ASSOGESTIONI
associazione del risparmio gestito

The Italian Asset Management market
key figures

26 January 2016

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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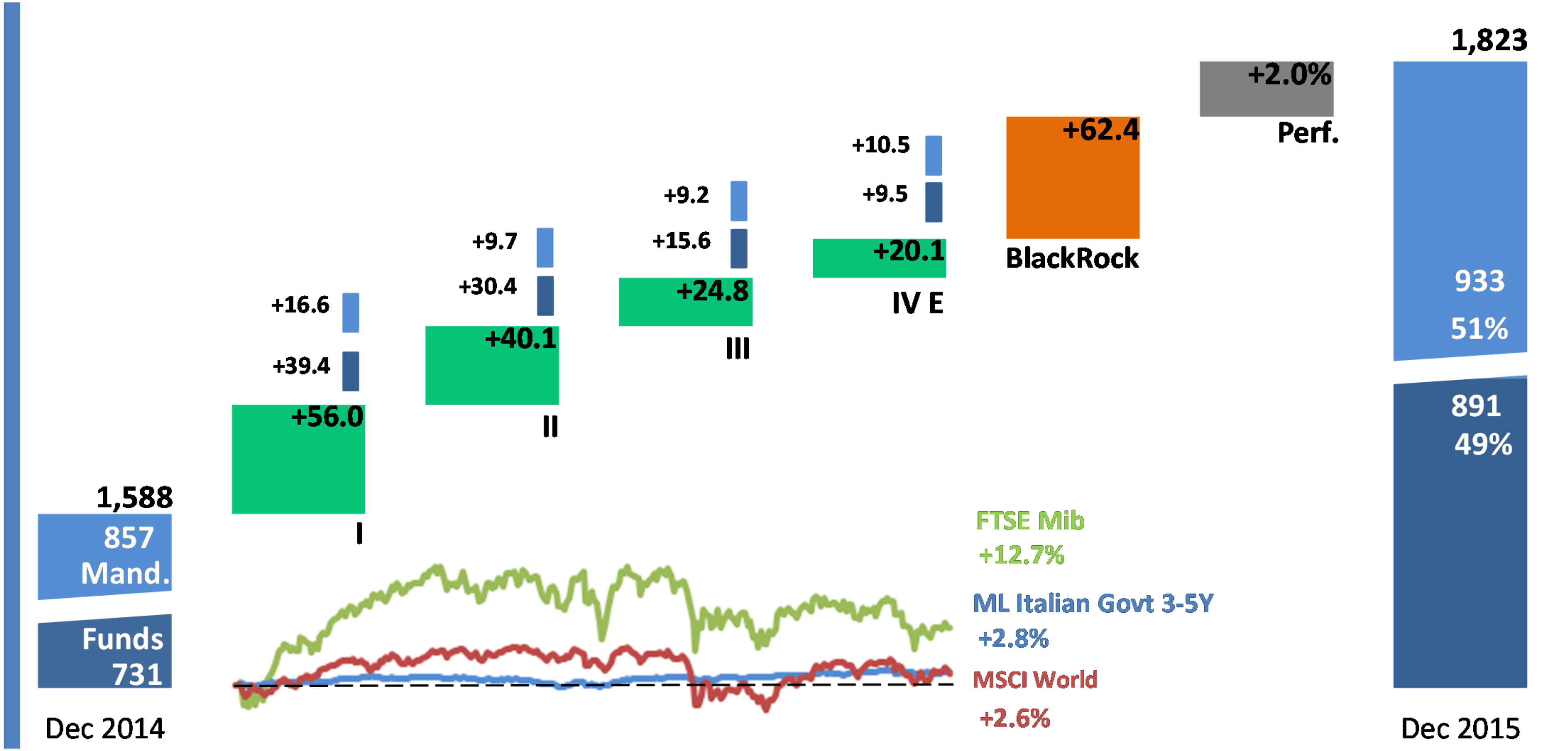
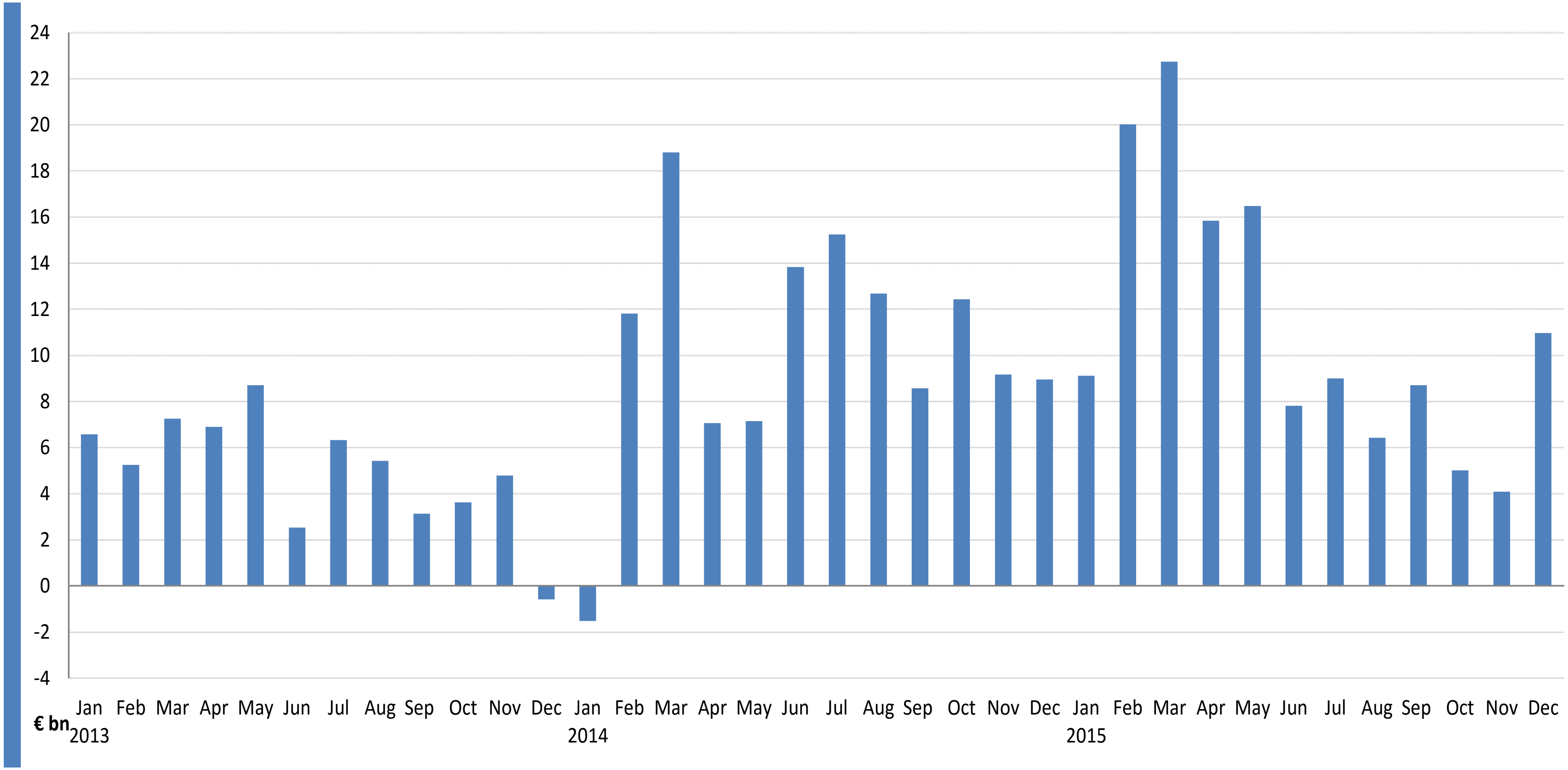
The Italian AM market (Jan 2015: Dec 2015)

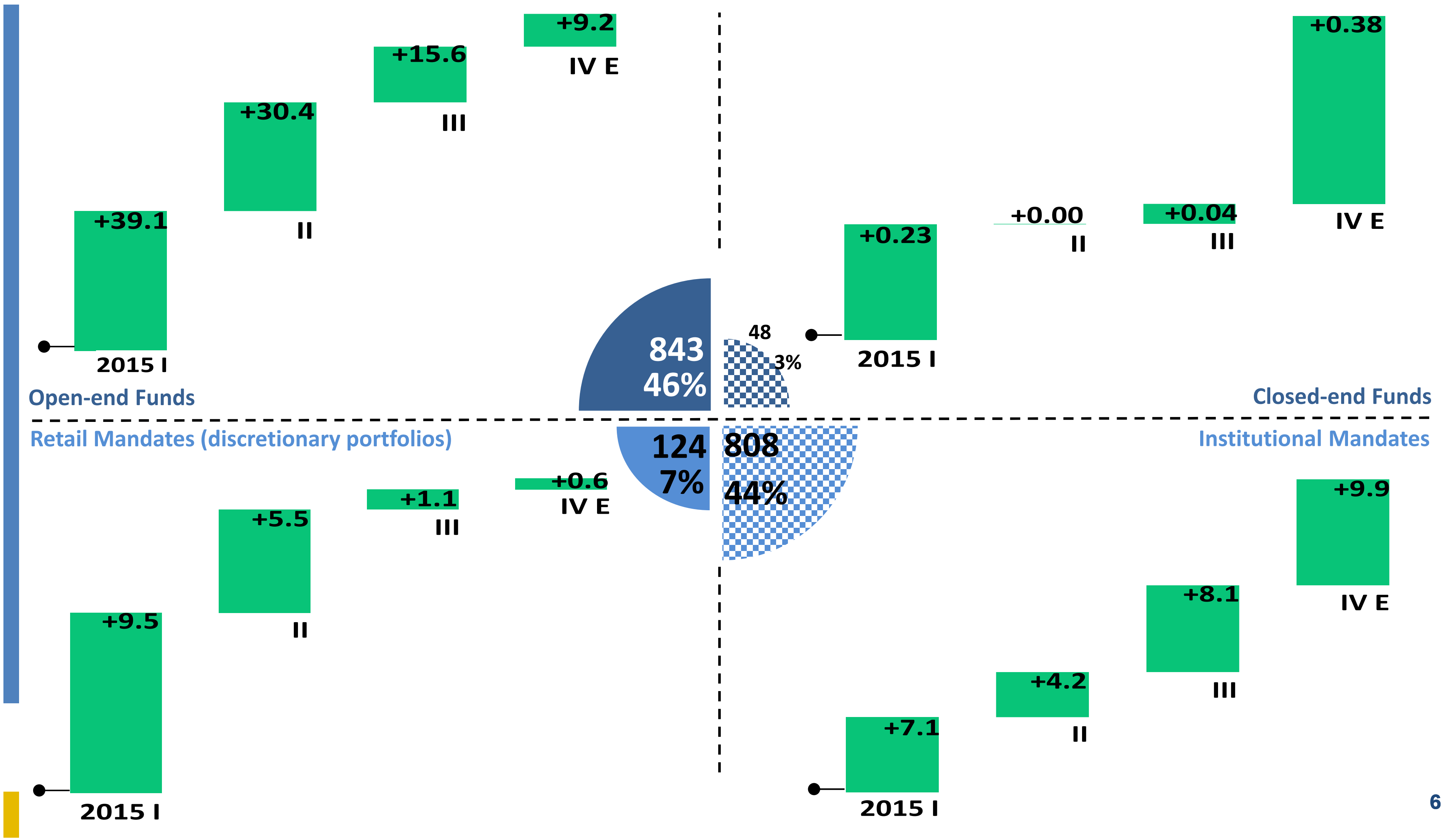


AuM, net flows & performance, €bn.

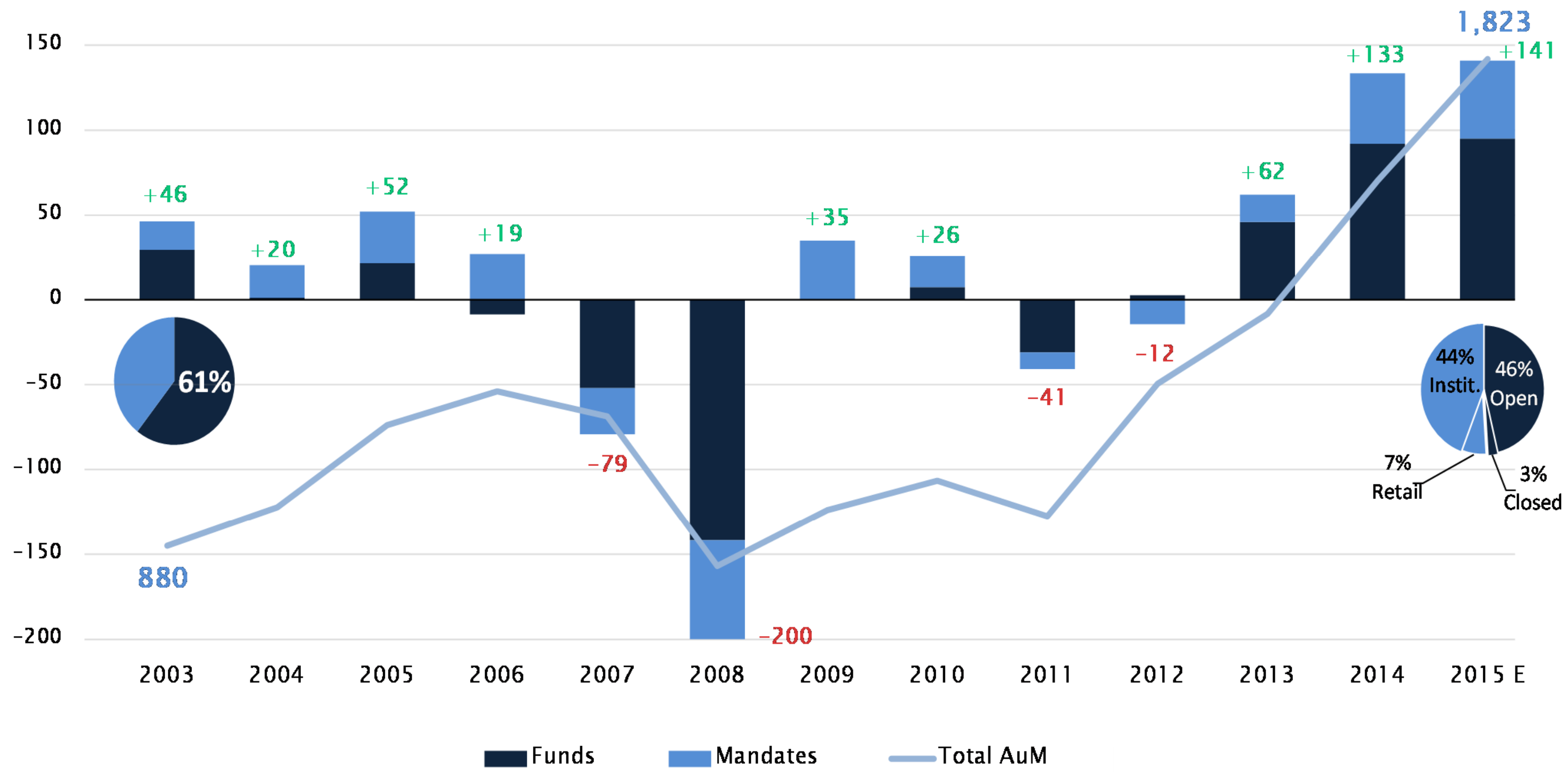
Net flows (monthly data)



Product breakdown

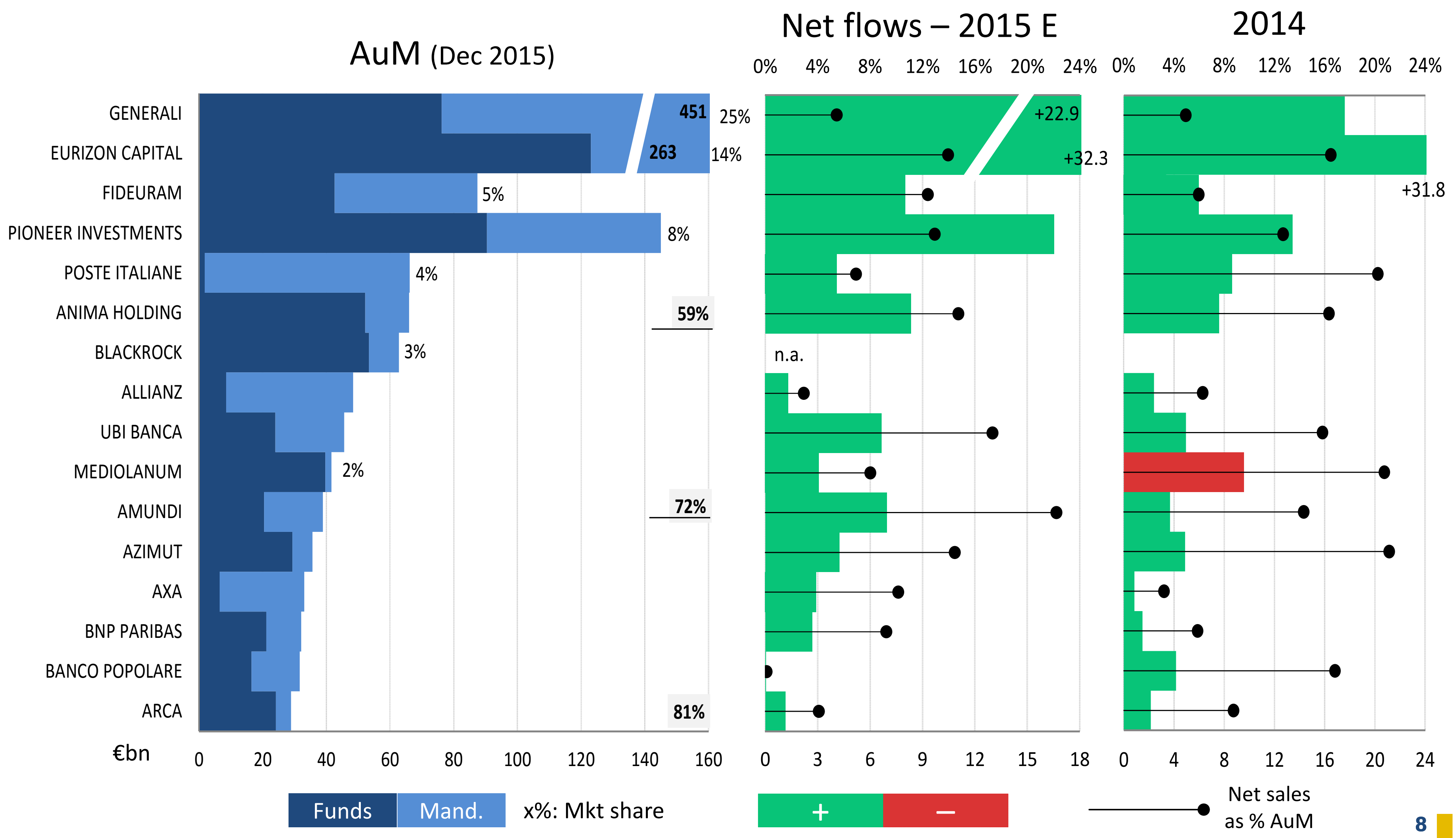


Long term trend

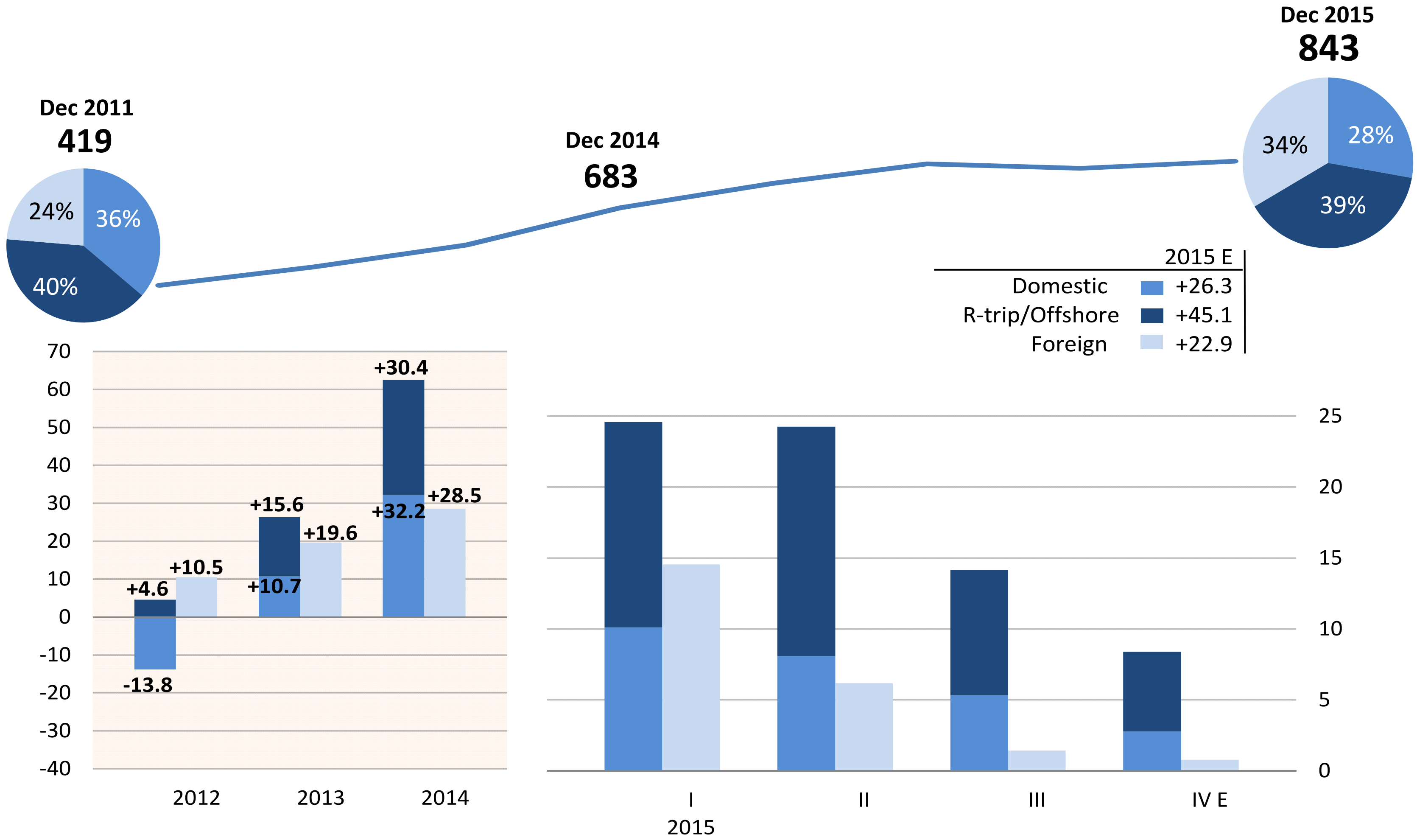


€bn, yearly data. Source: Assogestioni.

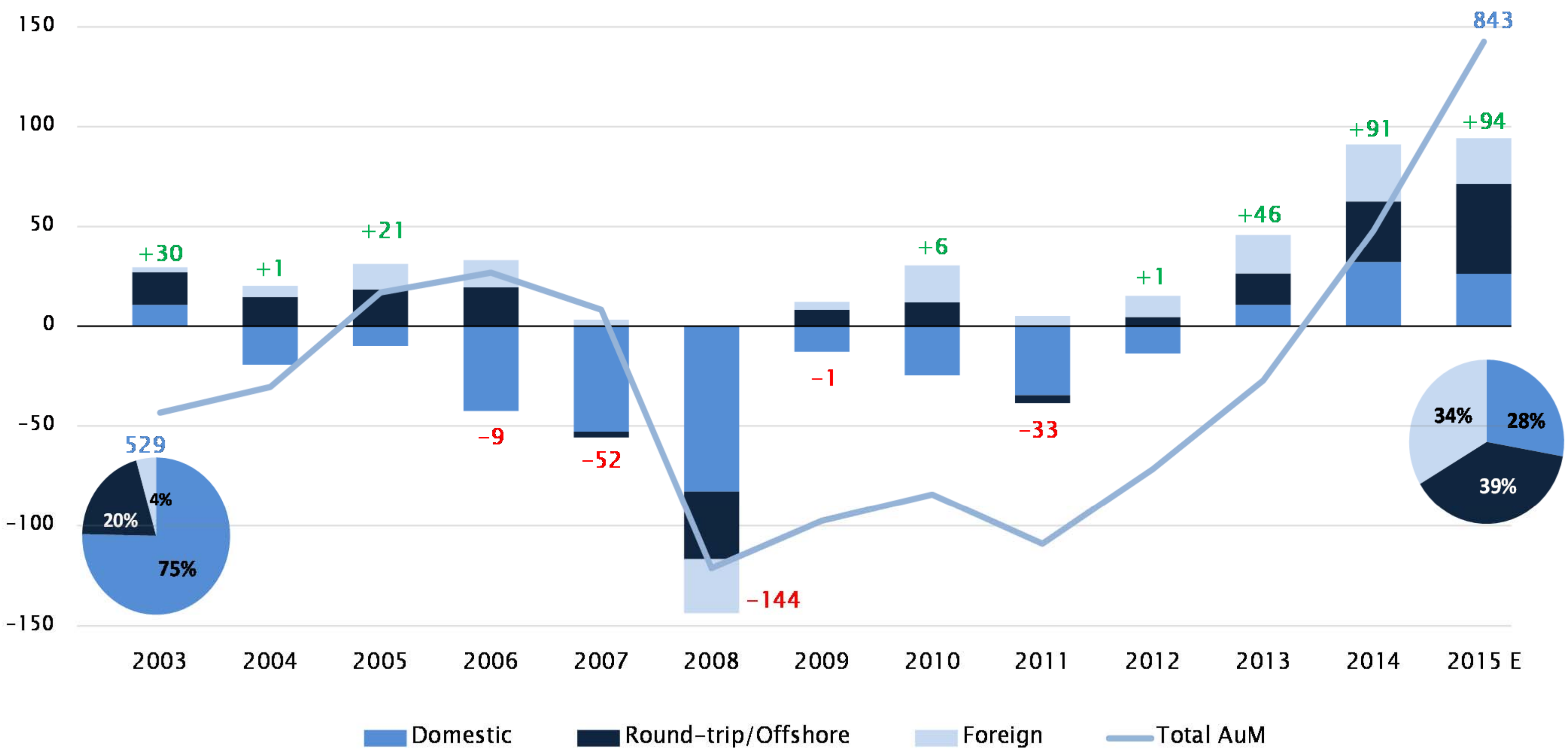
Top 15 Groups



Open-end funds: domicile breakdown

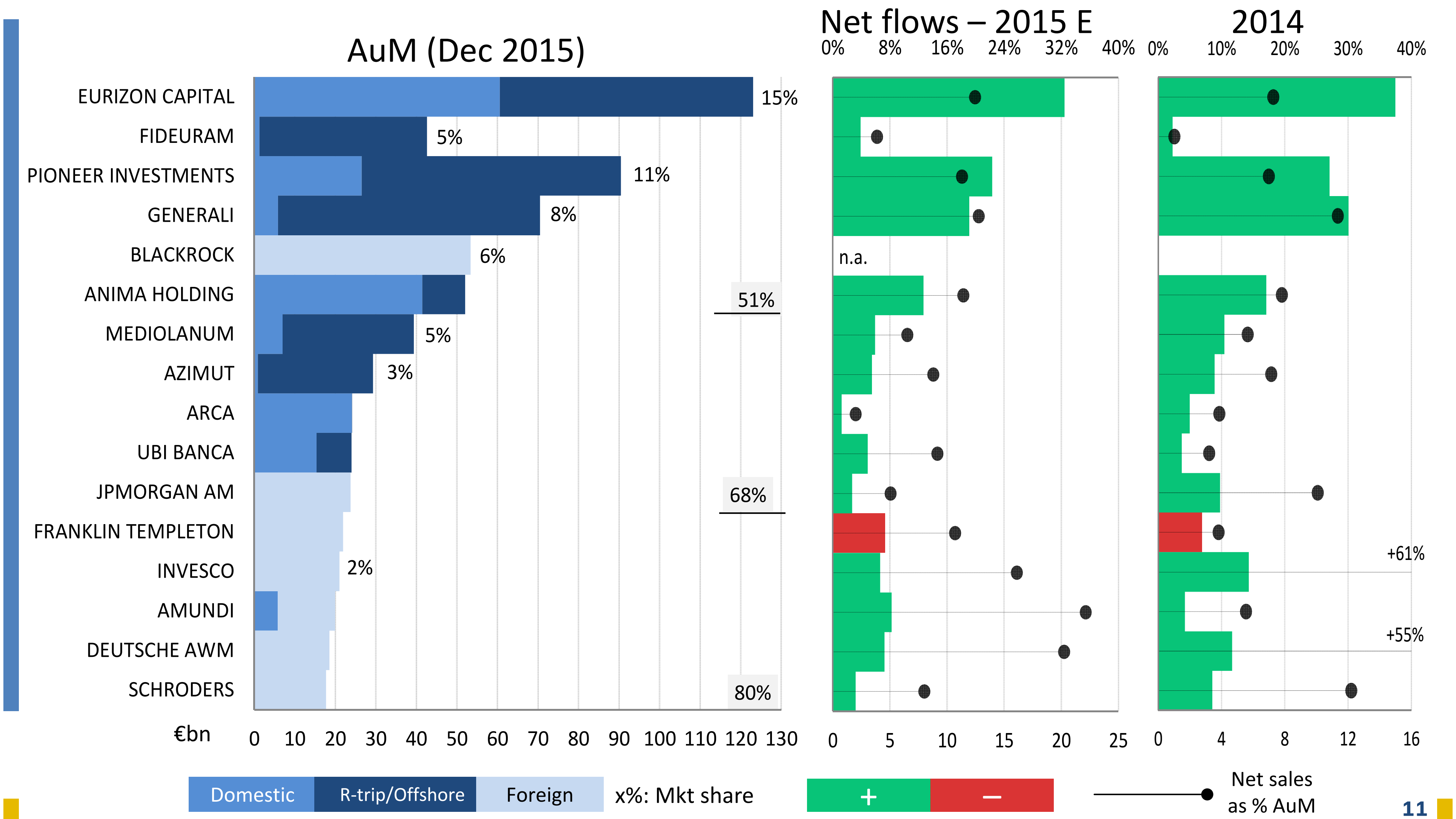


Long term trend: open-end funds

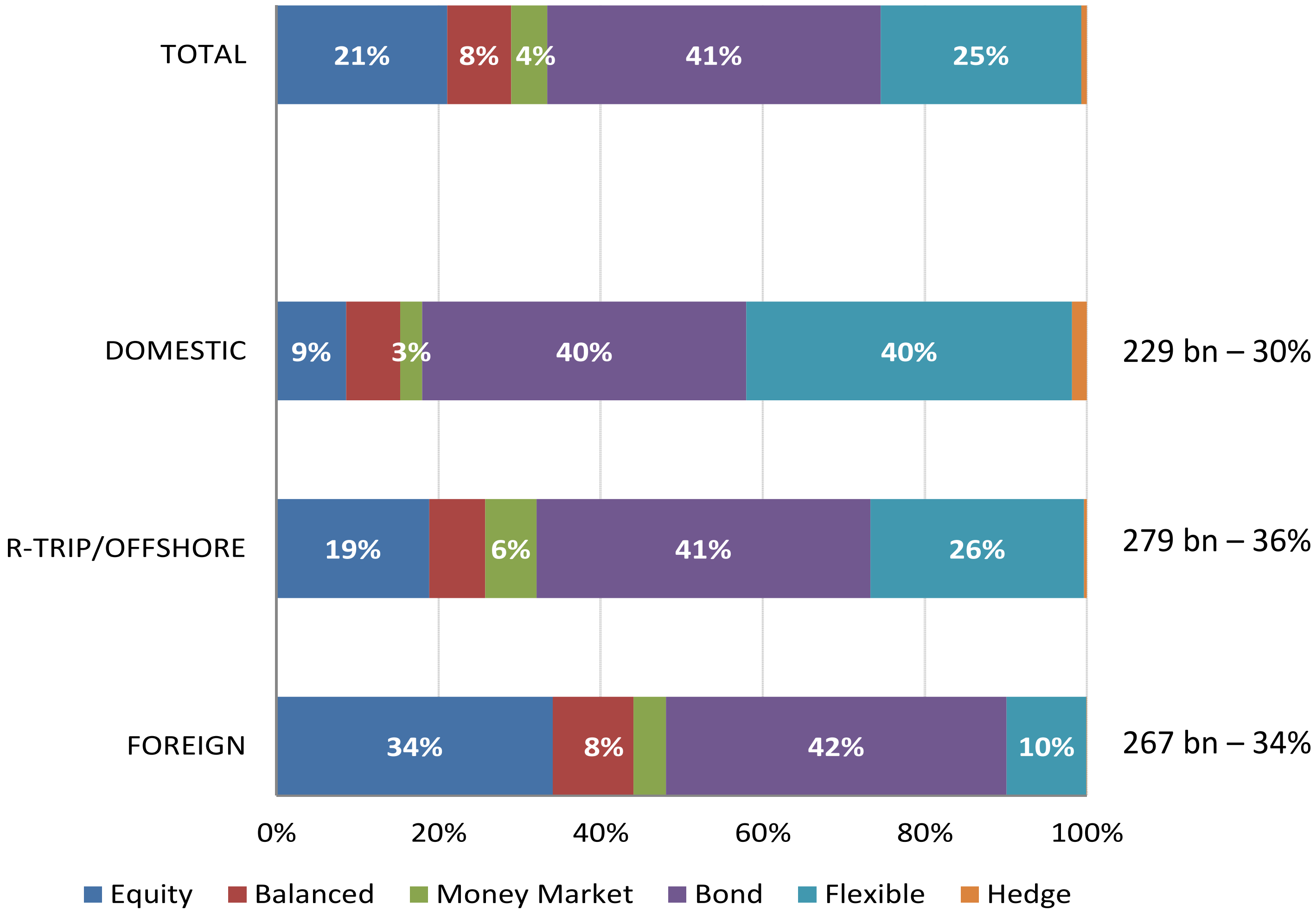


€bn, yearly data. Source: Assogestioni.

Top 15 Groups (open-end funds only)

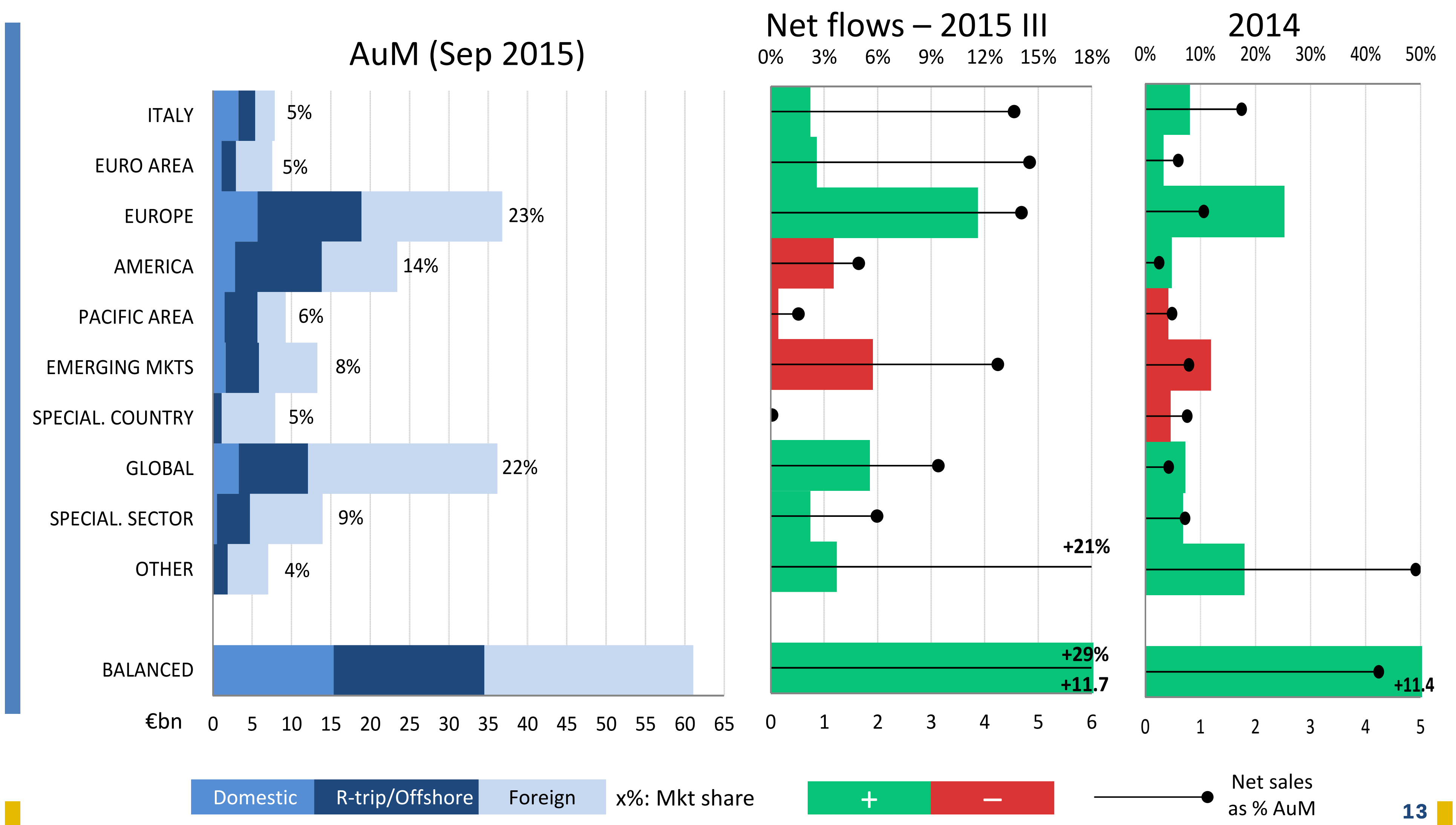


Asset Class breakdown

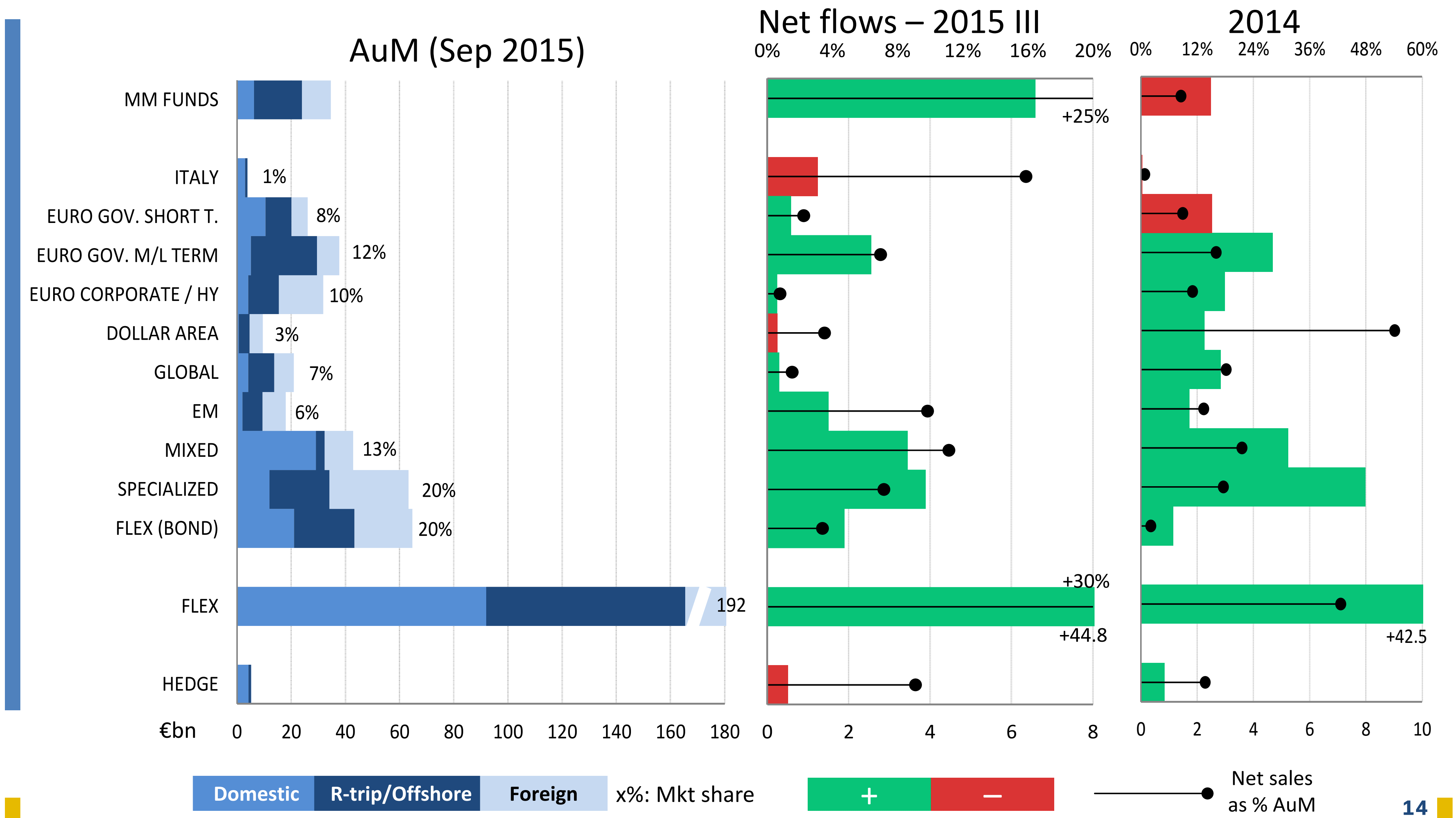


September 2015.

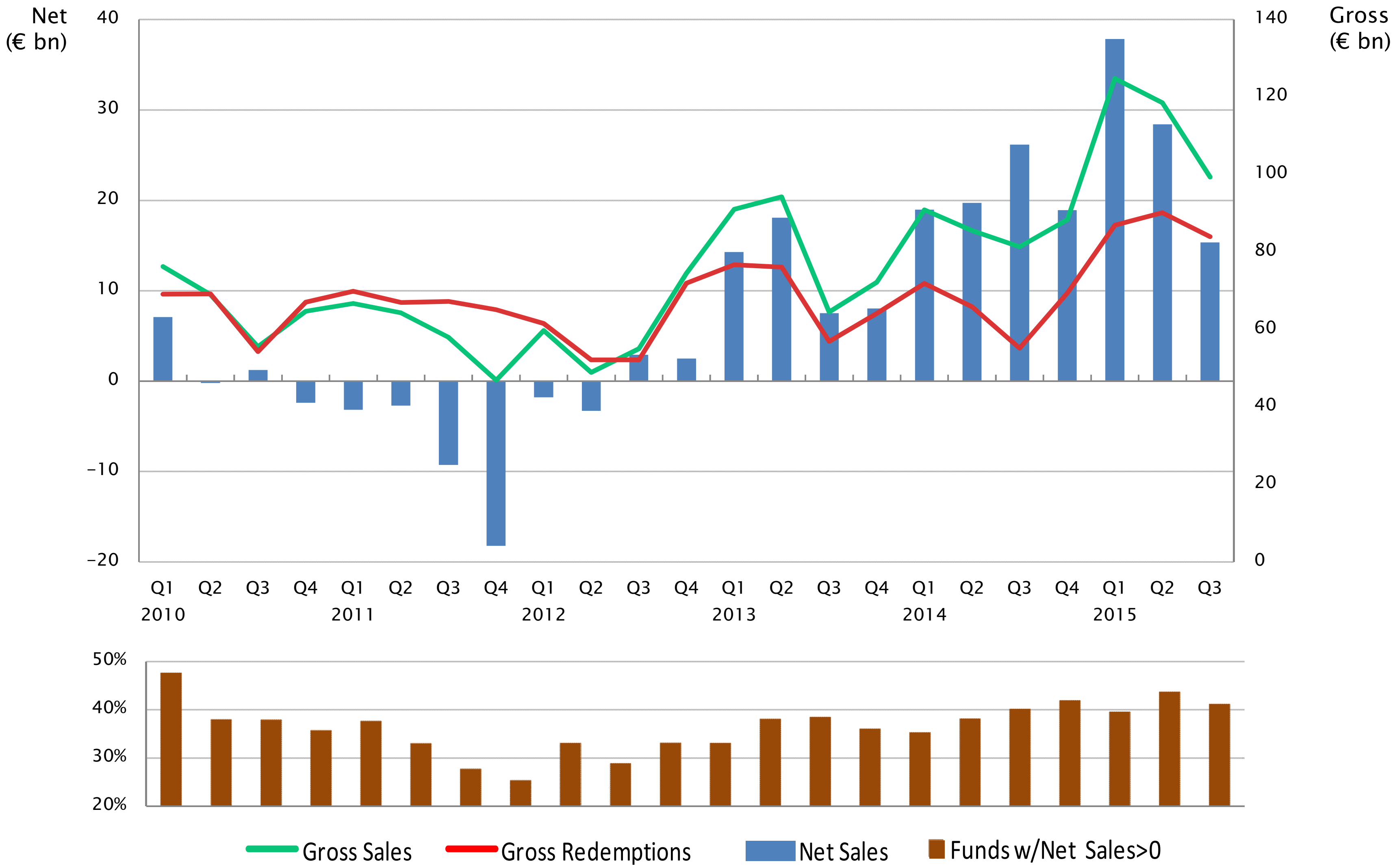
Equity & balanced funds



Money mkt, Bond, Flex & Hedge funds



Net & gross flows



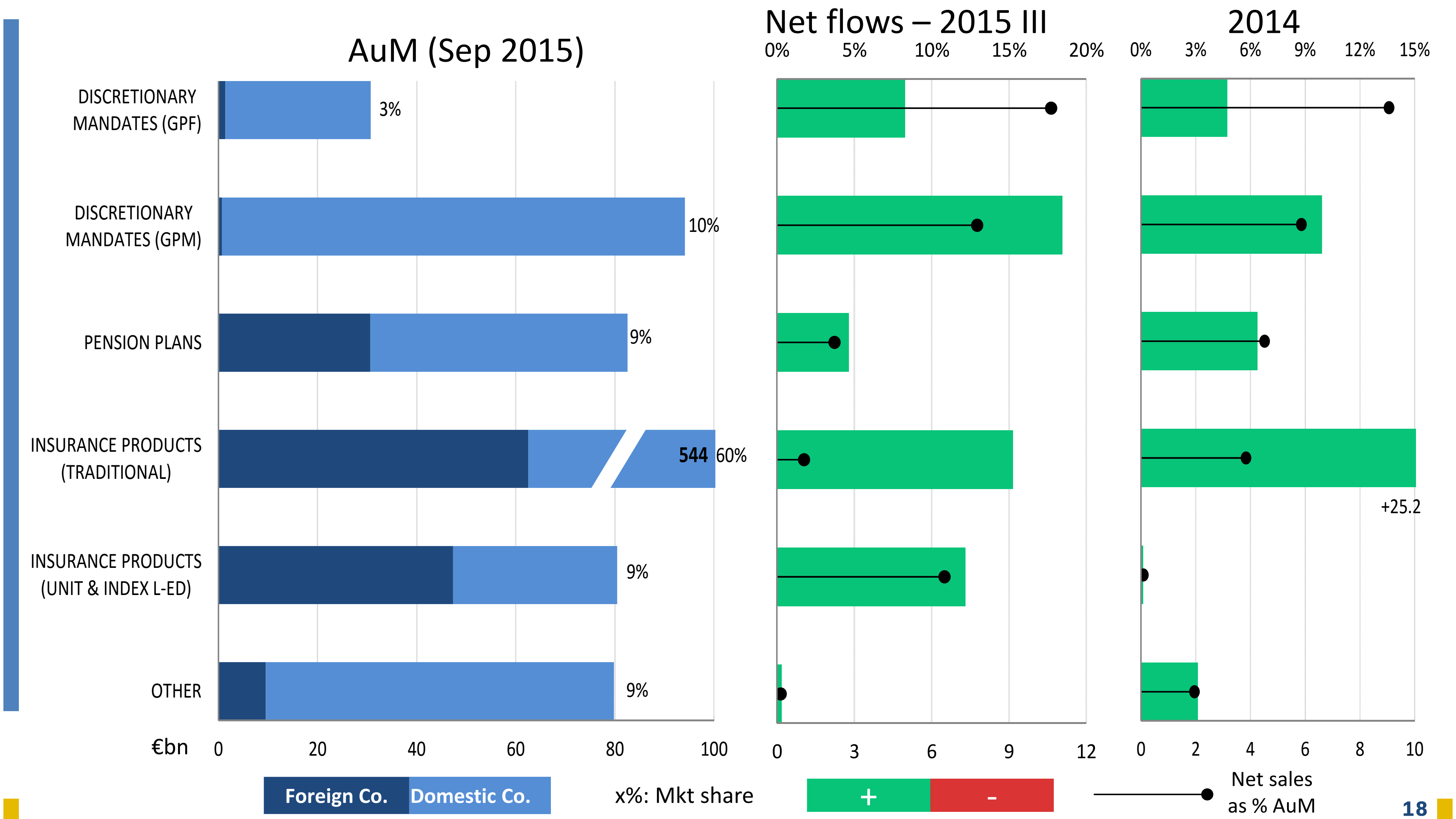
The *blockbuster effect* : top quartile funds take all

Net flows, €bn.

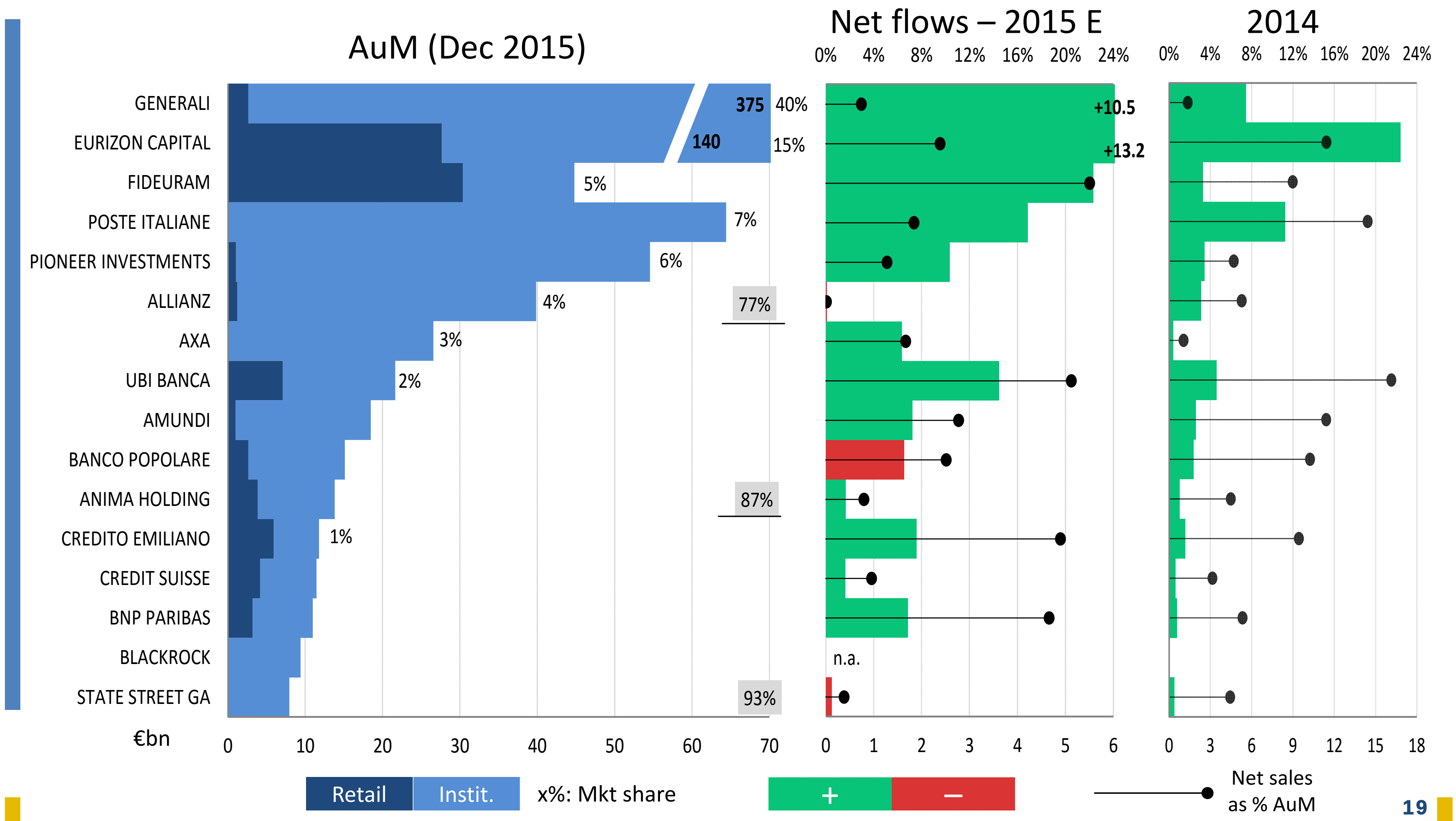
New stories tag cloud

Year	2012	2013	2014	2015
New funds	578	560	456	349

Mandates: AuM & Net Sales trends

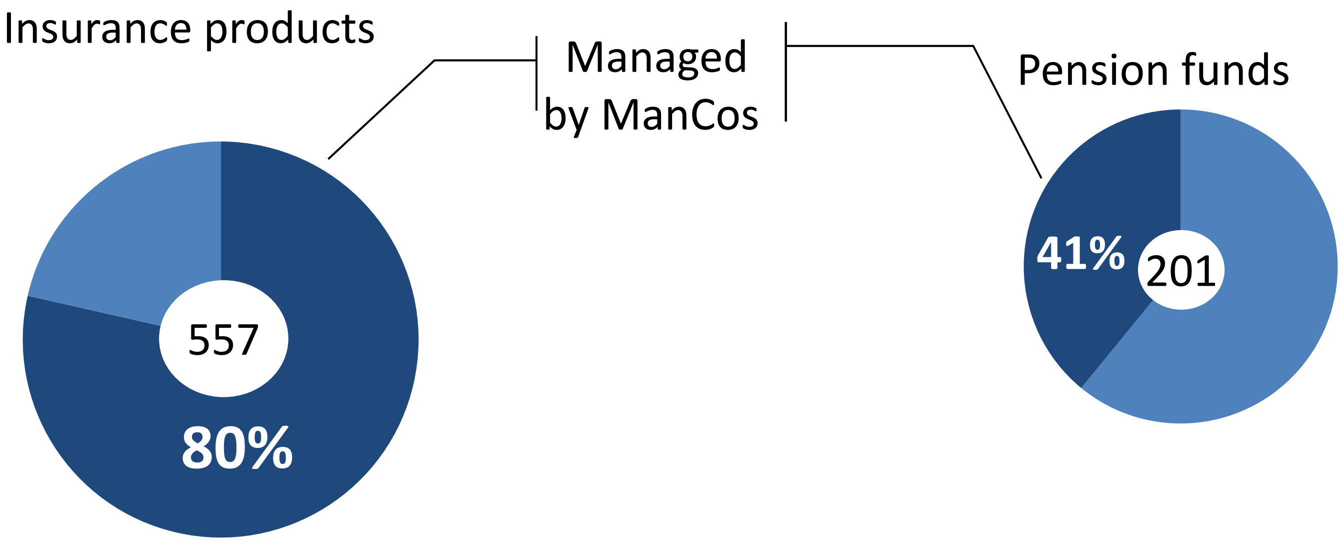


Top 15 Groups (mandates only)



The market for Institutional Mandates

As is ...
(2015 Q3)



As is ...
(2015 Q3)

... and as could become:

Household portfolio: share of insurance products & pension funds (2015Q2)

IT	FRA	GER	UK	USA
19.9%	34.0%	30.9%	58.4%	32.9%

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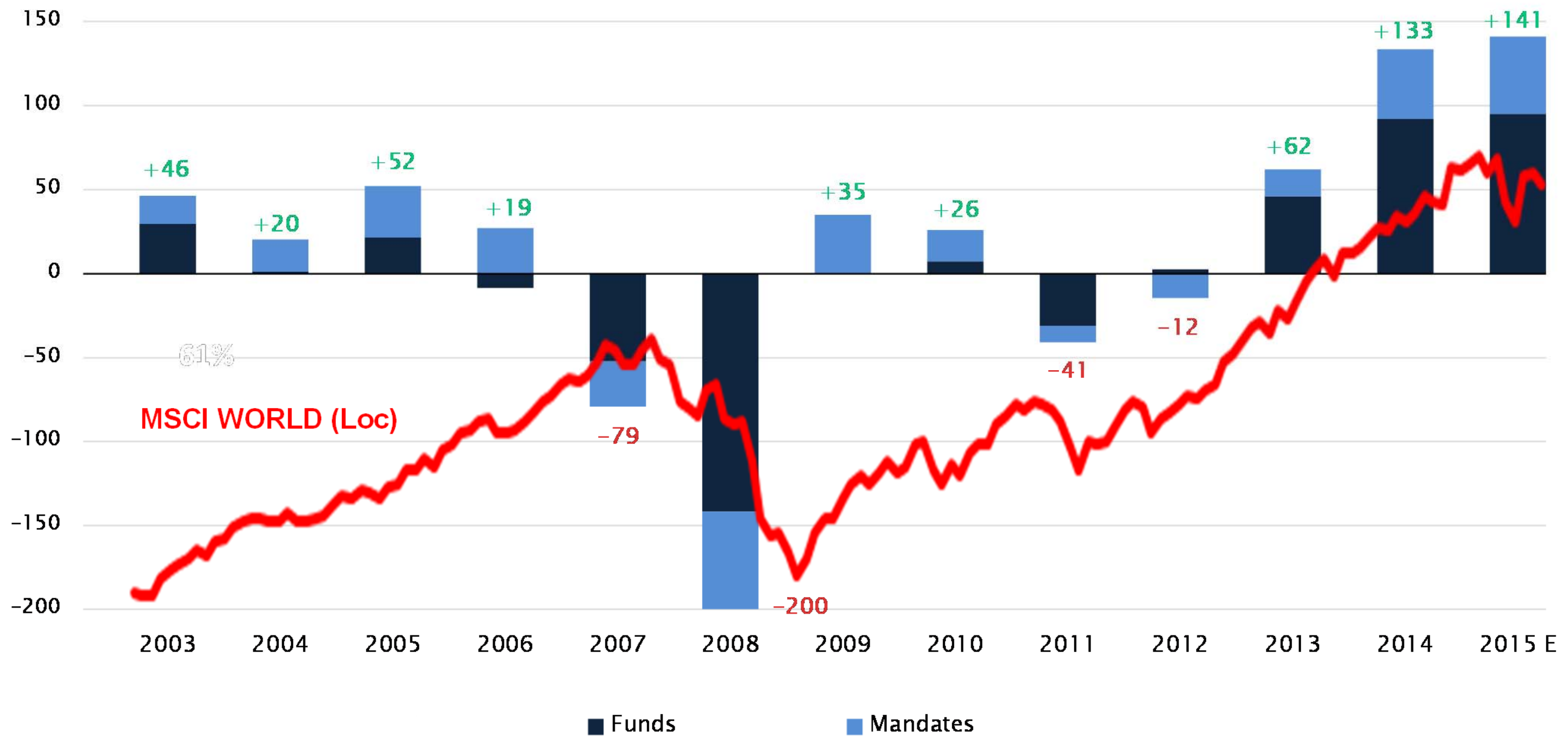
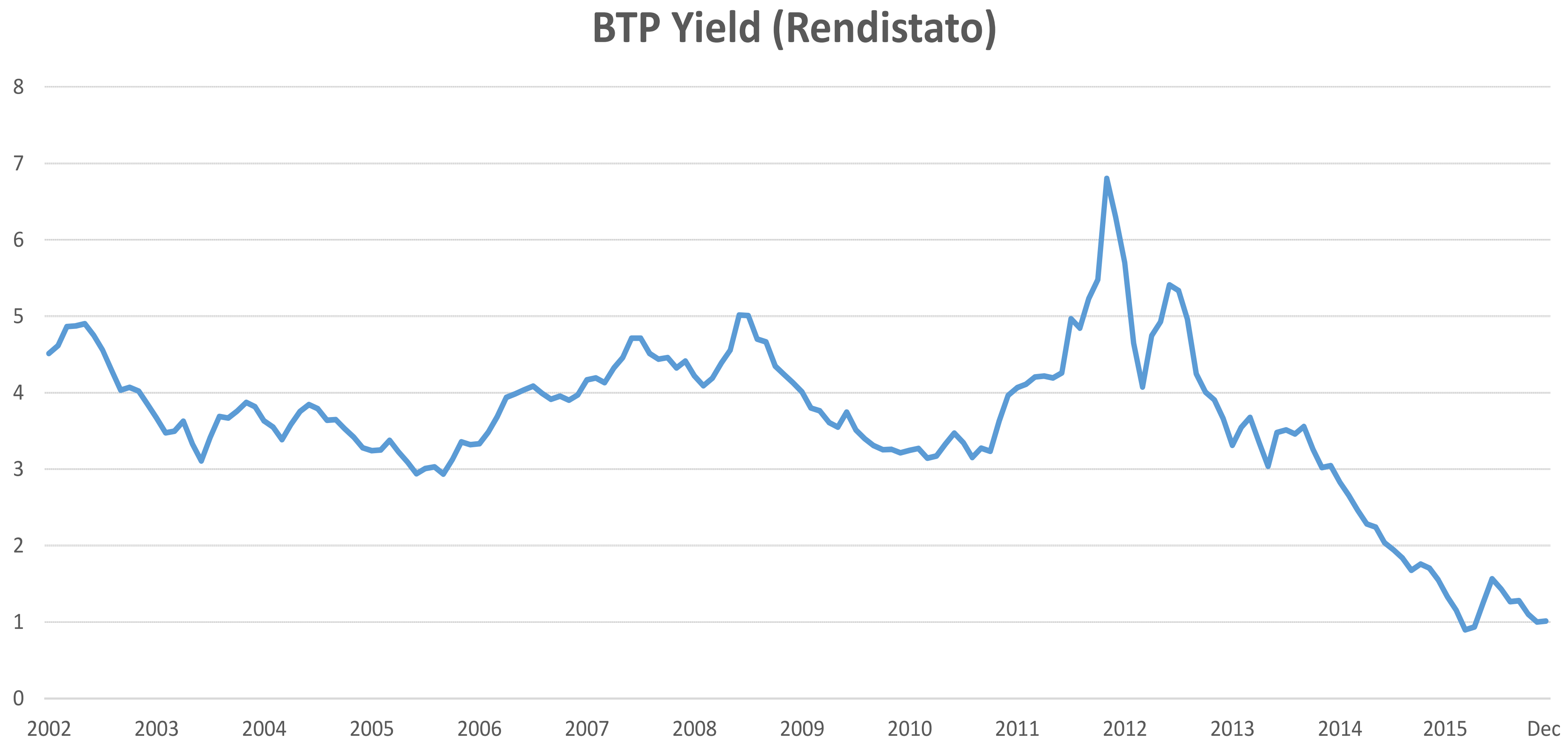
A pro-cyclical market



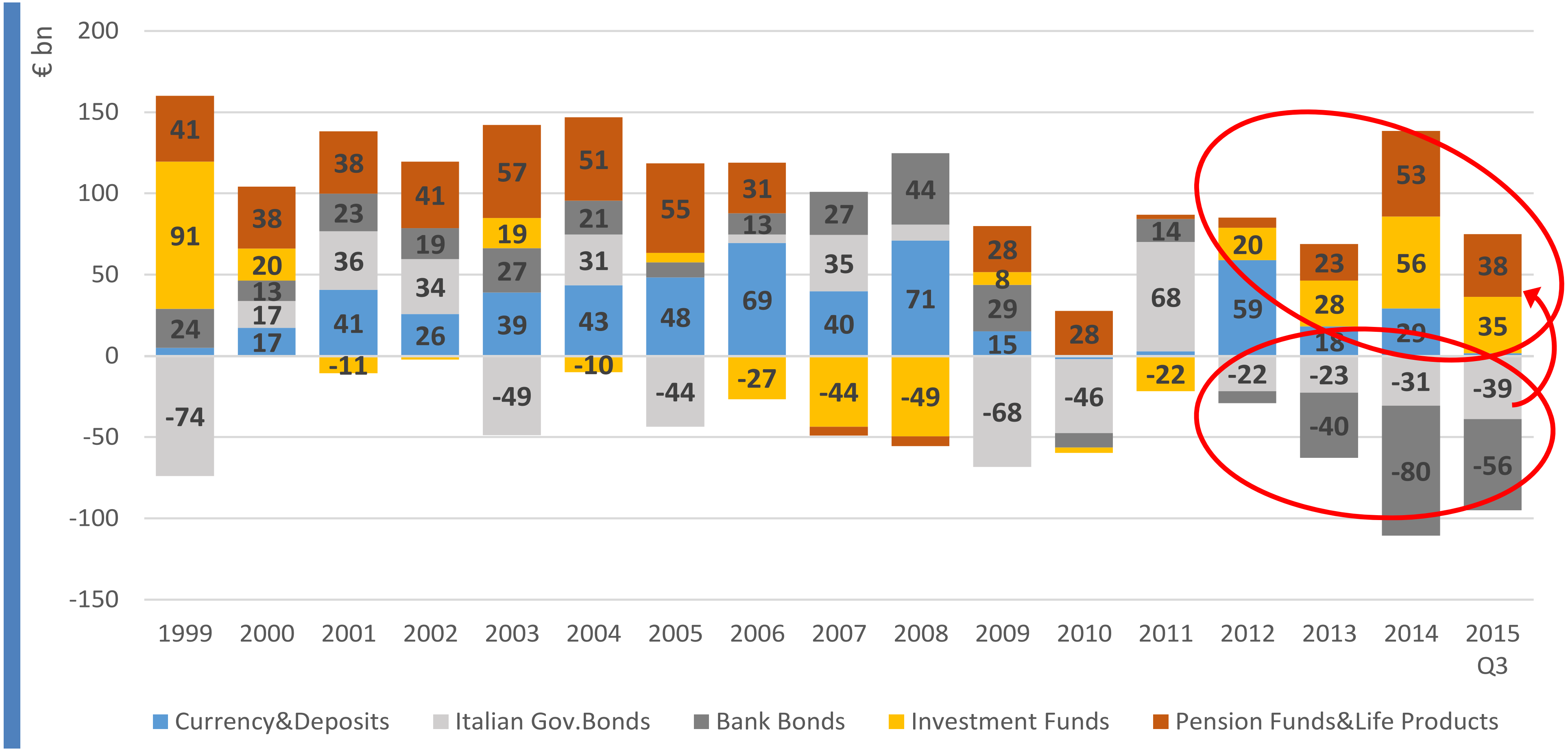
€bn, yearly data. Source: Assogestioni, MSCI.

… in search for yield



% Yield. Source: Bank of Italy.

Households: less bonds, more funds (flow view)



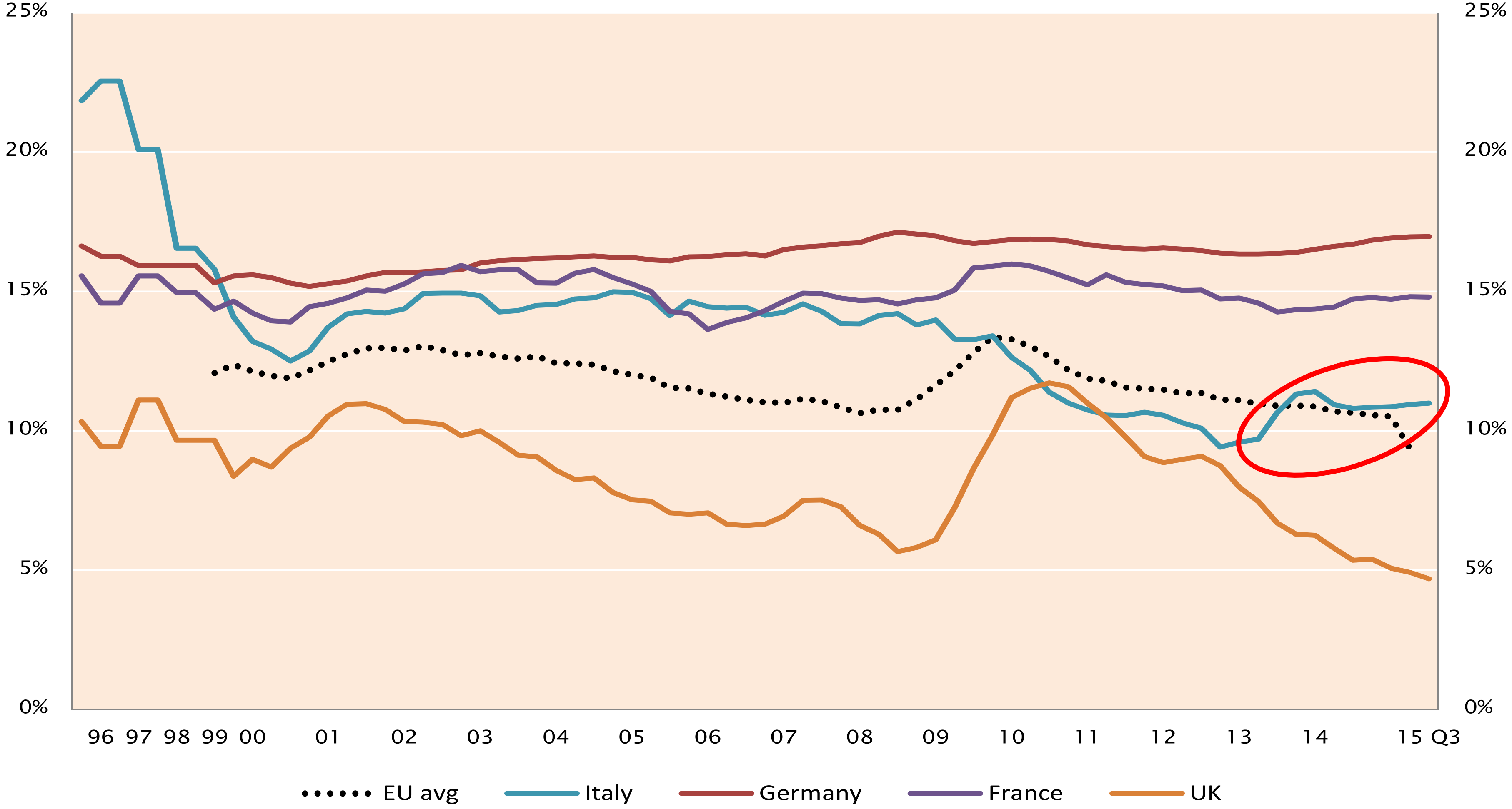
€bn. Source: Bank of Italy.

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	3,633	30.7%	19.7%	*10.3%*	20.1%	*2.0%*	7.5%	17.6%
2012	3,732	31.6%	19.3%	*10.0%*	19.7%	*1.6%*	7.3%	17.8%
2014	3,943	31.4%	13.6%	*6.0%*	21.9%	*1.6%*	9.6%	19.4%
2015 Q2	4,018	30.9%	10.8%	*4.7%*	23.7%	*1.7%*	10.9%	19.9%
2015 Q2								
France	4,830	28.2%	1.5%	*n.a.*	20.7%	*4.5%*	6.9%	34.0%
Germany	5,388	39.0%	3.4%	*n.a.*	10.2%	*4.9%*	10.0%	30.9%
UK	8,346	24.3%	1.7%	*n.a.*	6.9%	*2.6%*	4.5%	58.4%
USA	62,359	13.2%	4.4%	*n.a.*	34.3%	*n.a.*	13.2%	32.9%

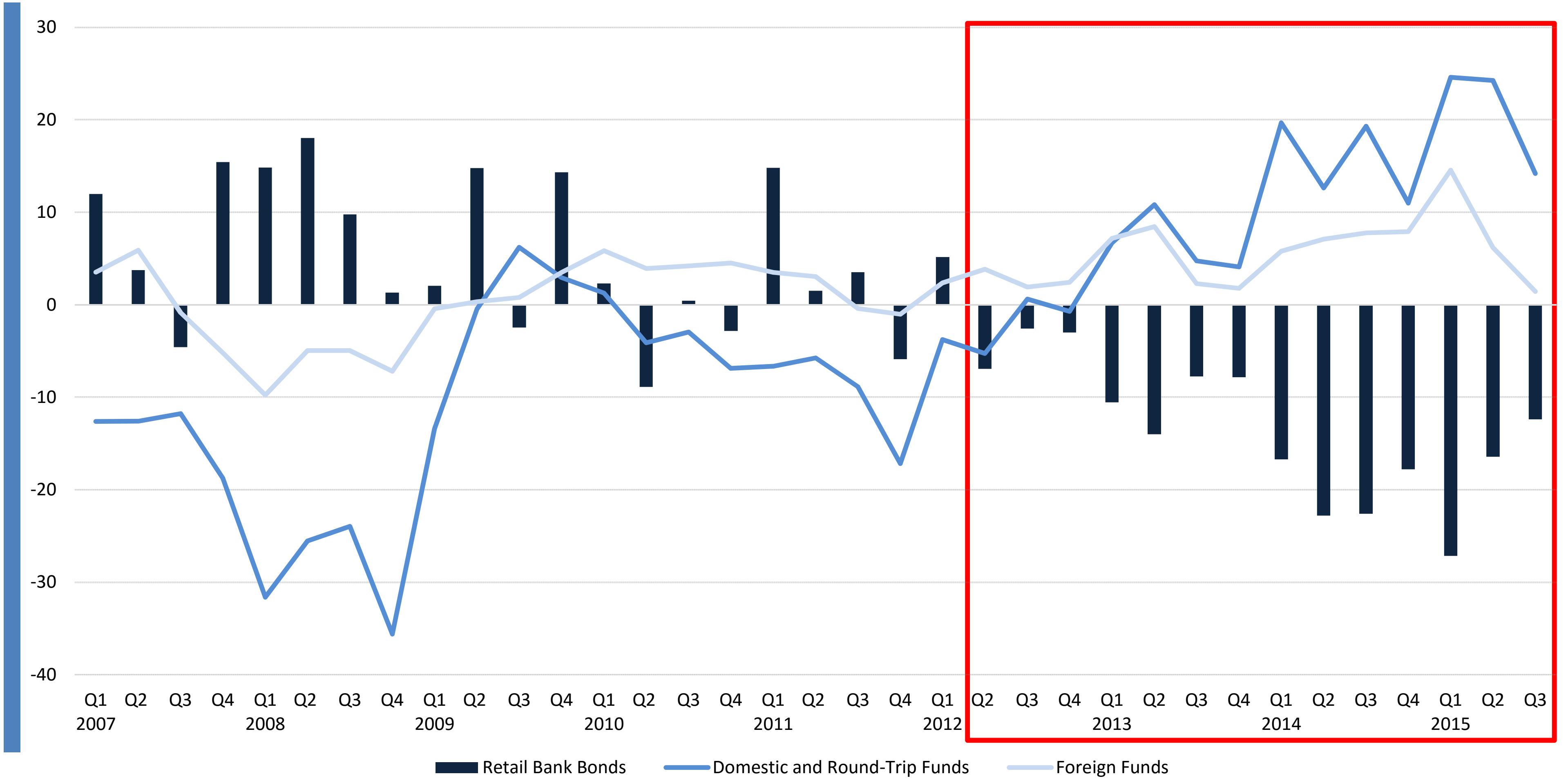
%. Source: Eurostat, OECD, BCE, Deutsche Bundesbank.

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



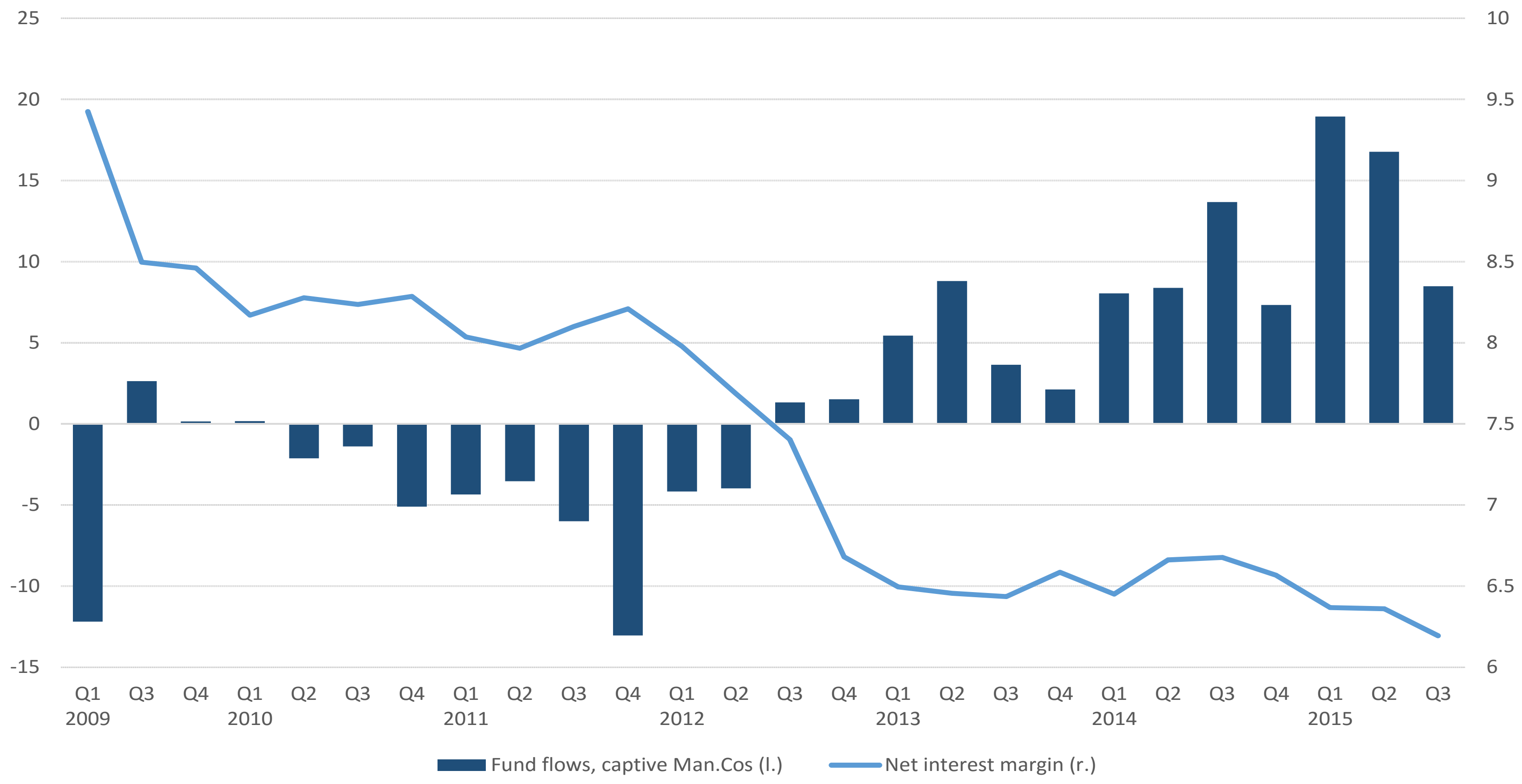
Gross household saving rates. Source: Eurostat.

Banks: no more dependent on funding from retail investors…



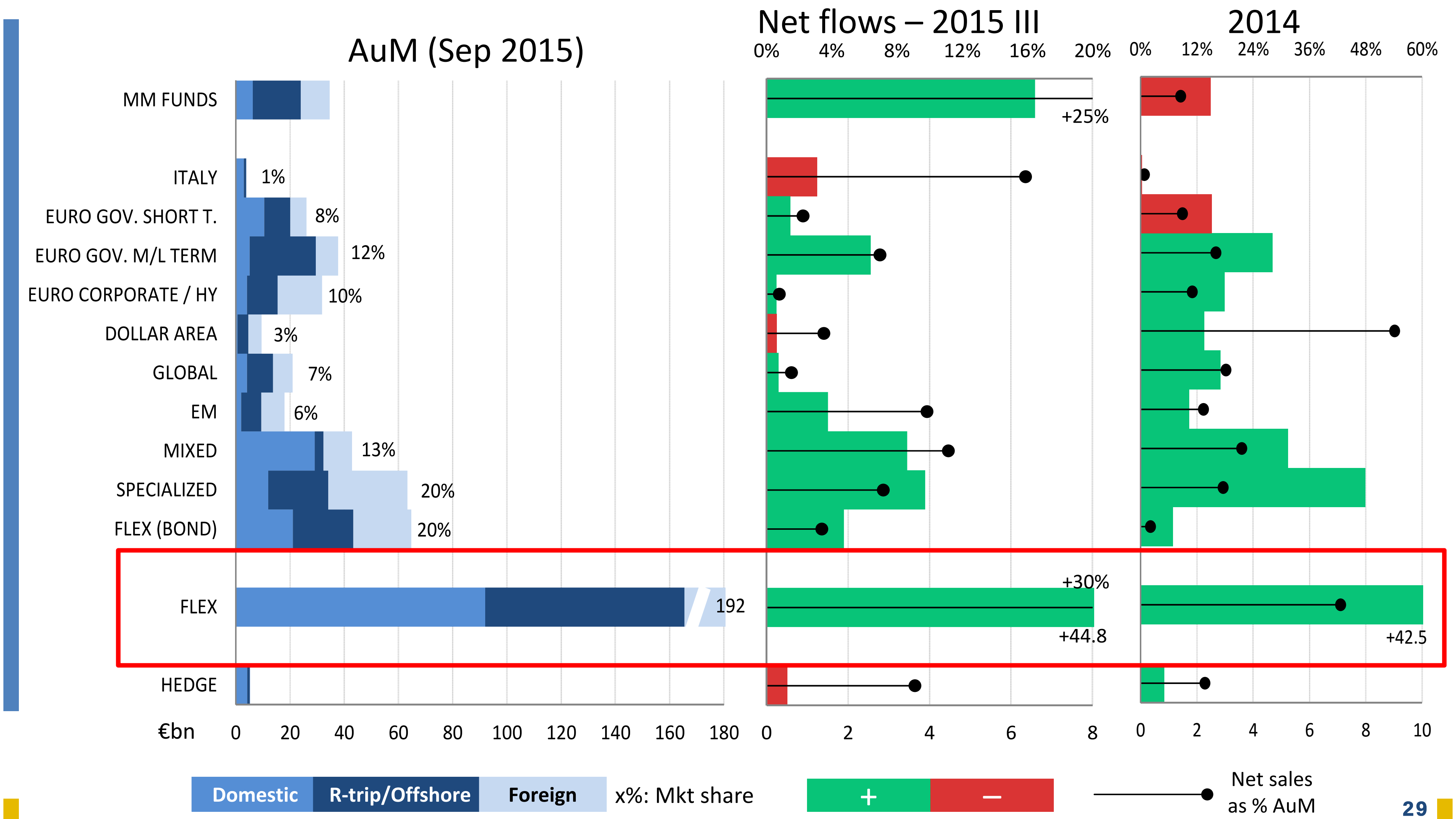
Quarterly flows, €bn. Source: Assogestioni, Bank of Italy.

… 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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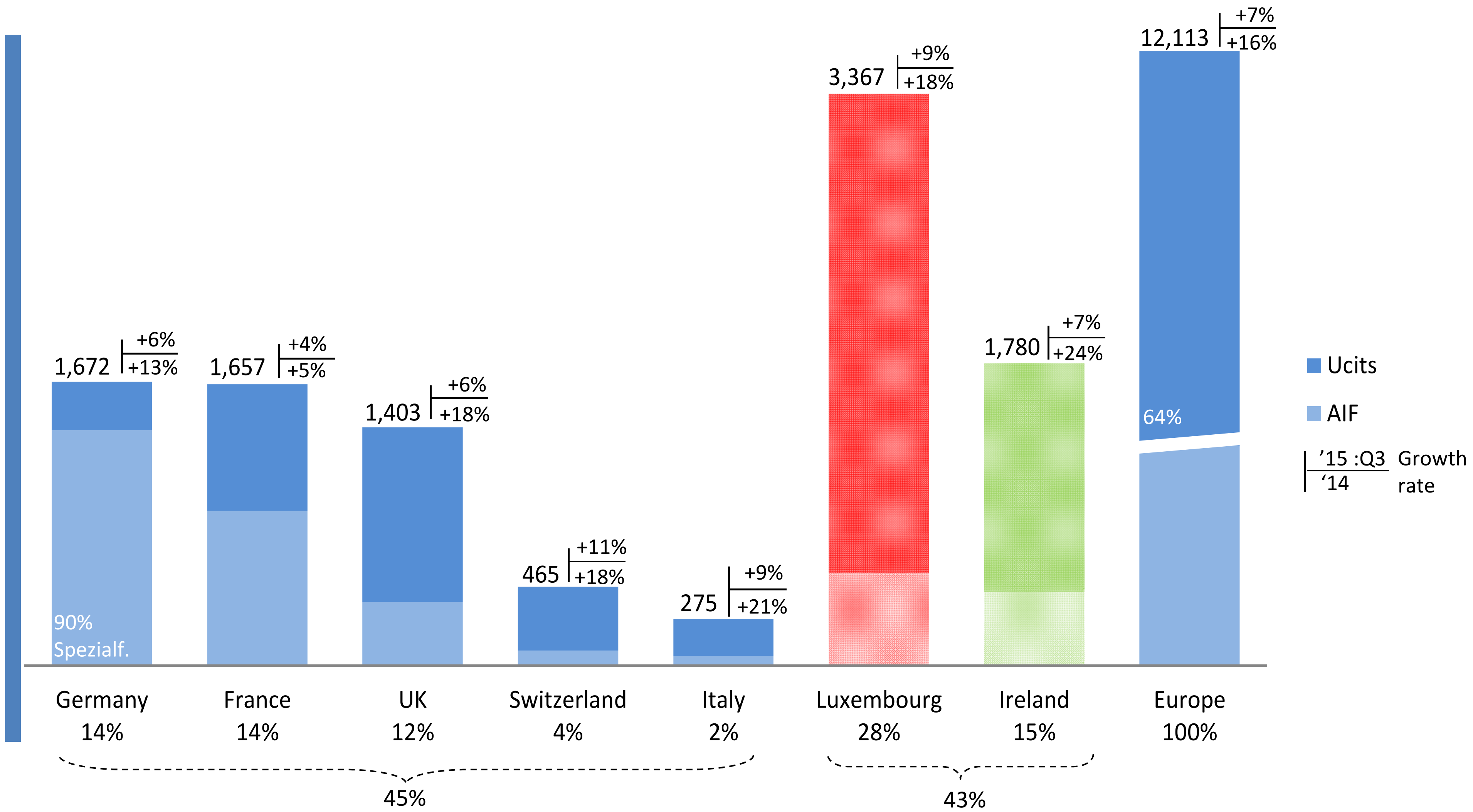
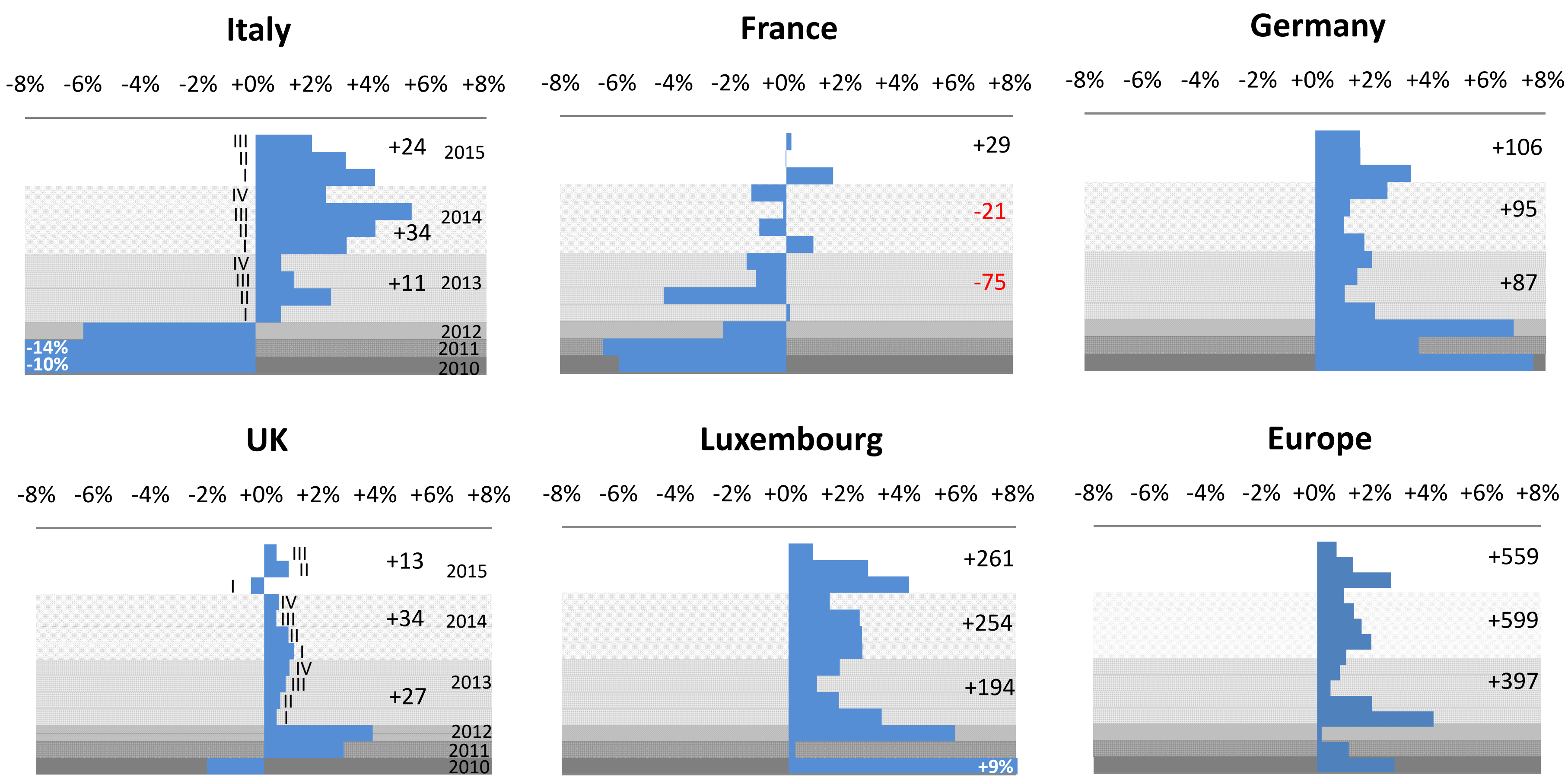
Net Assets by fund domicile



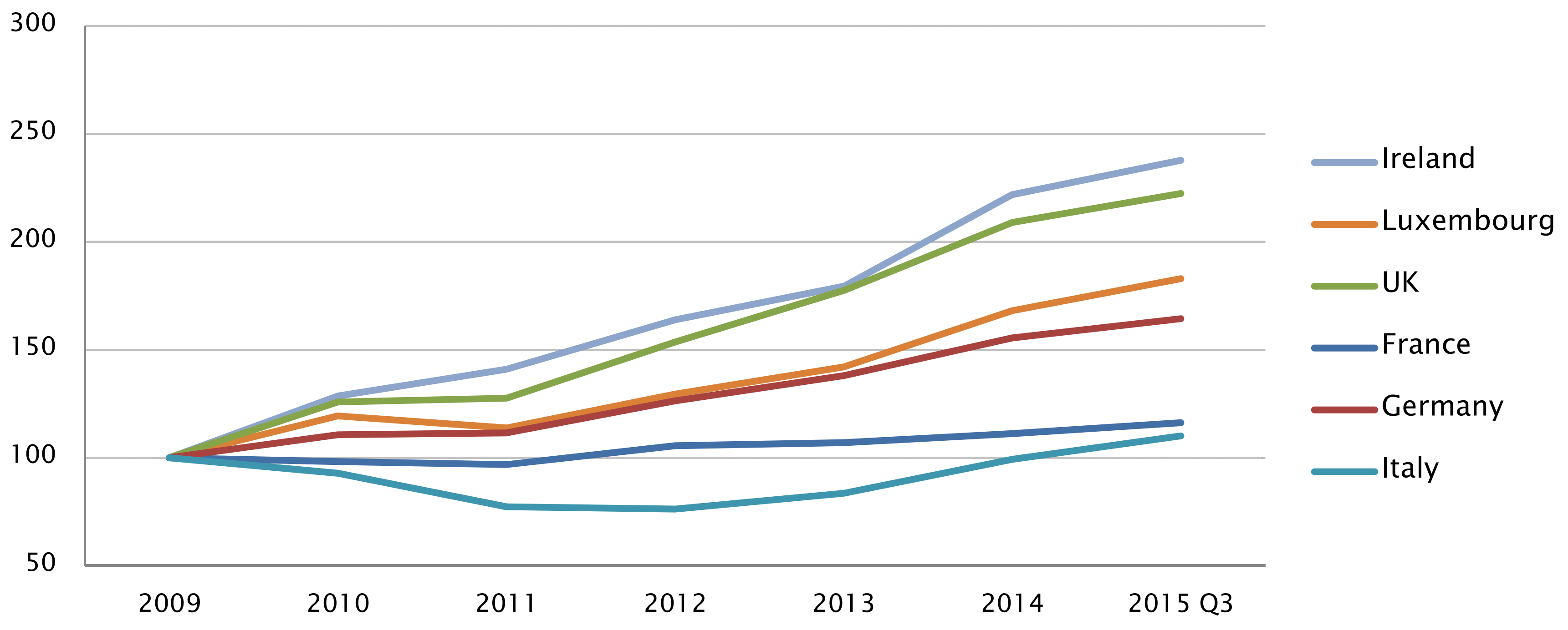
2015Q3 €bn. Source: Efama, AFG, BVI.

Net sales by fund domicile



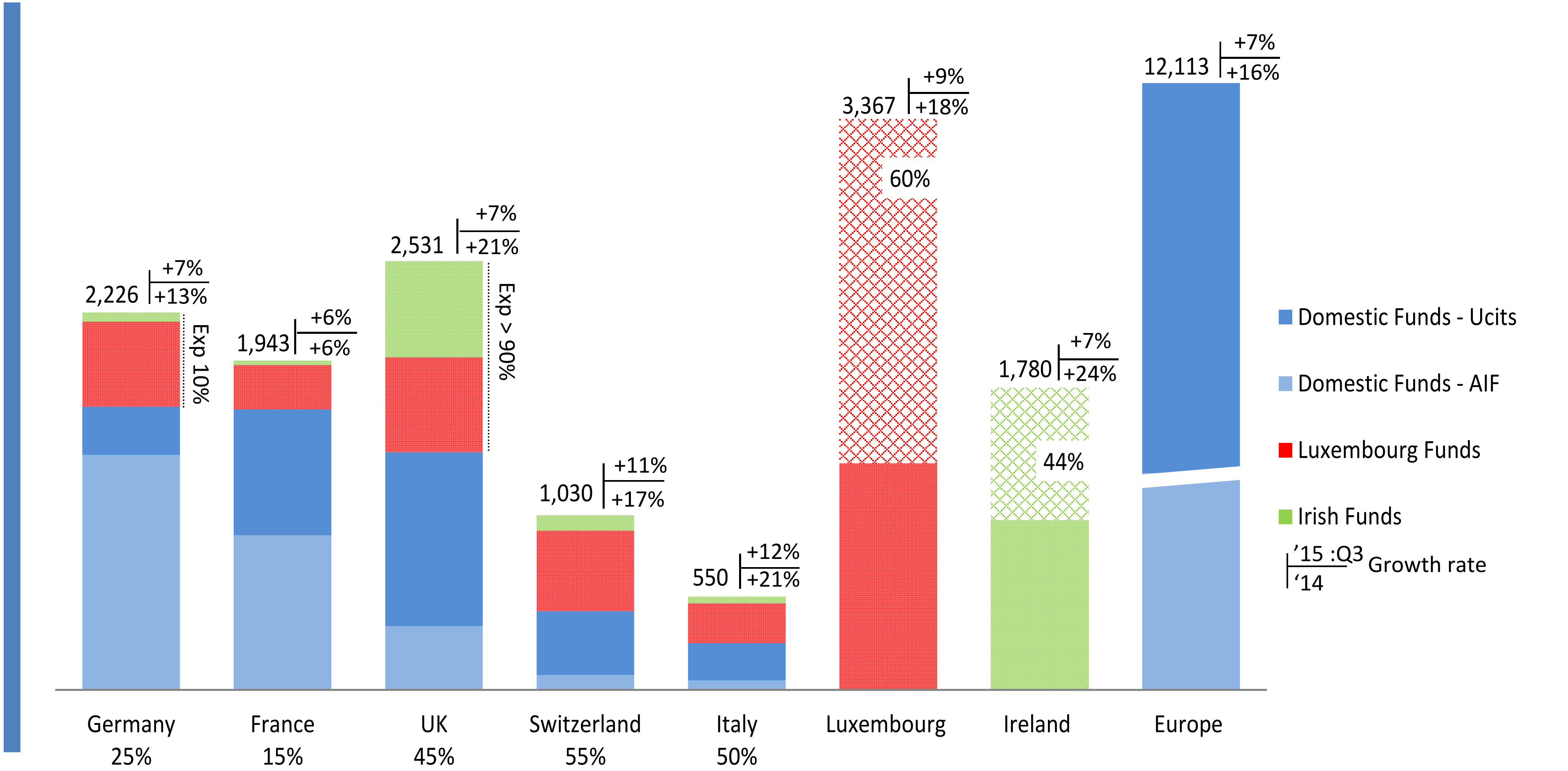
Net sales as a % of AuM. Yearly data in €bn. Source: Efama, BVI.

Net Assets by fund domicile – Long-term growth



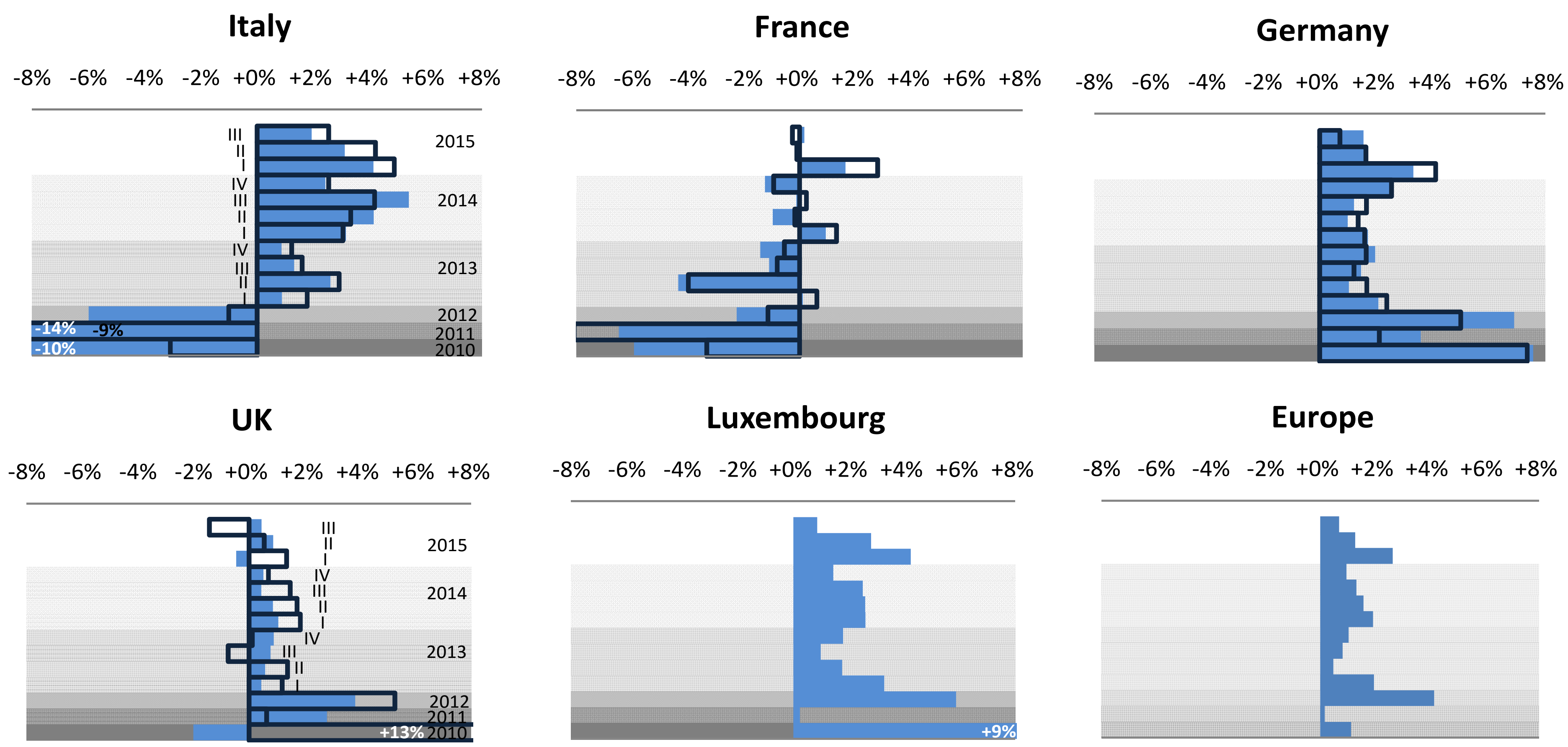
Index values. Source: Efama.

Net Assets by fund group domicile



2015Q3. €bn. Foreign (Round-trip) share in %. Est. on Efama, Assogestioni, ALFI & IFIA data.

Net sales: fund domicile vs. fund group domicile



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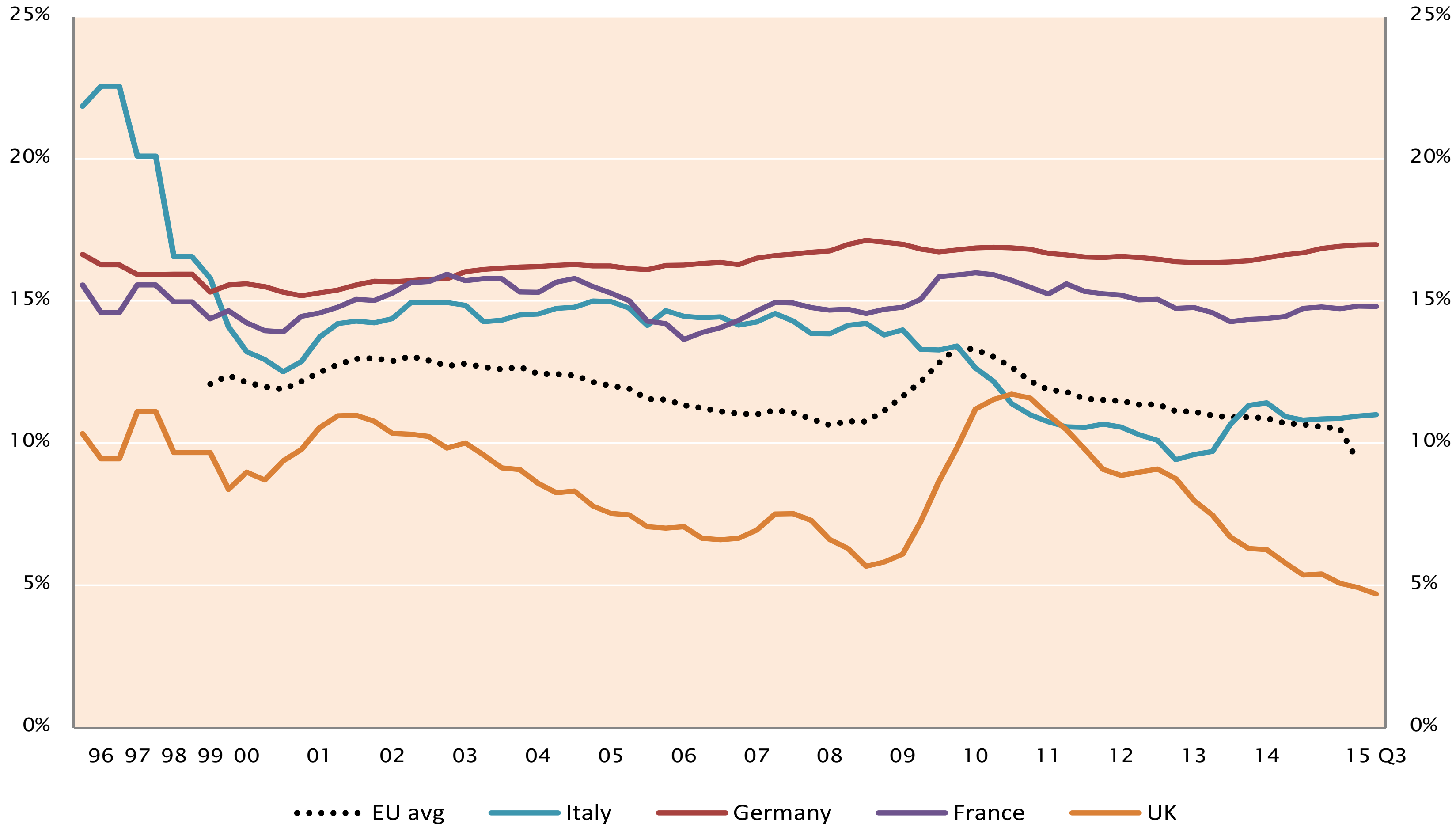
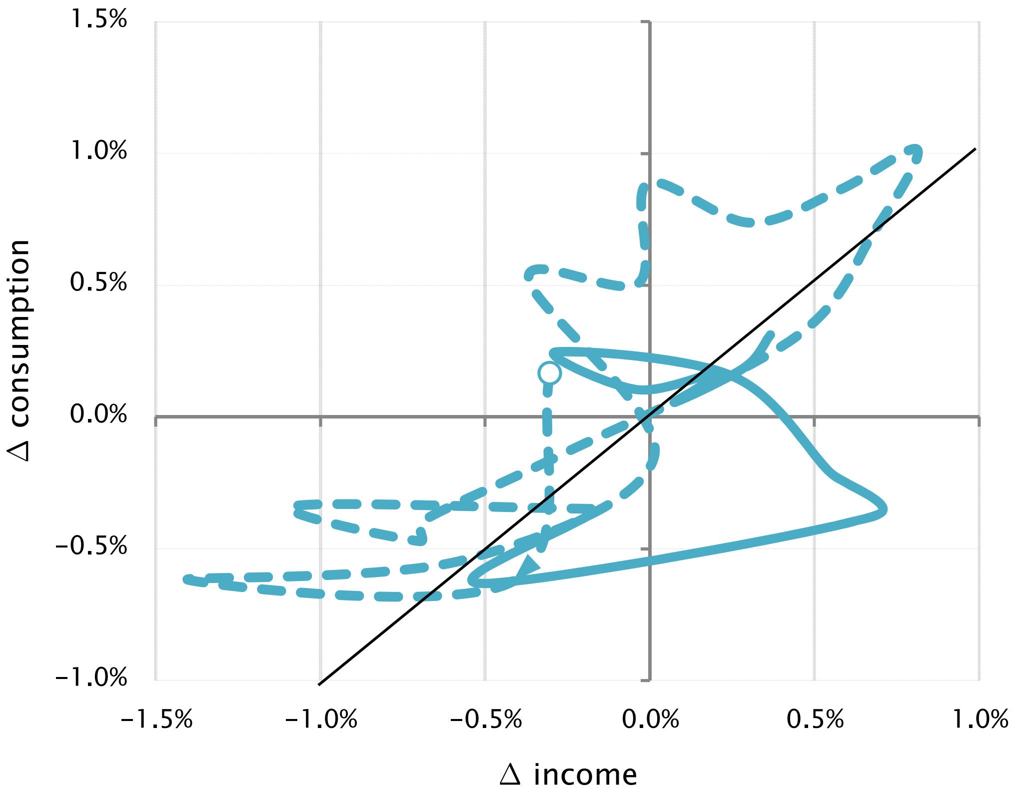
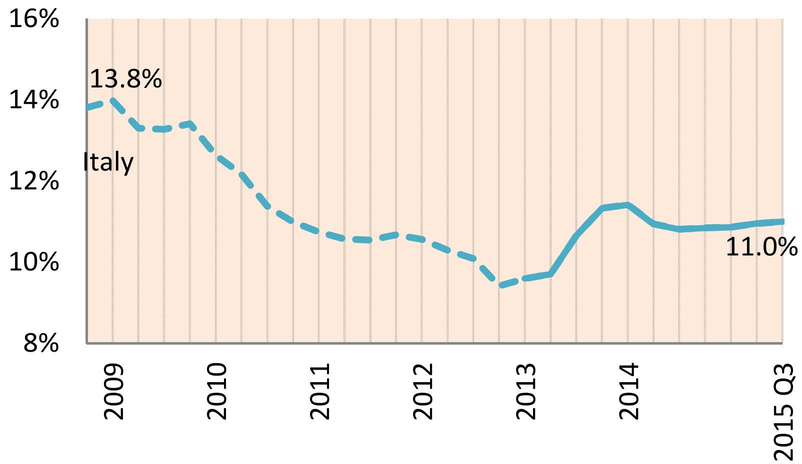
Household saving rates in Europe



Gross household saving rates. Source: Eurostat.

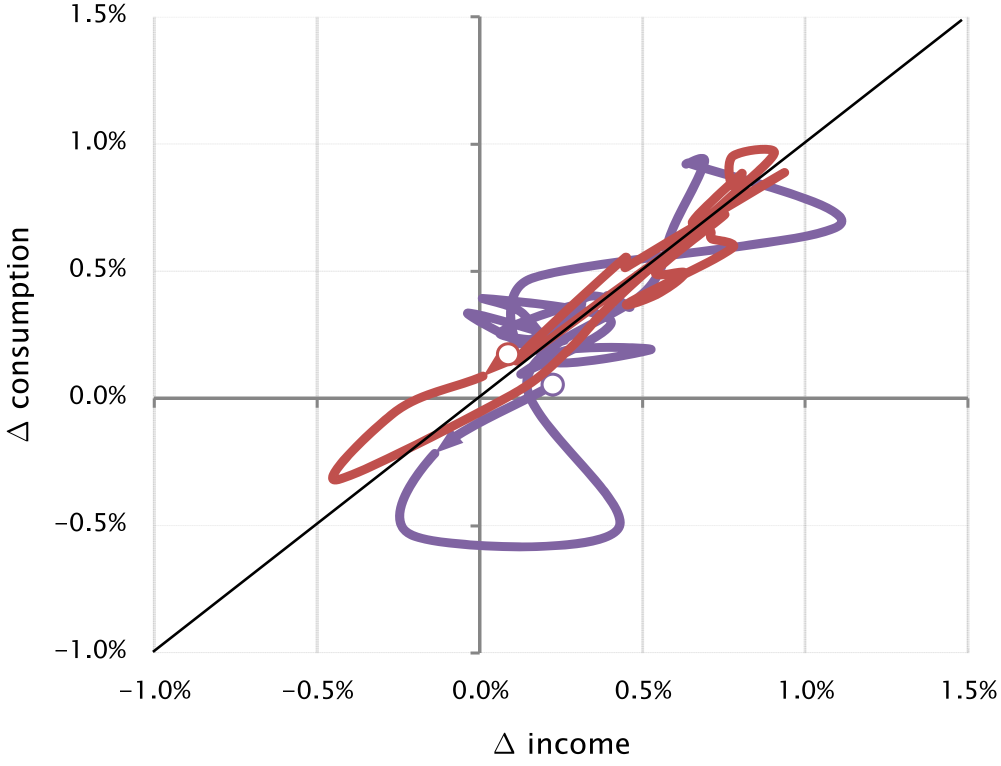
How income & consumption Δ% affect saving rates

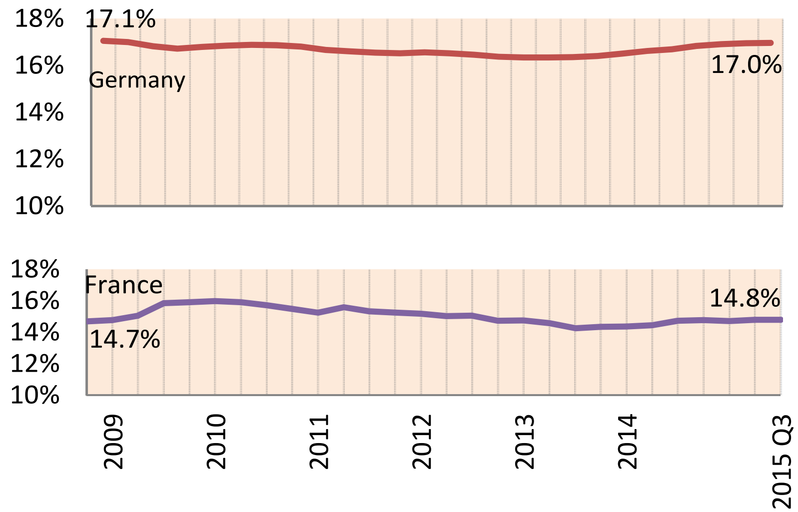




2008Q4:2015Q3. Source: Eurostat.

How income & consumption Δ% affect saving rates





2008Q4:2015Q3. Source: Eurostat.

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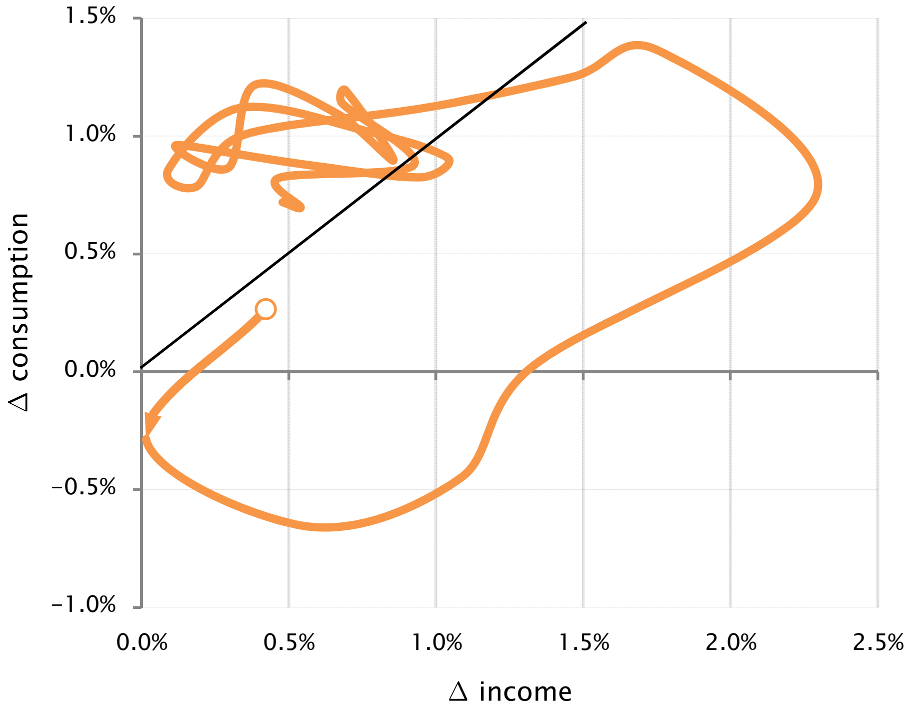

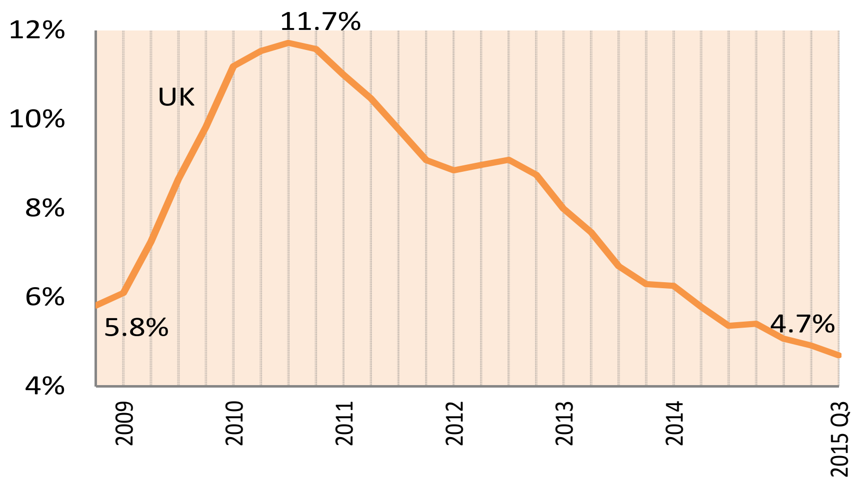

2008Q4:2015Q3 Source: Eurostat.

Household financial portfolio breakdown

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

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

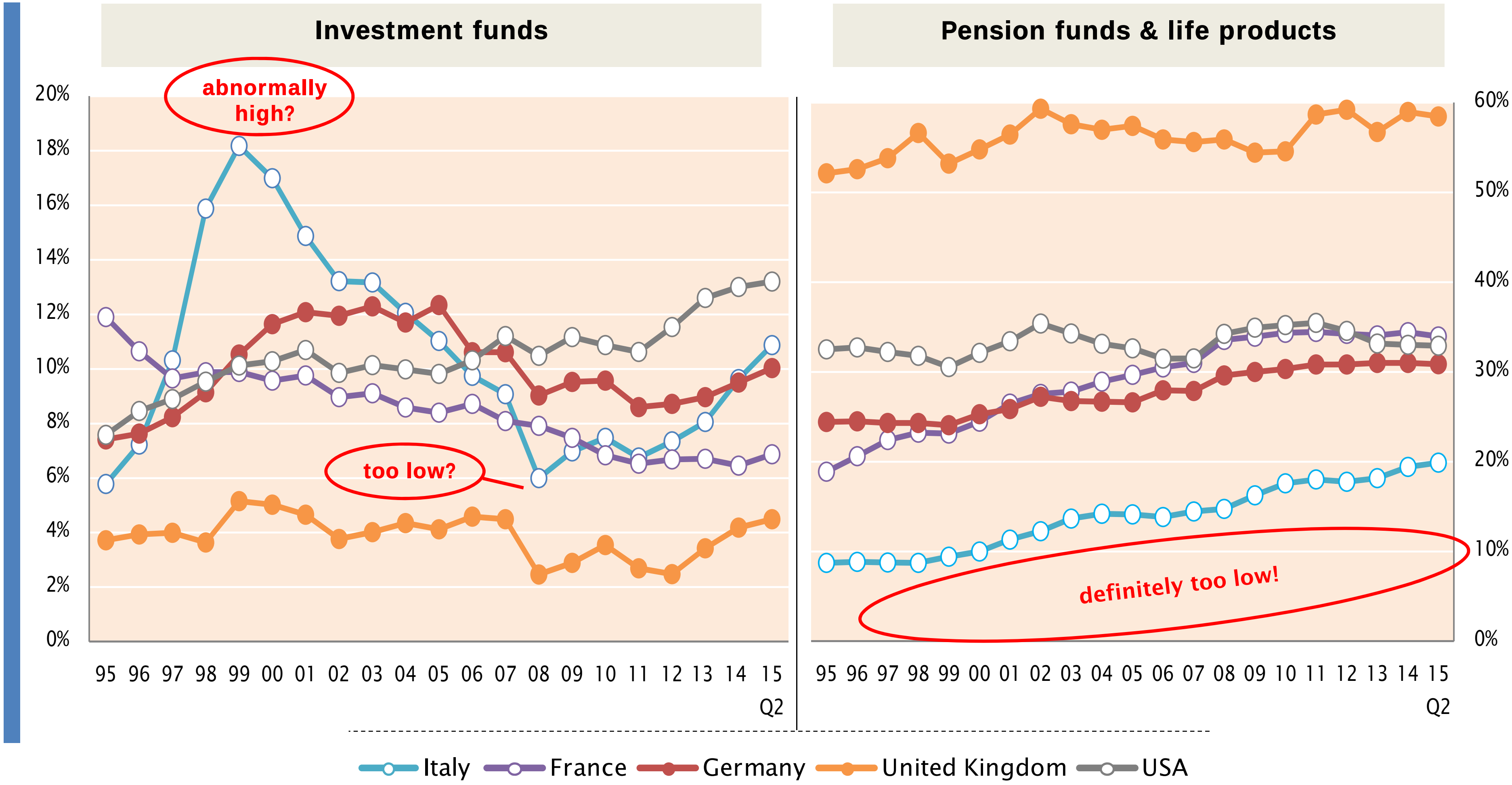
Negligible level of *listed shares.* High level of *unlisted* ones.

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

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

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

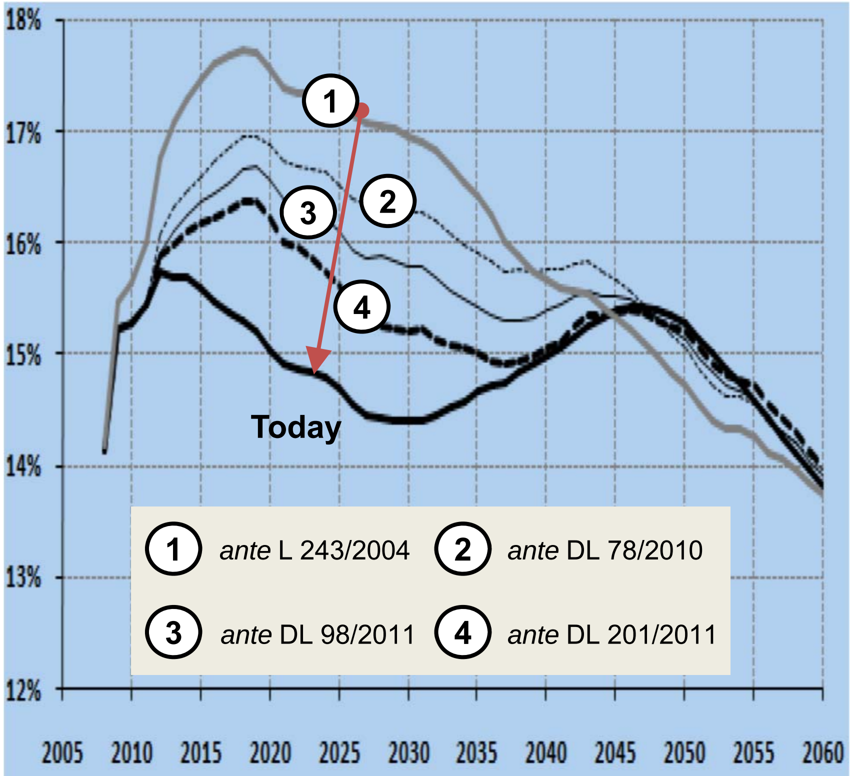
Managed products in household portfolios



Source: Eurostat, OECD, BCE, Deutsche Bundesbank.

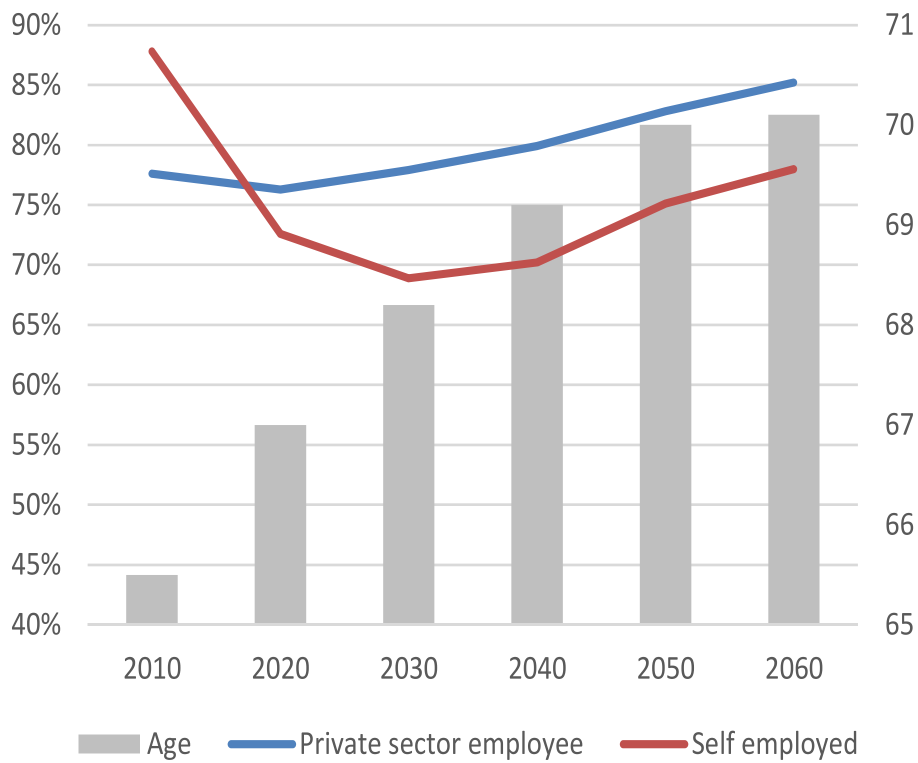
Public Pensions (1st pillar)

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.

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