The Italian Asset Management market
key figures

28 July 2016

Research Department

1. The Italian Asset Management market

- Summary statistics
- Open-end funds
- Mandates
- A snapshot of the insurance market
- 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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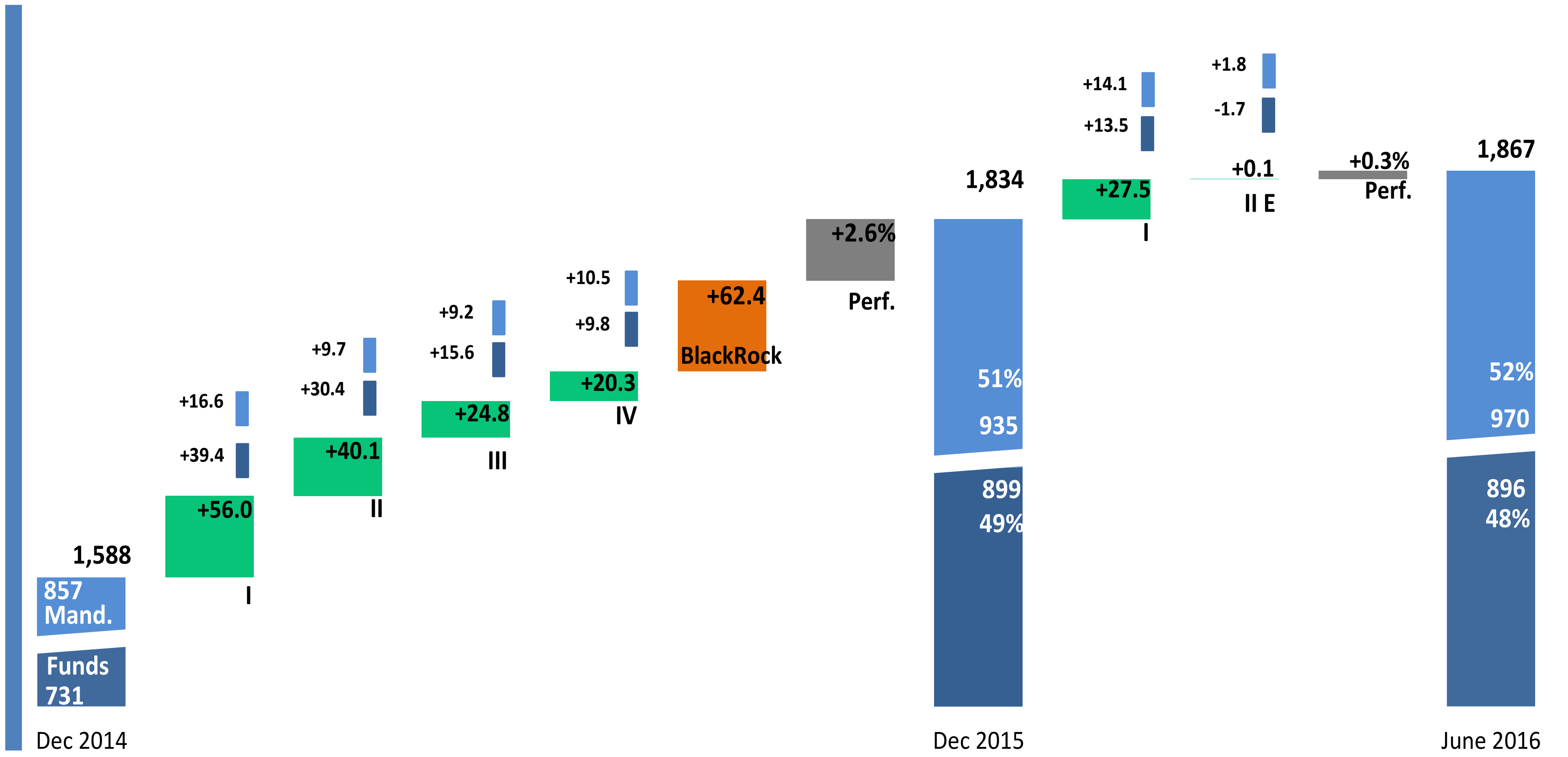
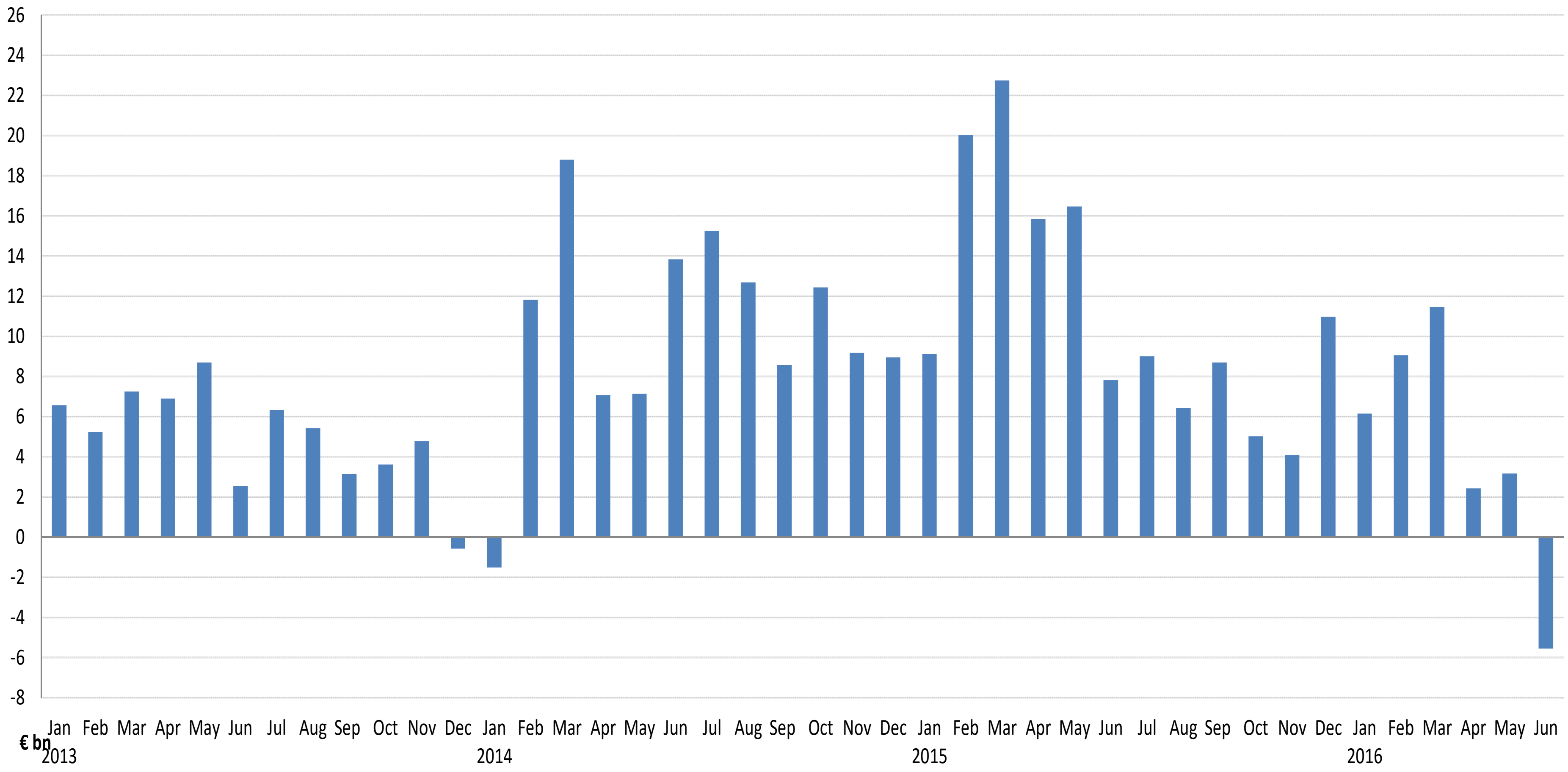
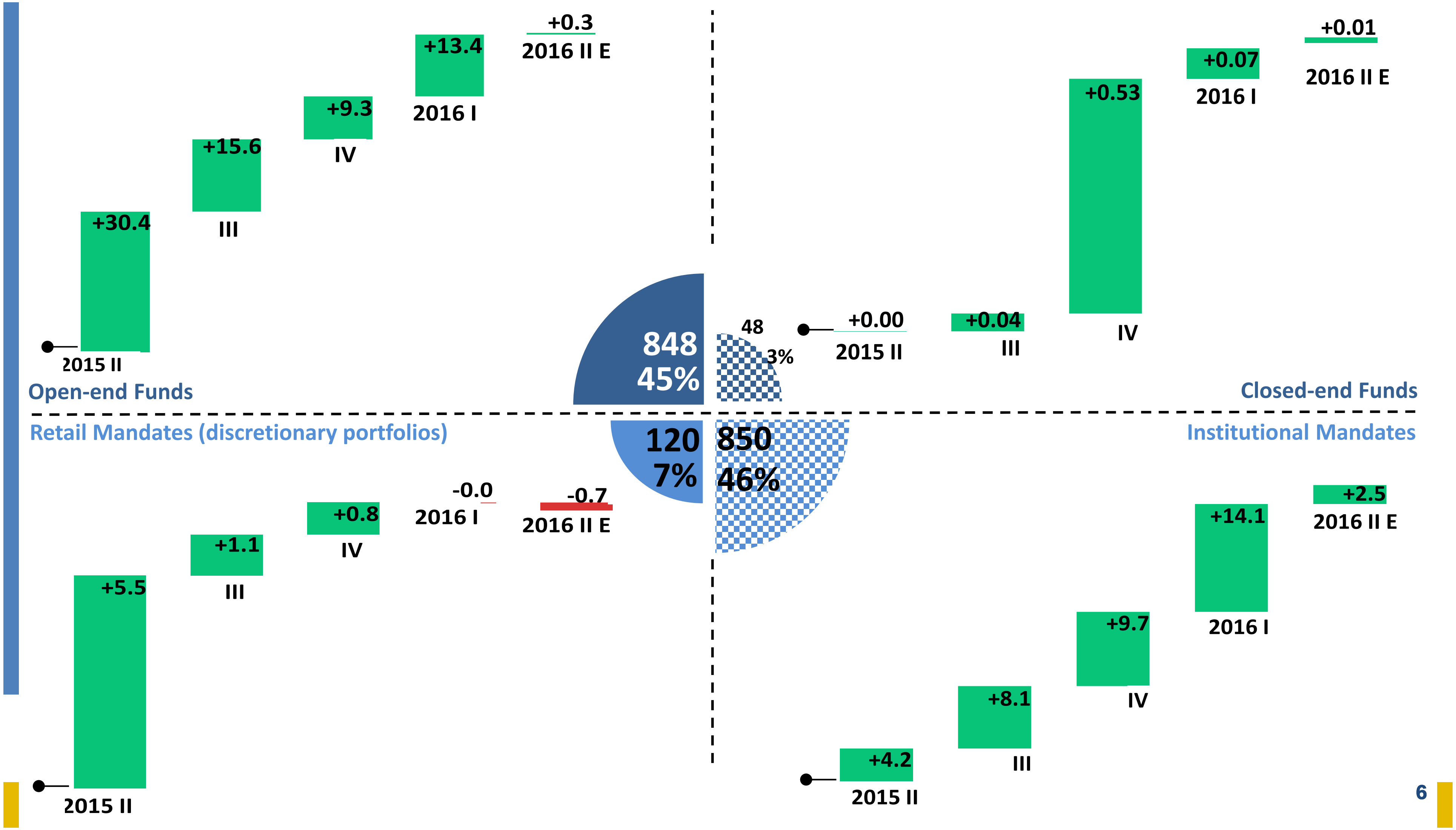
The Italian AM market (Jan 2015: Jun 2016)



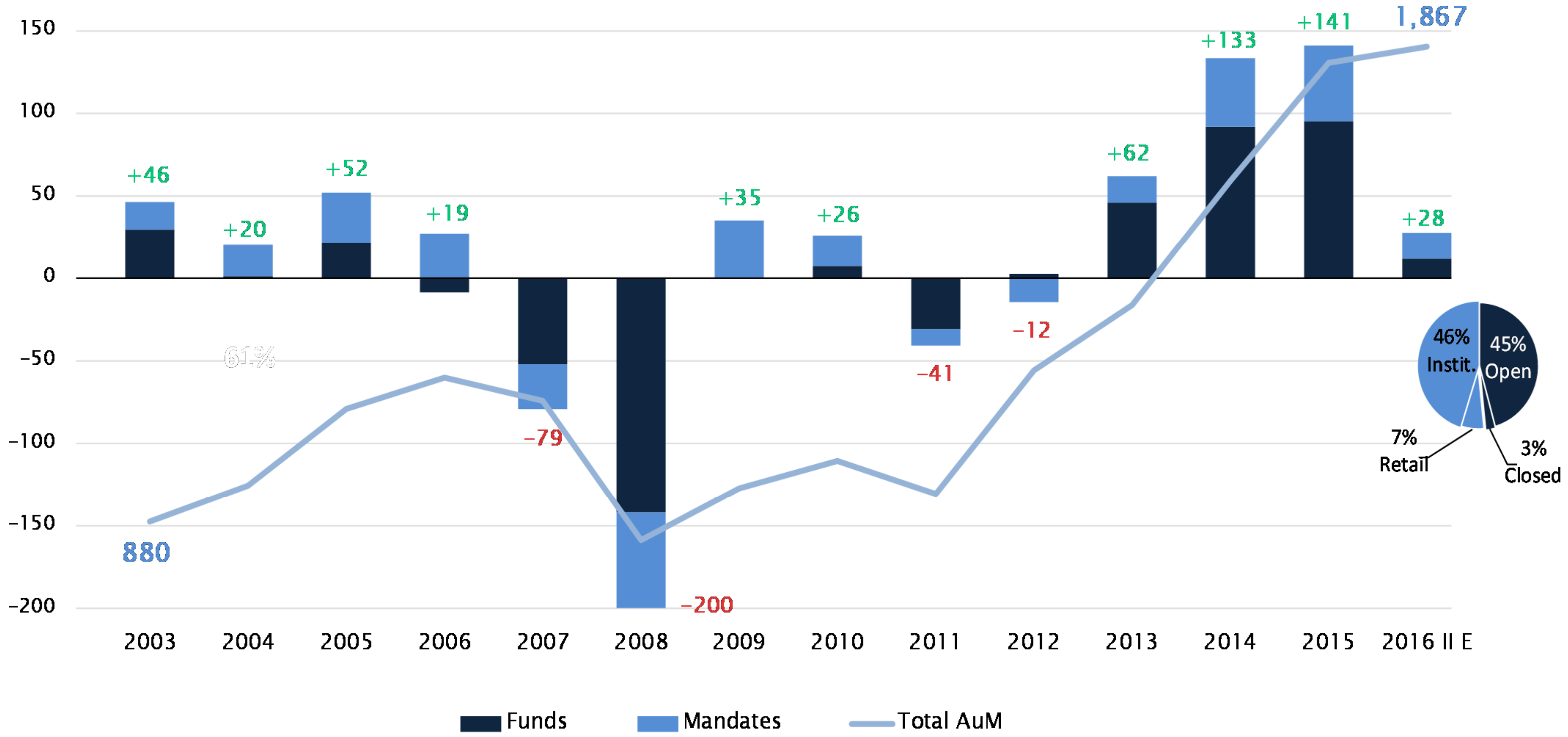
Net flows (monthly data)



Product breakdown

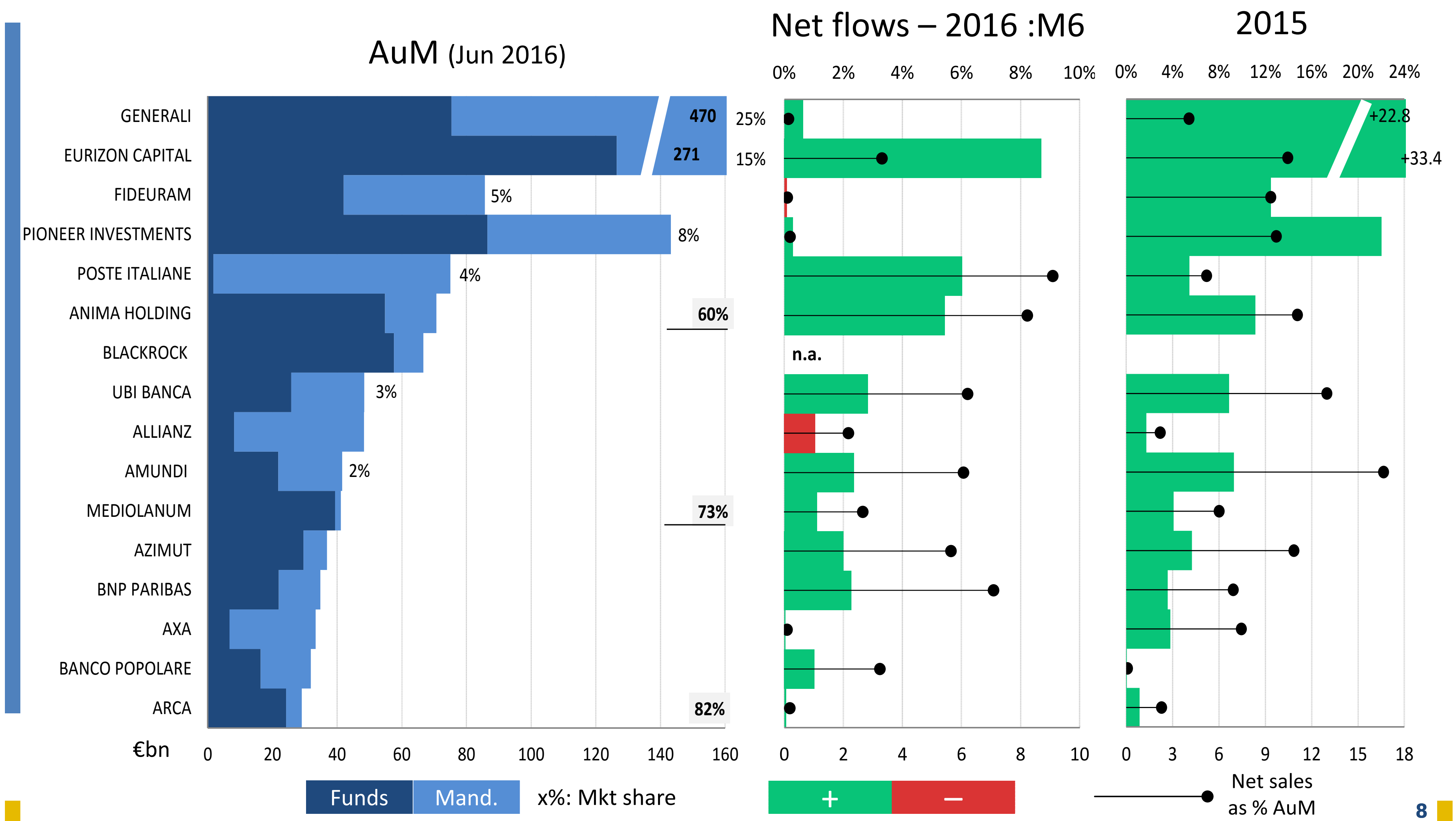


Long term trend

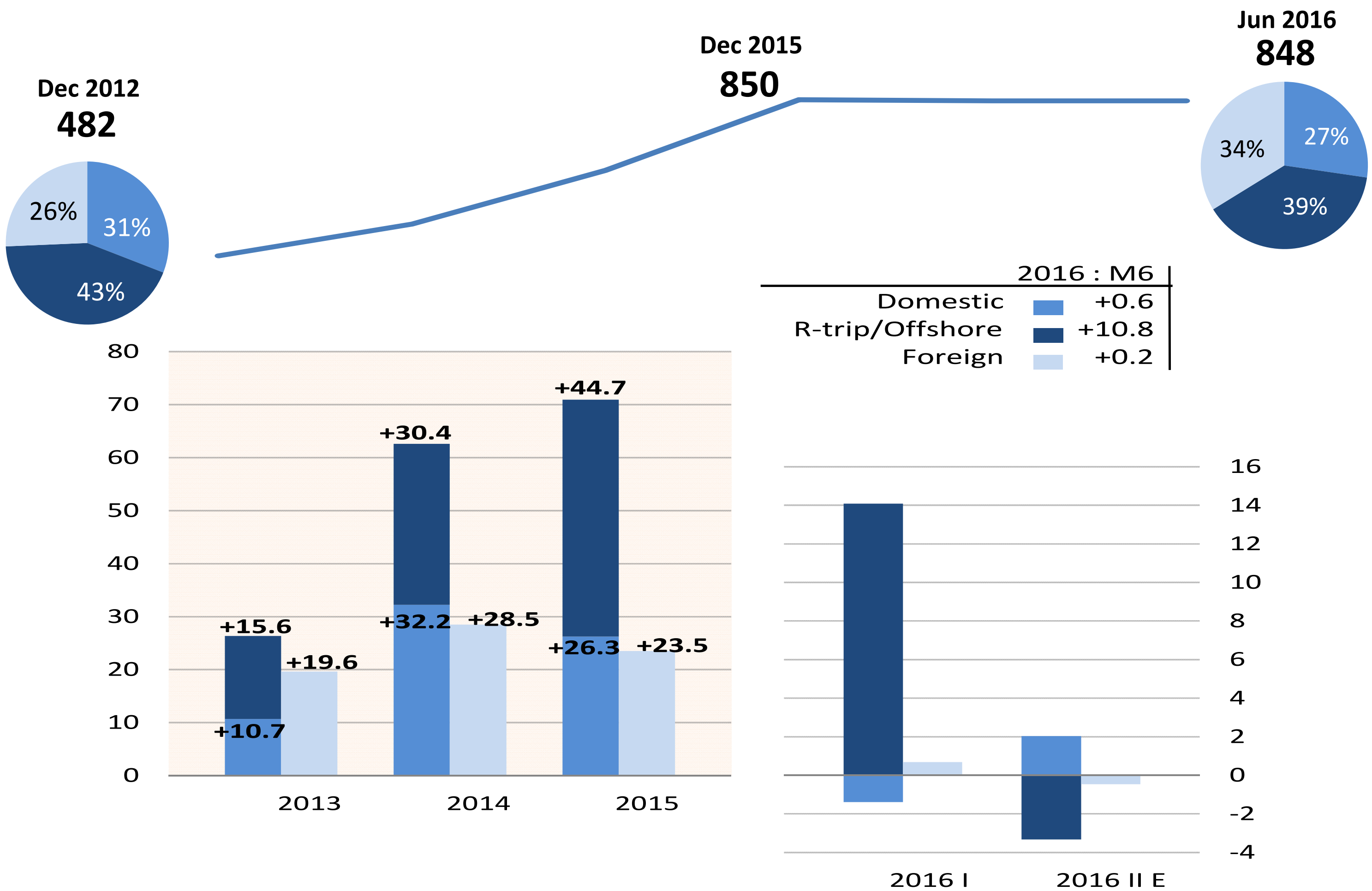


€bn, yearly data. Source: Assogestioni.

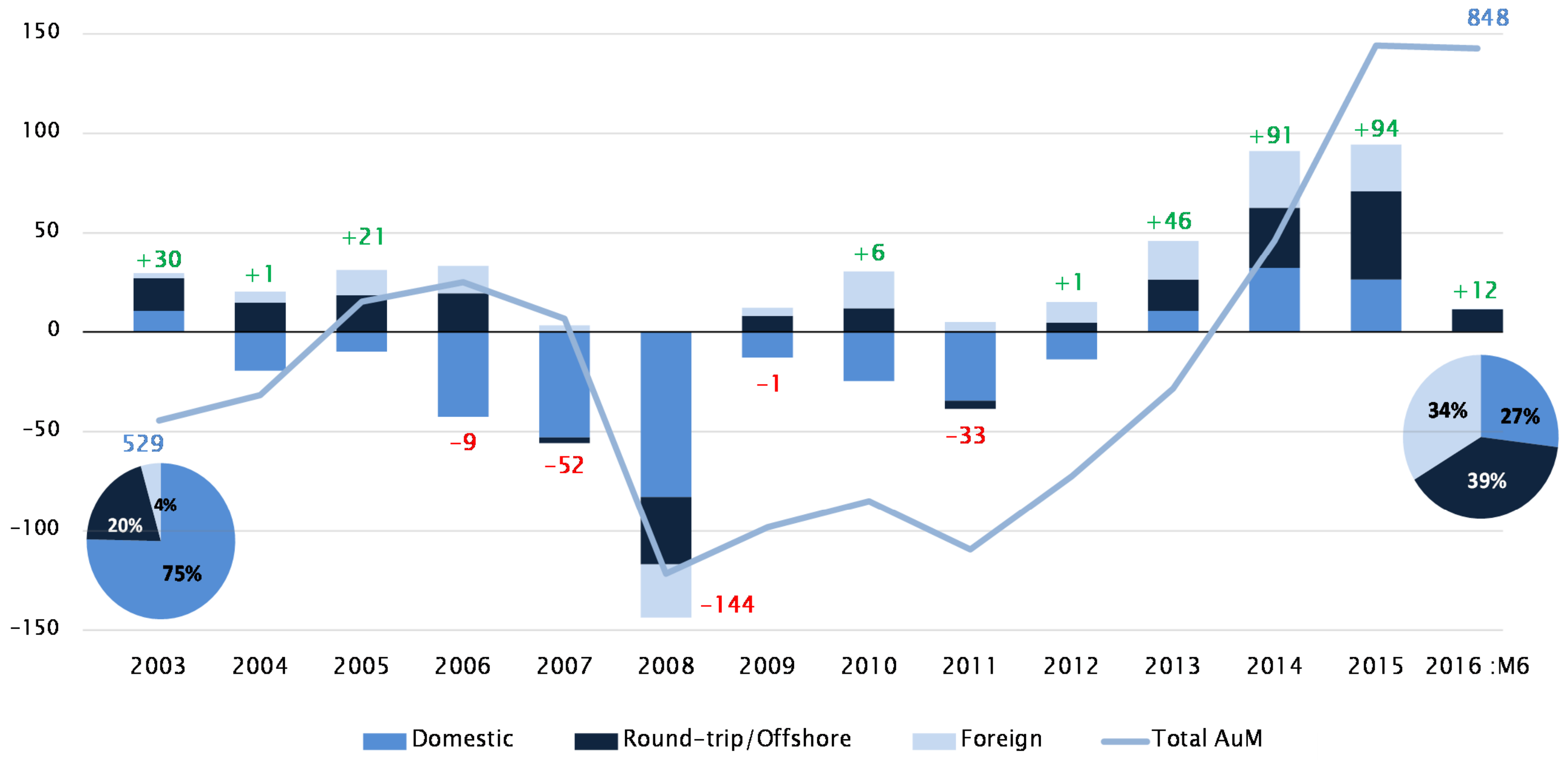
Top 15 Groups



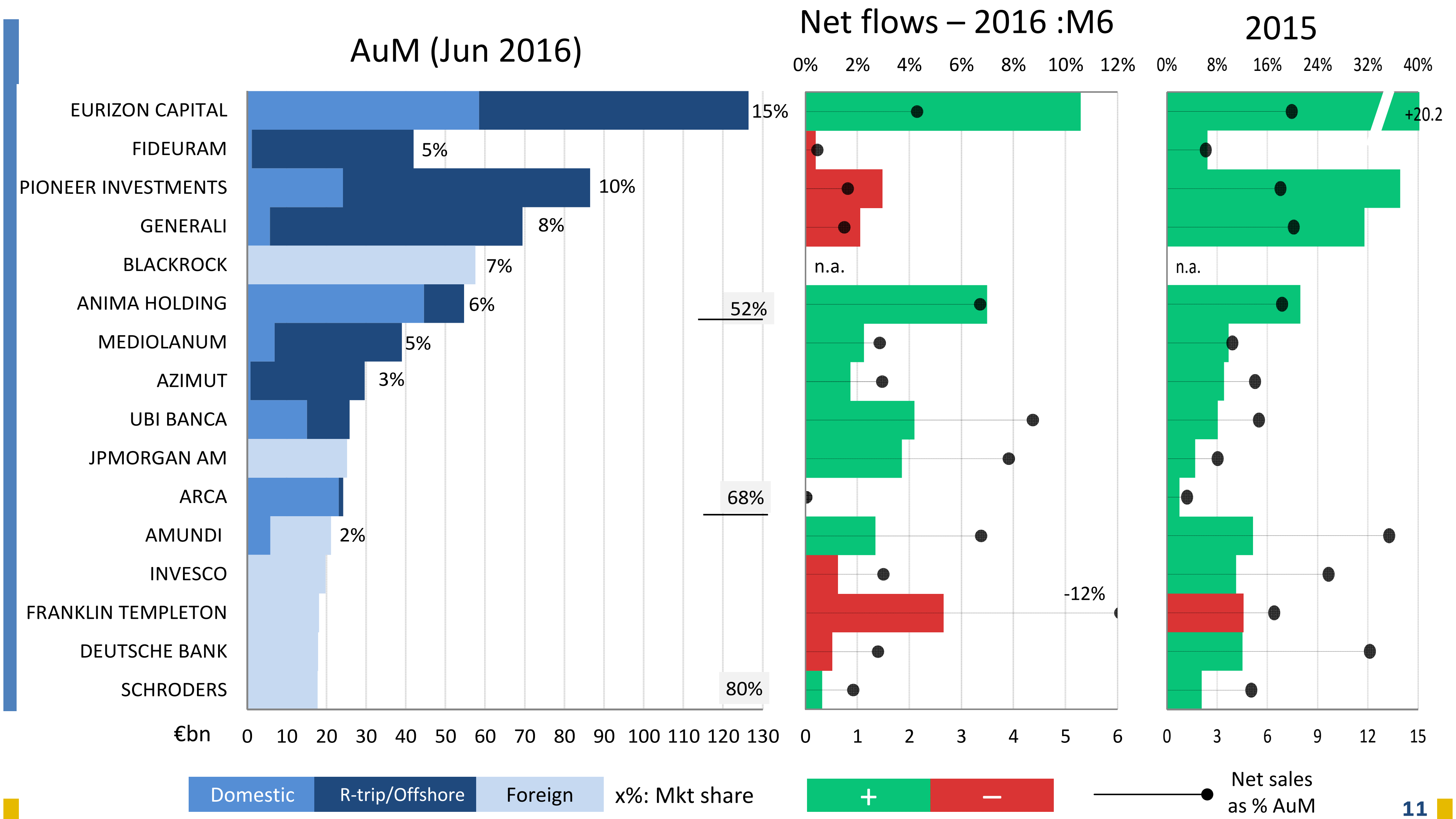
Open-end funds: domicile breakdown



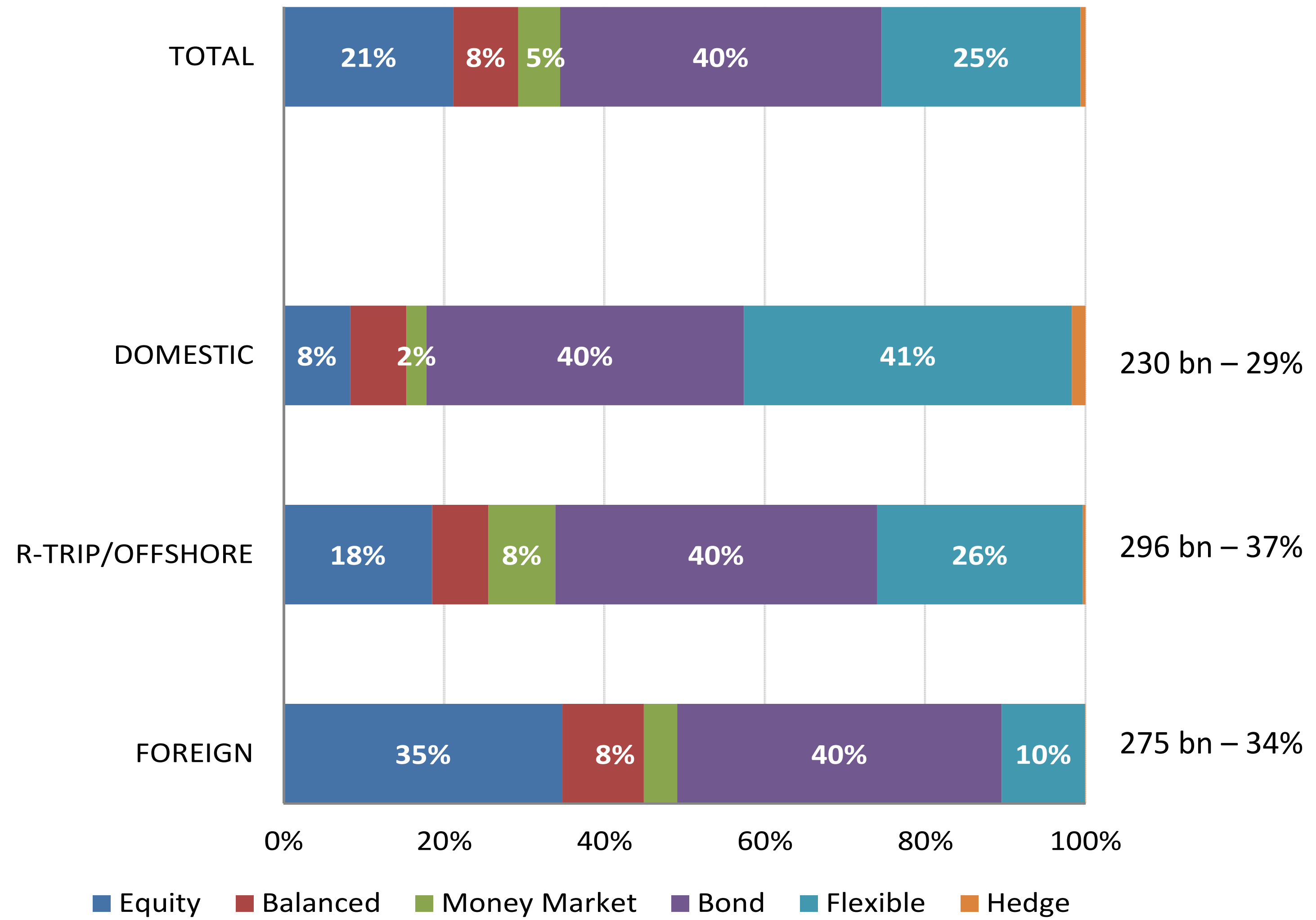
Long term trend: open-end funds



Top 15 Groups (open-end funds only)

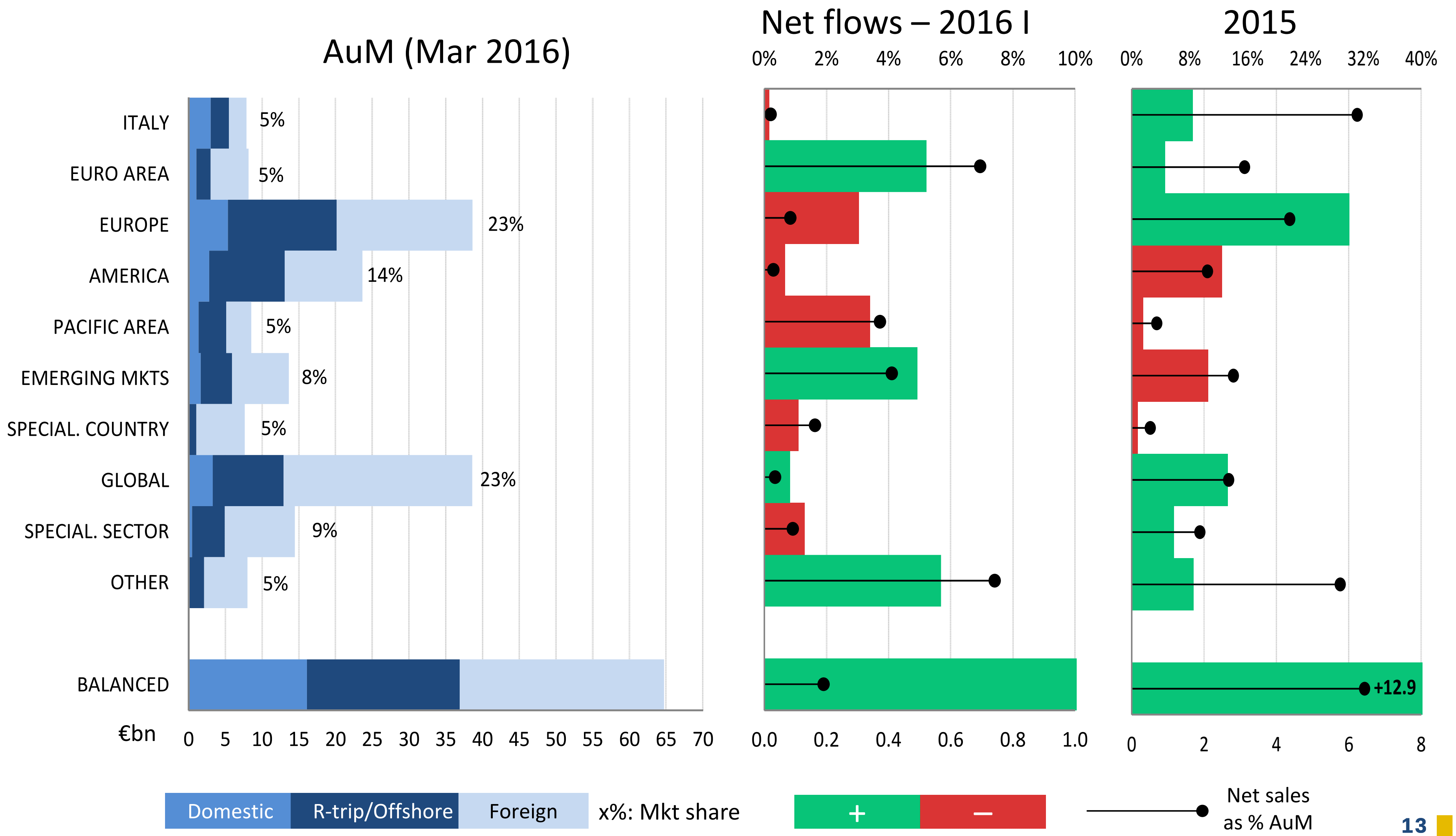


Asset Class breakdown

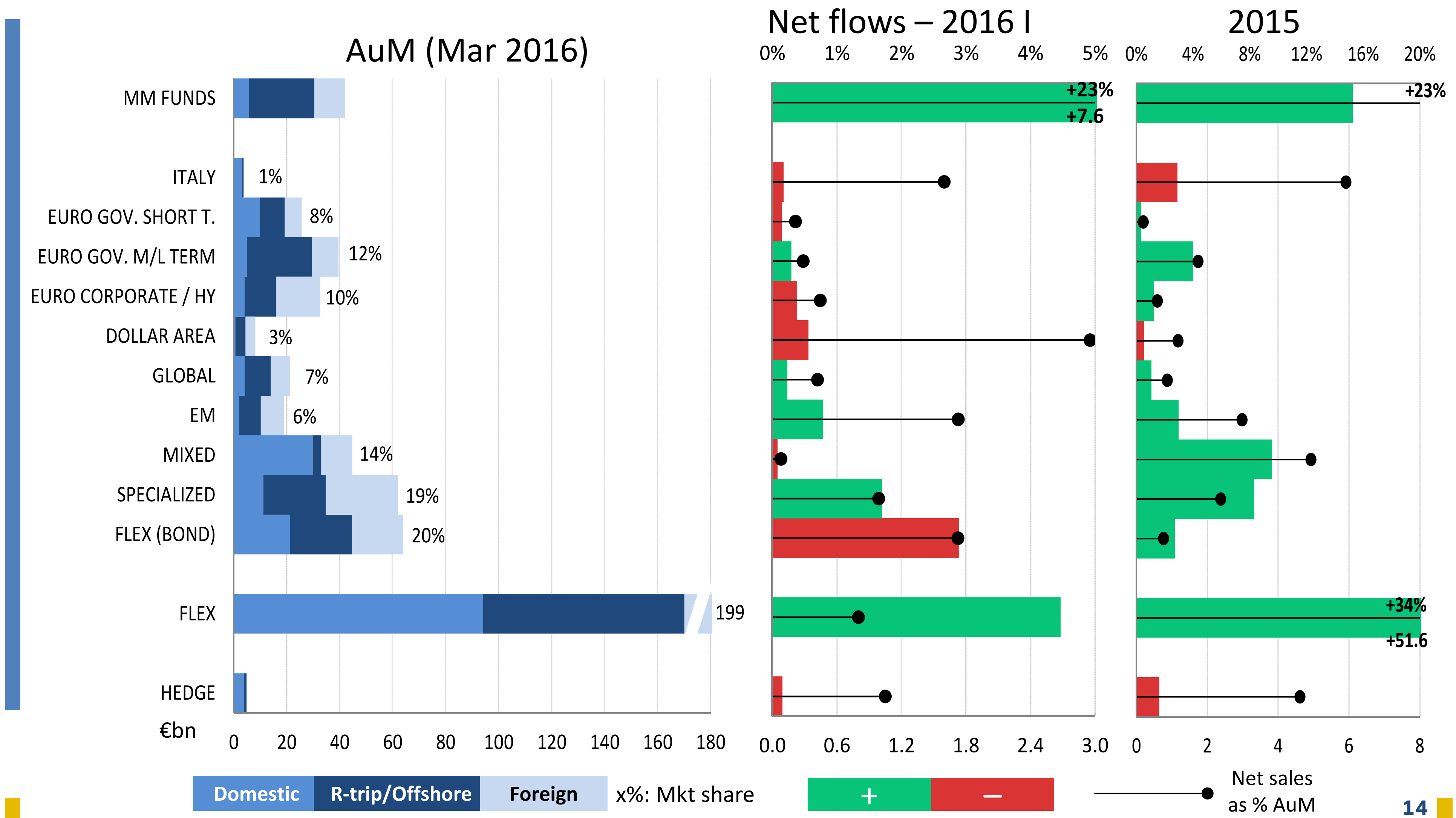


March 2016.

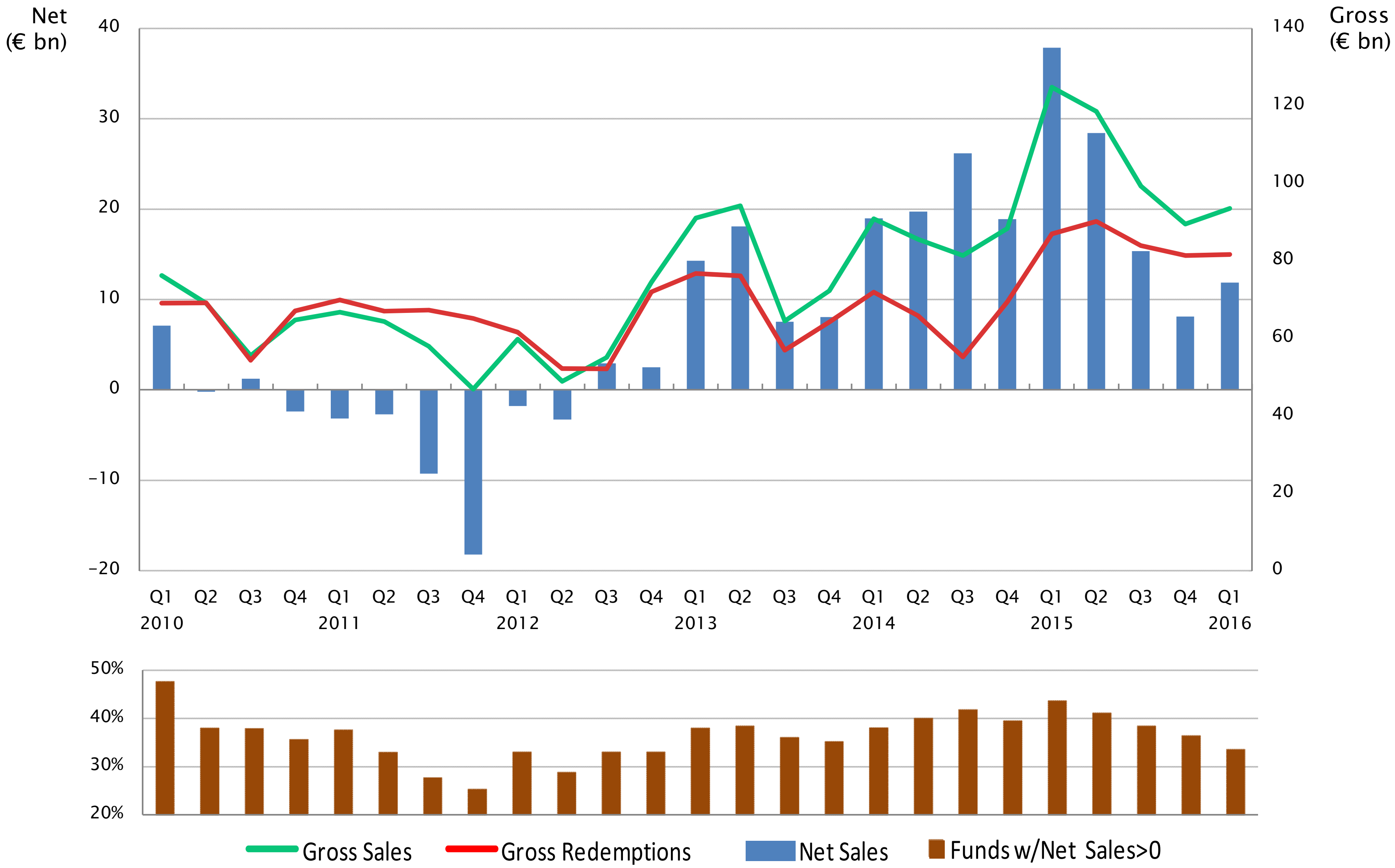
Equity & balanced funds



Money mkt, Bond, Flex & Hedge funds



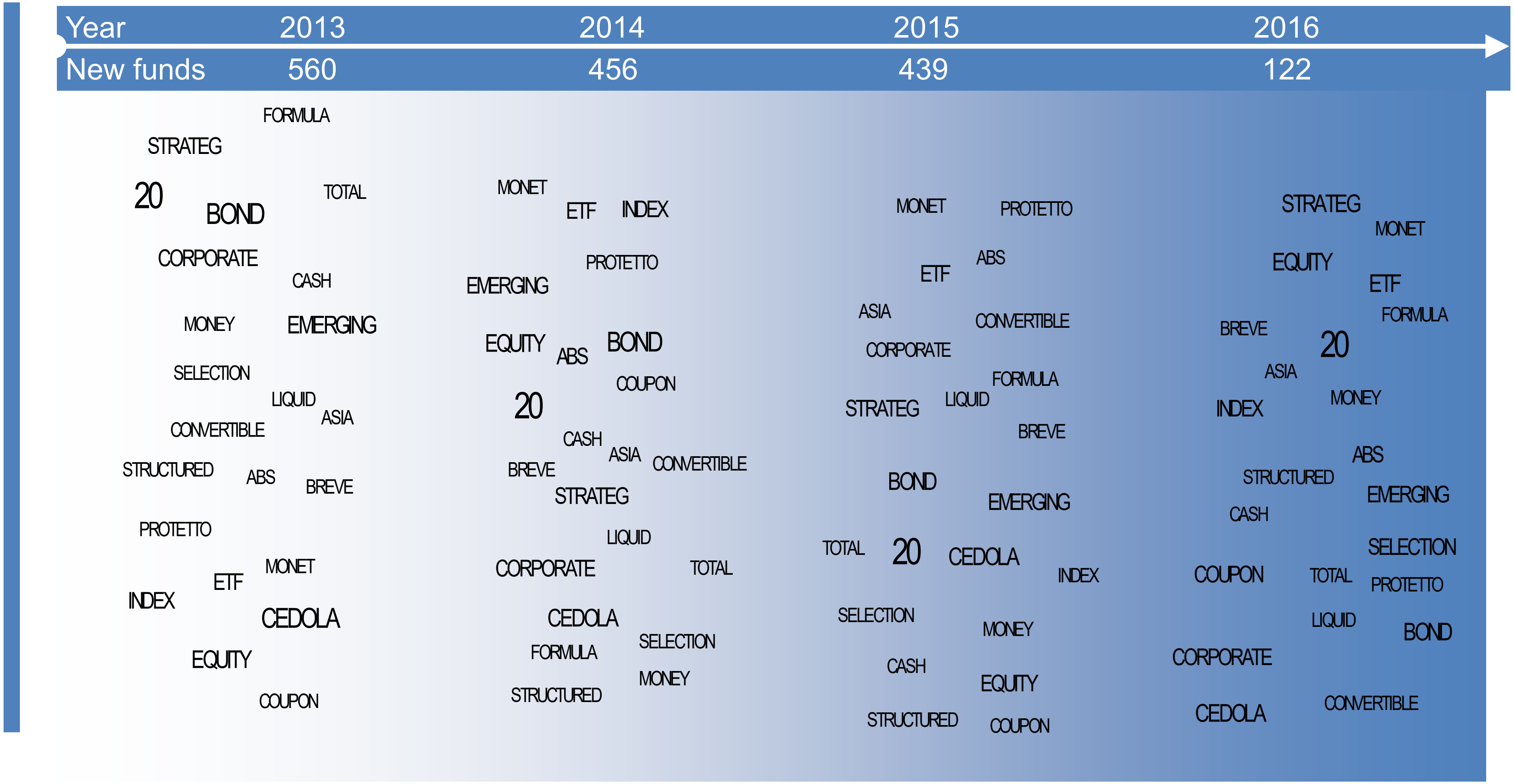
Net & gross flows



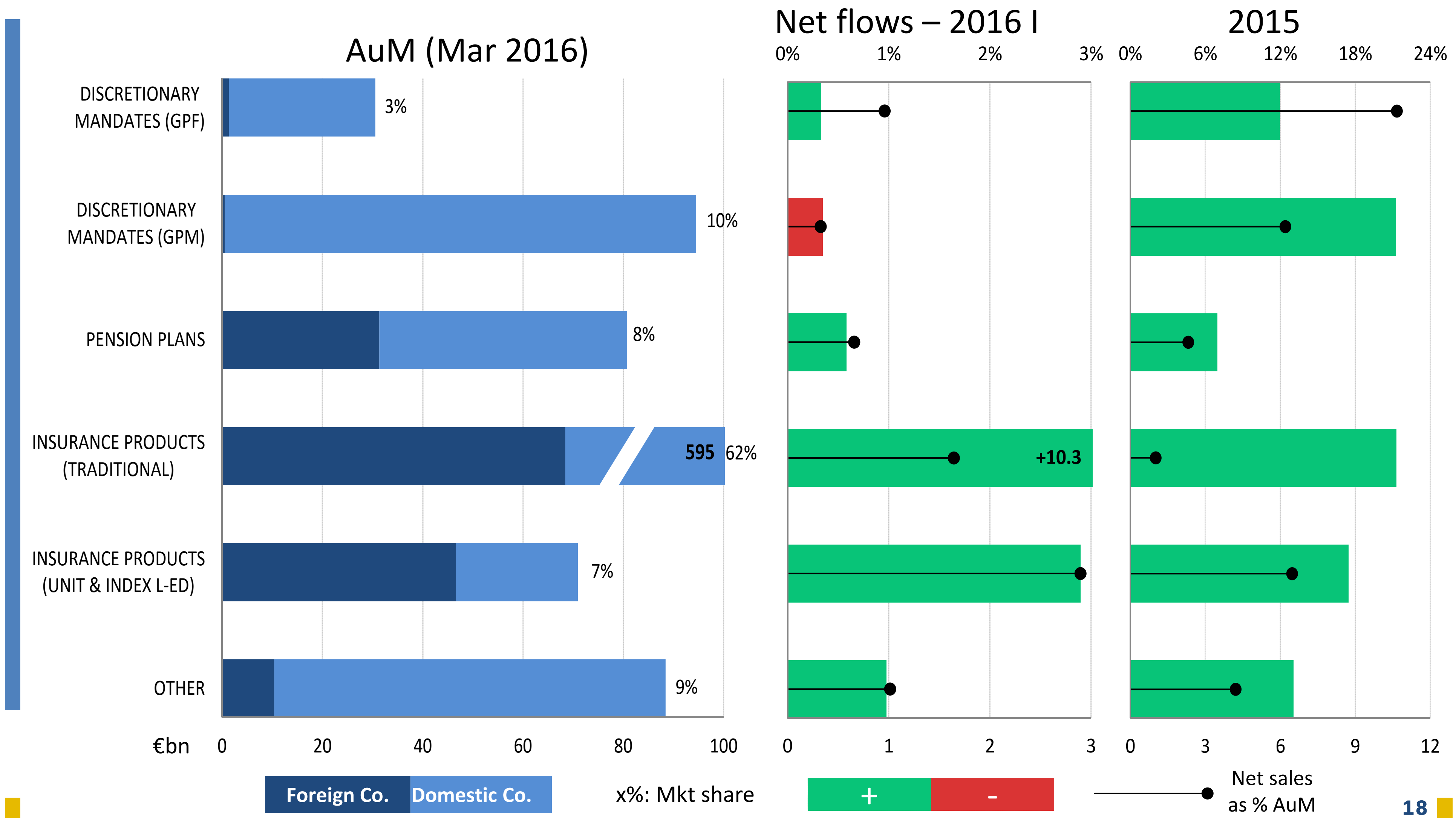
The *blockbuster effect* : top quartile funds take all

Net flows, €bn.

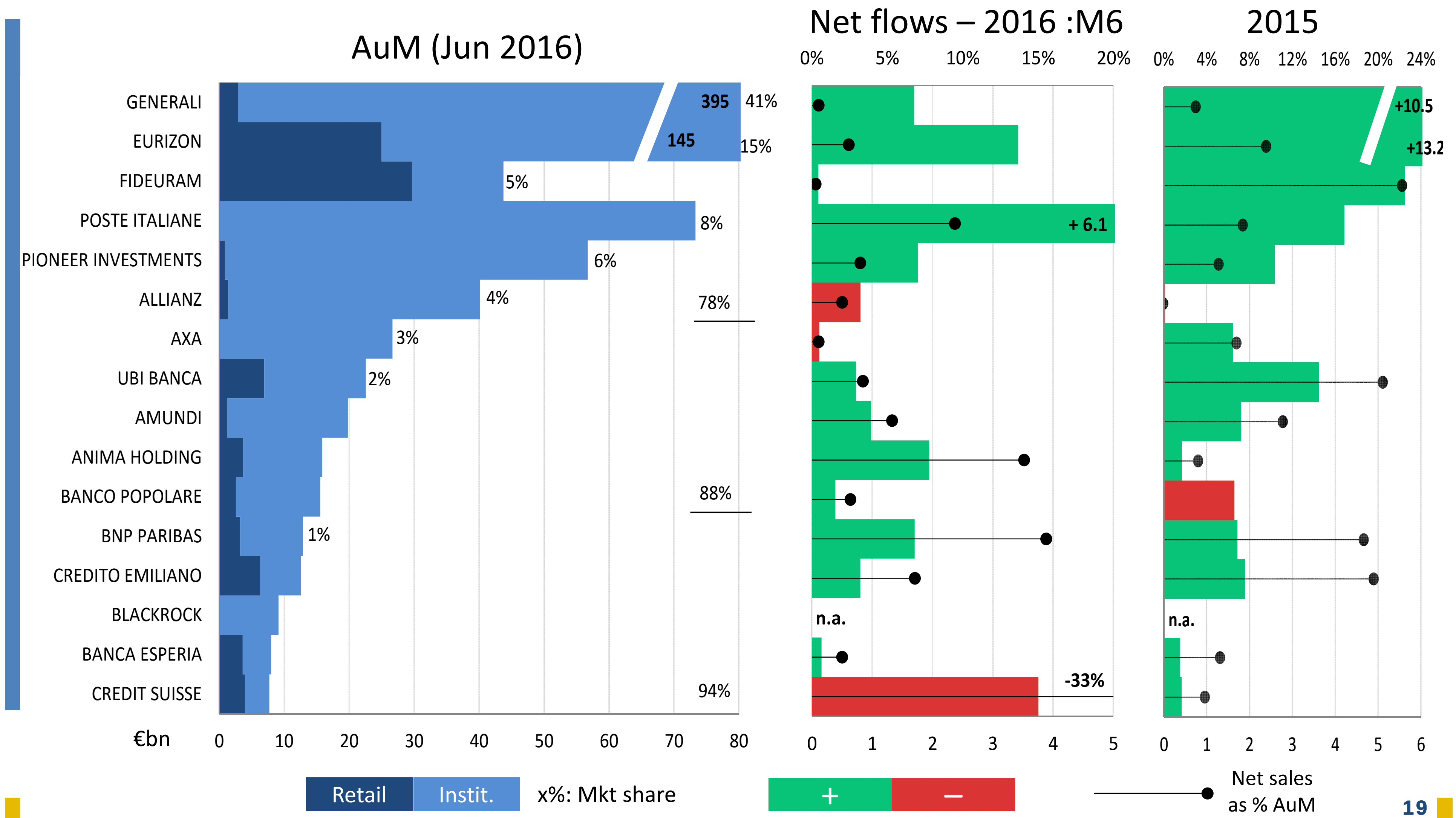
New stories tag cloud



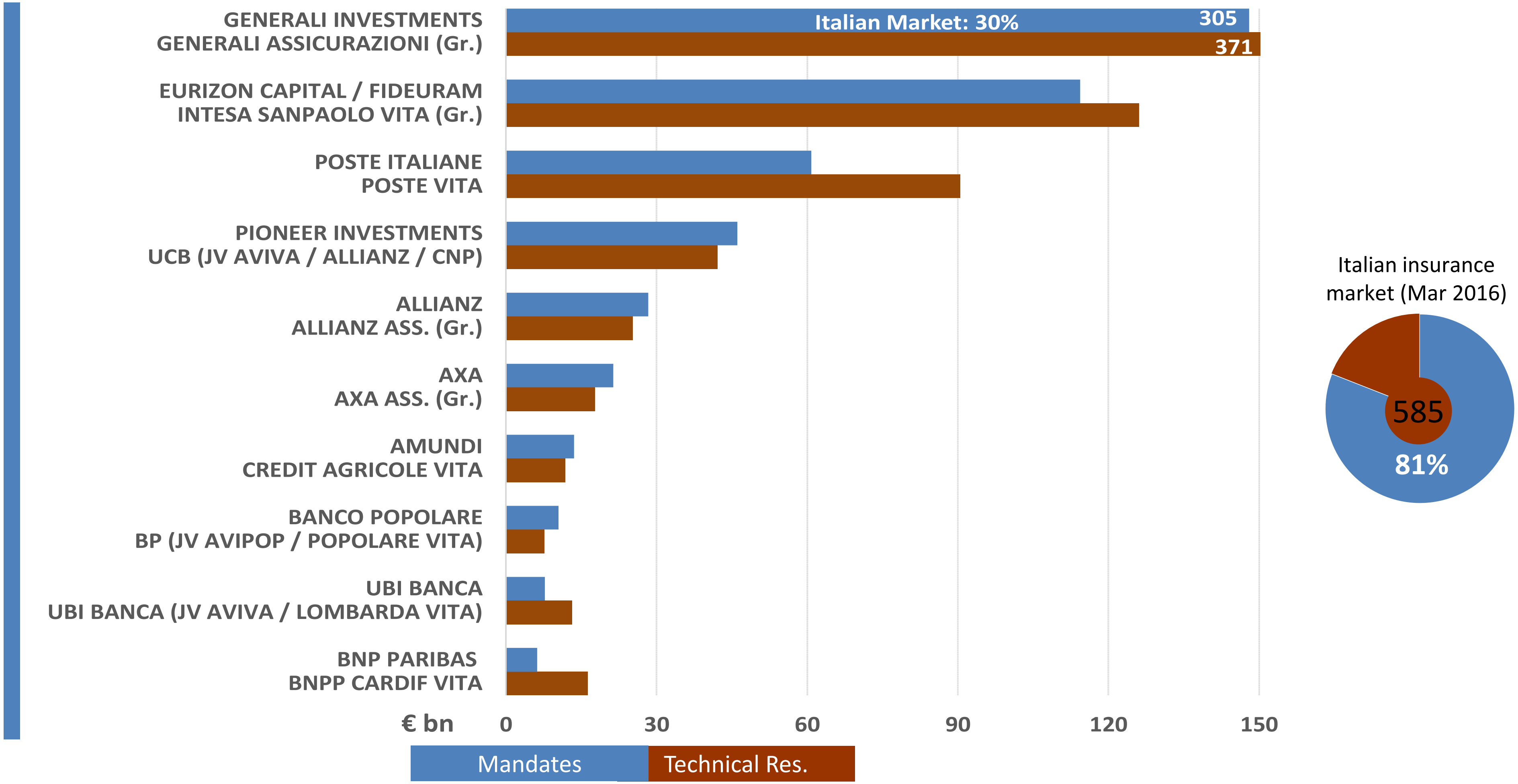
Mandates: AuM & Net Sales trends



Top 15 Groups (mandates only)

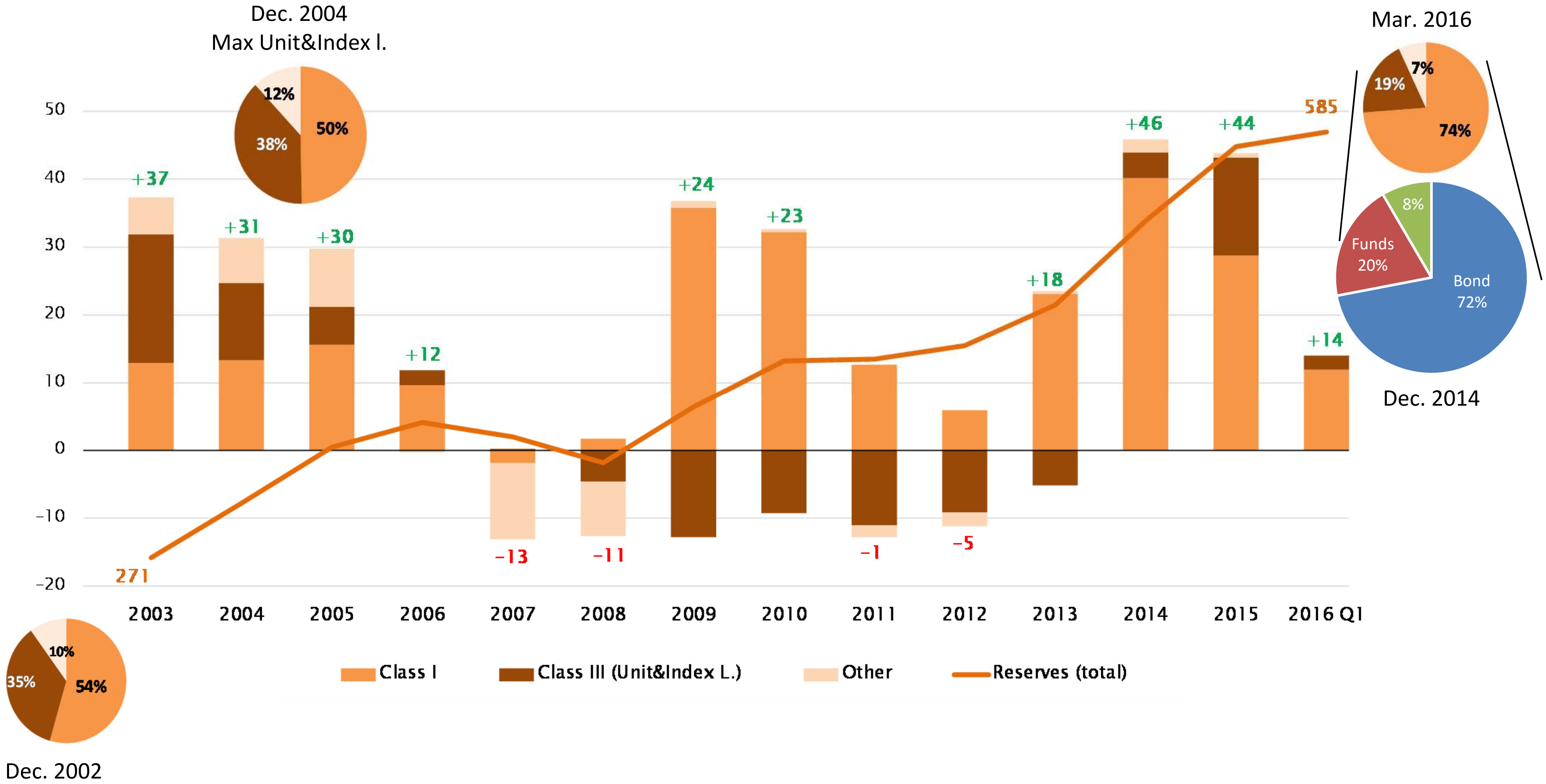


Insurance Mandates & Captive/Affiliated Insurers



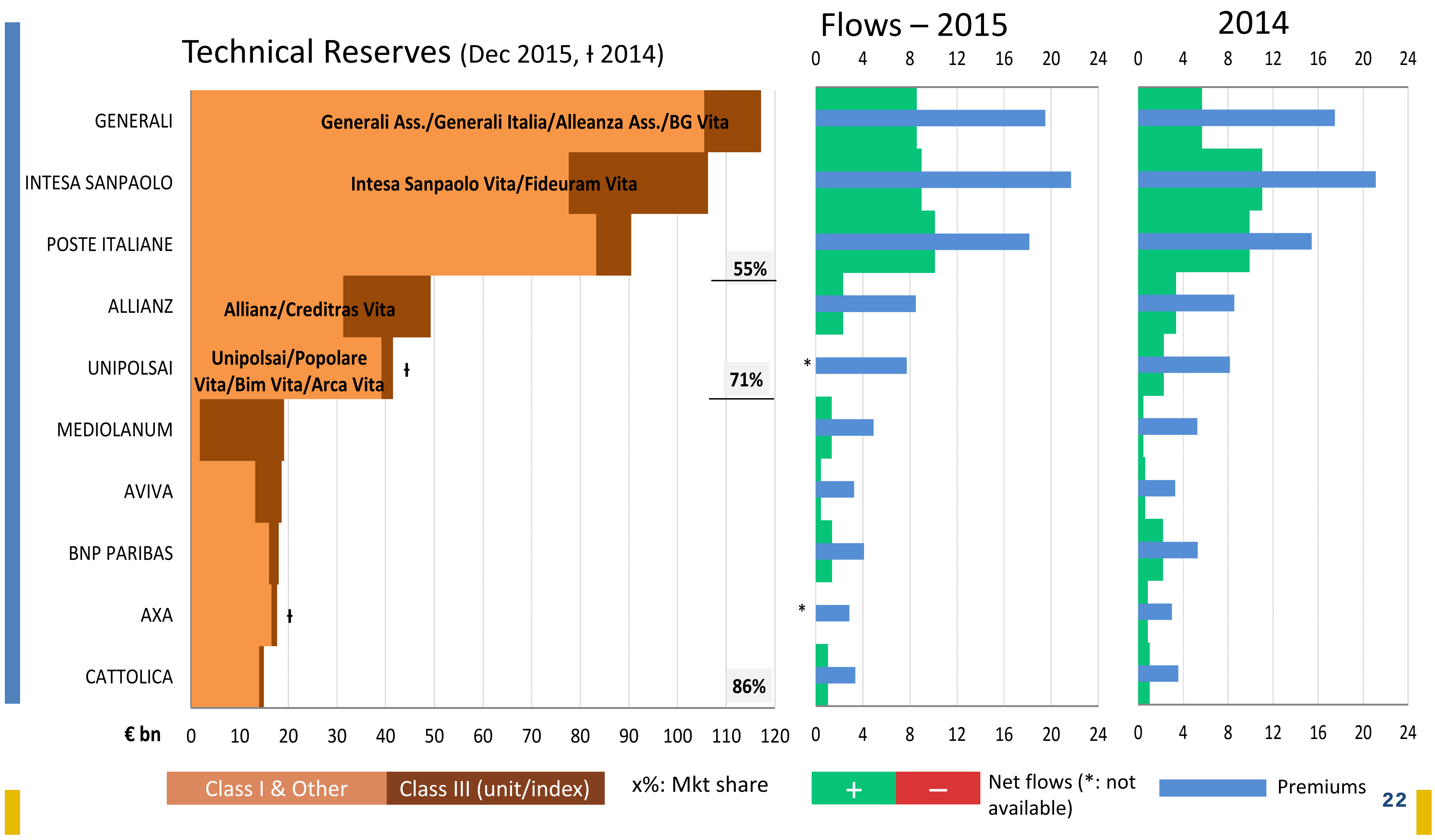
€bn, December 2015. Source: Assogestioni, balance sheets.

Life Insurance Market: long-term trend

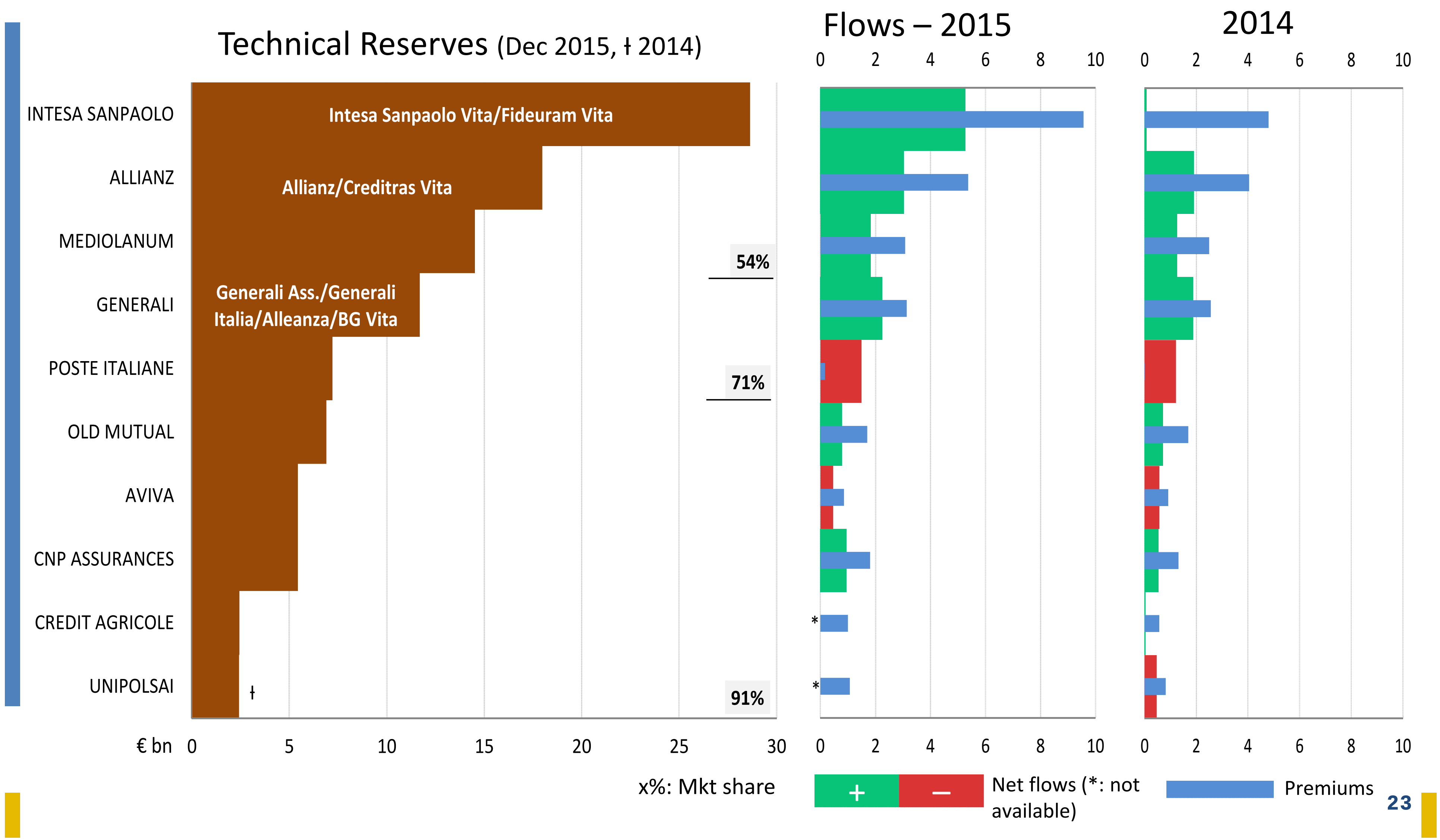


€bn, yearly data. Source: Ania, Ivass.

Top 10 Life Insurance Groups



Top 10 Unit&Index Linked Groups



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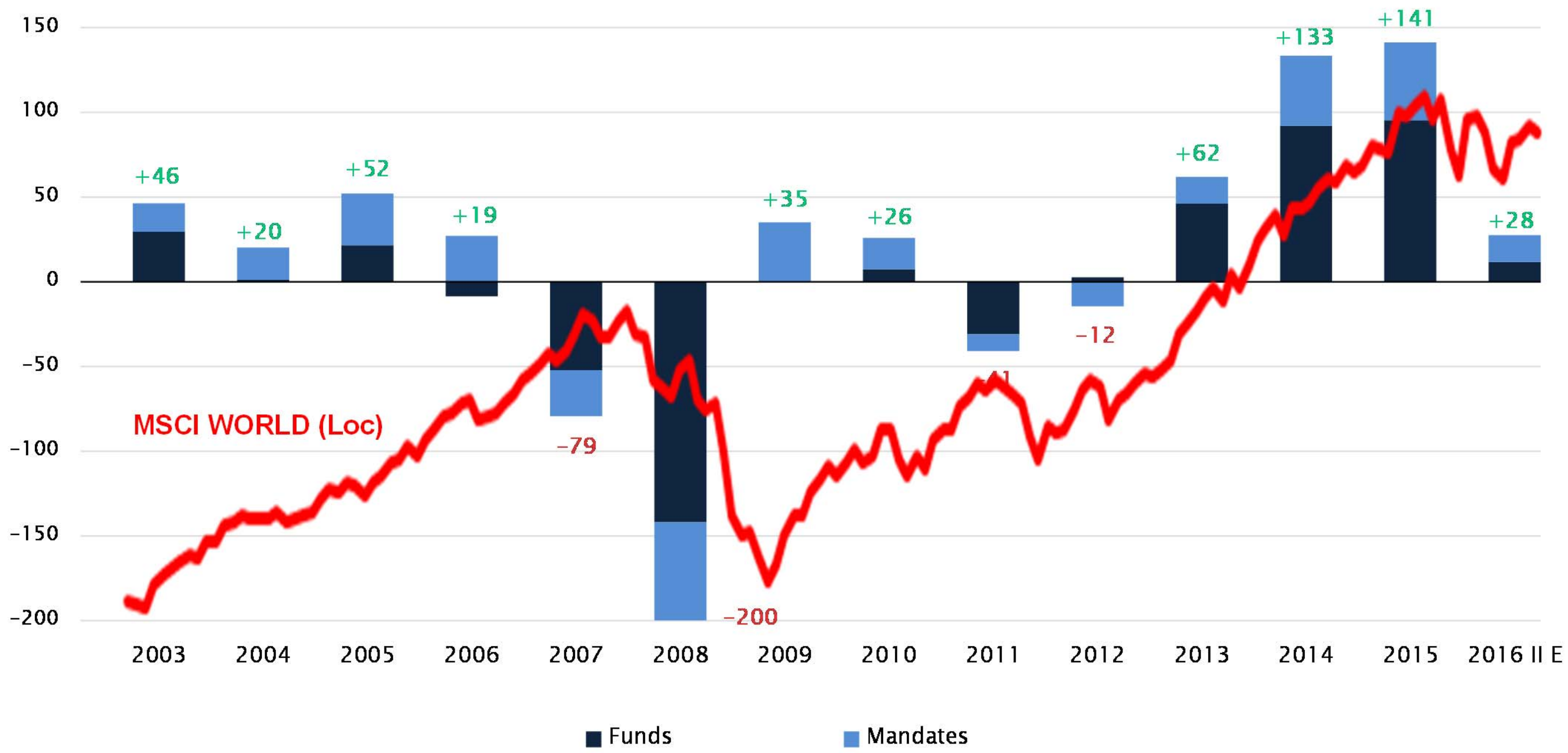
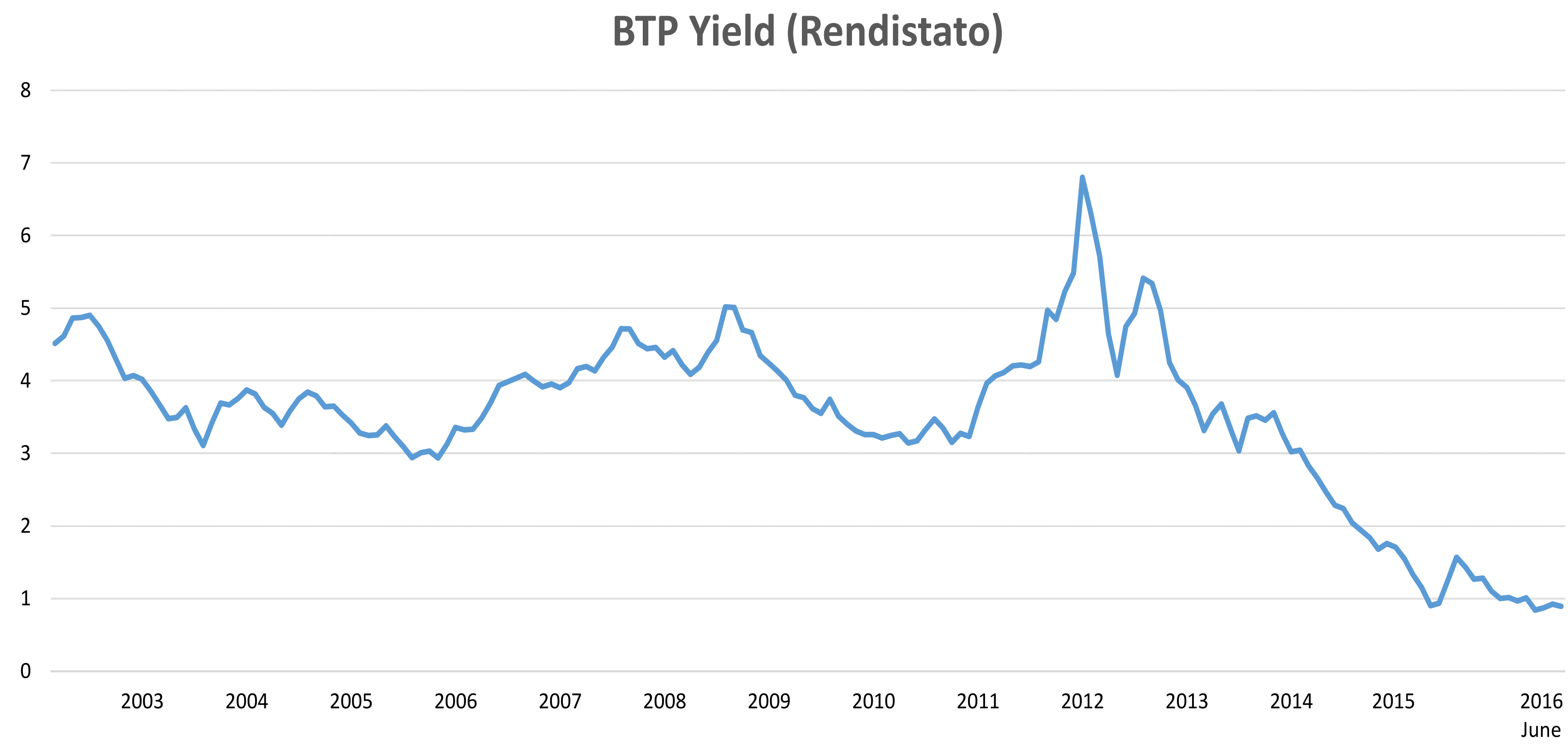
A pro-cyclical market



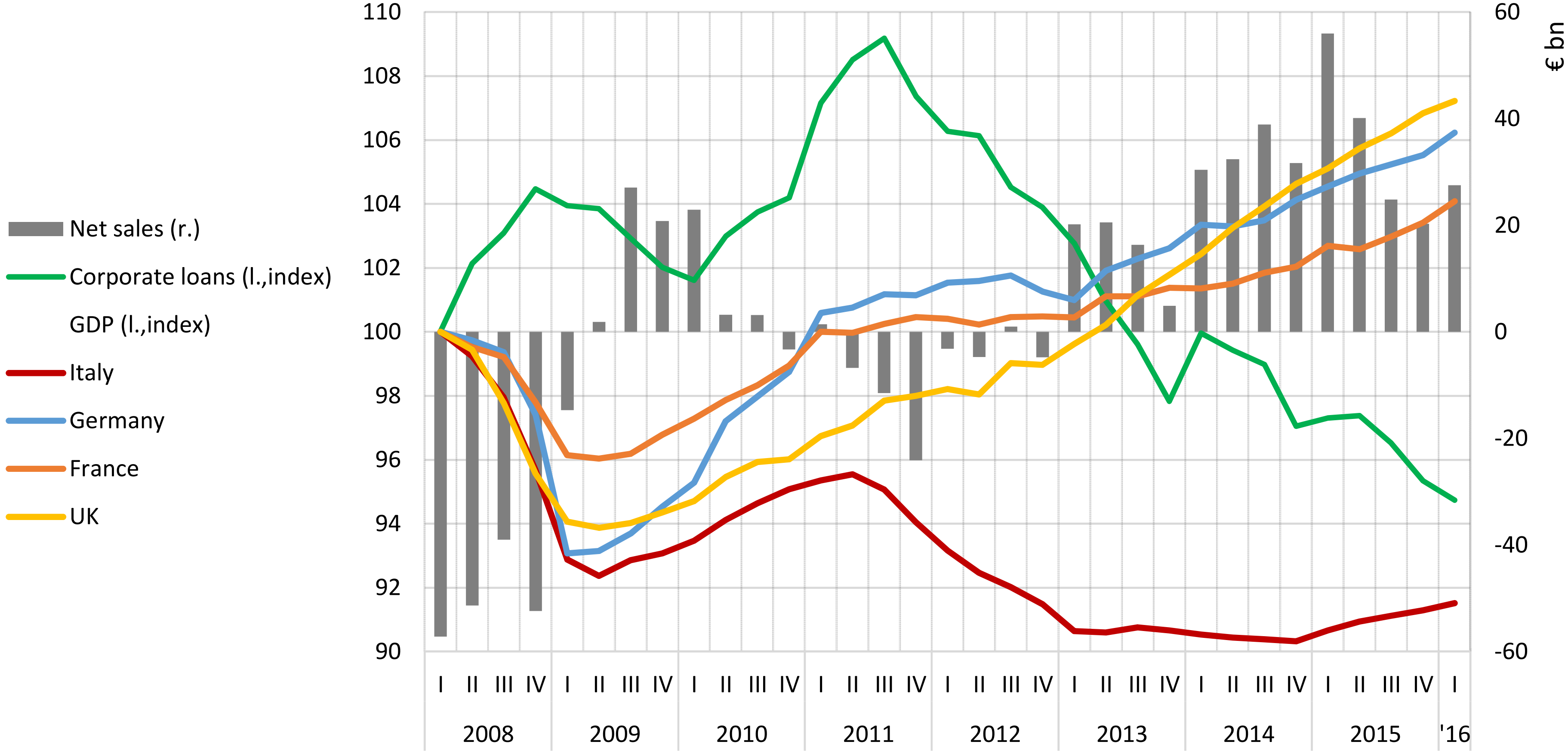
€bn, yearly data. Source: Assogestioni, MSCI.

… in search for yield



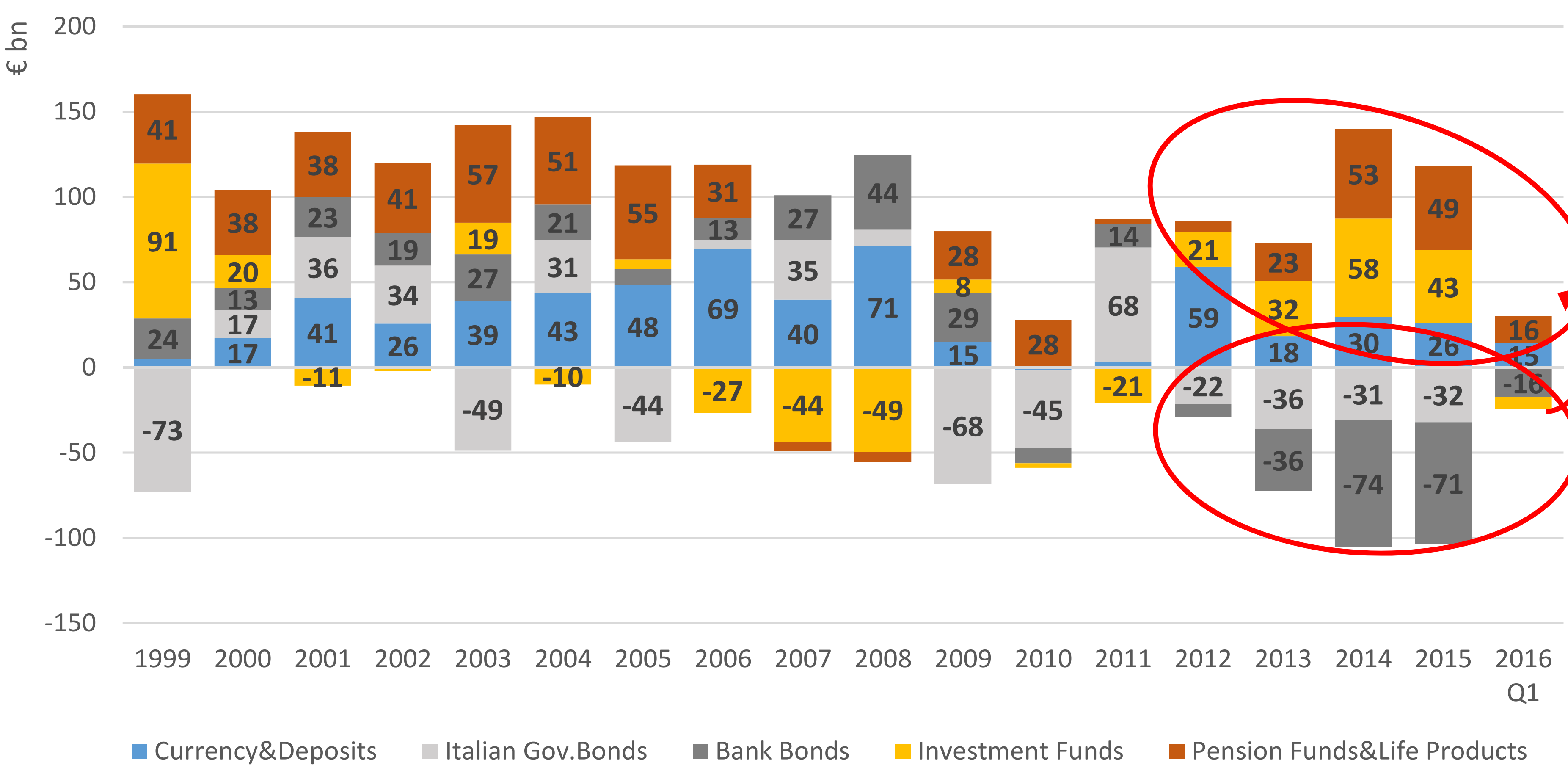
% Yield. Source: Bank of Italy.

AM Market, GDP & Bank credit



Source: Assogestioni, Bank of Italy, Eurostat.

Households: less bonds, more funds (flow view)

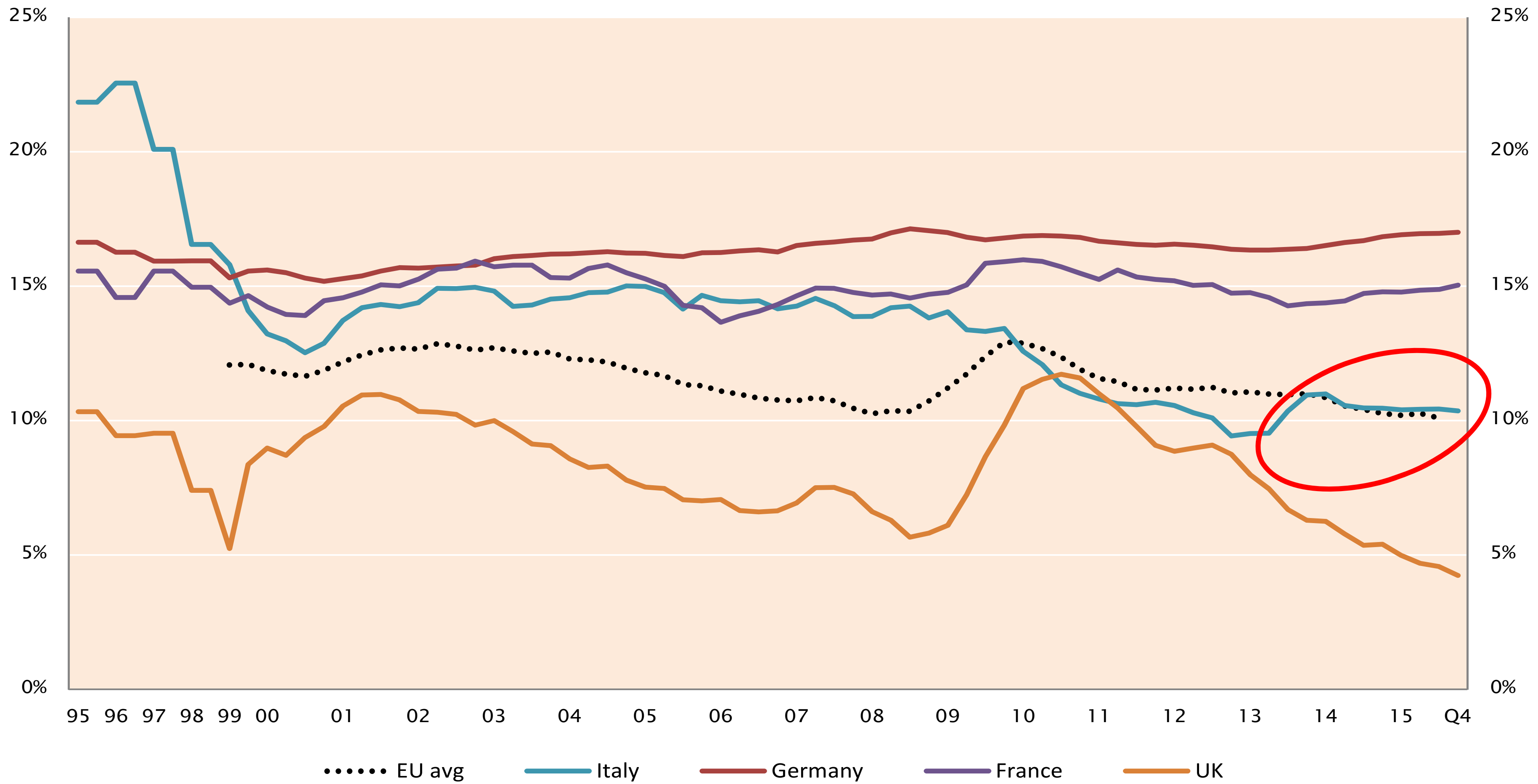


Households: less bonds, more funds (stock view)

	Total Asset	Currency & deposits	Bonds Total	Bonds *Issued by banks*	Stocks Total	Stocks *Listed*	Investment funds	Pension funds & life pr
Italy	€ bn	%	%	%	%	%	%	%
1995	1,799	38.2%	22.6%	*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	3,951	31.4%	13.6%	*6.2%*	22.0%	*1.6%*	9.6%	19.4%
2015	4,017	30.9%	10.7%	*4.5%*	23.3%	*1.6%*	11.1%	20.1%
2015								
France	4,869	28.3%	1.4%	*n.a.*	20.8%	*4.7%*	7.0%	34.1%
Germany	5,482	39.1%	3.2%	*n.a.*	10.4%	*5.0%*	9.9%	31.0%
UK	8,239	24.4%	1.5%	*n.a.*	7.4%	*2.3%*	4.1%	58.1%
USA	64,597	13.7%	4.6%	*n.a.*	34.2%	*n.a.*	13.0%	32.5%

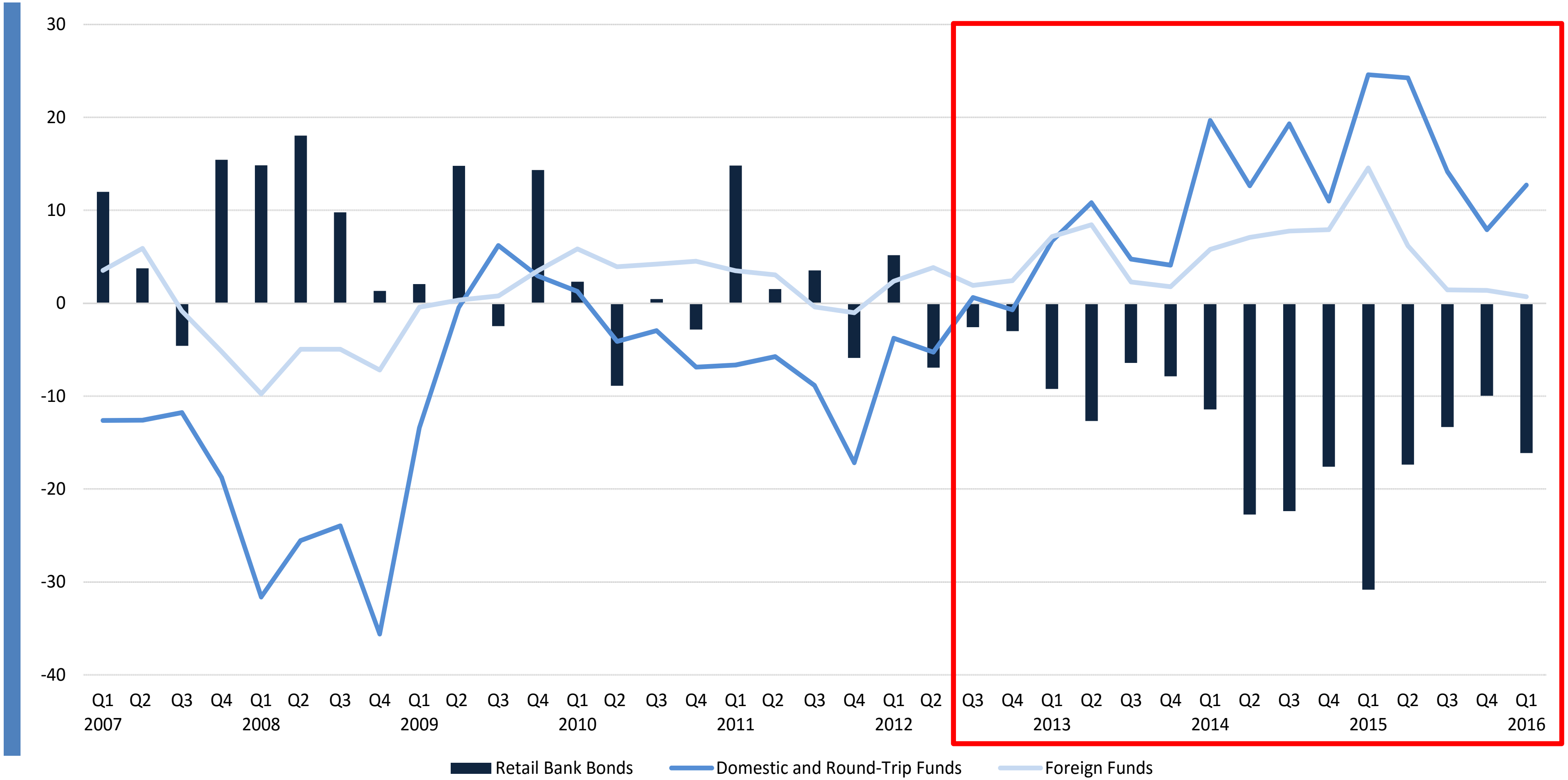
%. Source: Eurostat, OECD, BCE, Deutsche Bundesbank.

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



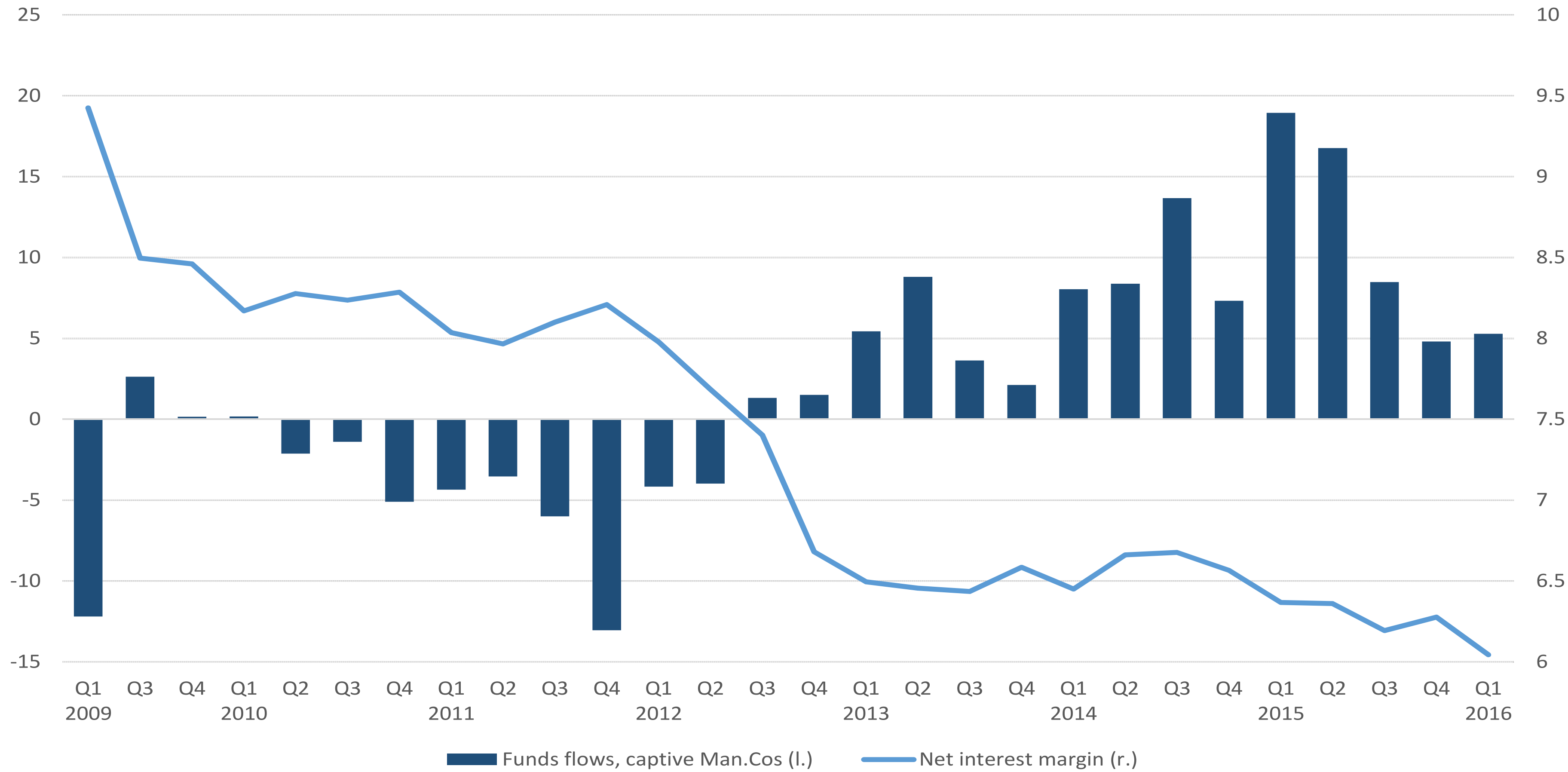
Gross household saving rates. Source: Eurostat.

Banks: no more dependent on funding from retail investors…

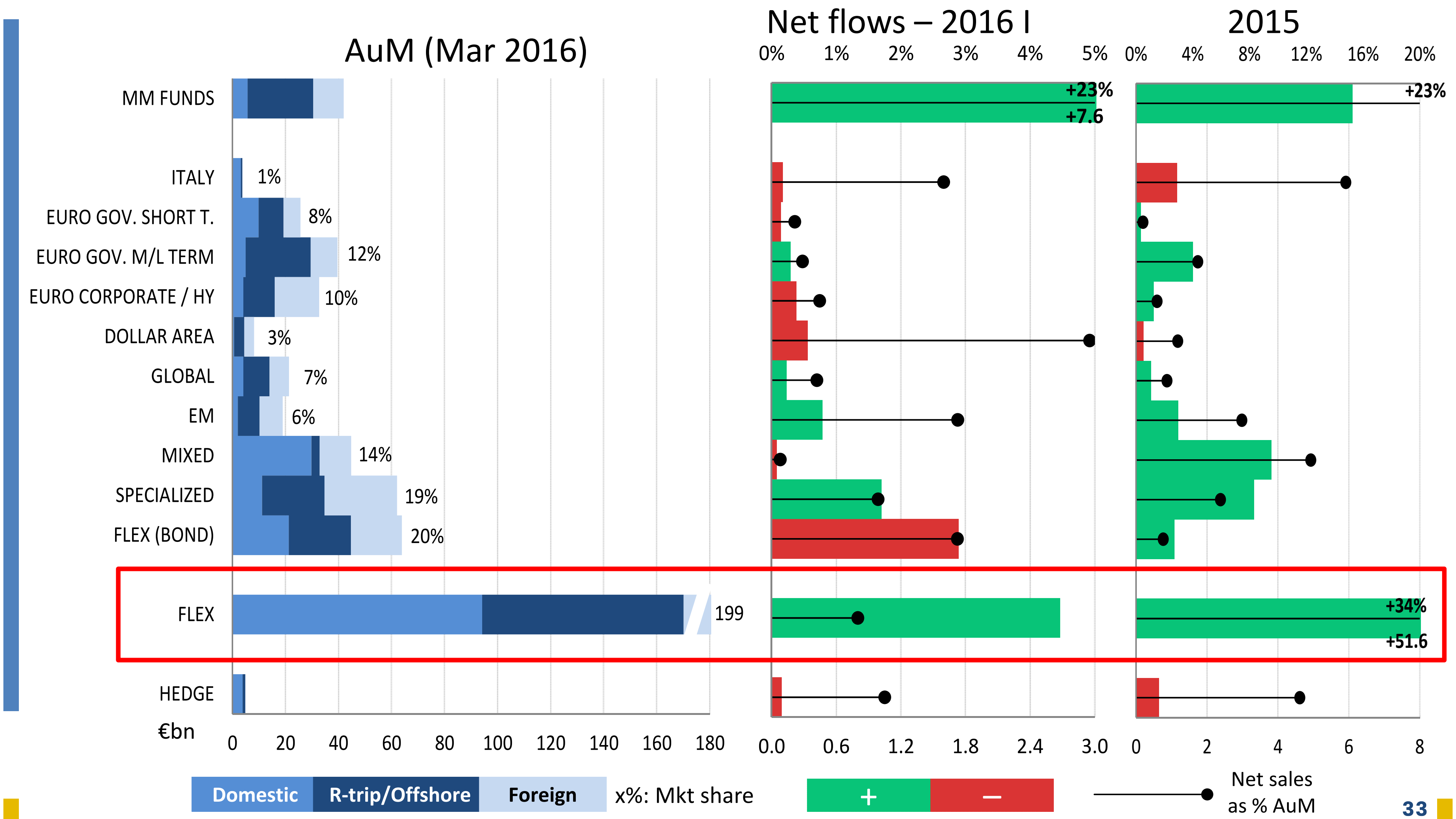


Quarterly flows, €bn. Source: Assogestioni, Bank of Italy.

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



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



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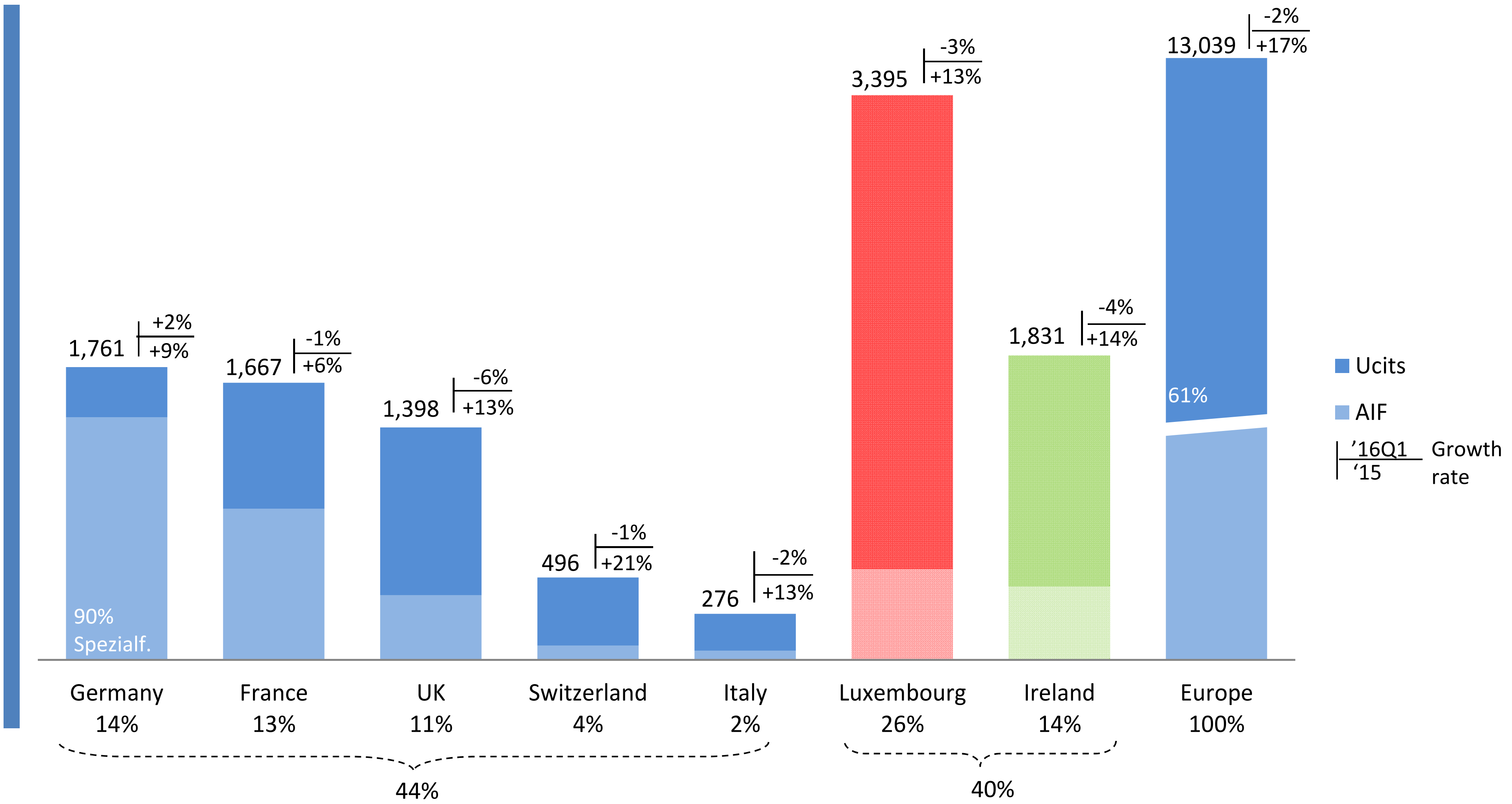
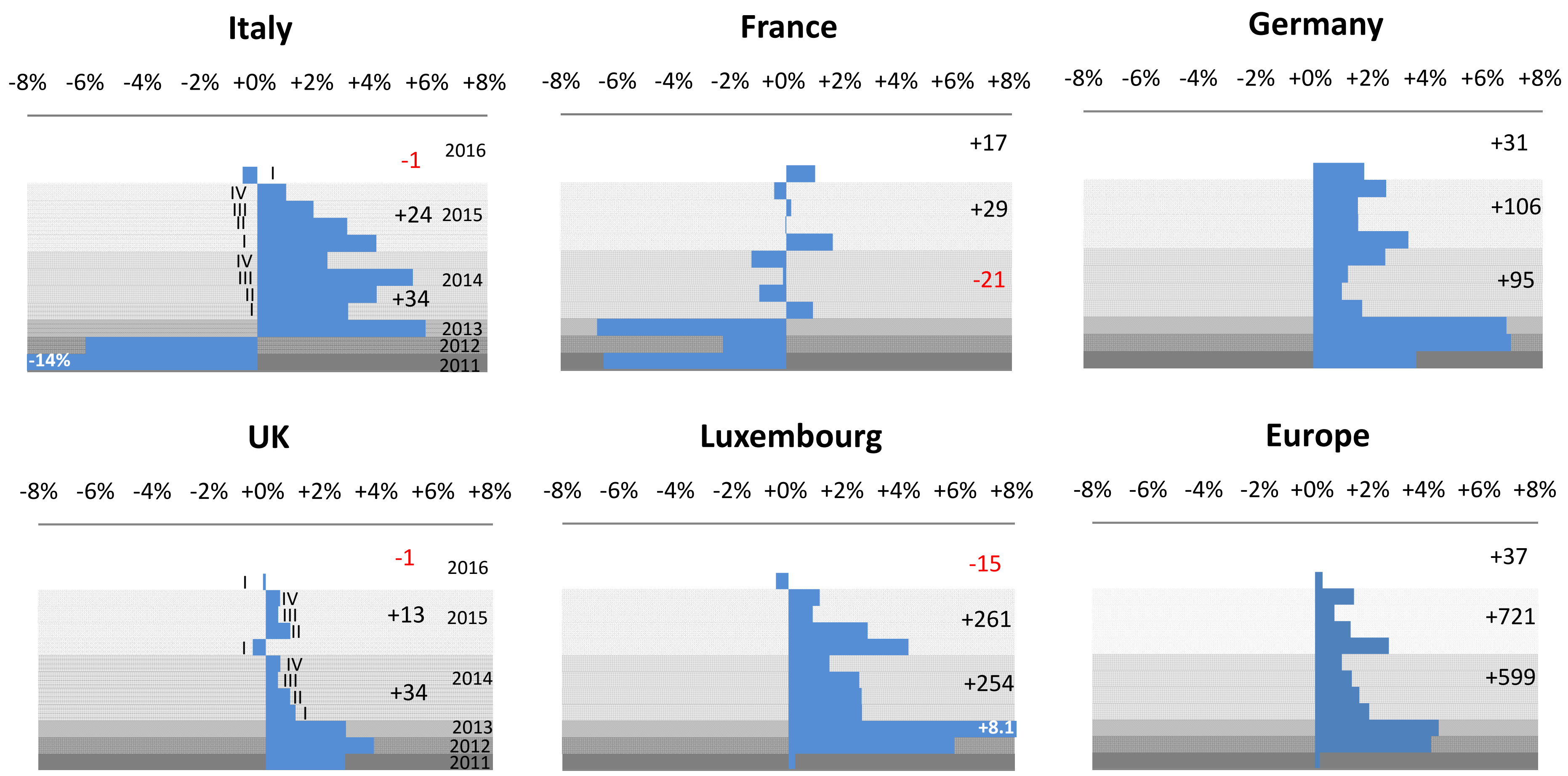
Net Assets by fund domicile



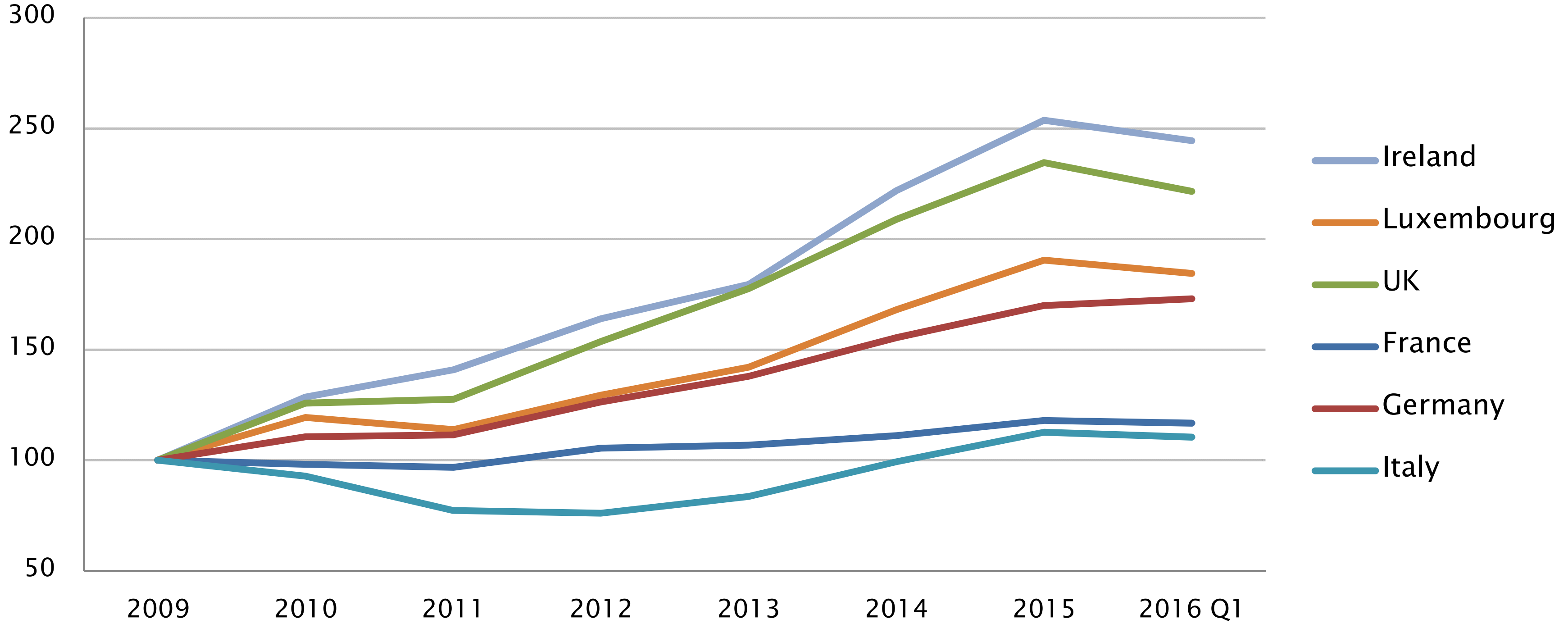
2016Q1 €bn. Source: Efama, AFG, BVI.

Net sales by fund domicile



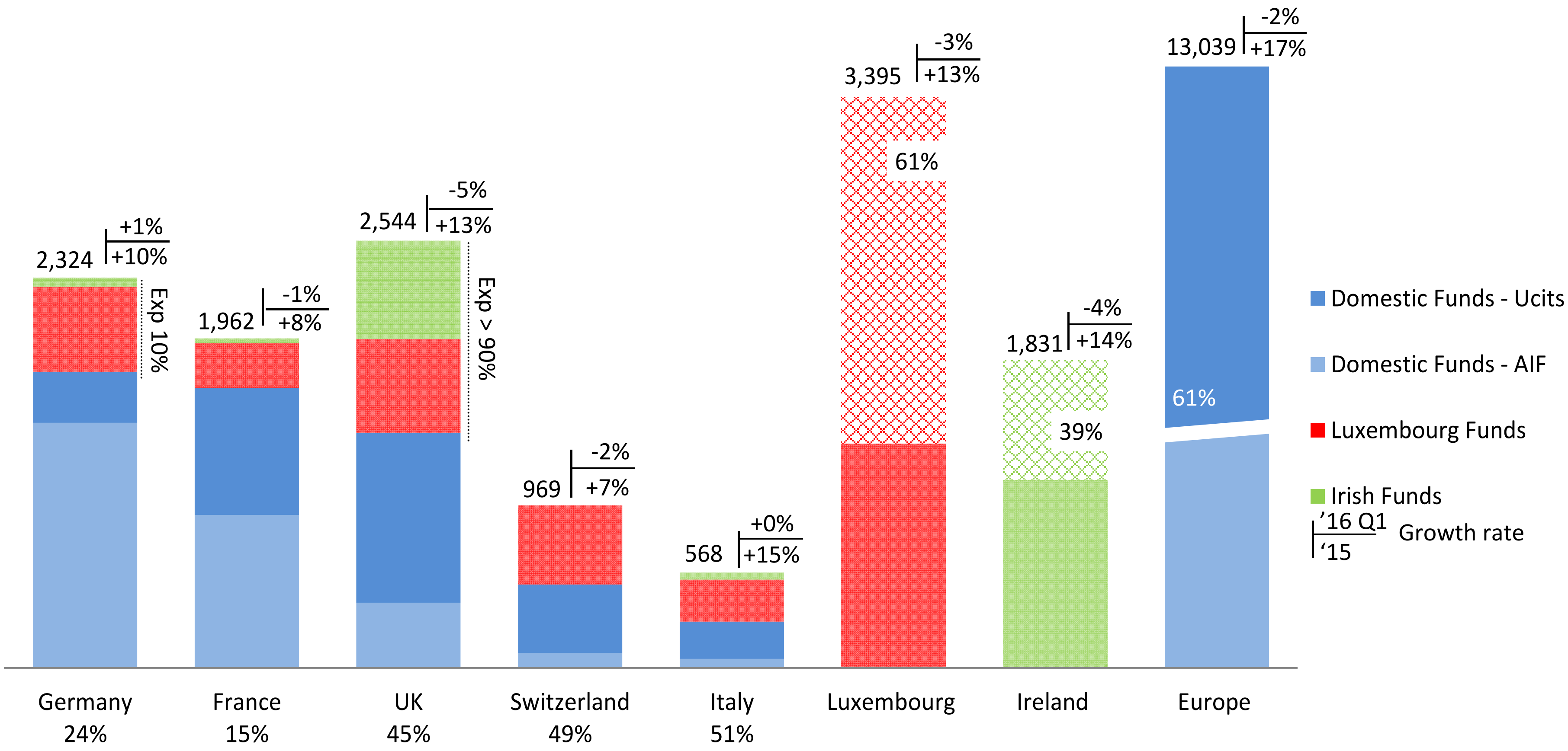
Net sales as a % of AuM. Yearly data in €bn. Source: Efama, BVI.

Net Assets by fund domicile – Long-term growth

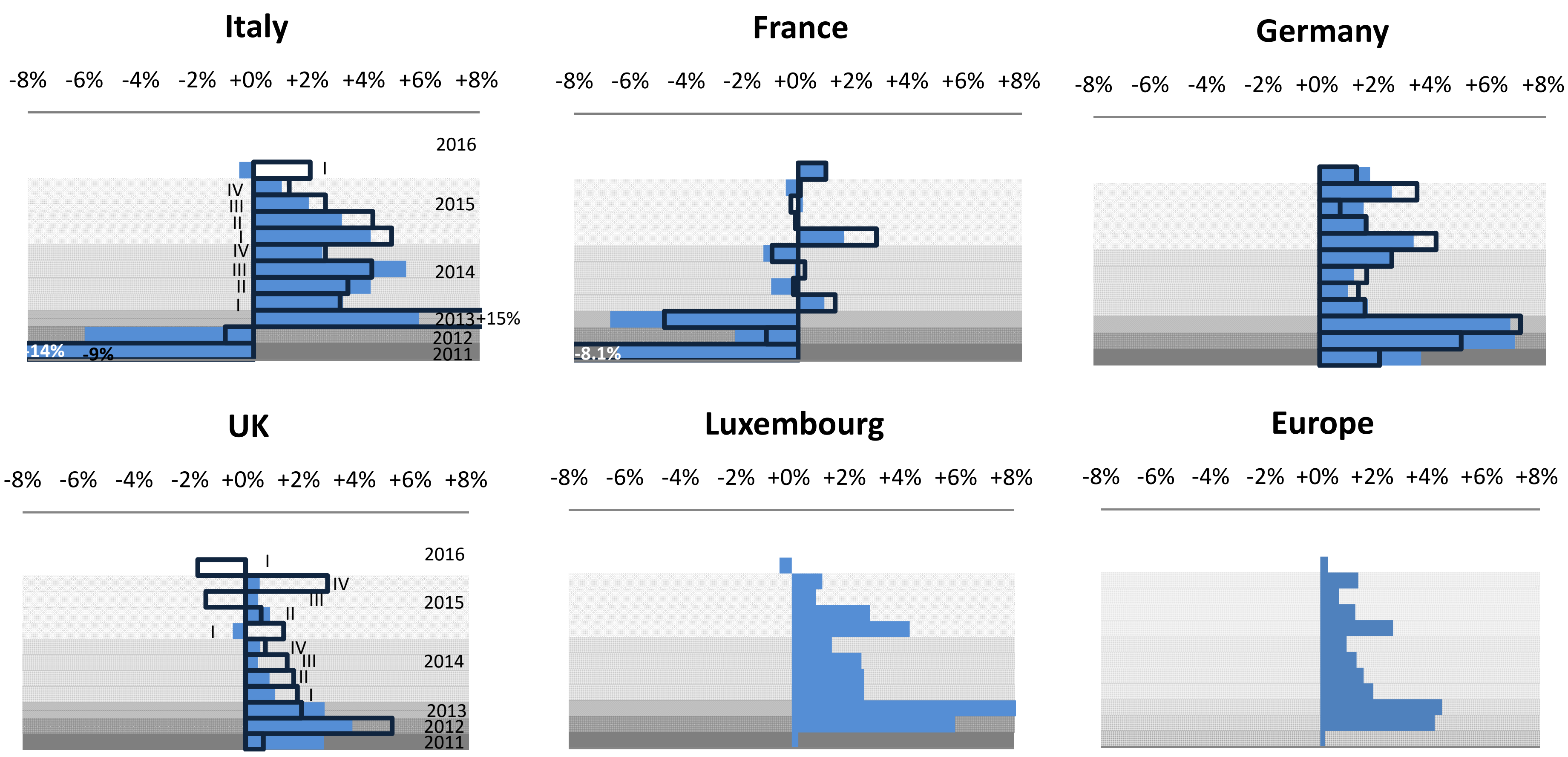


Index values. Source: Efama.

Net Assets by fund group domicile



Net sales: fund domicile vs. fund group domicile



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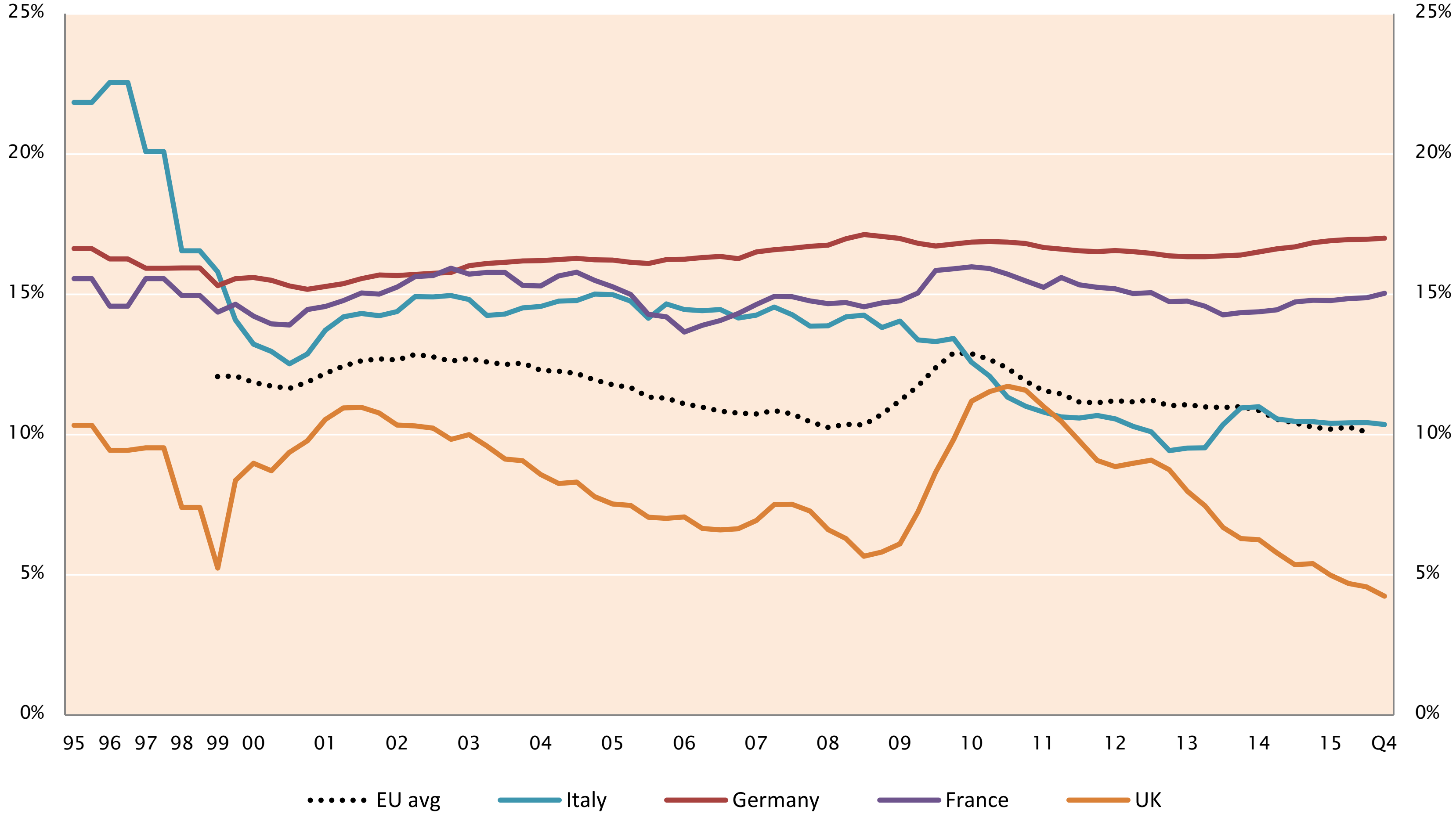
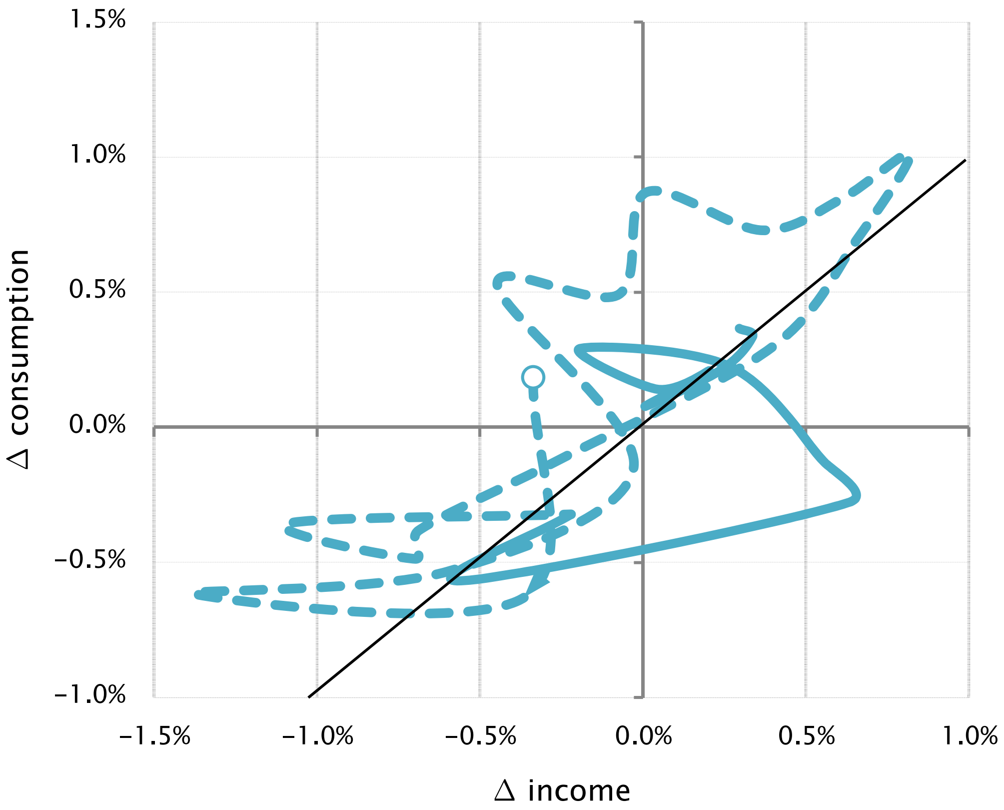
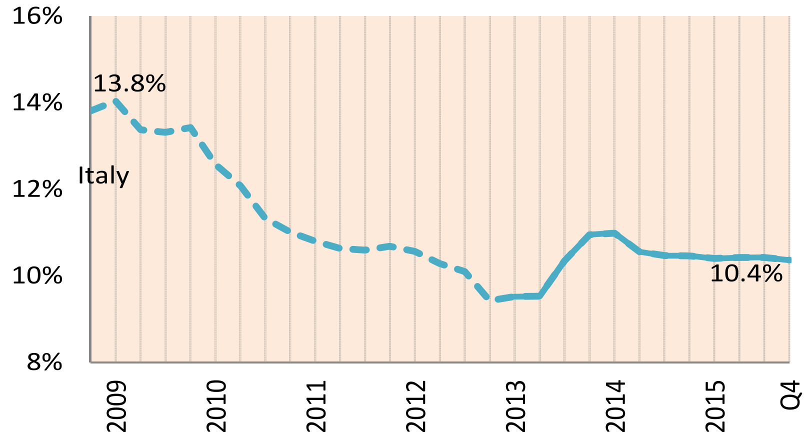
Household saving rates in Europe



Gross household saving rates. Source: Eurostat.

How income & consumption Δ% affect saving rates





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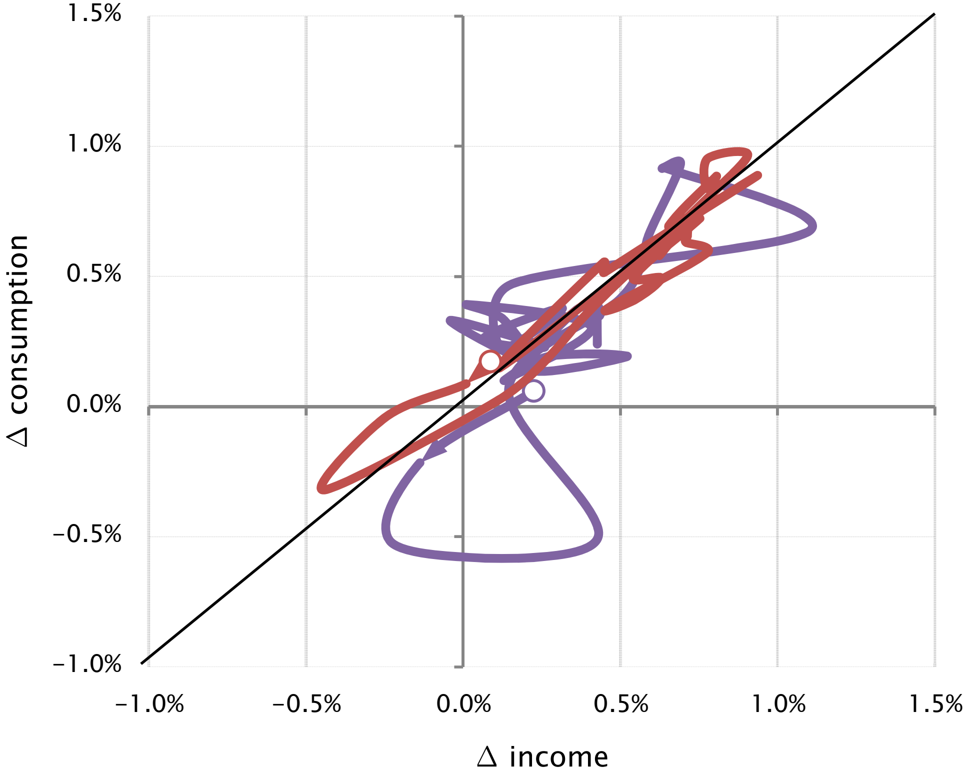
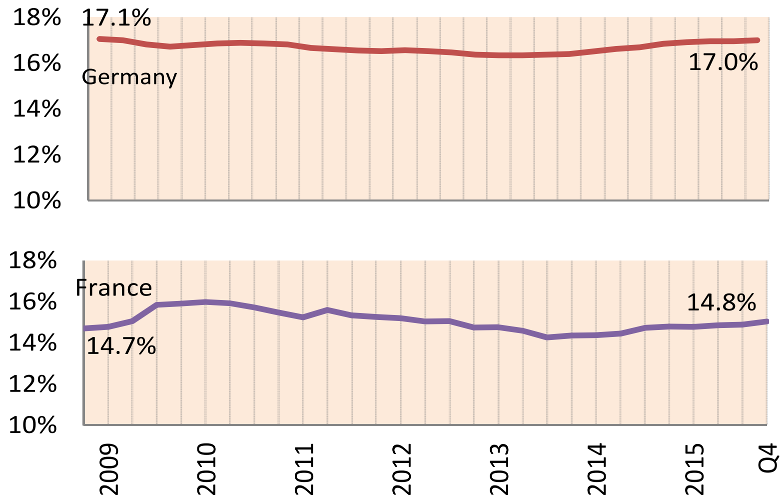
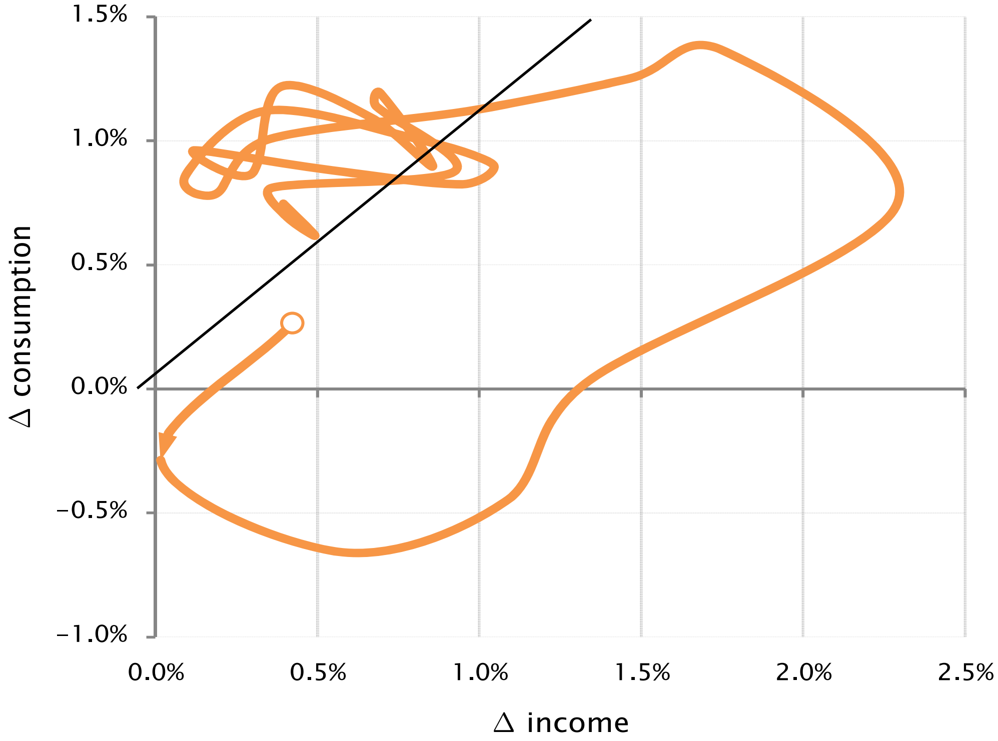
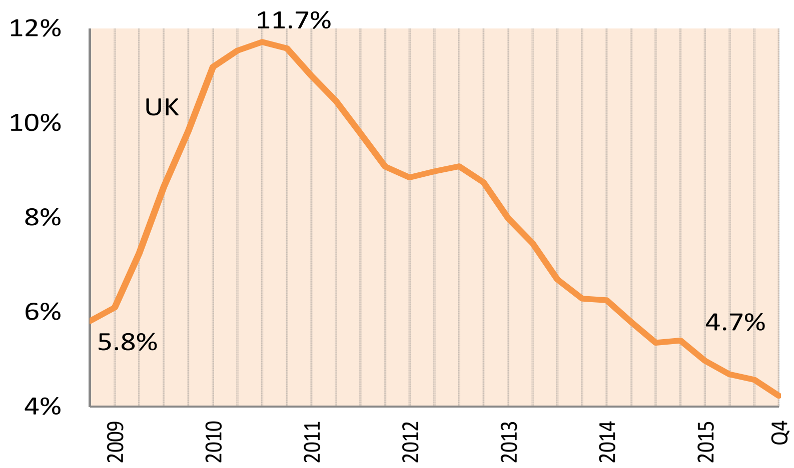




2008Q4:2015Q4. Source: Eurostat.

How income & consumption Δ% affect saving rates





2008Q4:2015Q4 Source: Eurostat.

Household financial portfolio breakdown

	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%	22.6%	*1.9%*	19.3%	*2.8%*	5.8%	8.7%
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High level of *direct investment* (~ 35%)

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

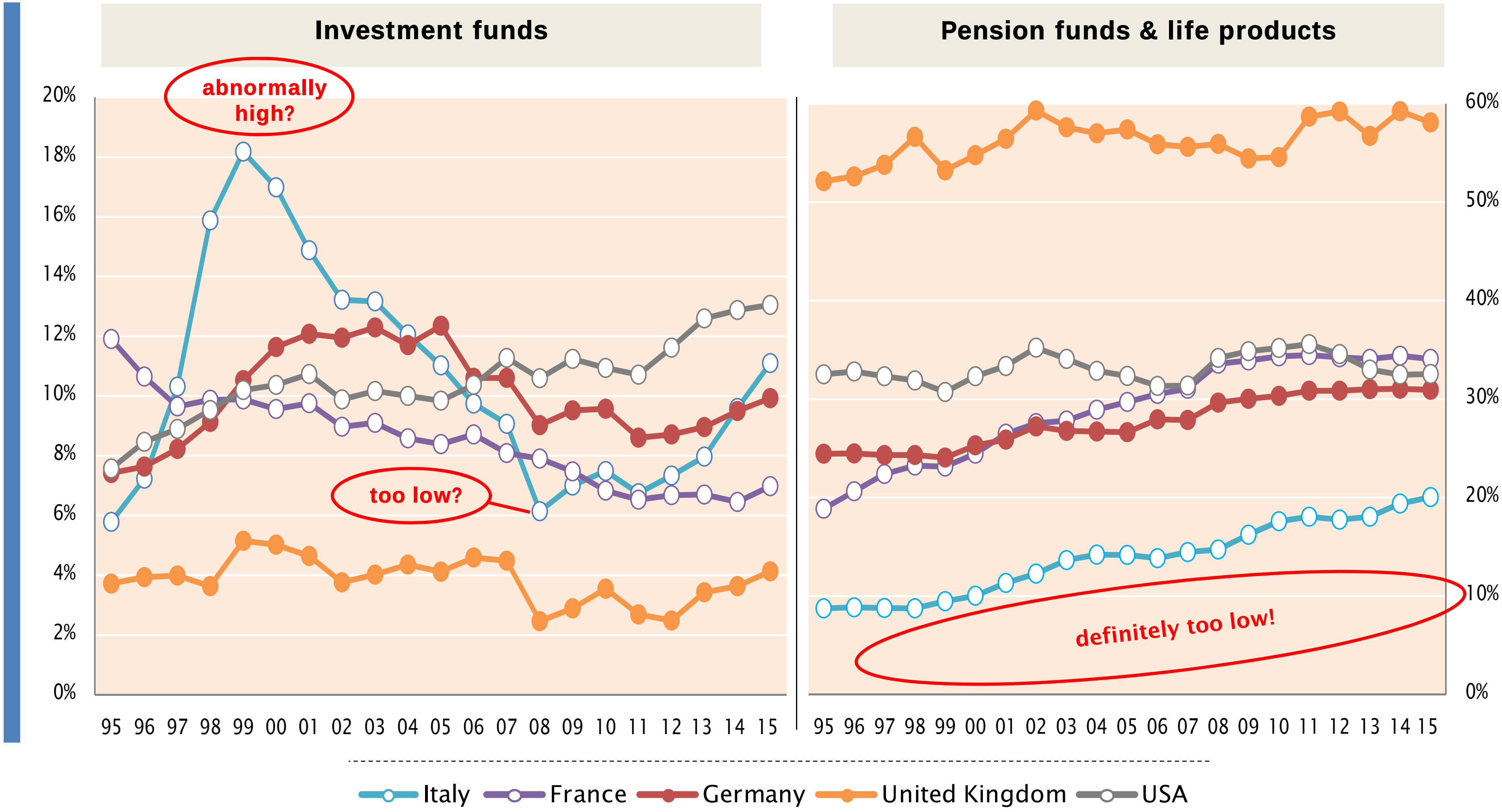
Negligible level of *listed shares.* High level of *unlisted* ones.

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.

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

	2015			2008
	(,000)	Working pop. (est.)	Membership rate	Membership rate
Member breakdown	**7,227**	**22,559**	**32.0%**	**21.0%**
Private sector employees	5,174	13,903	37.2%	26.0%
Public sector employees	174	3,253	5.4%	4.0%
Self-employed	1,879	5,403	34.8%	19.0%

	2015 Members				Assets	
	(,000)	%	'14 Δ %	7y Δ %	(€ m)	*% GDP*
Vehicle breakdown	**7,227**	**100%**	**+11%**	**+49%**	**140,180**	8.6%
Contractual p.f.	2,419	33%	+24%	+18%	42,546	
Open p.f.	1,150	16%	+9%	+45%	15,430	
Ind. Insurance Plans (PIP)	3,028	42%	+4%	+120%	26,835	
Ante 1993 p.f. ('pre-existing')	645	9%	-0%	-5%	55,299	

Source: Covip, Istat, RGS.

ASSOGESTIONI
associazione del risparmio gestito

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