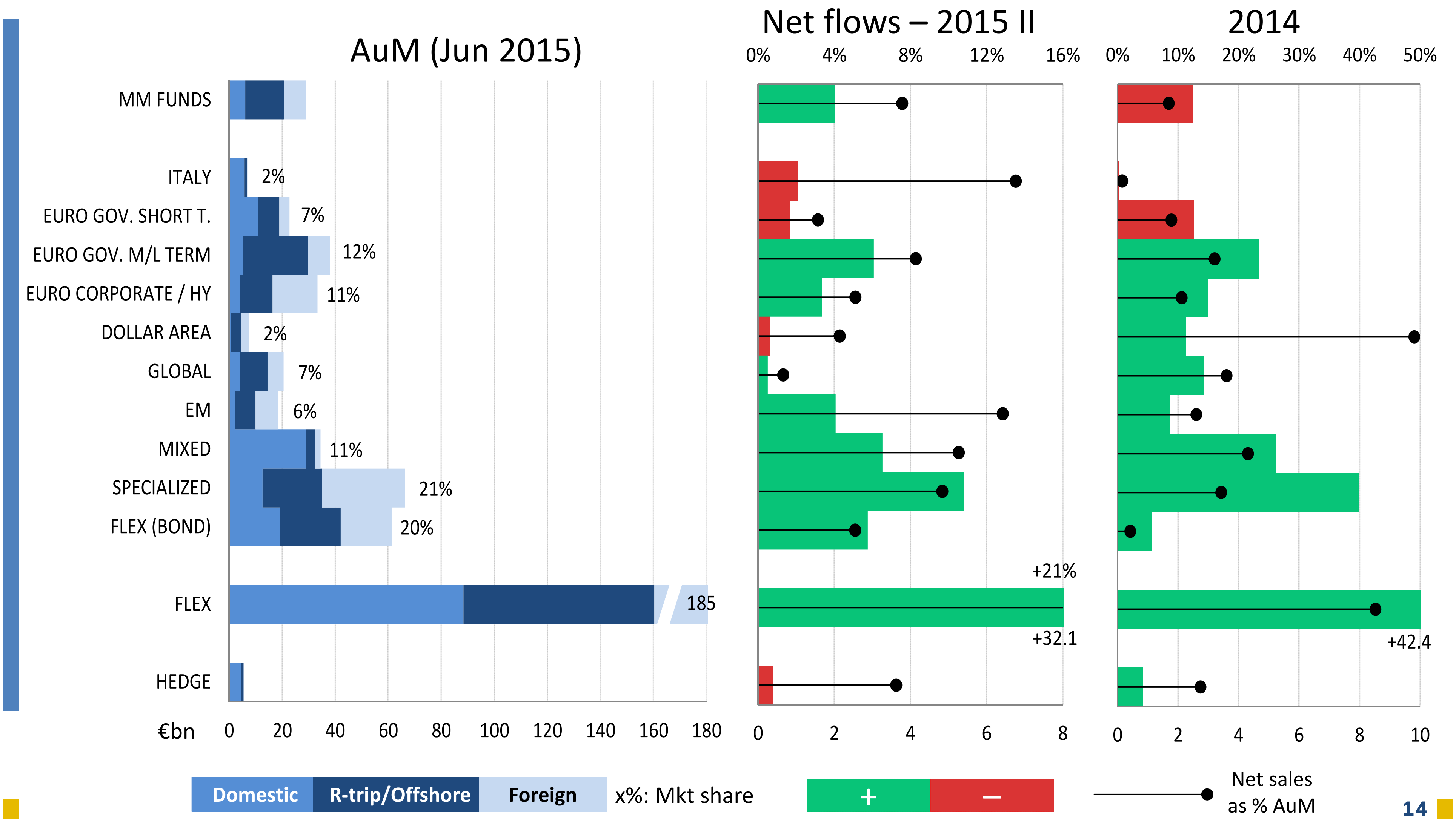
Asset Class breakdown



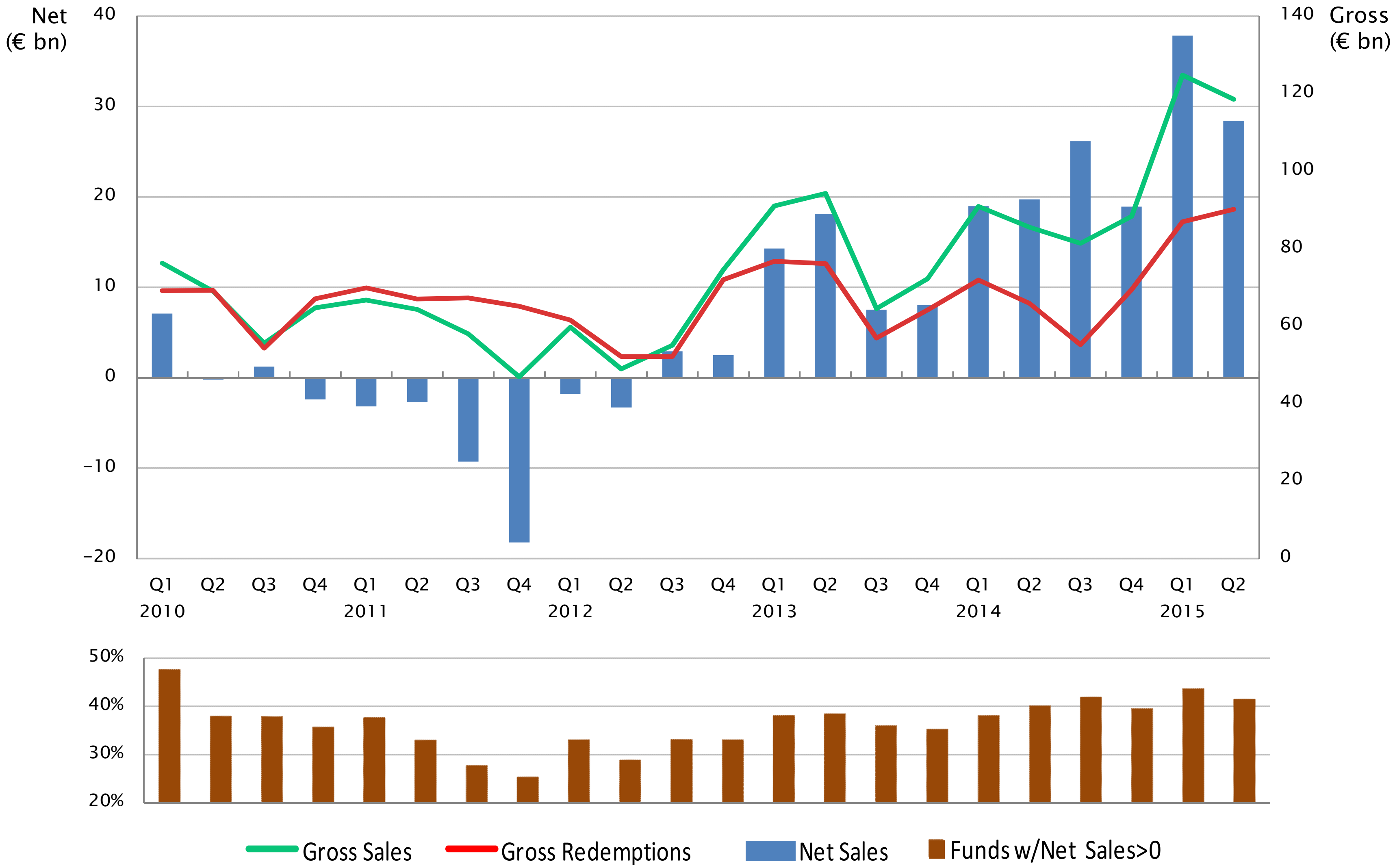
Equity & balanced funds



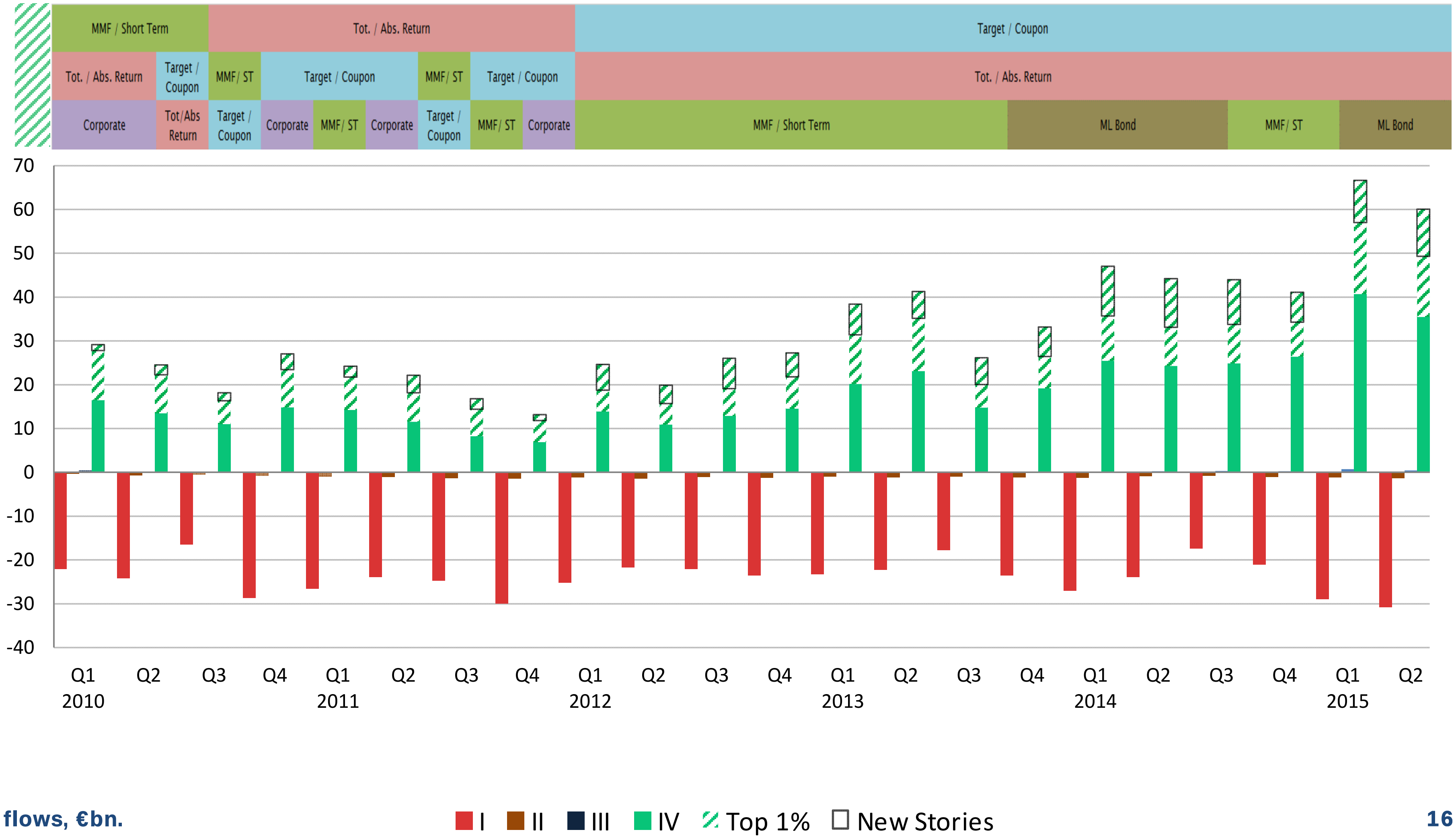
Money mkt, Bond, Flex & Hedge funds



Net & gross flows



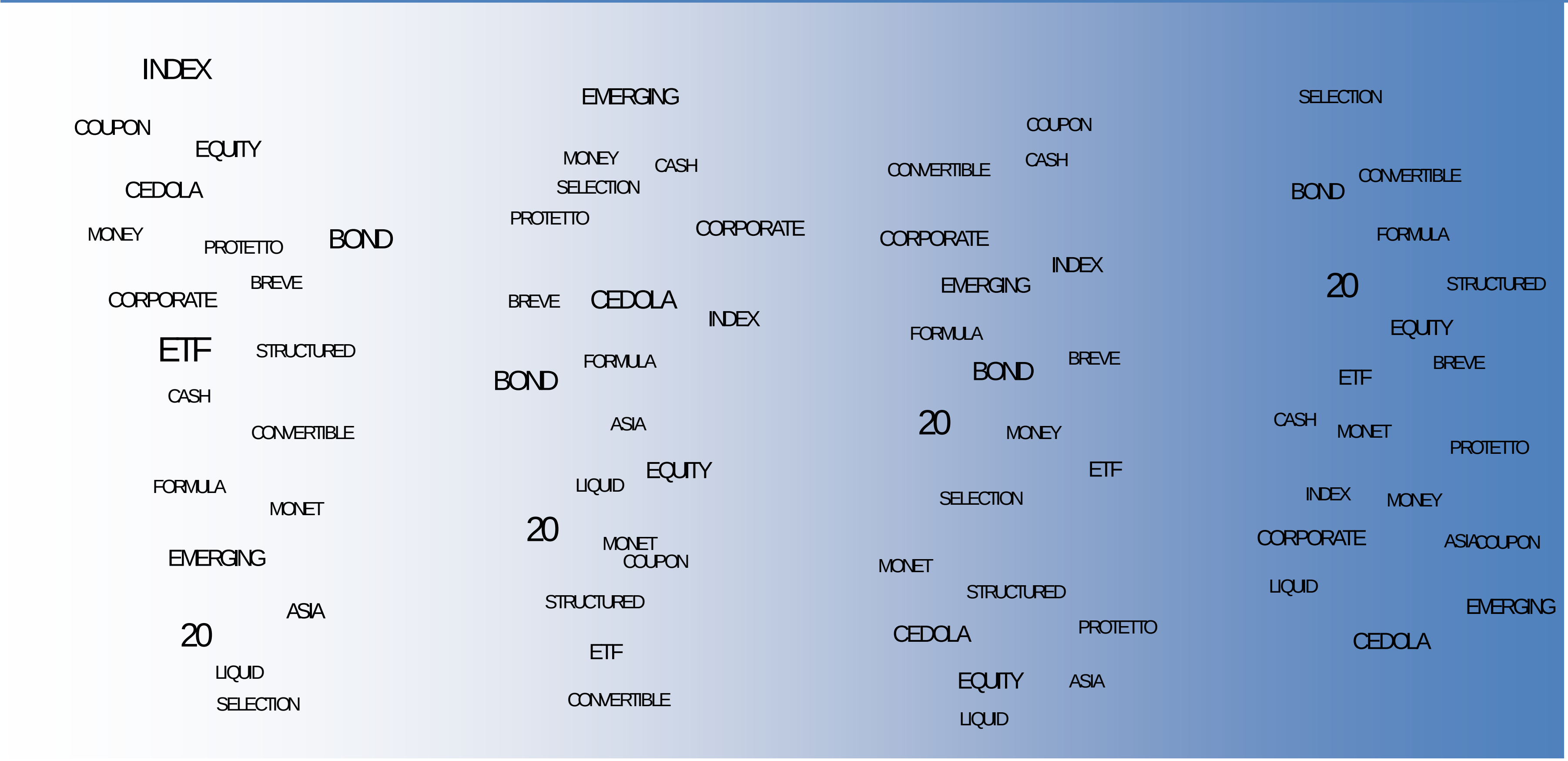
The *blockbuster effect* : top quartile funds take all



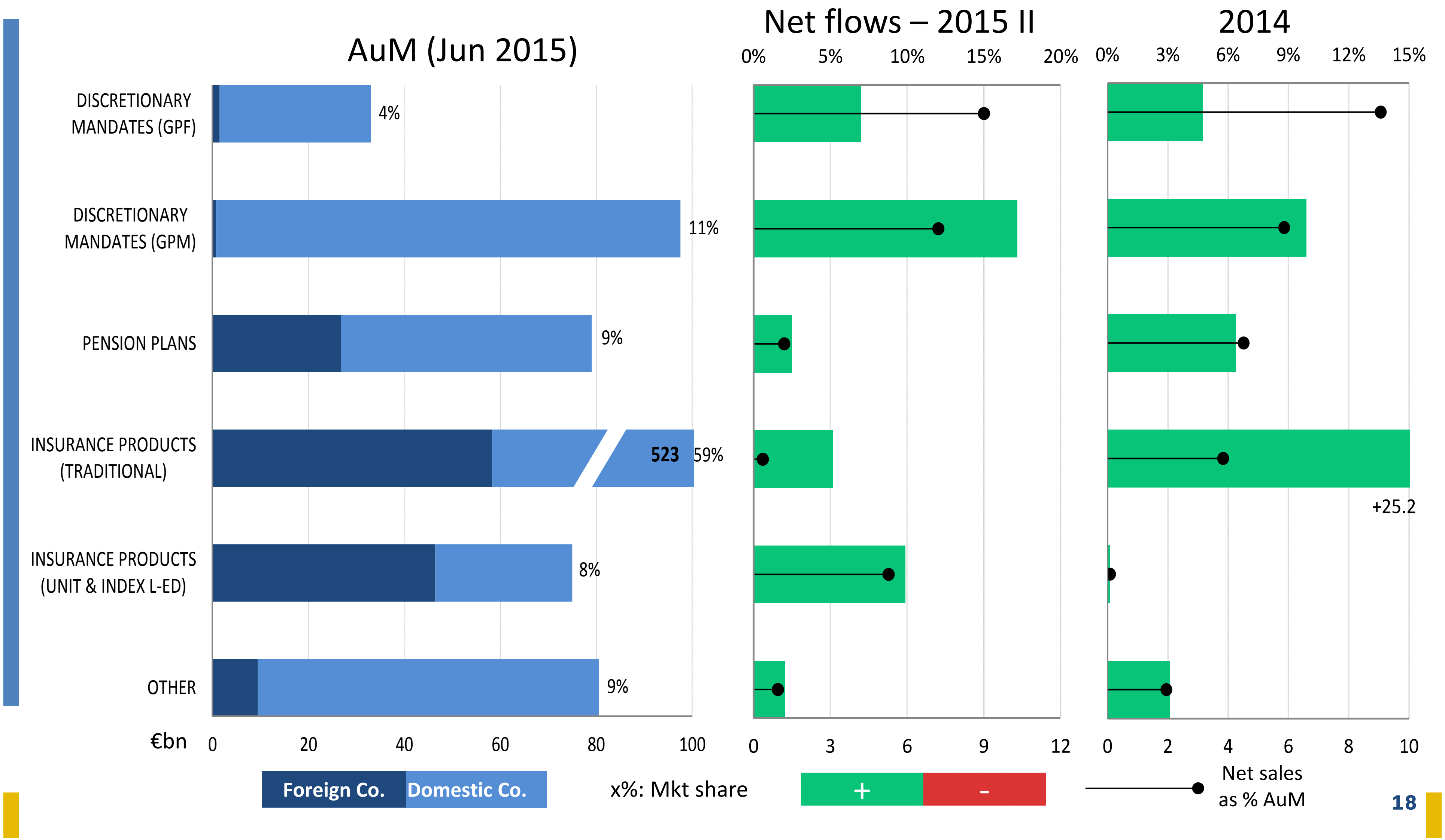
Net flows, €bn.

New stories tag cloud

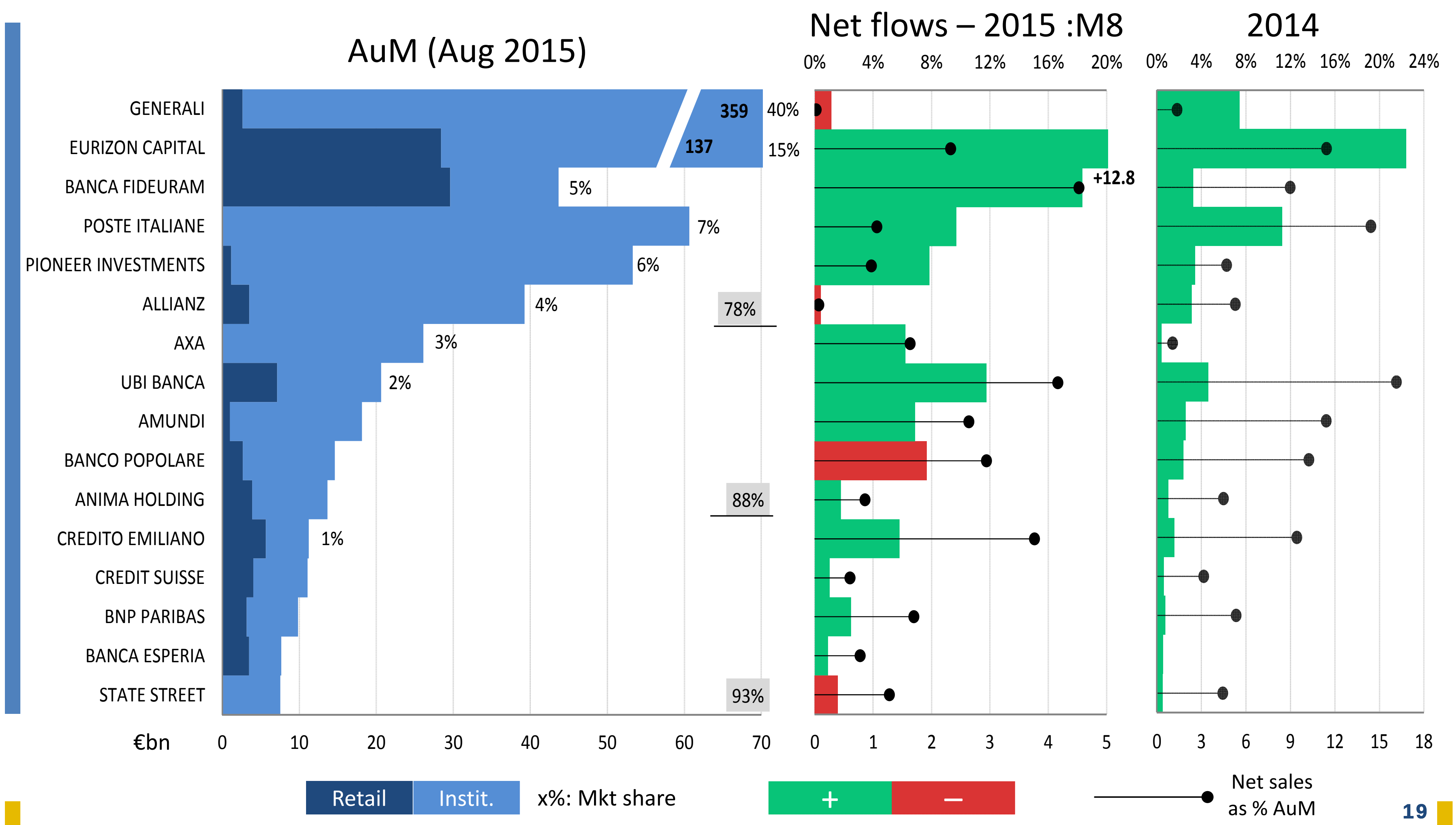
Year	2012	2013	2014	2015
New funds	578	560	456	244



Mandates: AuM & Net Sales trends

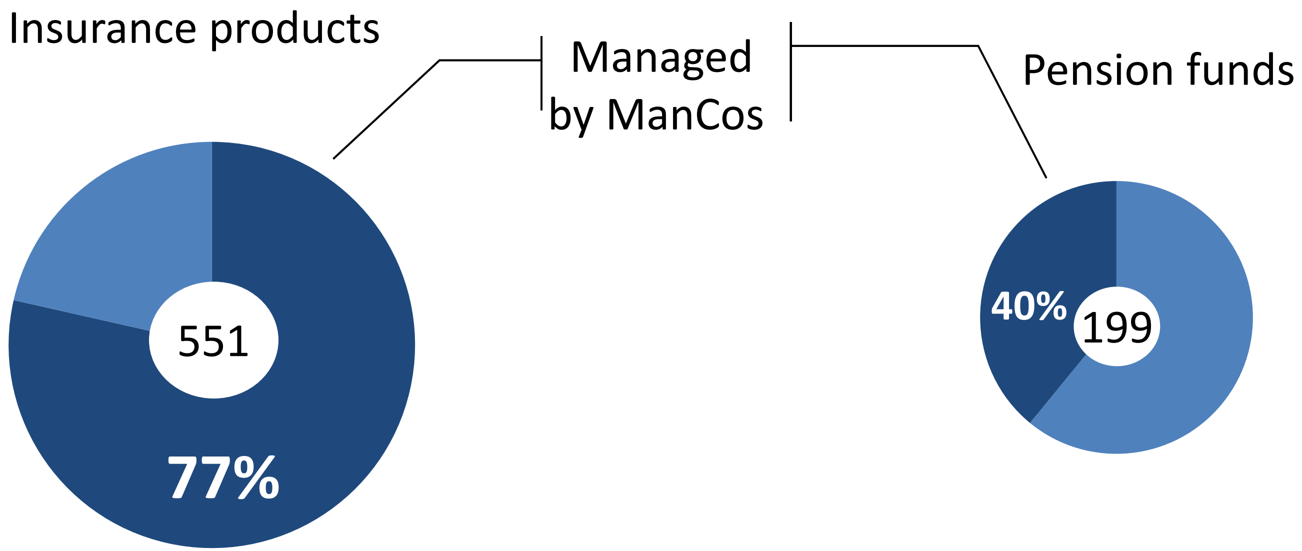


Top 15 Groups (mandates only)



The market for Institutional Mandates

As is ...
(2015 Q2)



As is ...
(2015 Q1)

... and as could become:

Household portfolio: share of insurance products & pension funds (2015Q1)

IT	FRA	GER	UK	USA
19.2%	33.5%	30.5%	58.6%	33.0%

Source: ANIA, Covip, Adepp, Assogestioni, Eurostat, OECD.

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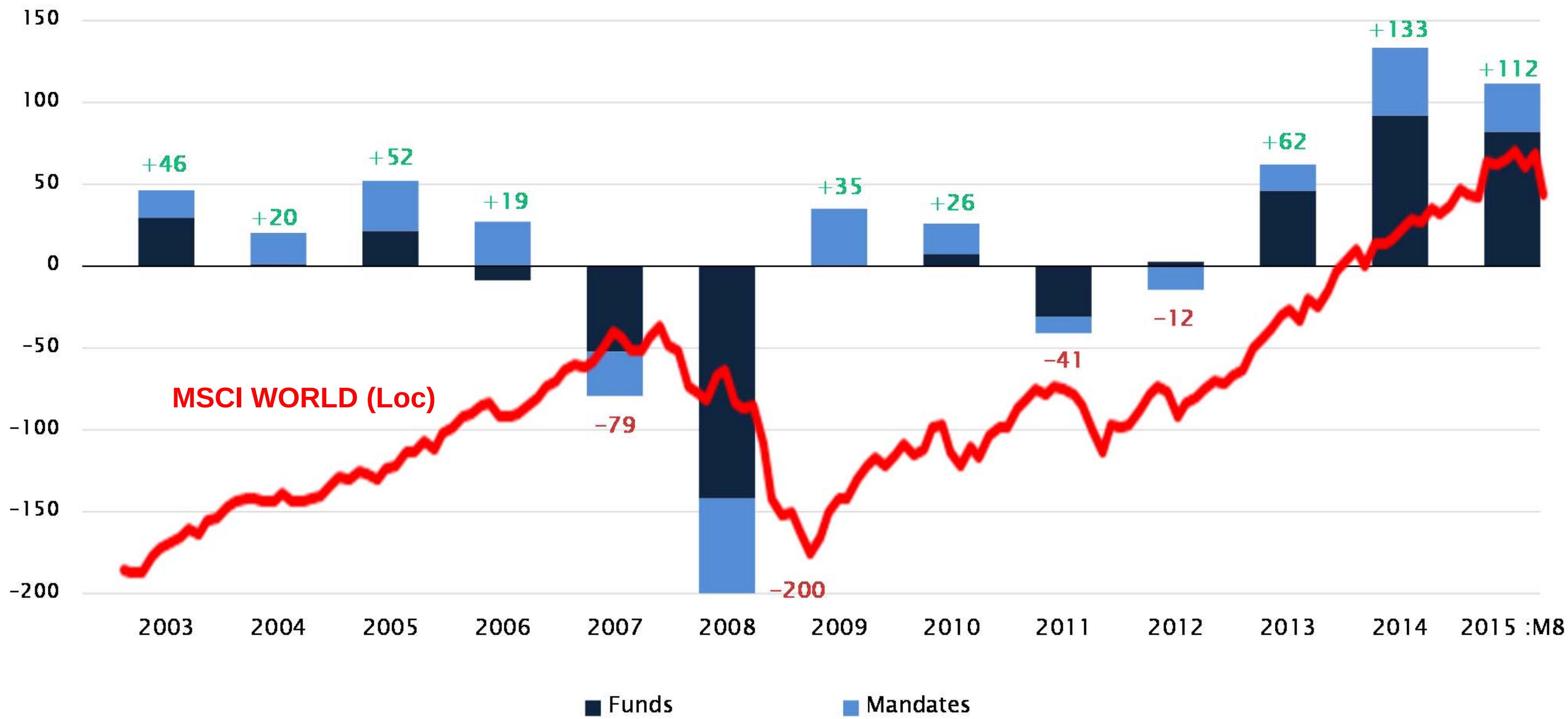
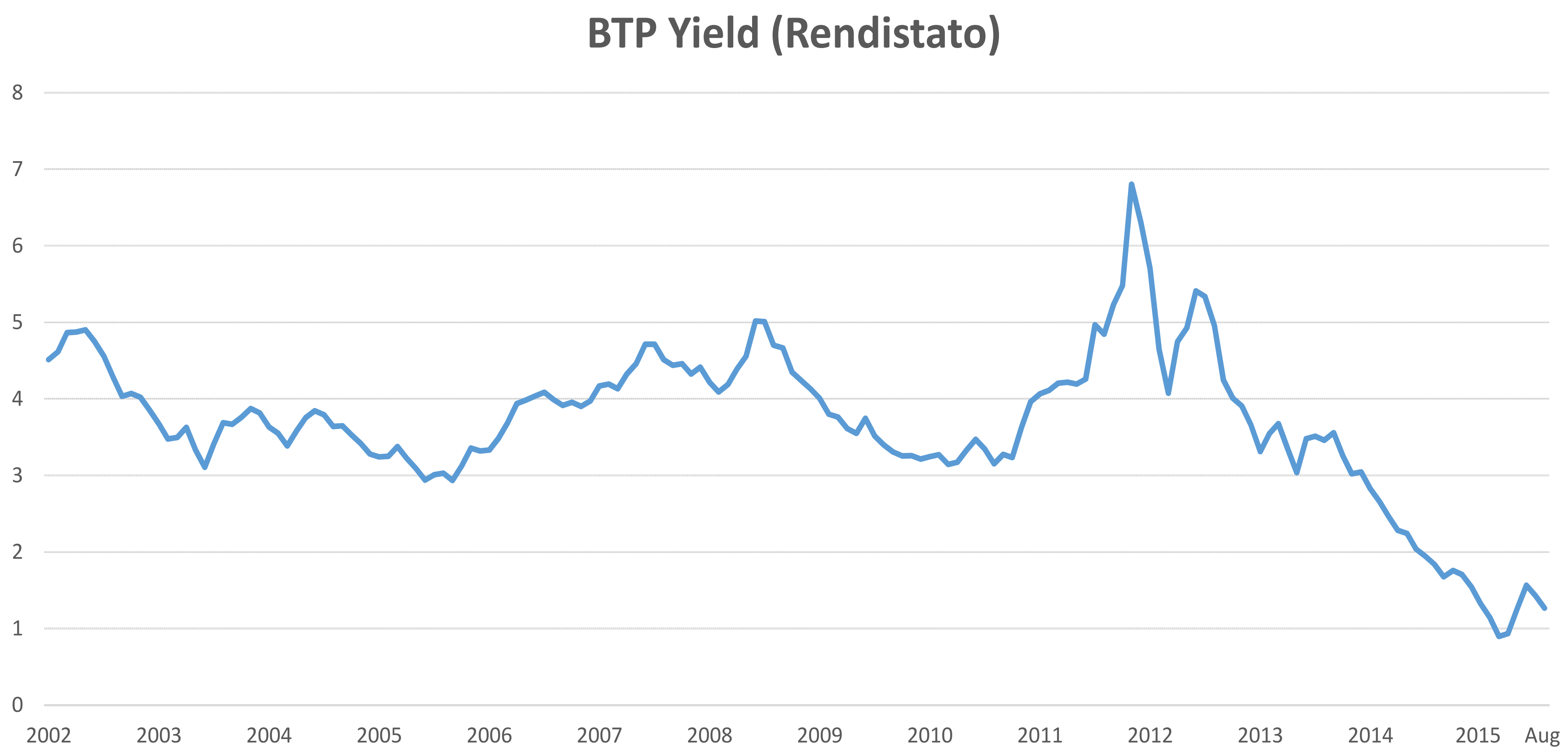
A pro-cyclical market



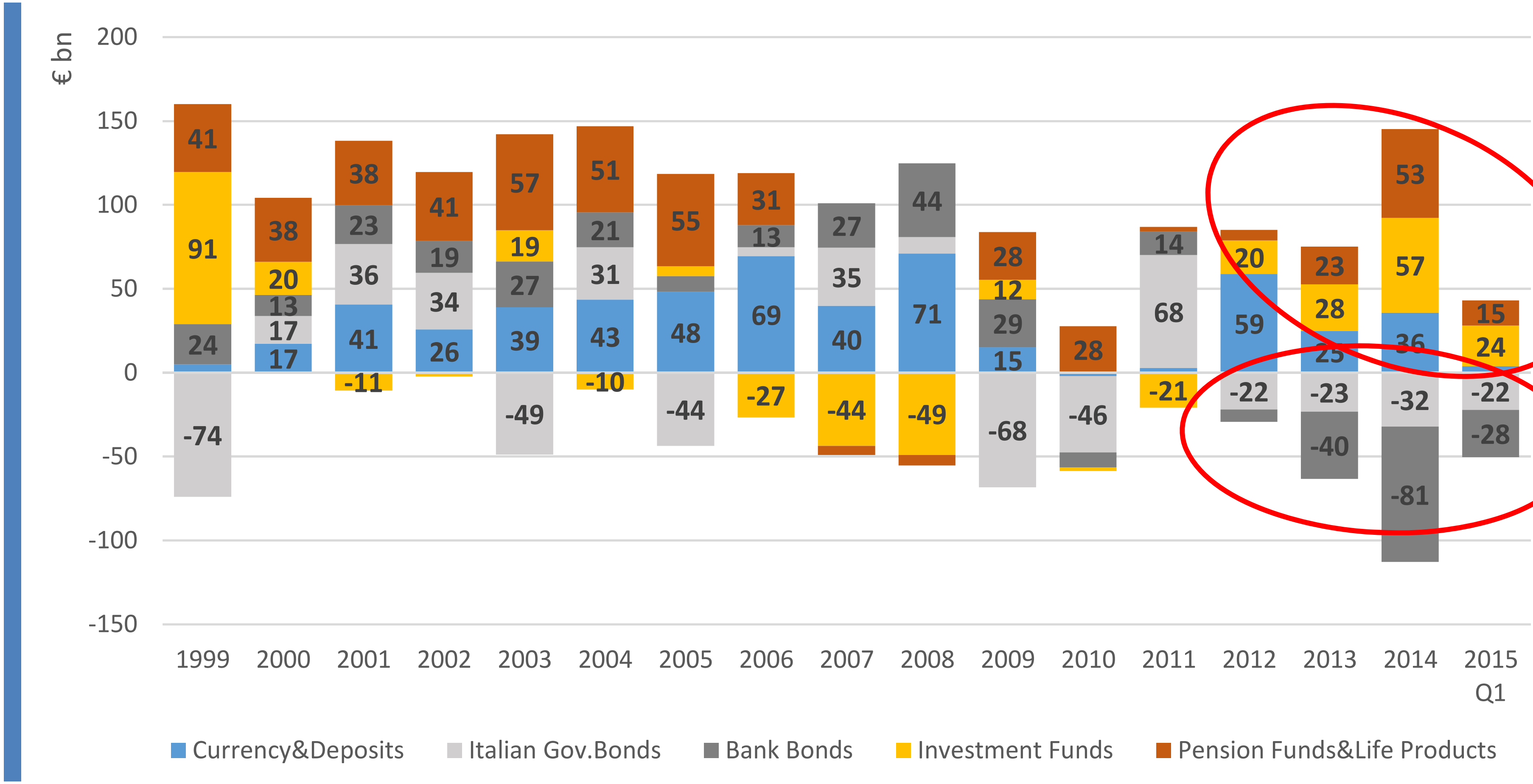
€bn, yearly data. Source: Assogestioni, MSCI.

… in search for yield



% Yield. Source: Bank of Italy.

Households: less bonds, more funds (flow view)

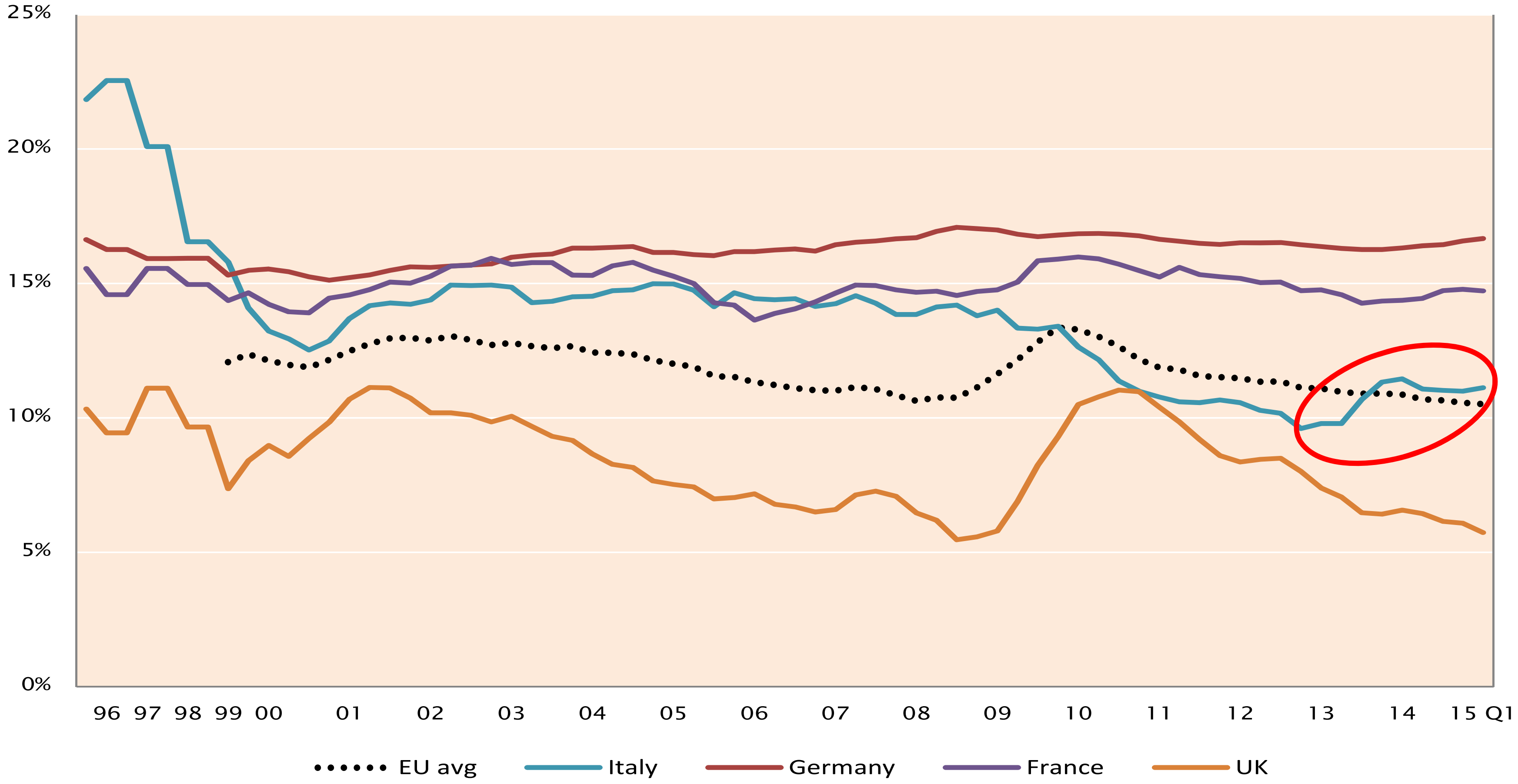


Households: less bonds, more funds (stock view)

	Total Asset	Currency & deposits	Bonds		Stocks		Investment funds	Pension funds & life pr
			Total	*Issued by banks*	Total	*Listed*		
Italy	€ bn	%	%	%	%	%	%	%
1995	1,799	38.2	22.7	*1.9*	19.3	*2.8*	5.8	8.7
2000	3,041	22.9	16.5	*6.4*	29.5	*5.4*	17.0	10.0
2005	3,864	23.6	19.0	*7.1*	28.3	*2.4*	11.0	14.2
2010	3,627	30.8	19.7	*10.3*	20.1	*2.0*	7.5	17.6
2012	3,728	31.6	19.2	*10.1*	19.8	*1.6*	7.4	17.8
2014	3,934	31.5	13.4	*6.0*	22.0	*1.6*	9.7	19.5
2015 Q1	4,104	30.3	11.7	*4.9*	24.9	*2.1*	10.2	19.2
2015 Q1								
France	4,872	27.7	1.5	*n.a.*	21.1	*4.6*	6.8	33.5
Germany	5,378	38.6	3.6	*n.a.*	10.7	*5.3*	10.2	30.5
UK	8,397	23.3	0.8	*n.a.*	8.8	*3.3*	4.5	58.6
USA	62,226	13.3	4.5	*n.a.*	34.3	*n.a.*	12.9	33.0

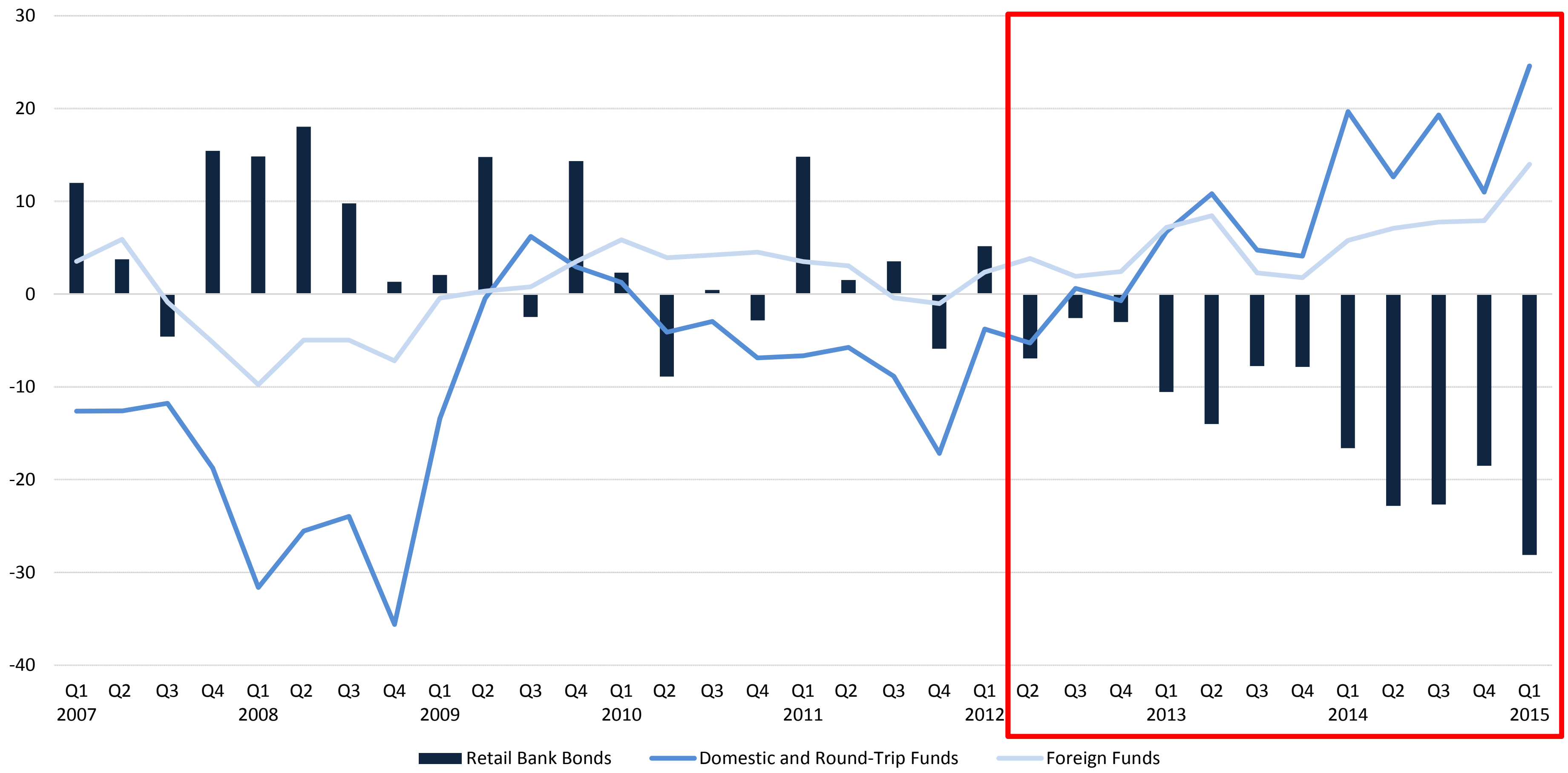
%. Source: Eurostat, OECD, BCE, Deutsche Bundesbank.

The uptick of the saving rate is good news for the industry



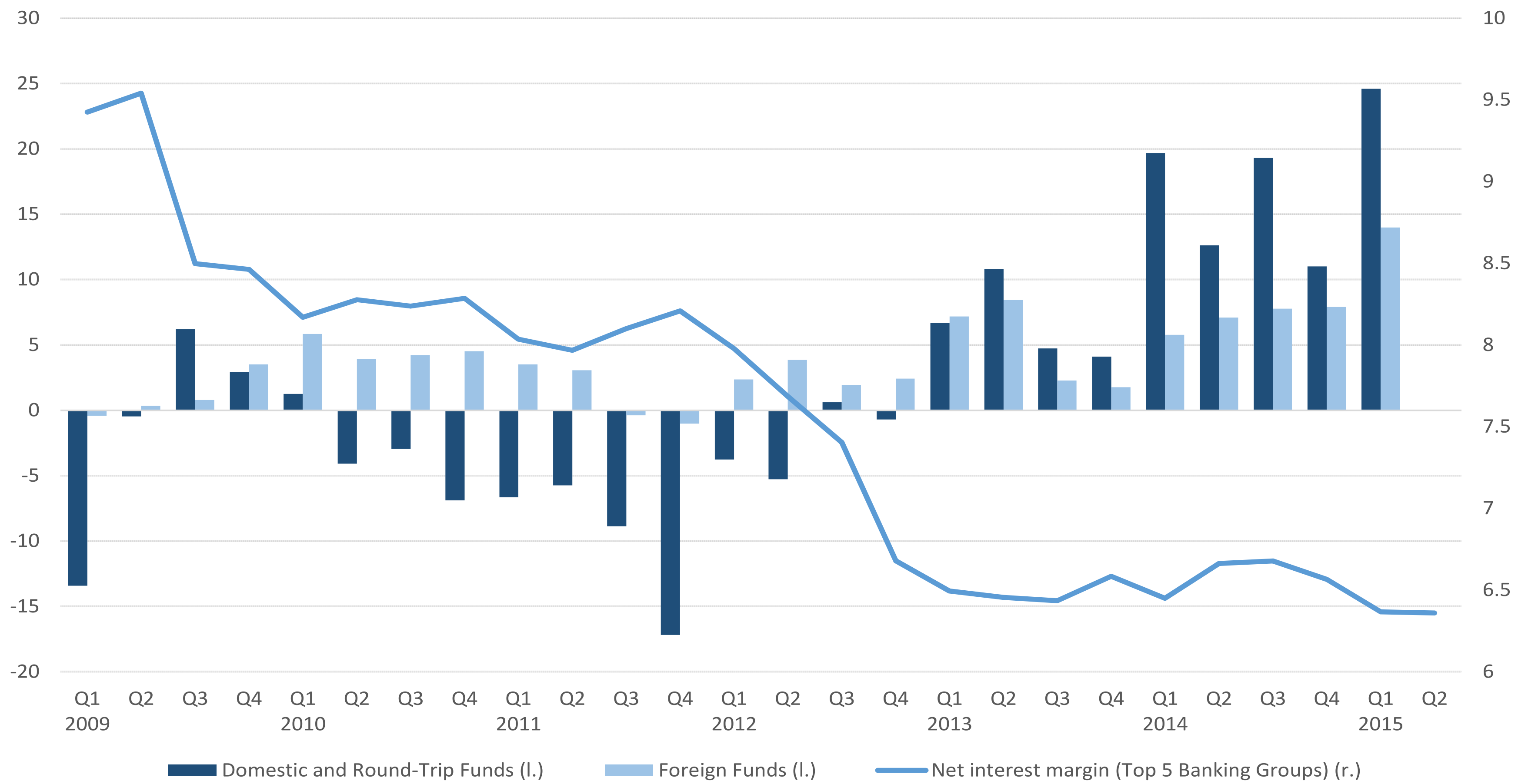
Gross household saving rates. Source: Eurostat.

Banks: no more dependent on funding from retail investors…



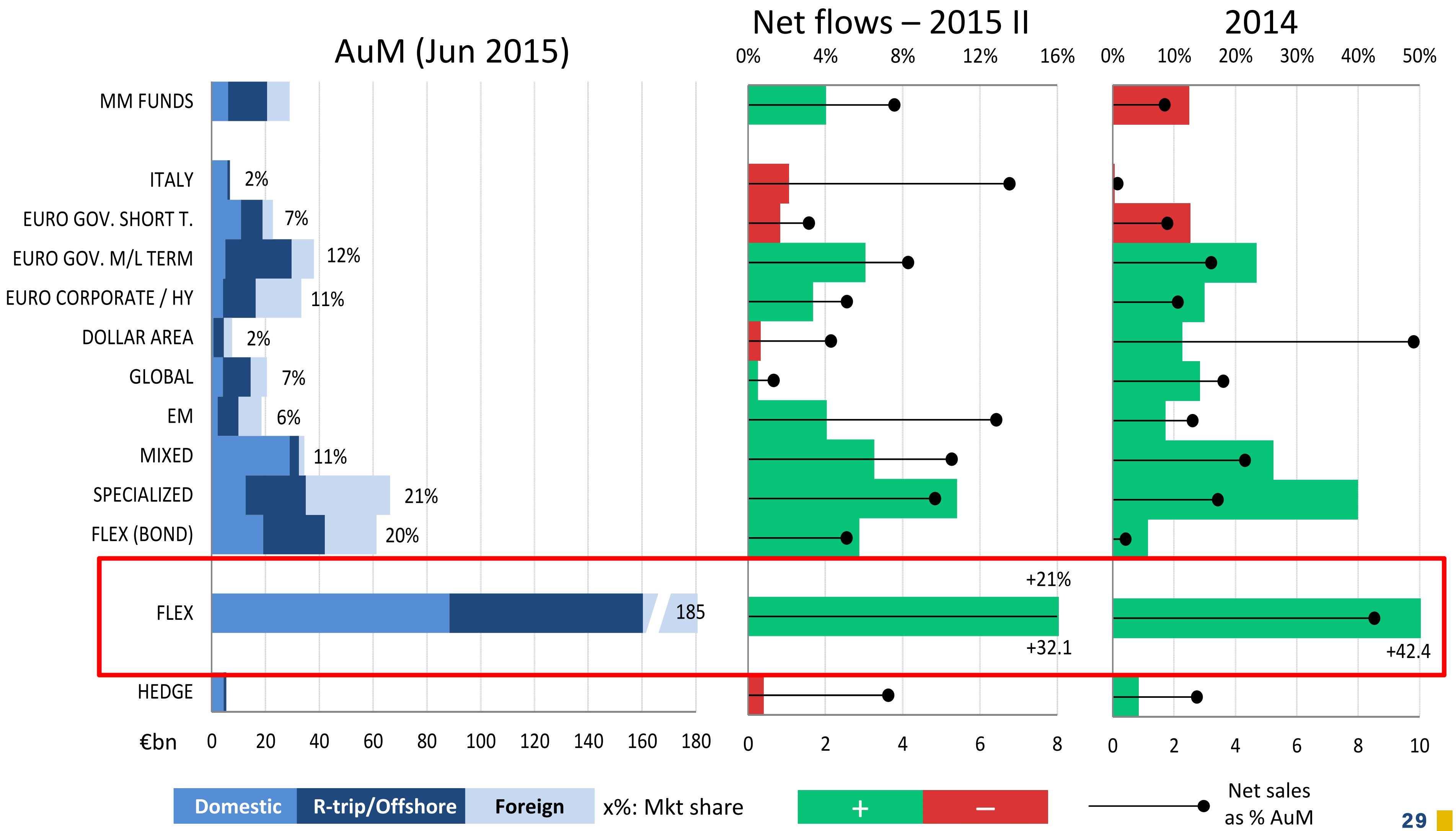
Quarterly flows, €bn. Source: Assogestioni, Bank of Italy.

… and urged to sustain profitability through non interest-based sources of revenues



€bn. Source: Assogestioni, bank balance sheets (Top 5 groups).

The success of funds with high margins (target-date funds)



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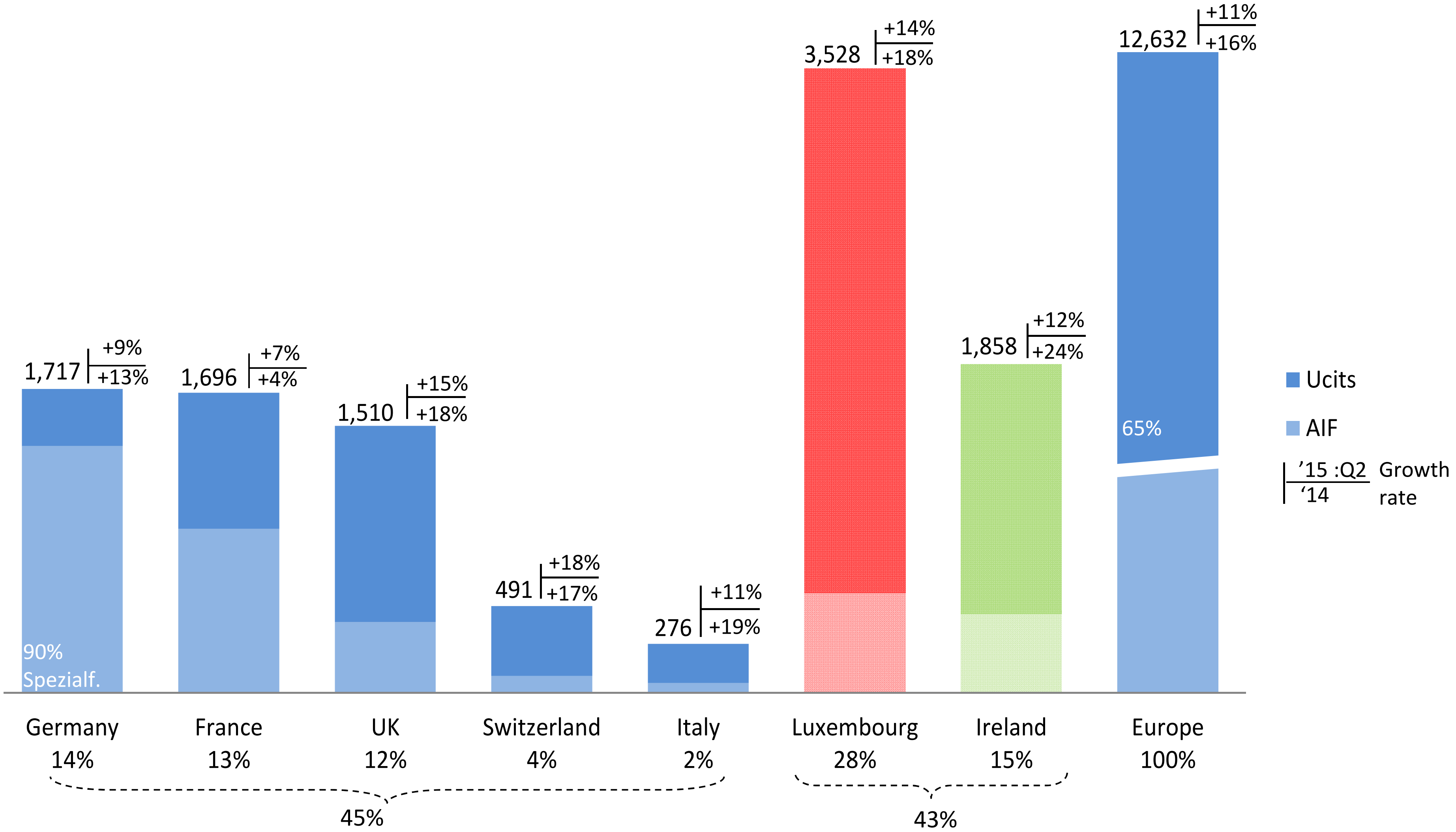
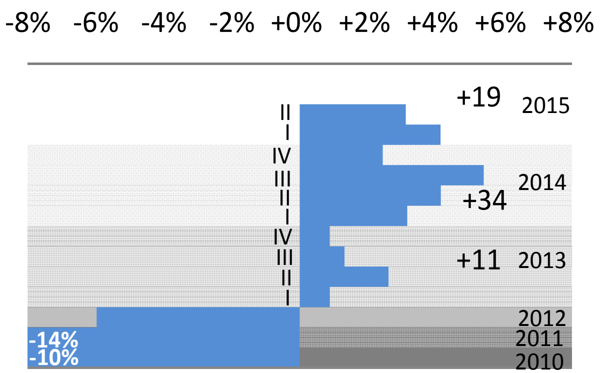
Net Assets by fund domicile



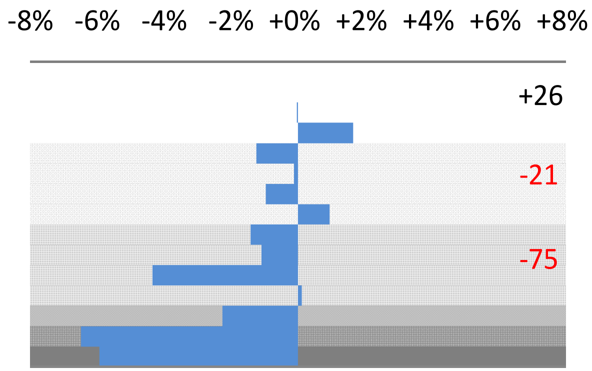
2015 June €bn. Source: Efama, AFG, BVI.

Net sales by fund domicile

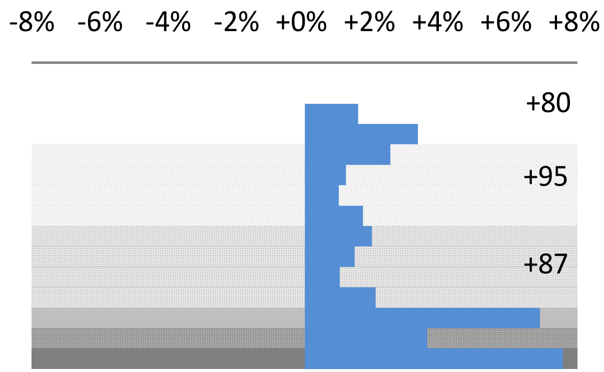
Italy



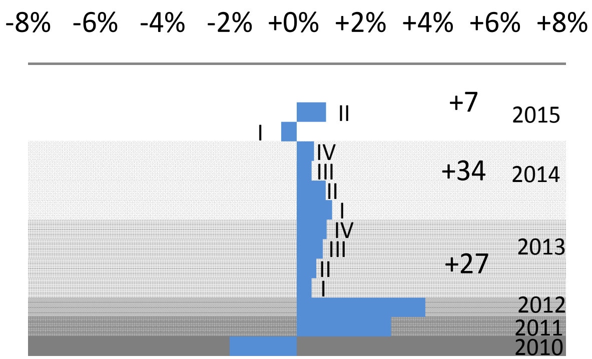
France



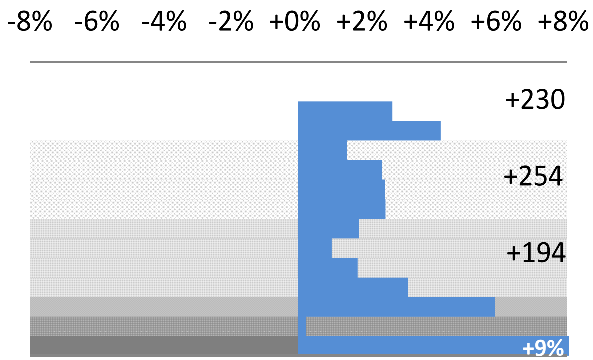
Germany



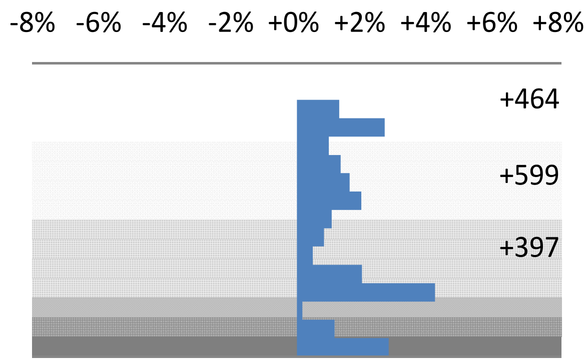
UK



Luxembourg

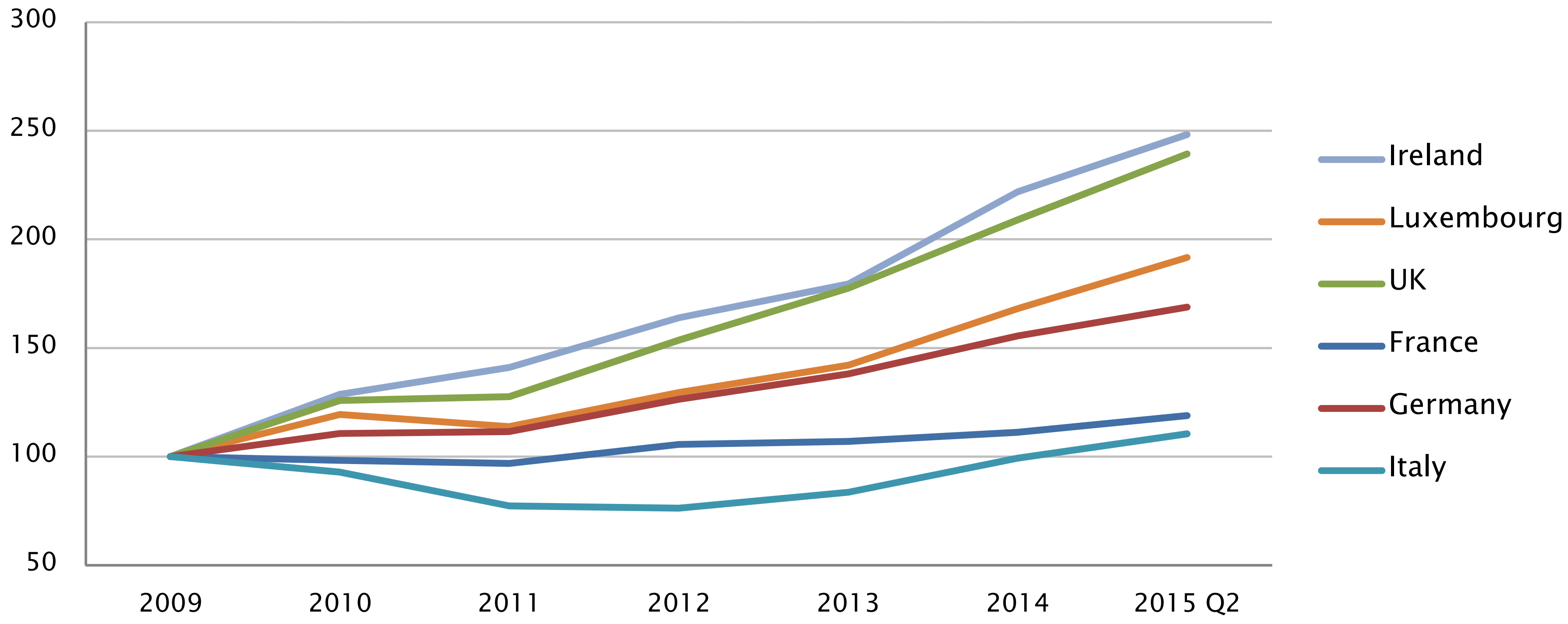


Europe



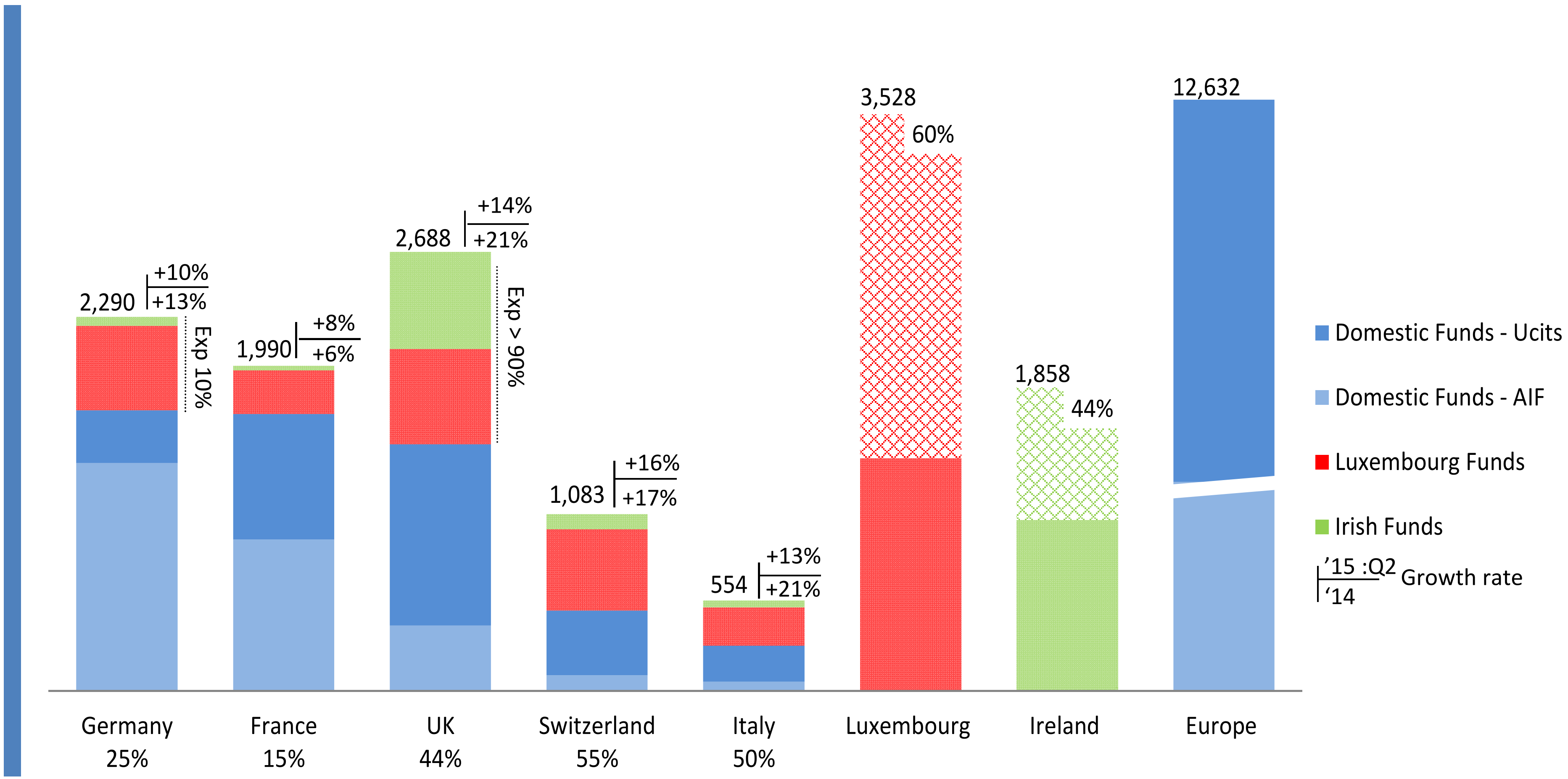
Net sales as a % of AuM. Yearly data in €bn. Source: Efama, BVI.

Net Assets by fund domicile – Long-term growth



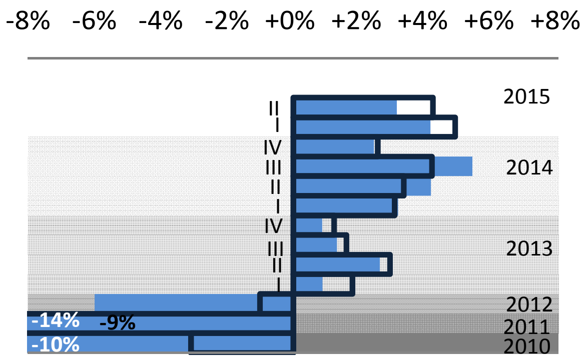
Index values. Source: Efama.

Net Assets by fund group domicile

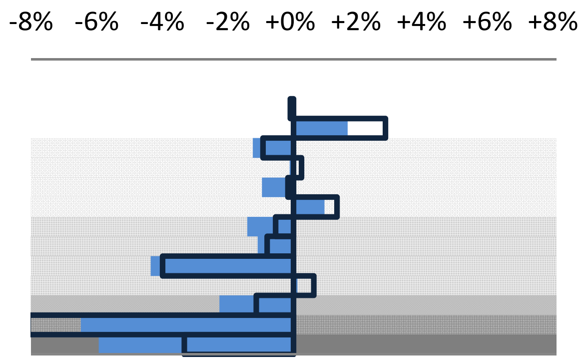


Net sales: fund domicile vs. fund group domicile

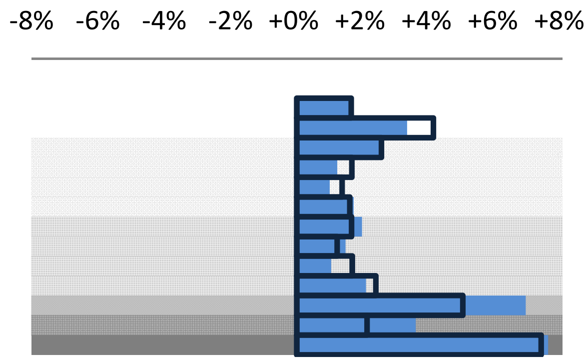
Italy



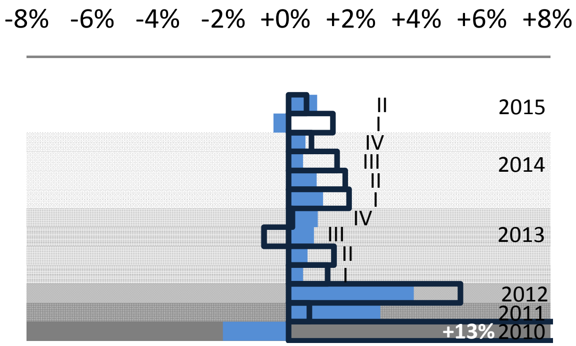
France



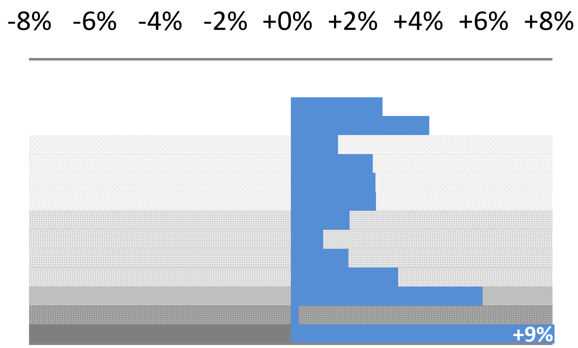
Germany



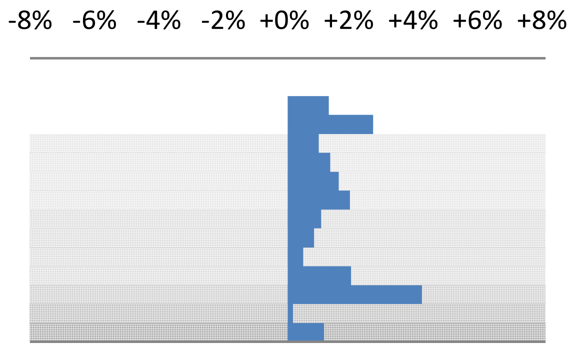
UK



Luxembourg



Europe



Net sales as a % of AuM. Fund domicile (blue), fund group domicile (black). Est. on Efama, Assogestioni, ALFI, IFIA & BVI data.

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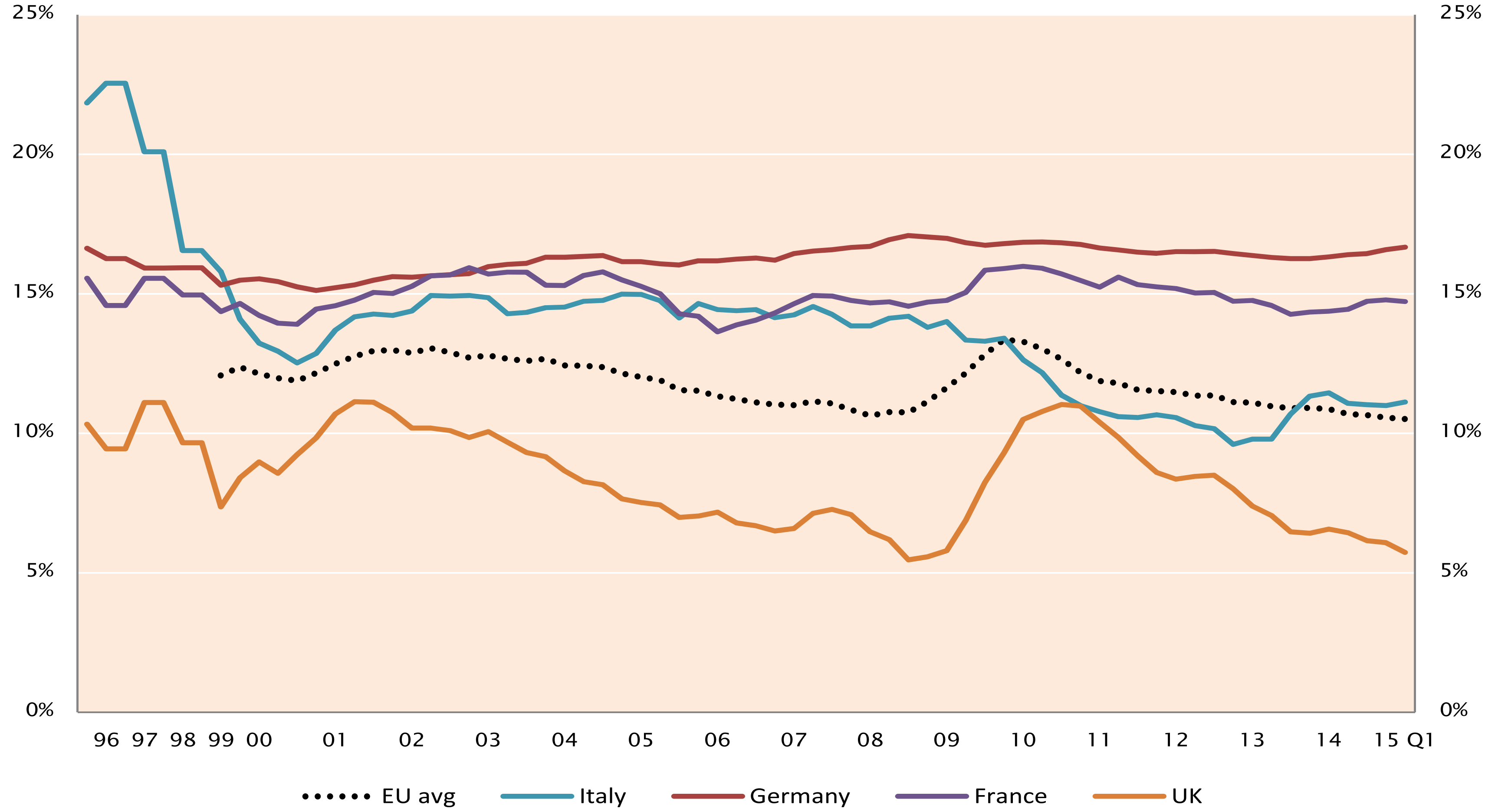
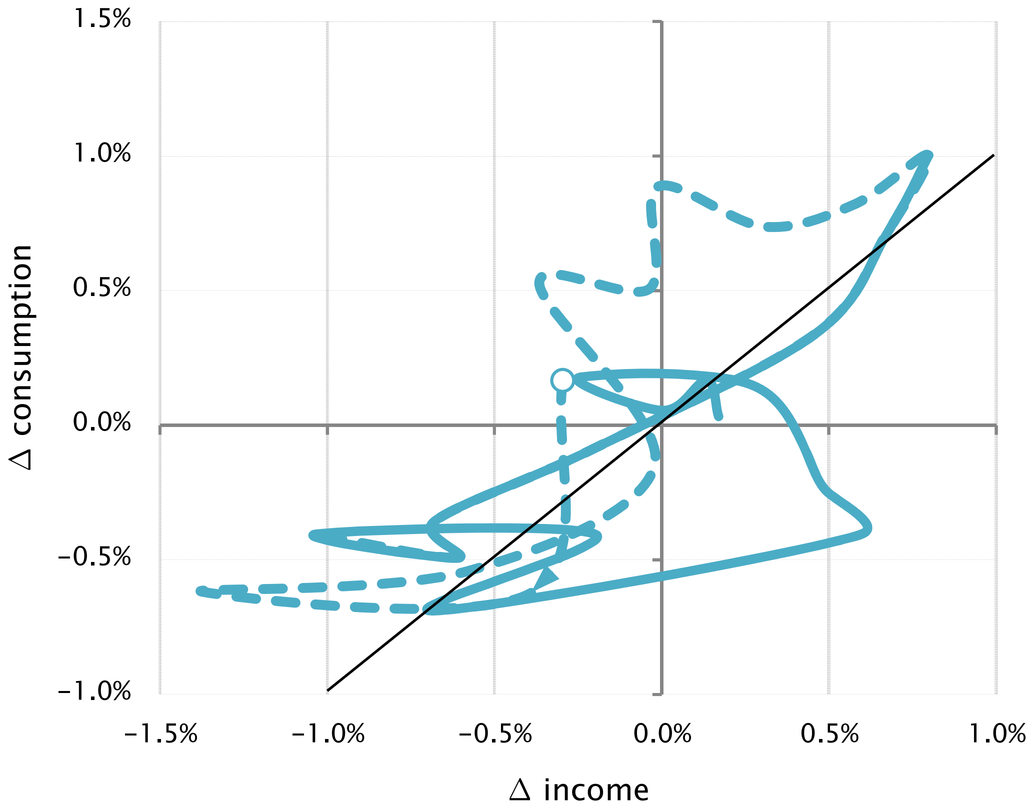
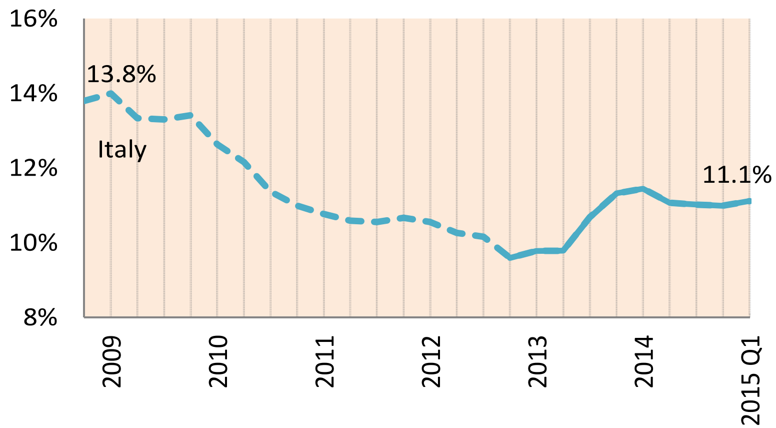
Household saving rates in Europe



Gross household saving rates. Source: Eurostat.

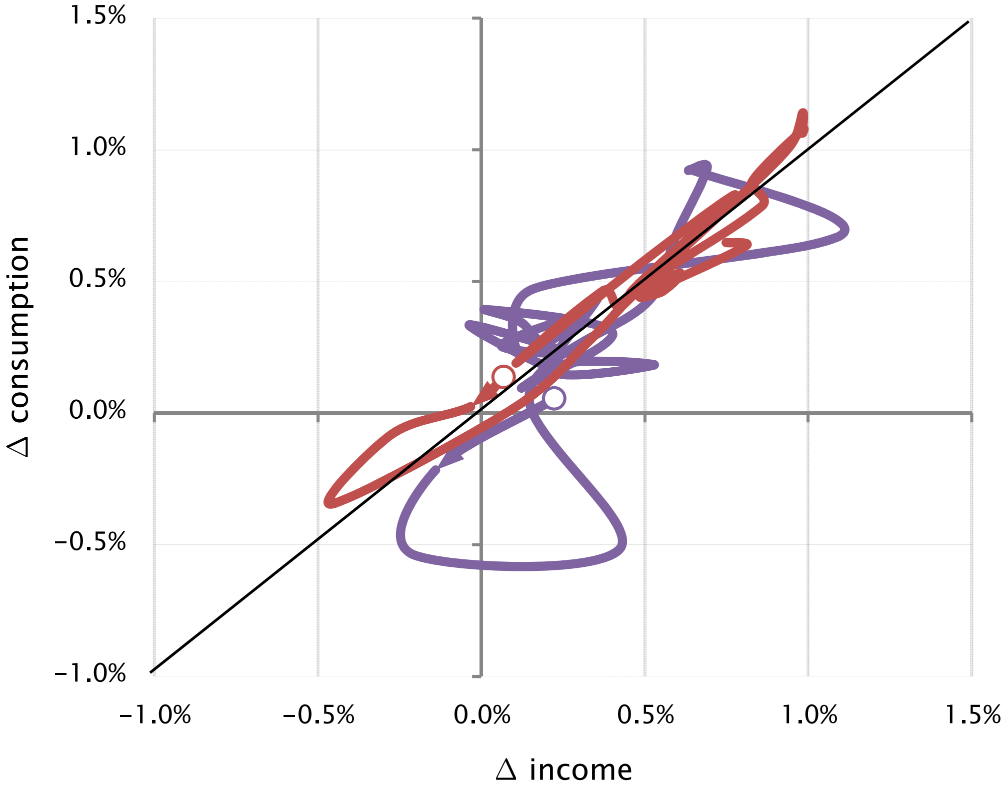
How income & consumption Δ% affect saving rates

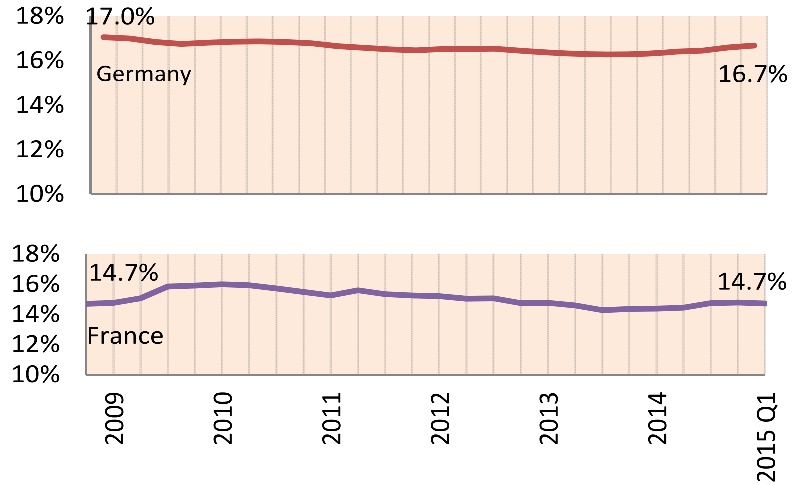




2008Q4:2015Q1. Source: Eurostat.

How income & consumption Δ% affect saving rates





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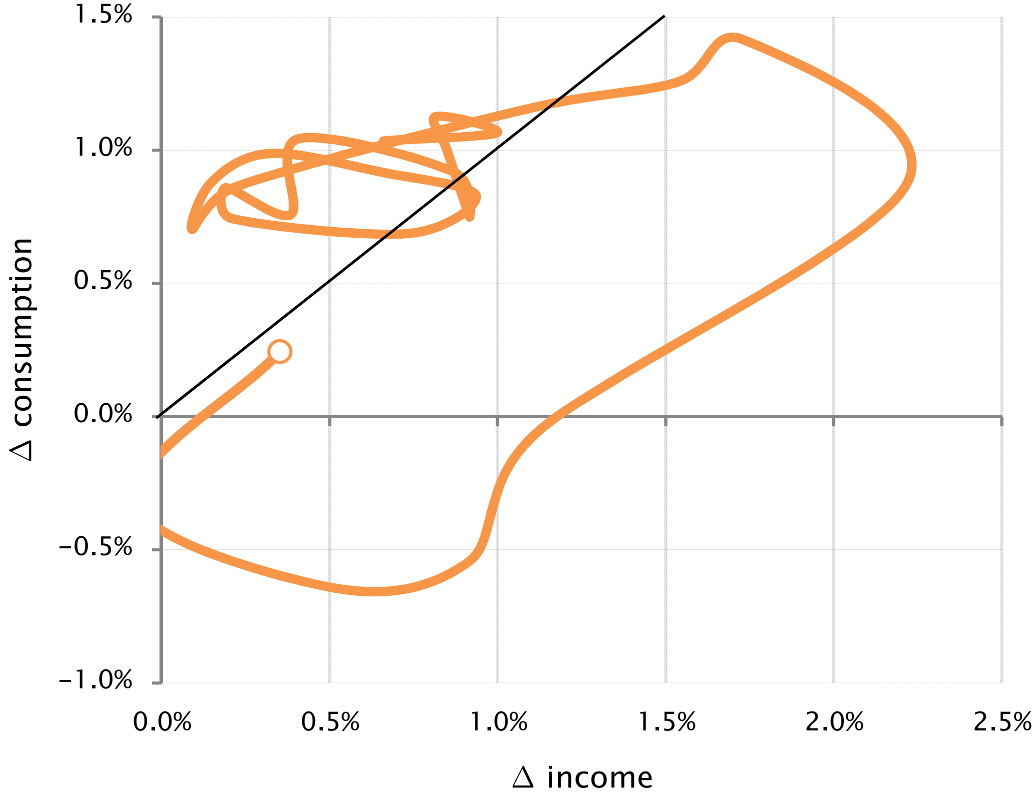

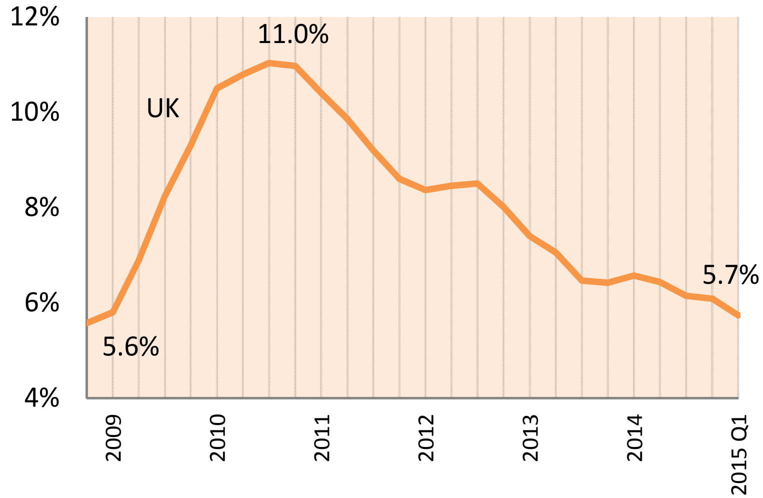

Household financial portfolio breakdown

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High level of *direct investment* (~ 35%)

Decreasing amounts of *bank issued bonds* (5.0%)

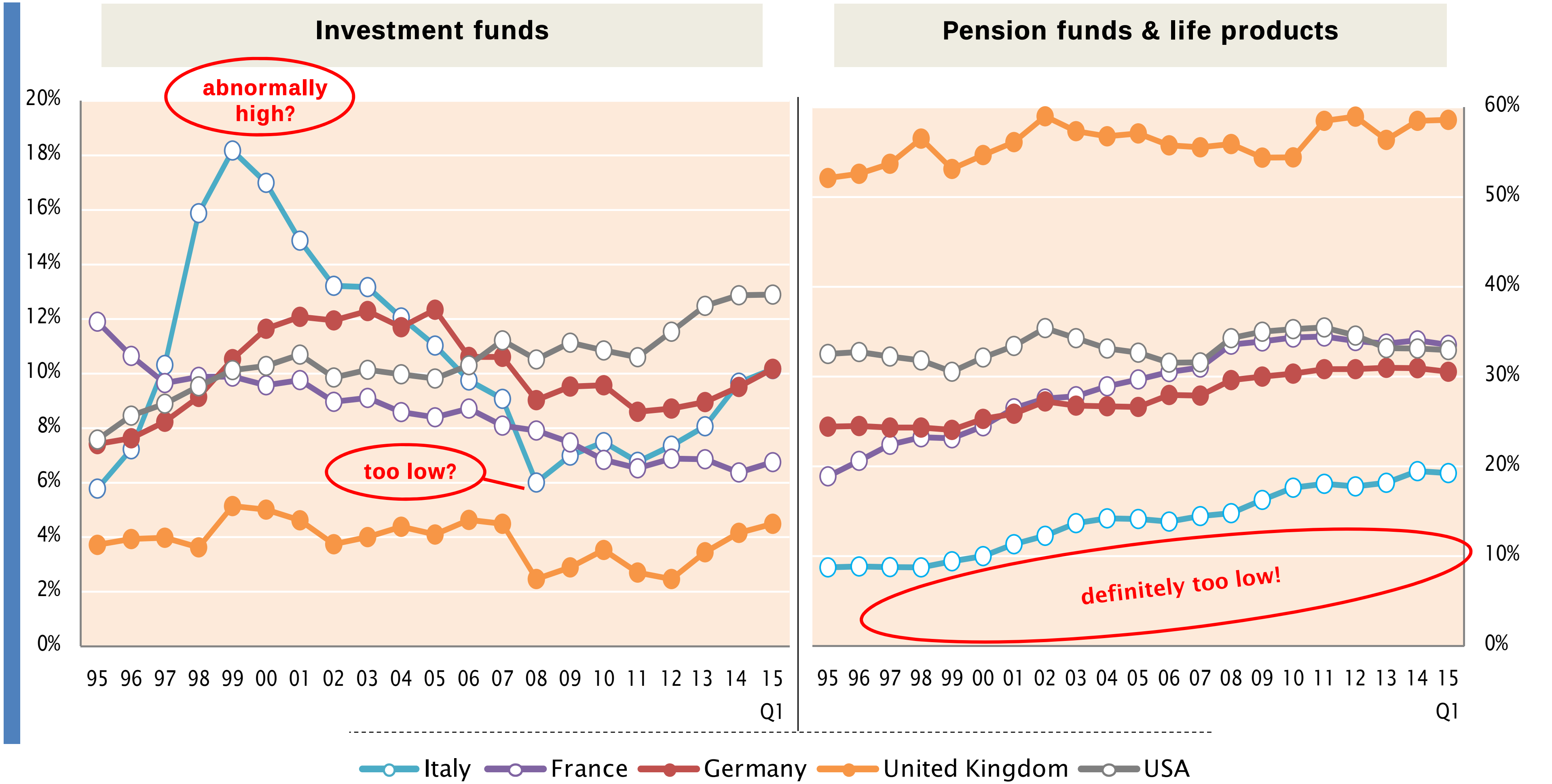
Negligible level of *listed shares.* High level of *unlisted* ones.

Funds: rise until 1999 (18%) then down, then again up.

Pensions/life product: up but still **too modest**.

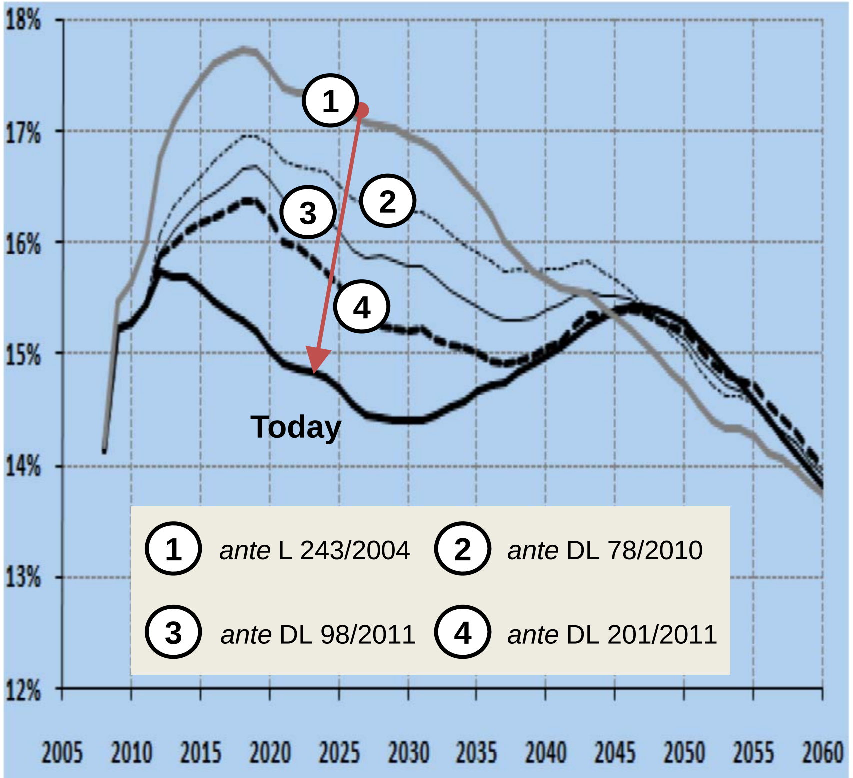
%. Source: Eurostat, OECD, BCE, Deutsche Bundesbank.

Managed products in household portfolios



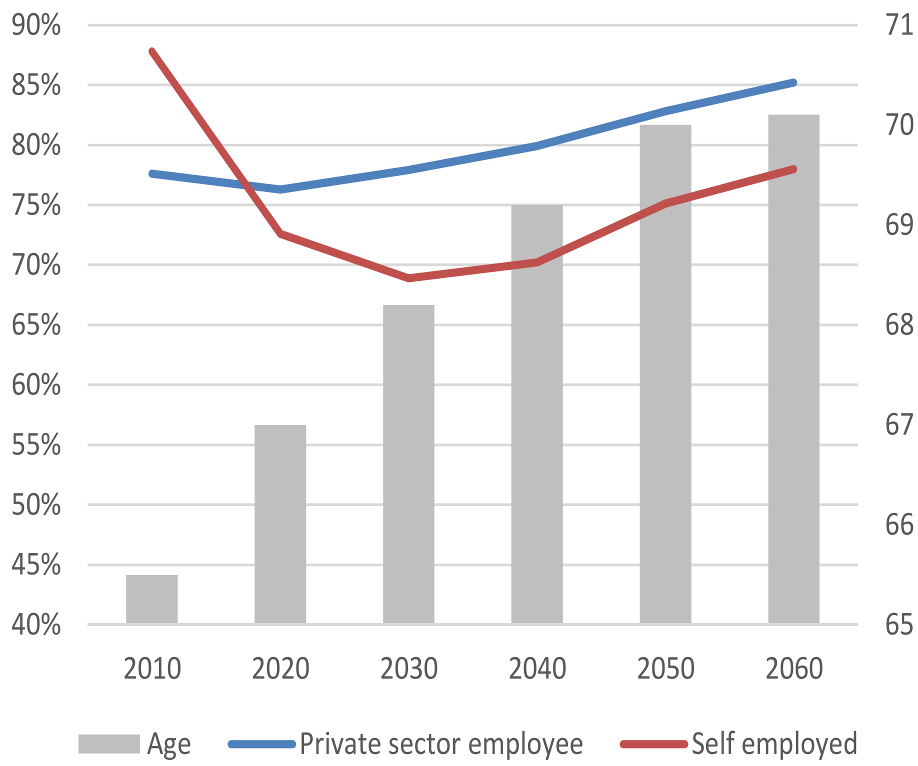
Public Pensions (1st pillar)

Cost (% GDP)



Future substitution rates

Old-age pensions



Source: Ragioneria Generale dello Stato.

Private pension plans at a glance (2nd & 3rd pillar)

	2014			2008
	(,000)	Working pop. (est.)	Membership rate	Membership rate
Member breakdown	**6,540**	**22,375**	**29%**	**21%**
Private sector employees	4,528	13,523	33%	26%
Public sector employees	173	3,335	5%	4%
Self-employed	1,839	5,517	33%	19%

	2014 Members				Assets	
	(,000)	%	'14 Δ %	6y Δ %	(€ m)	*% GDP*
Vehicle breakdown	**6,540**	**100%**	**+6%**	**+35%**	**130,941**	8.5%
Contractual p.f.	1,944	30%	-0%	-5%	39,644	
Open p.f.	1,056	16%	+7%	+24%	13,980	
Ind. Insurance Plans (PIP)	2,913	44%	+10%	+112%	23,219	
Ante 1993 p.f. ('pre-existing')	650	10%	-0%	-4%	54,033	

Source: Covip, Istat, RGS.

ASSOGESTIONI
associazione del risparmio gestito

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key figures

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