ASSOGESTIONI
associazione del risparmio gestito

The Italian Asset Management market
key figures

24 November 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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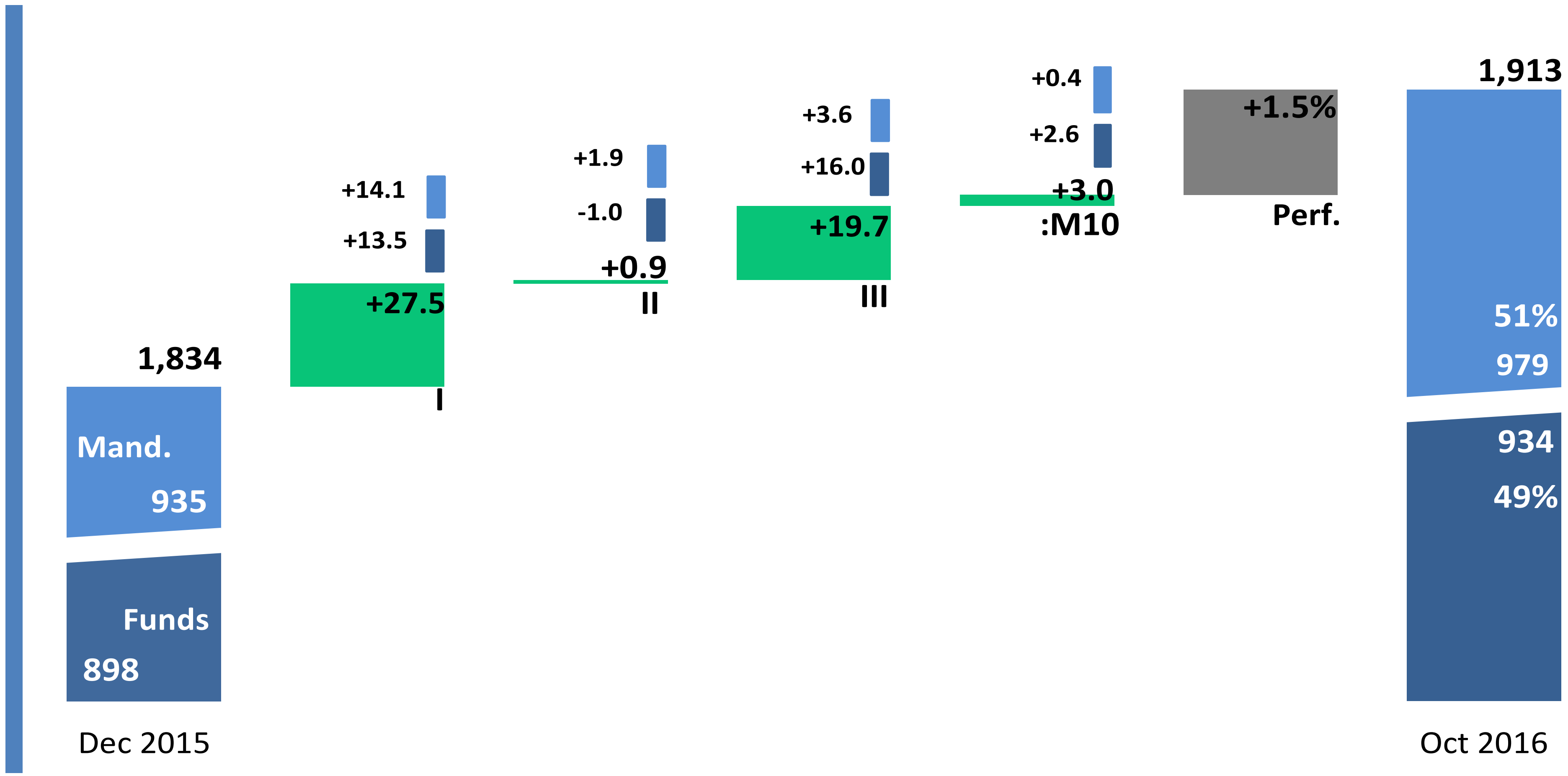
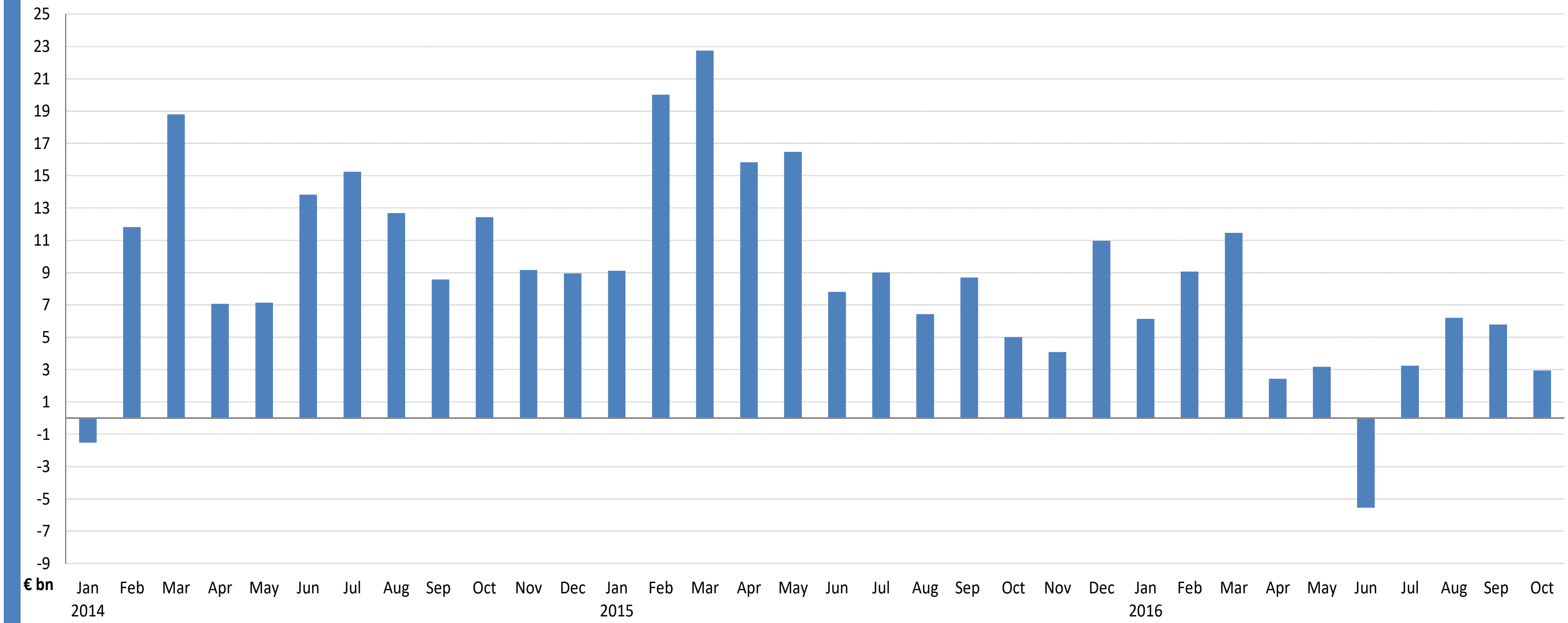
The Italian AM market (Jan 2015: Oct 2016)

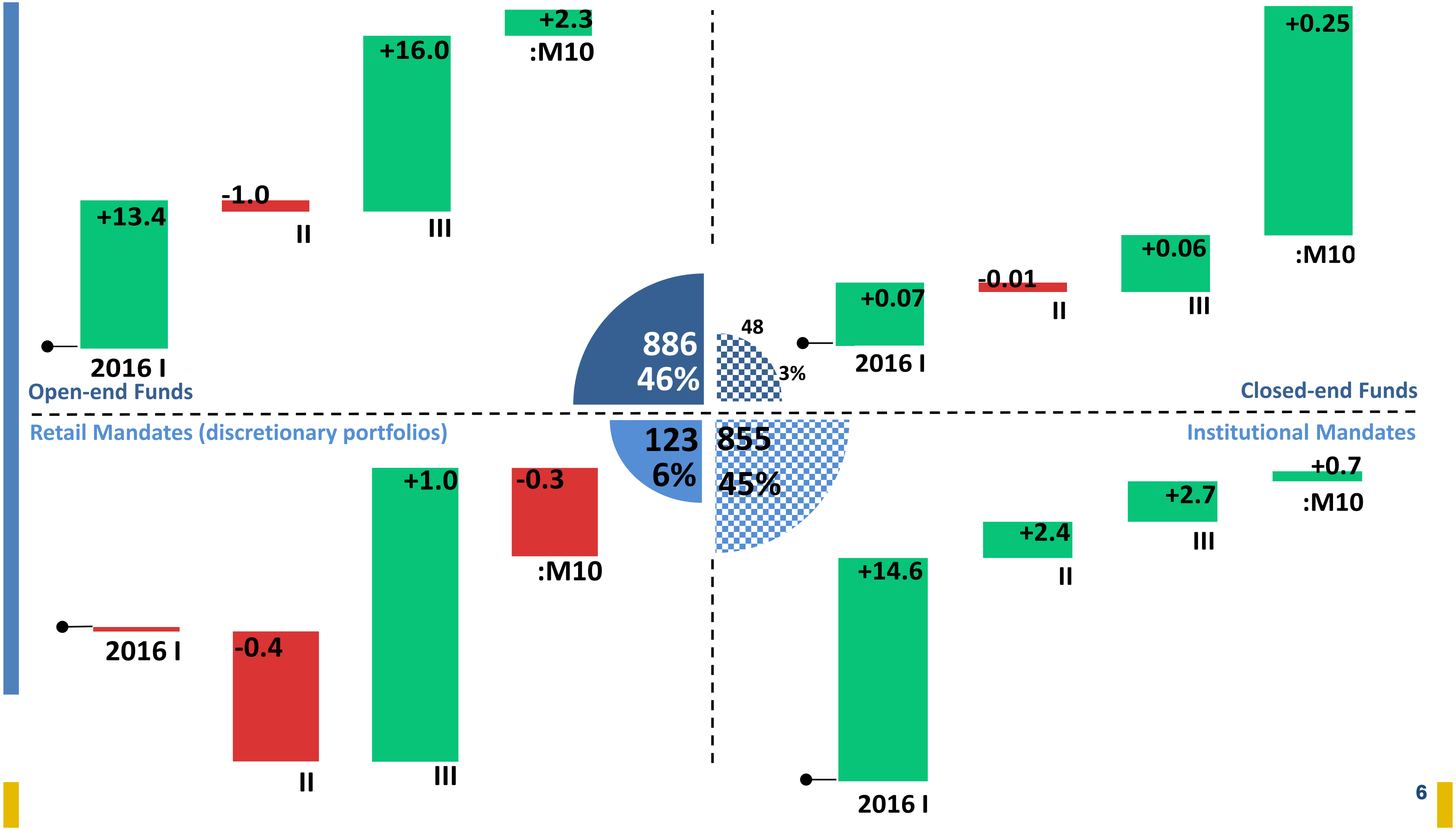


Net flows (monthly data)

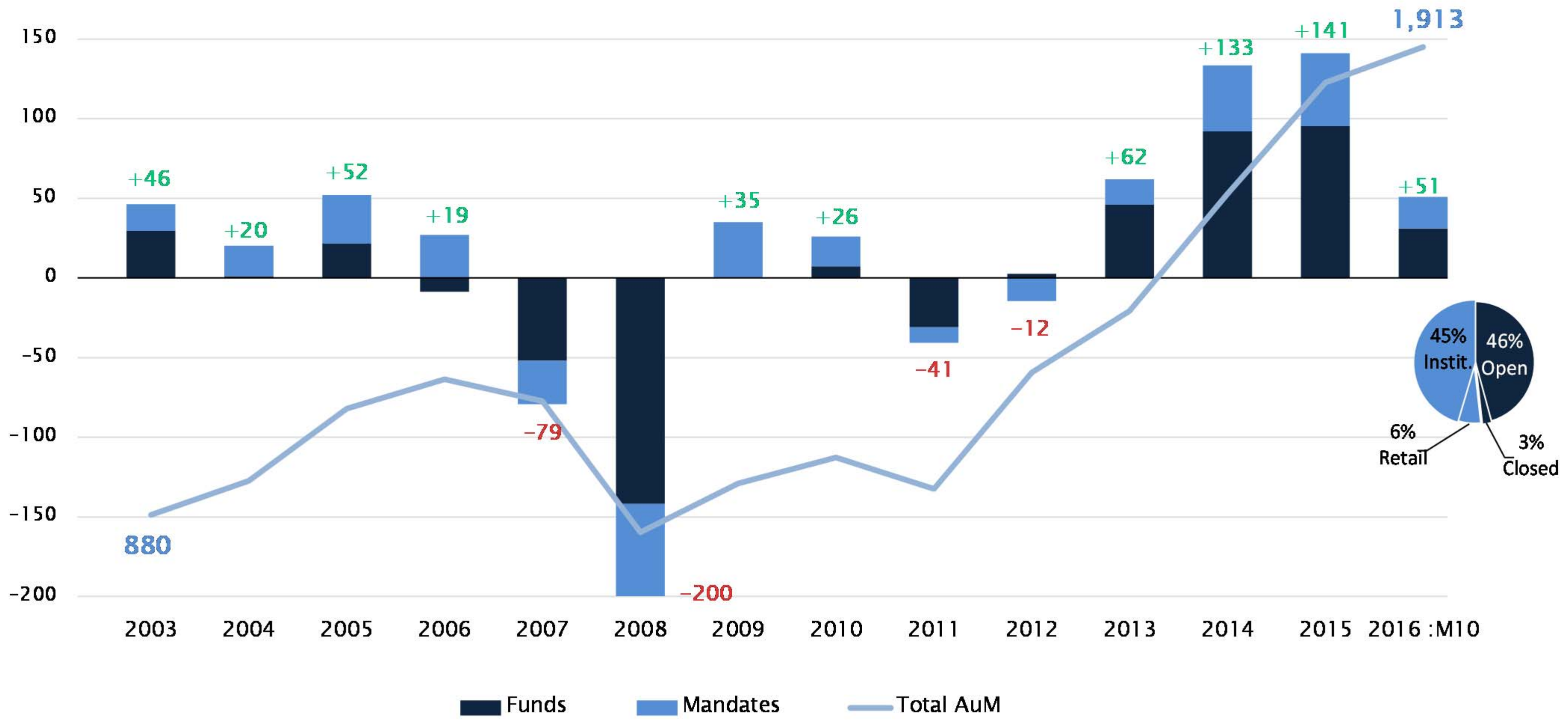


Monthly data. Source: Assogestioni.

Product breakdown

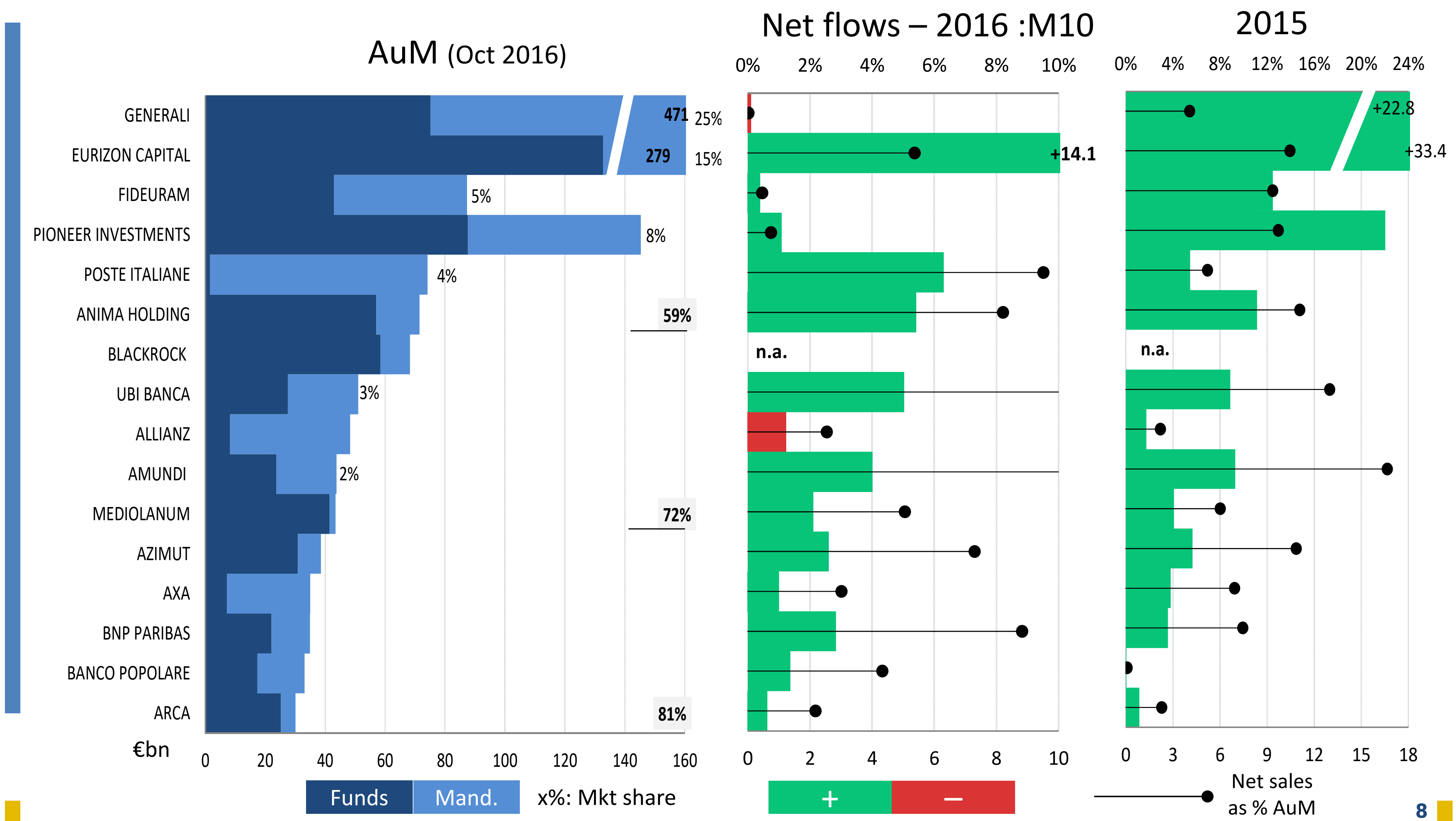


Long term trend

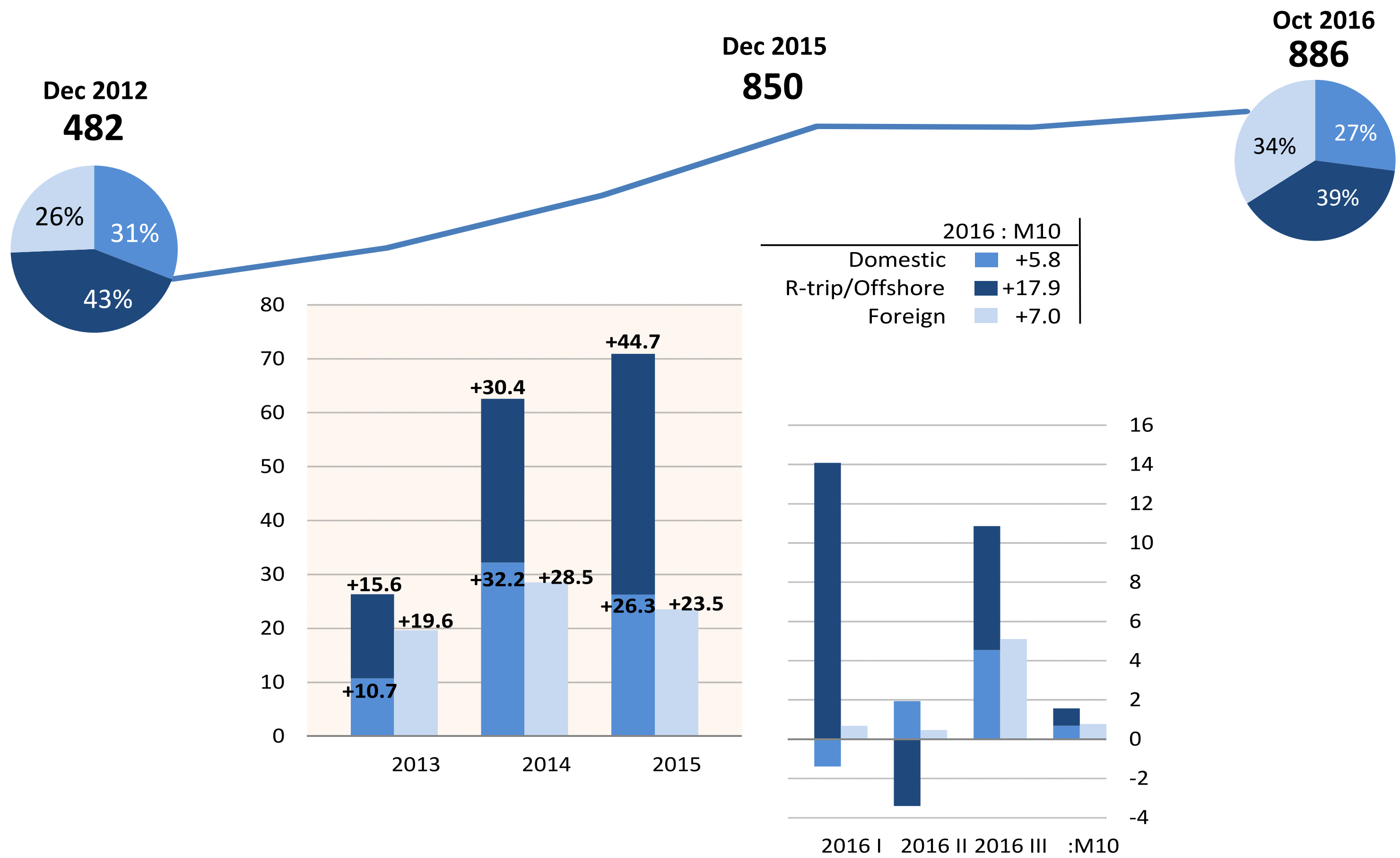


€bn, yearly data. Source: Assogestioni.

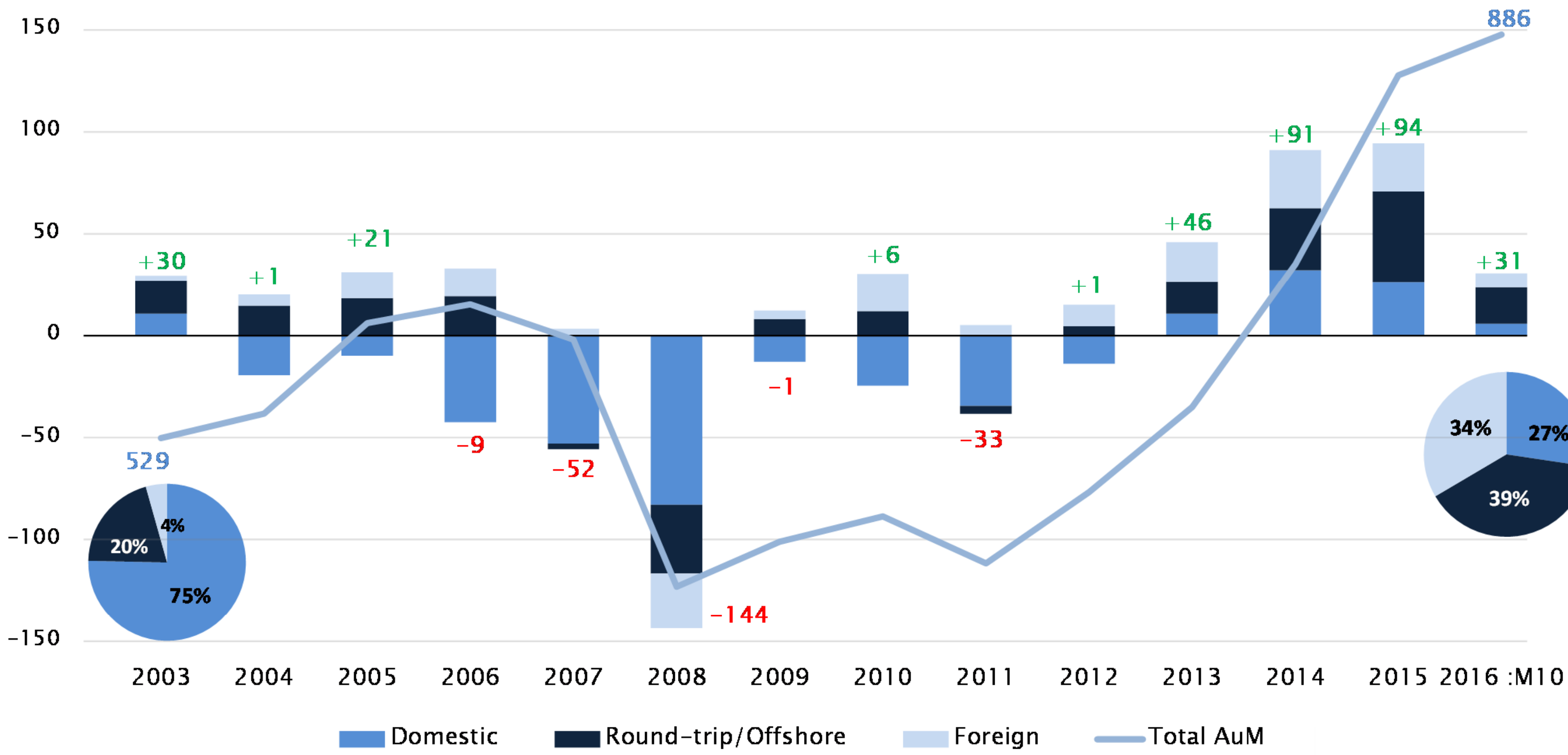
Top 15 Groups



Open-end funds: domicile breakdown

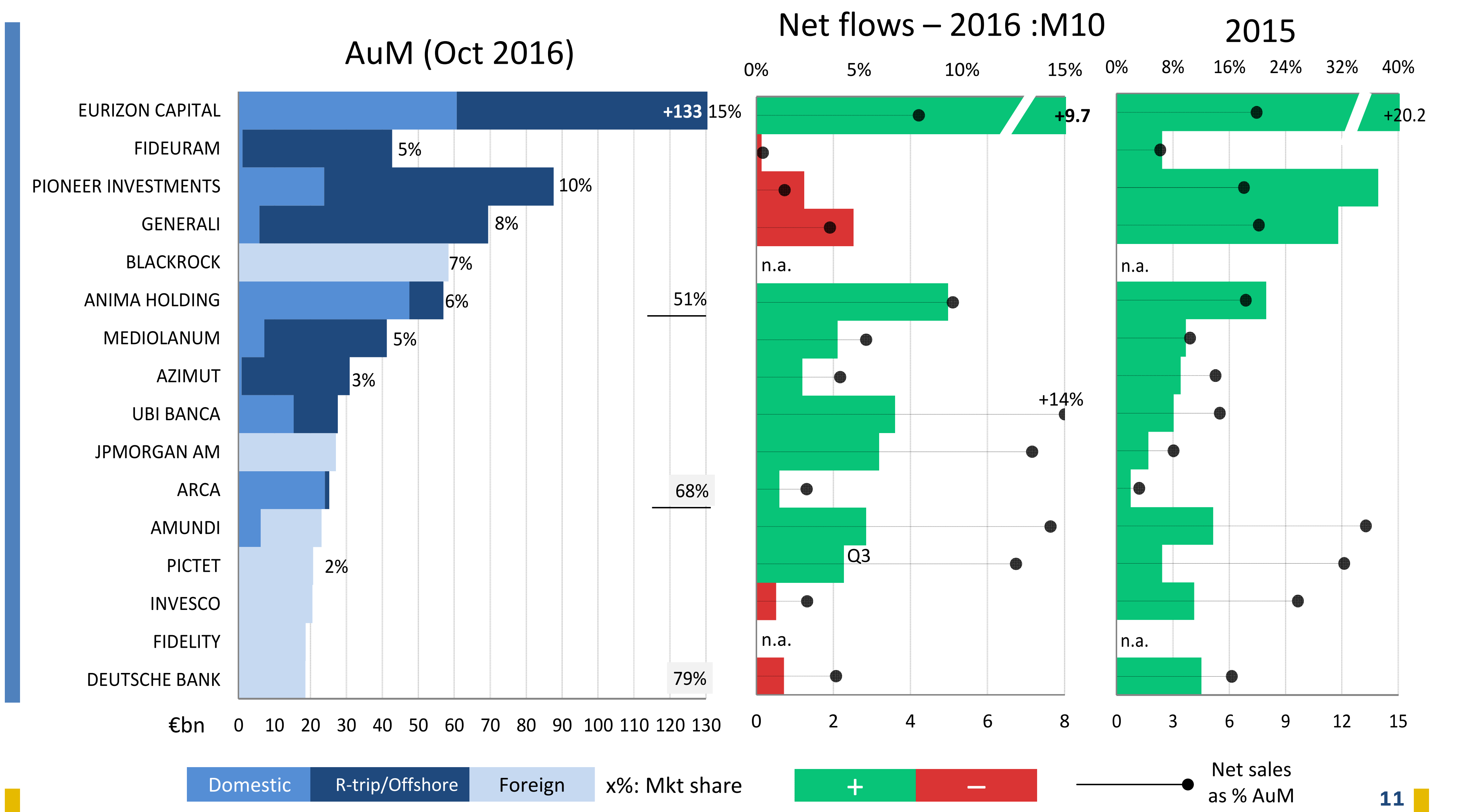


Long term trend: open-end funds

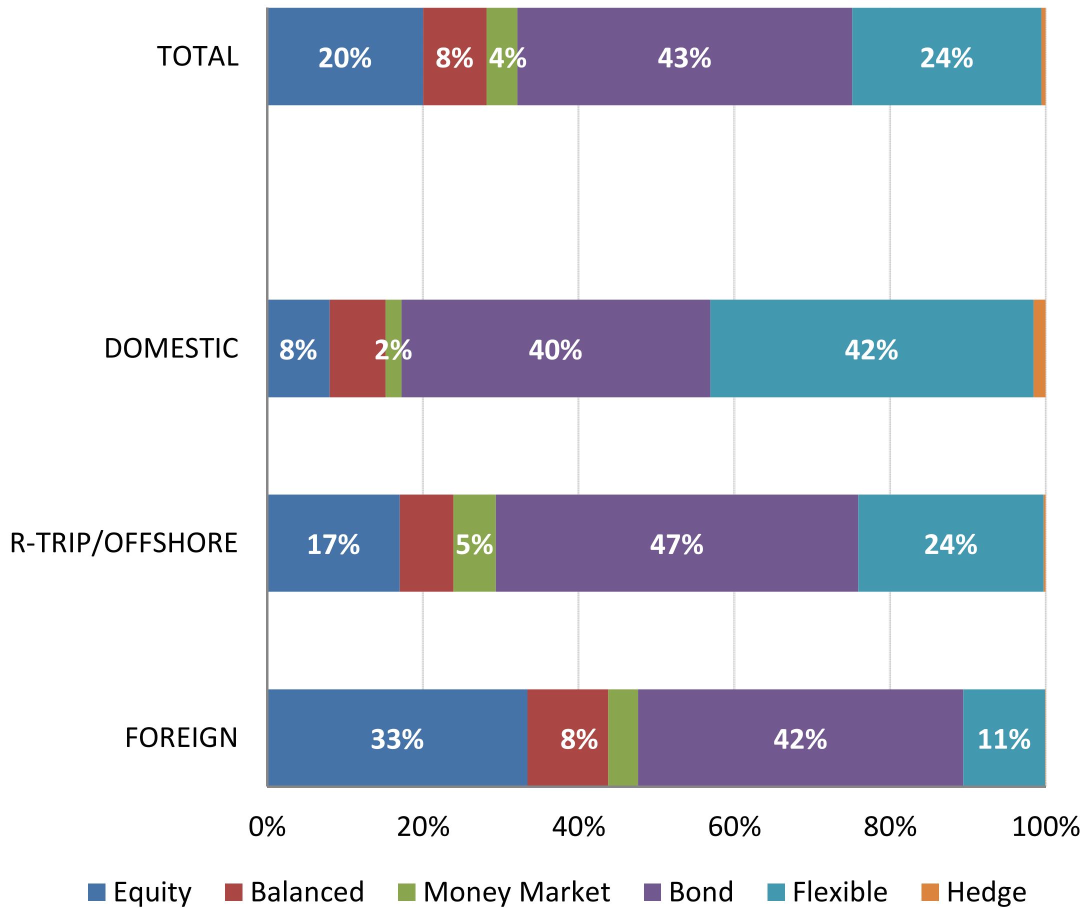


€bn, yearly data. Source: Assogestioni.

Top 15 Groups (open-end funds only)



Asset Class breakdown

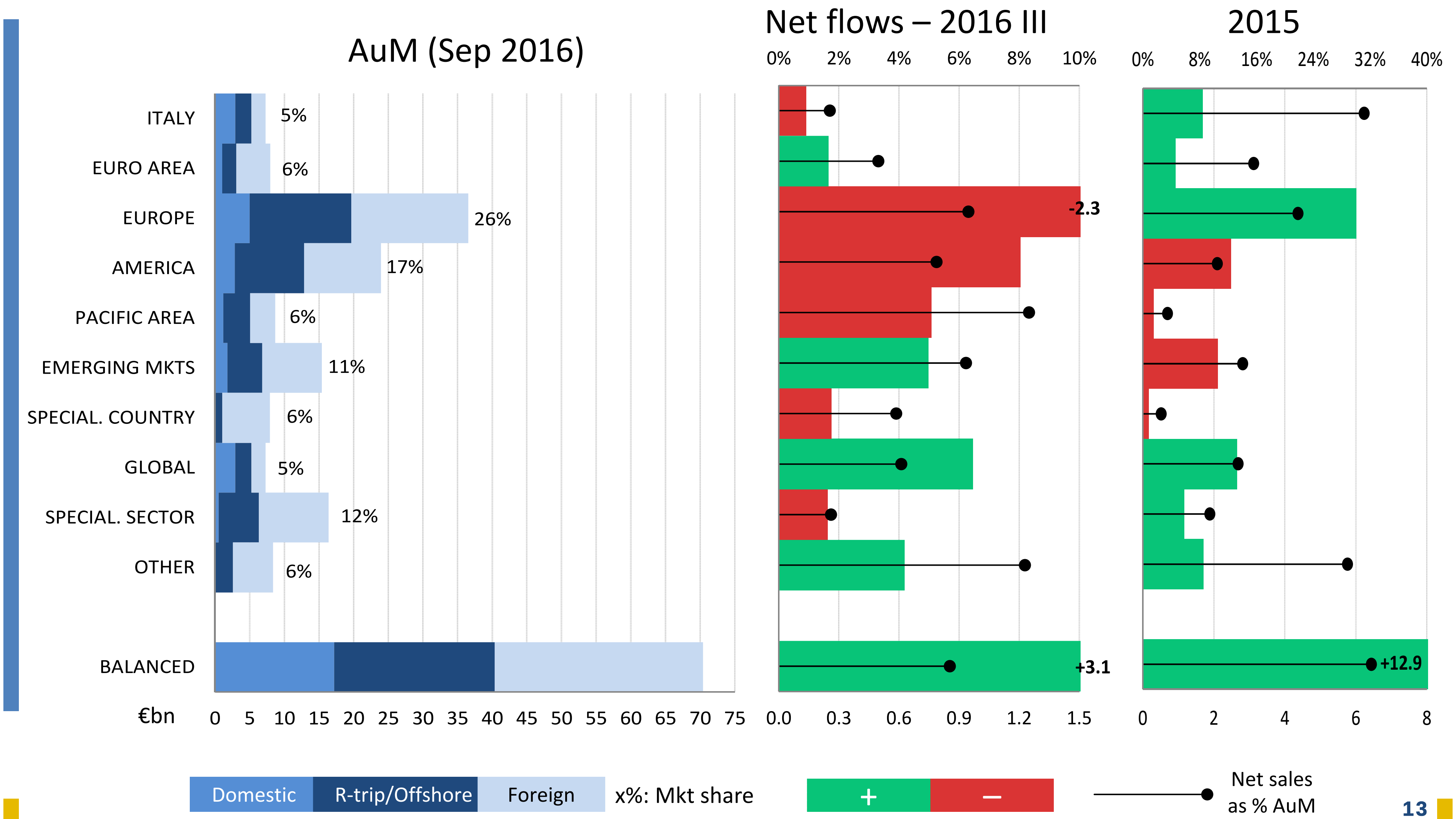


239 bn – 28%

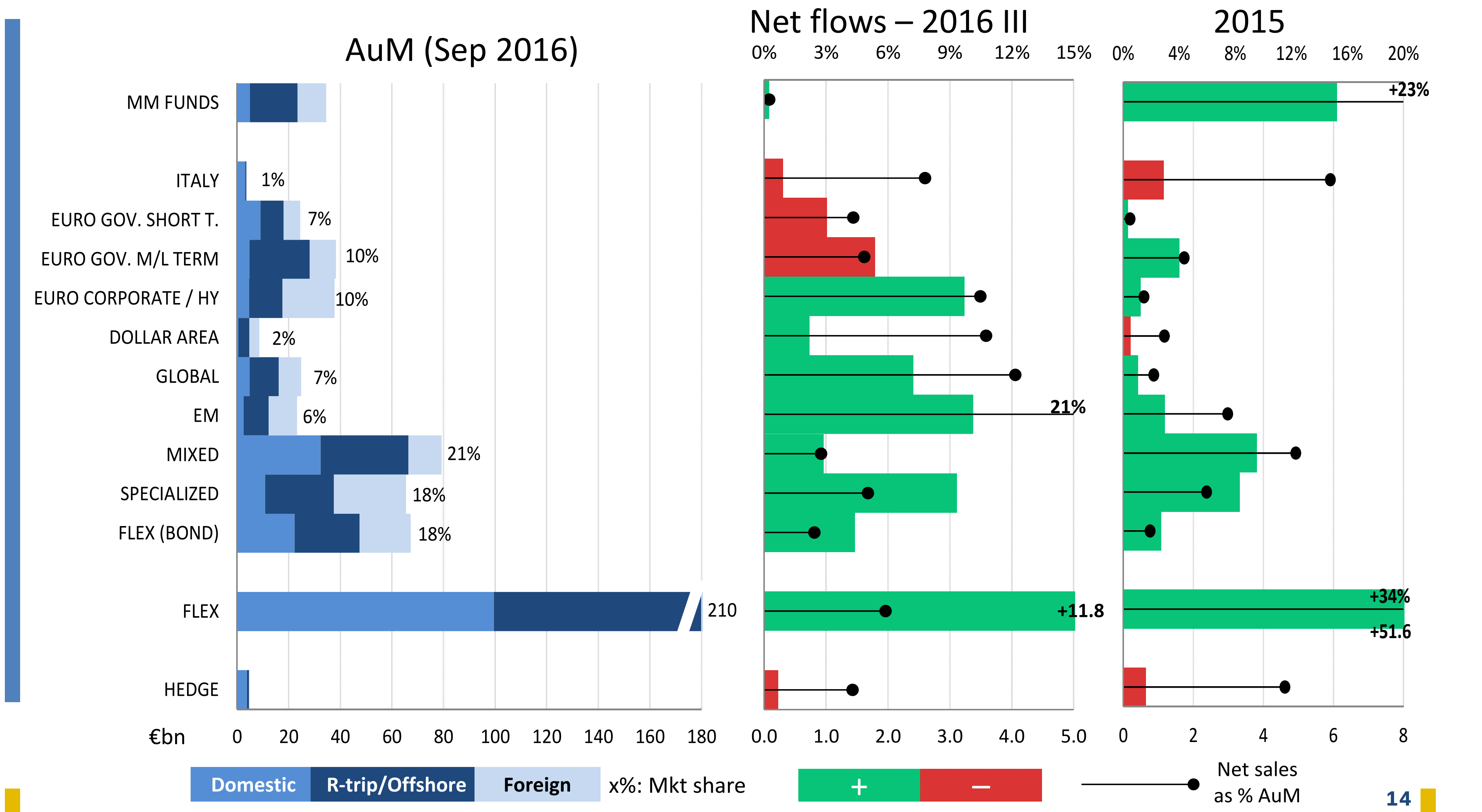
337 bn – 39%

289 bn – 33%

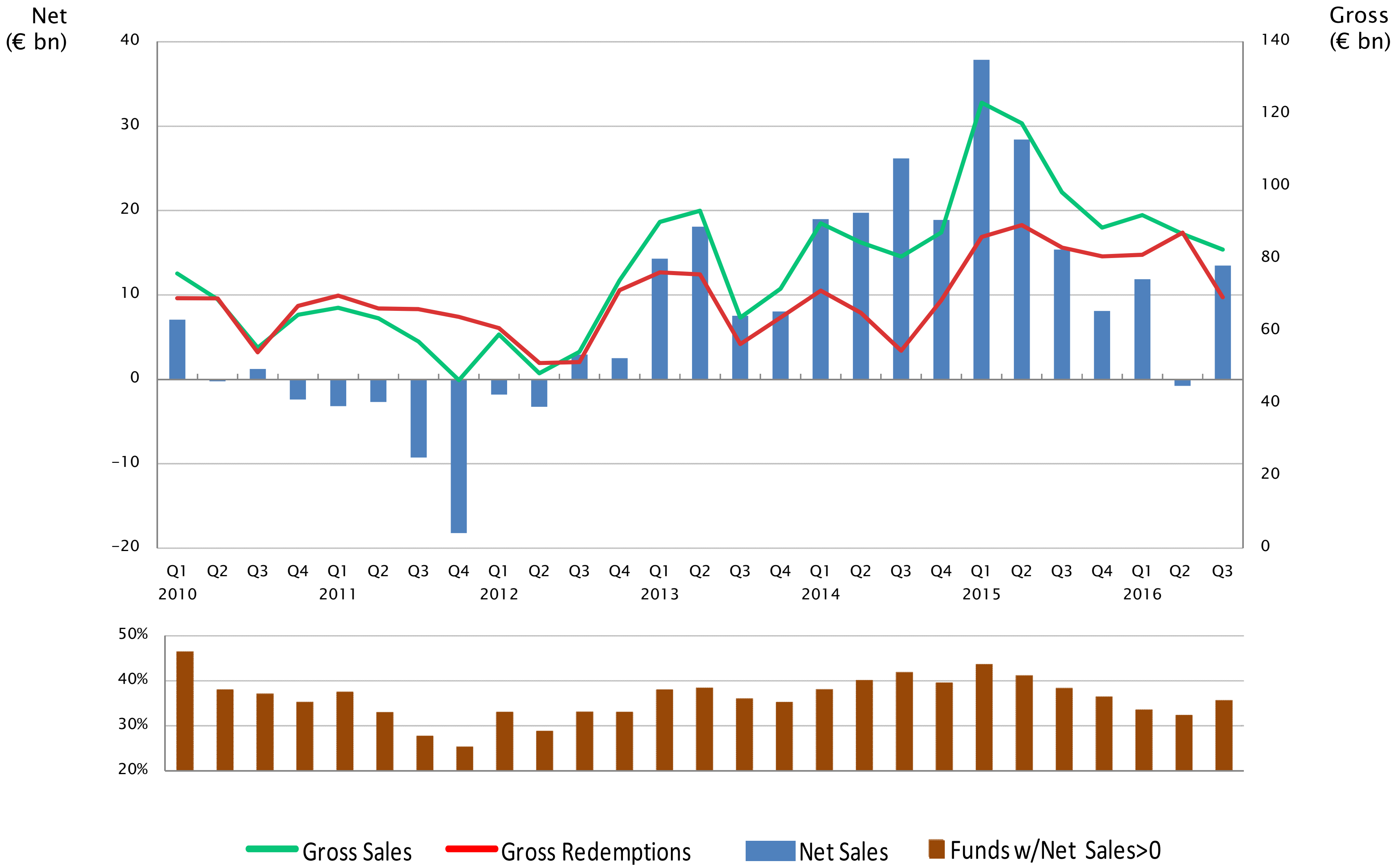
Equity & balanced funds



Money mkt, Bond, Flex & Hedge funds

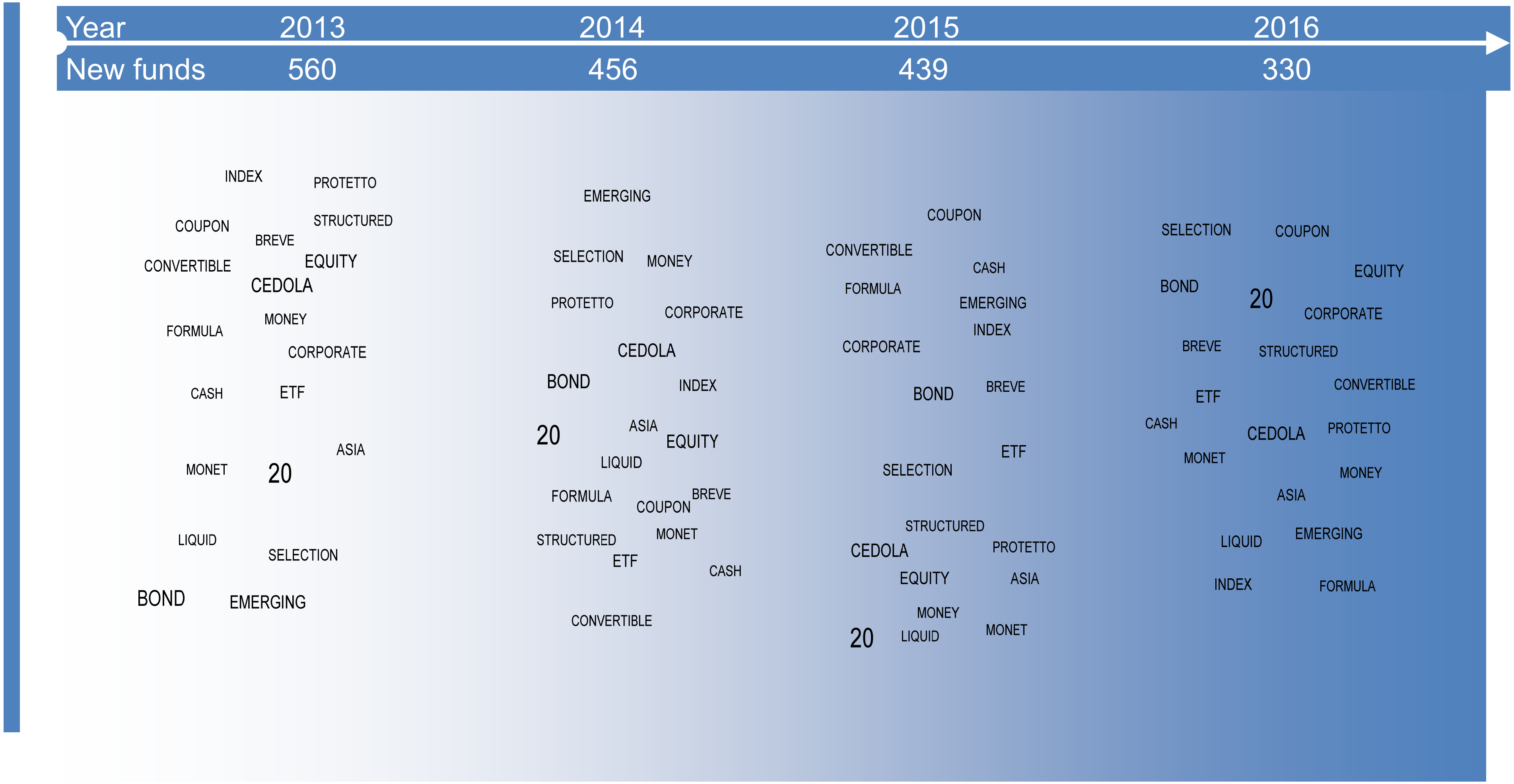


Net & gross flows

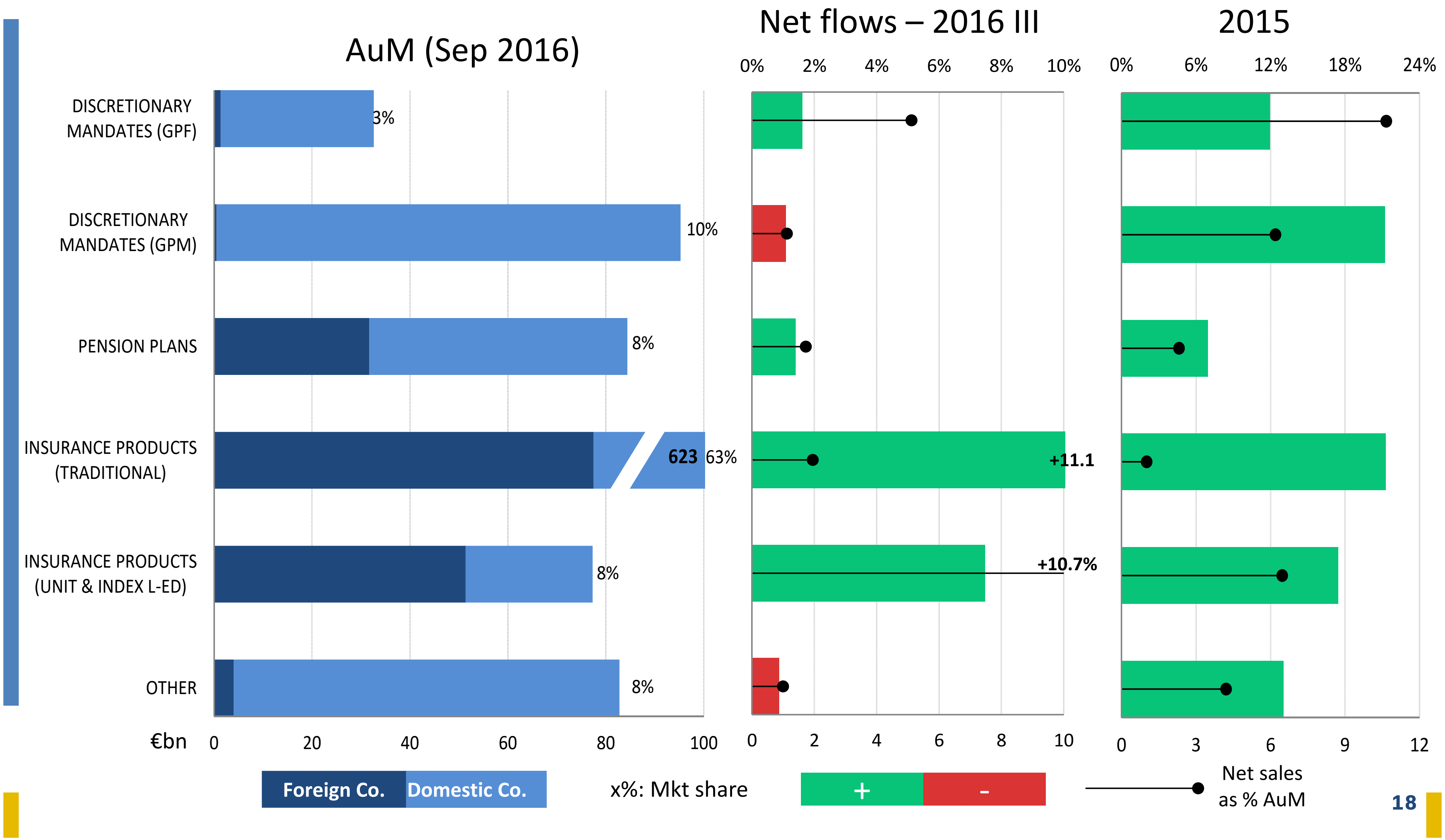


The *blockbuster effect* : top quartile funds take all

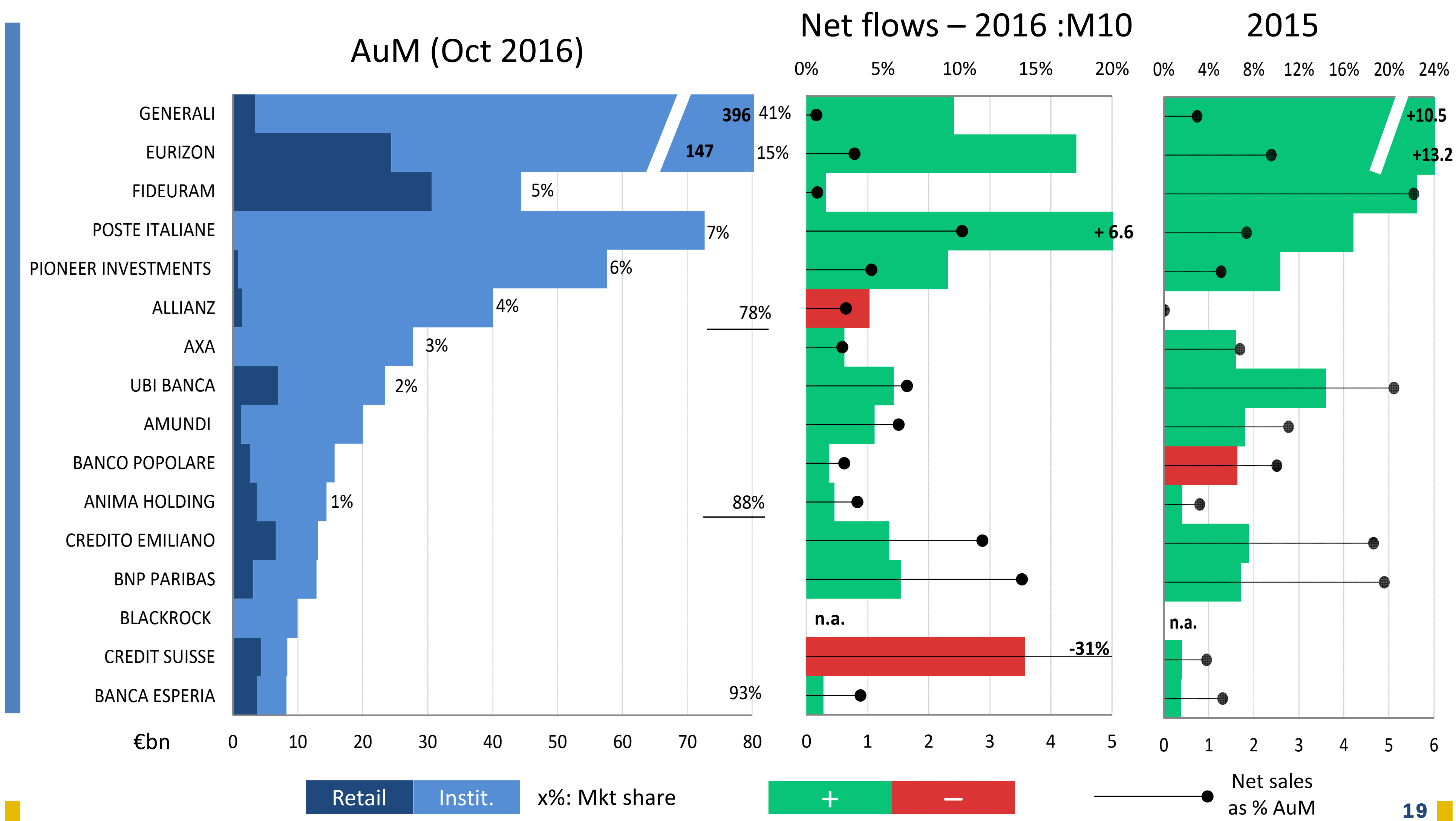
New stories tag cloud



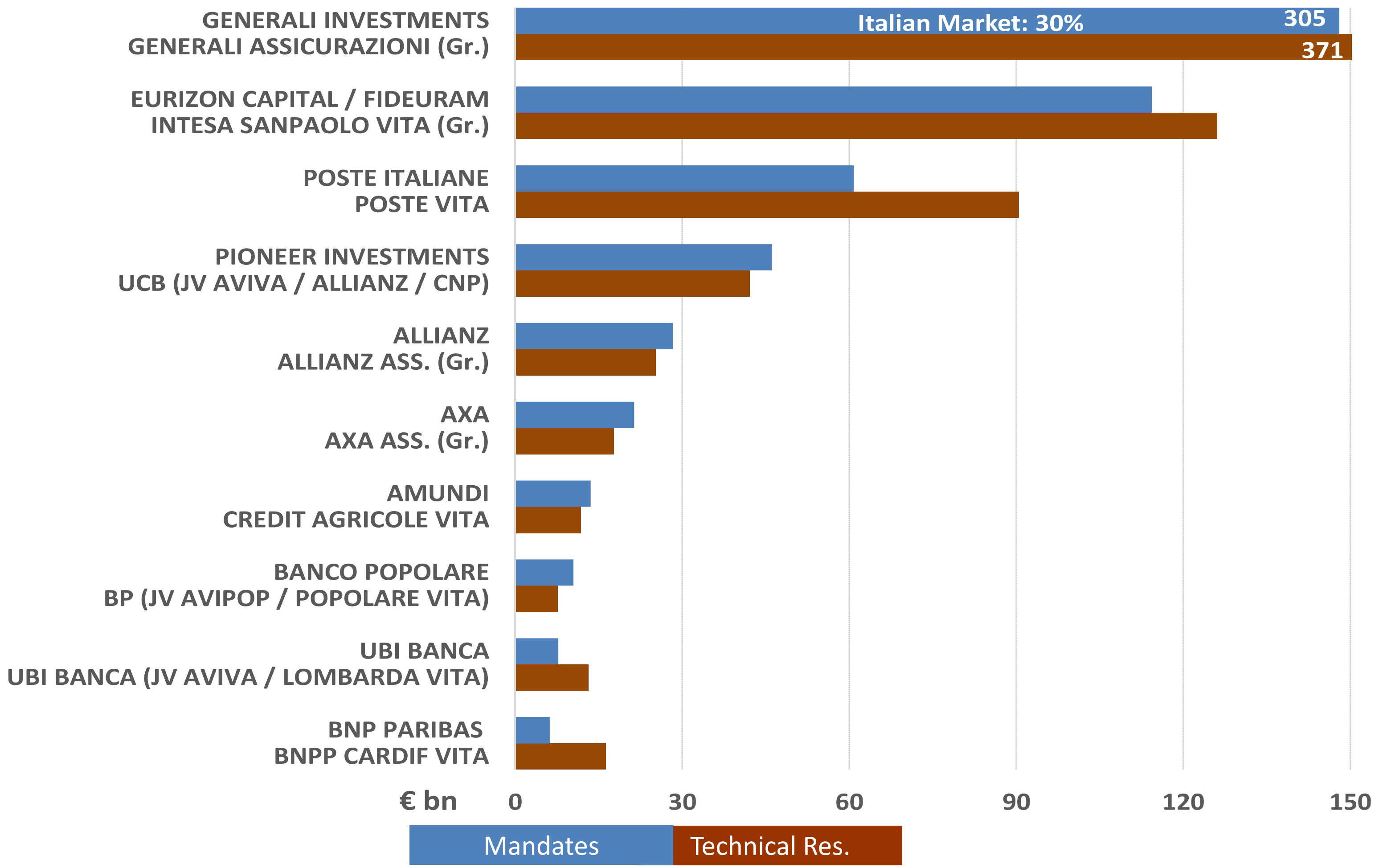
Mandates: AuM & Net Sales trends

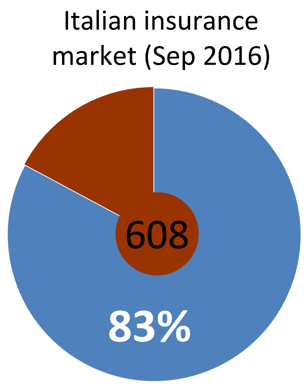


Top 15 Groups (mandates only)



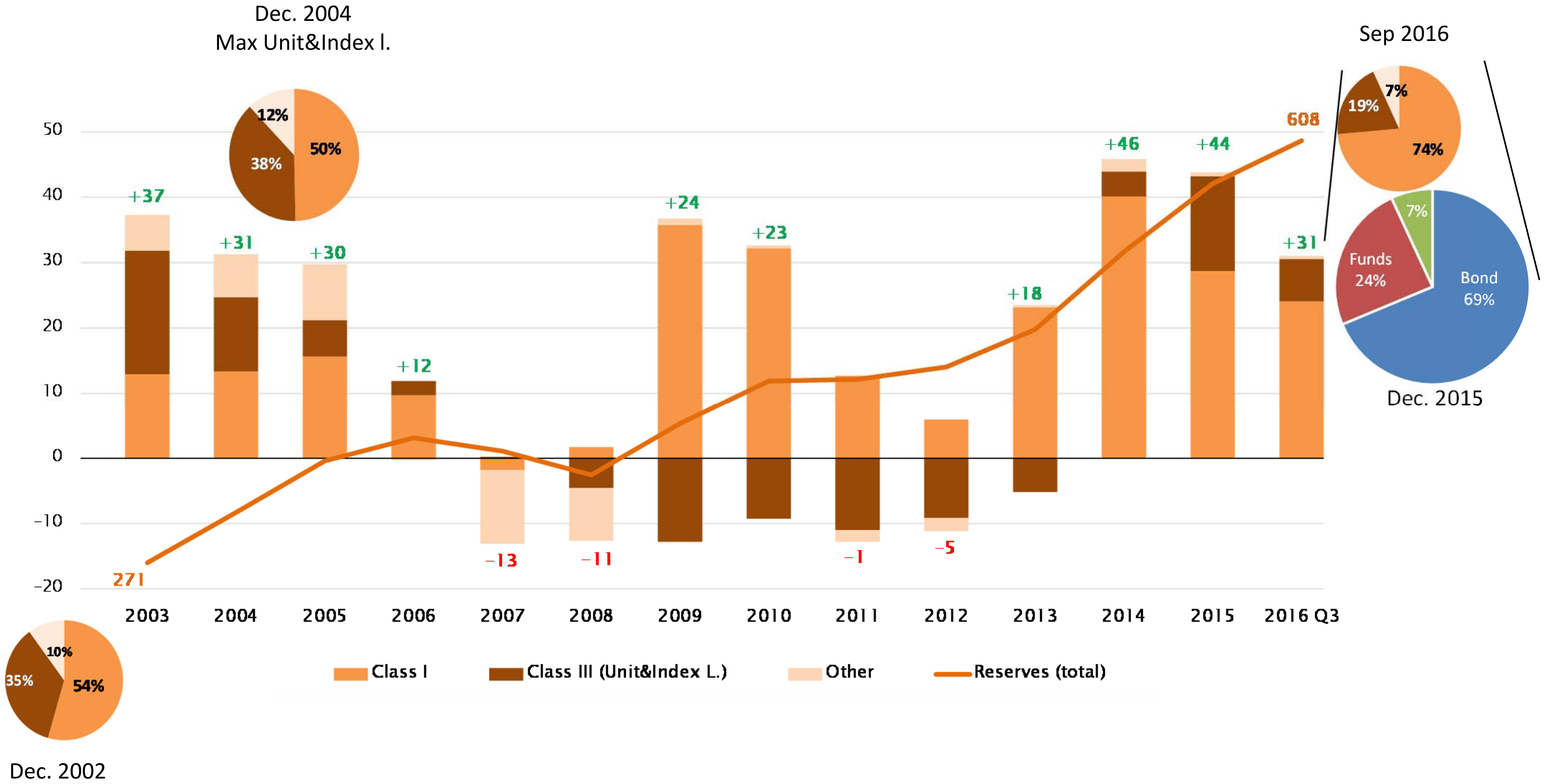
Insurance Mandates & Captive / Affiliated Insurers





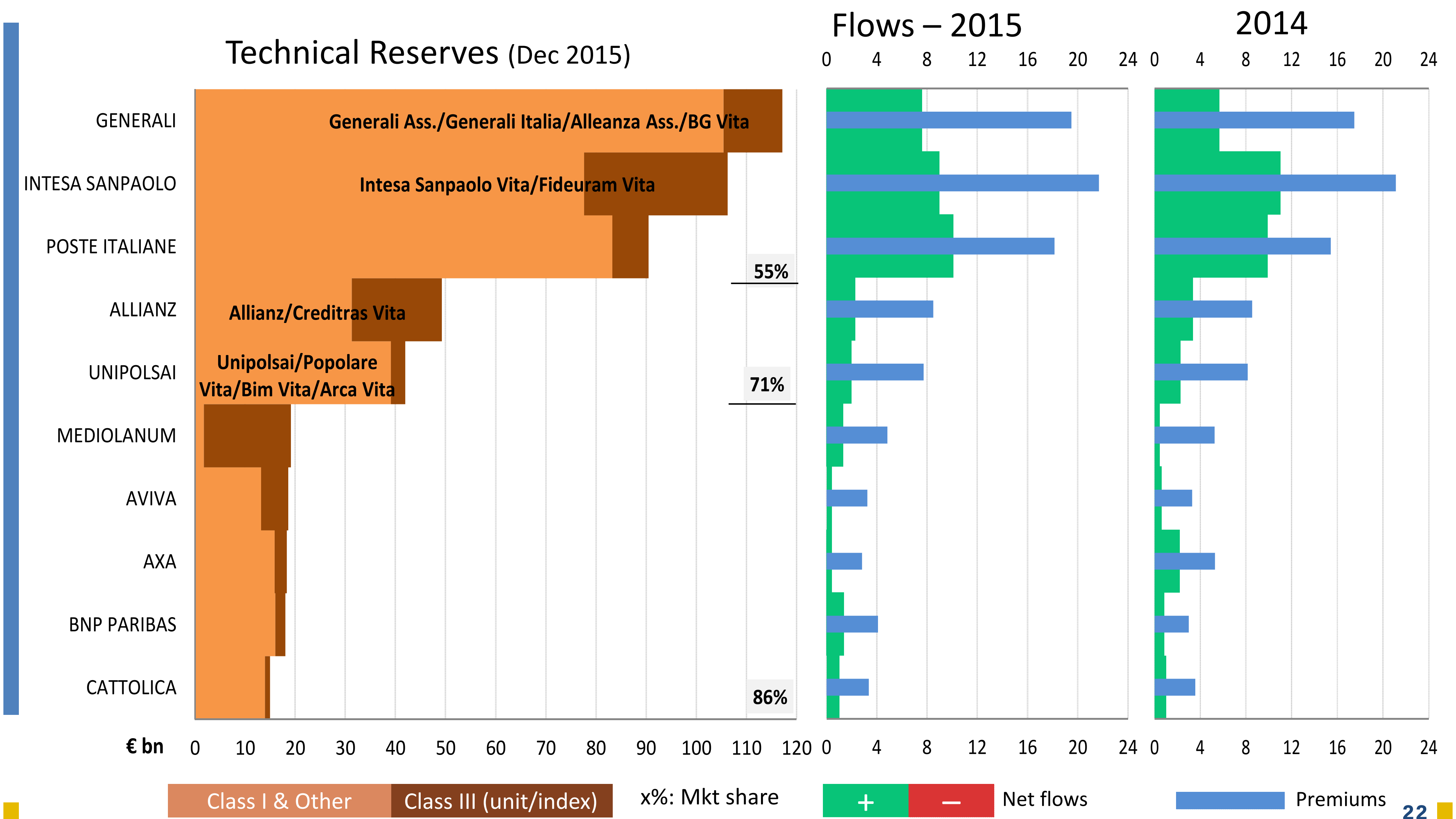
€bn, December 2015. Source: Assogestioni, balance sheets.

Life Insurance Market: long-term trend

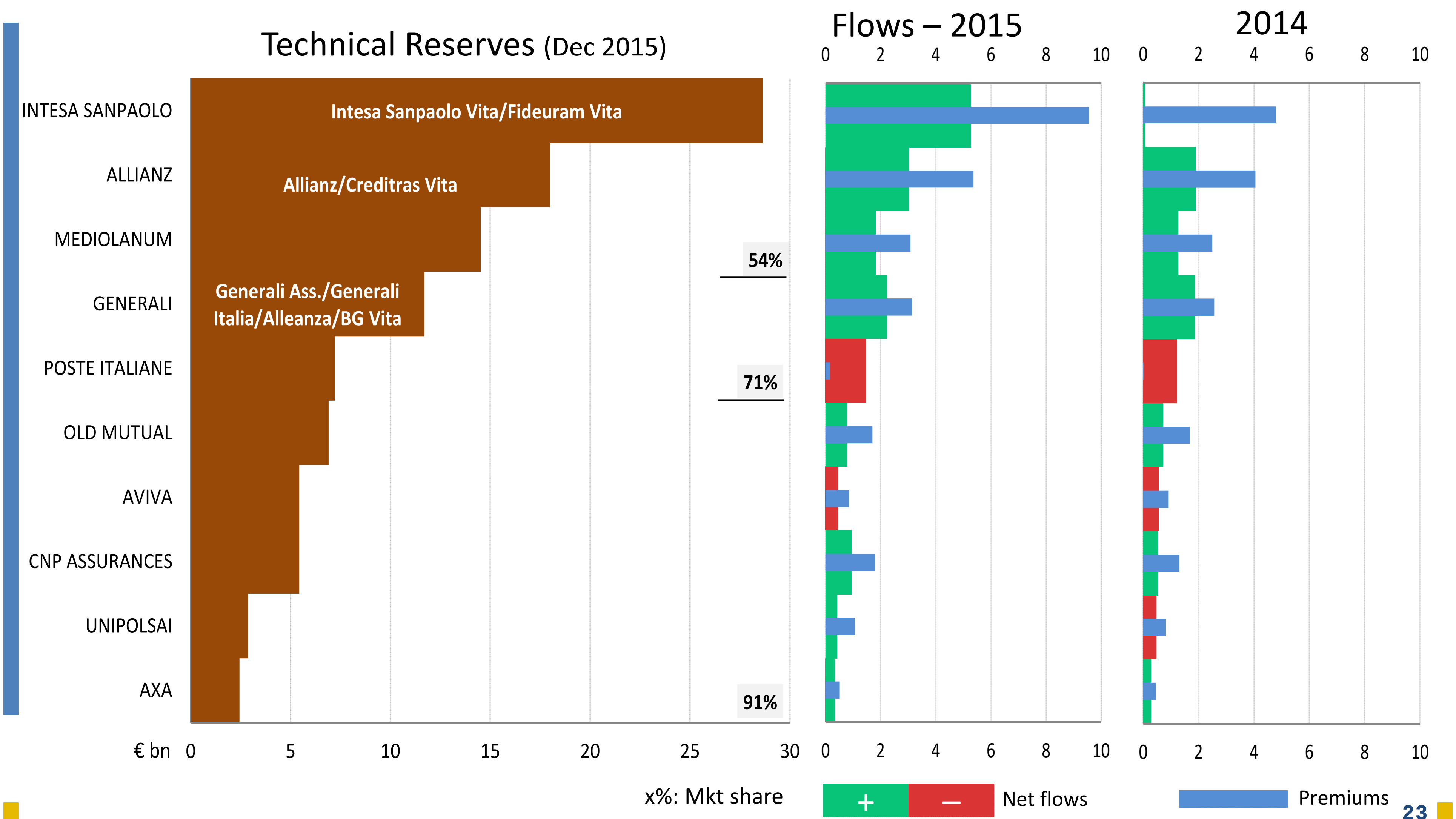


€bn, yearly data. Source: Ania, Ivass.

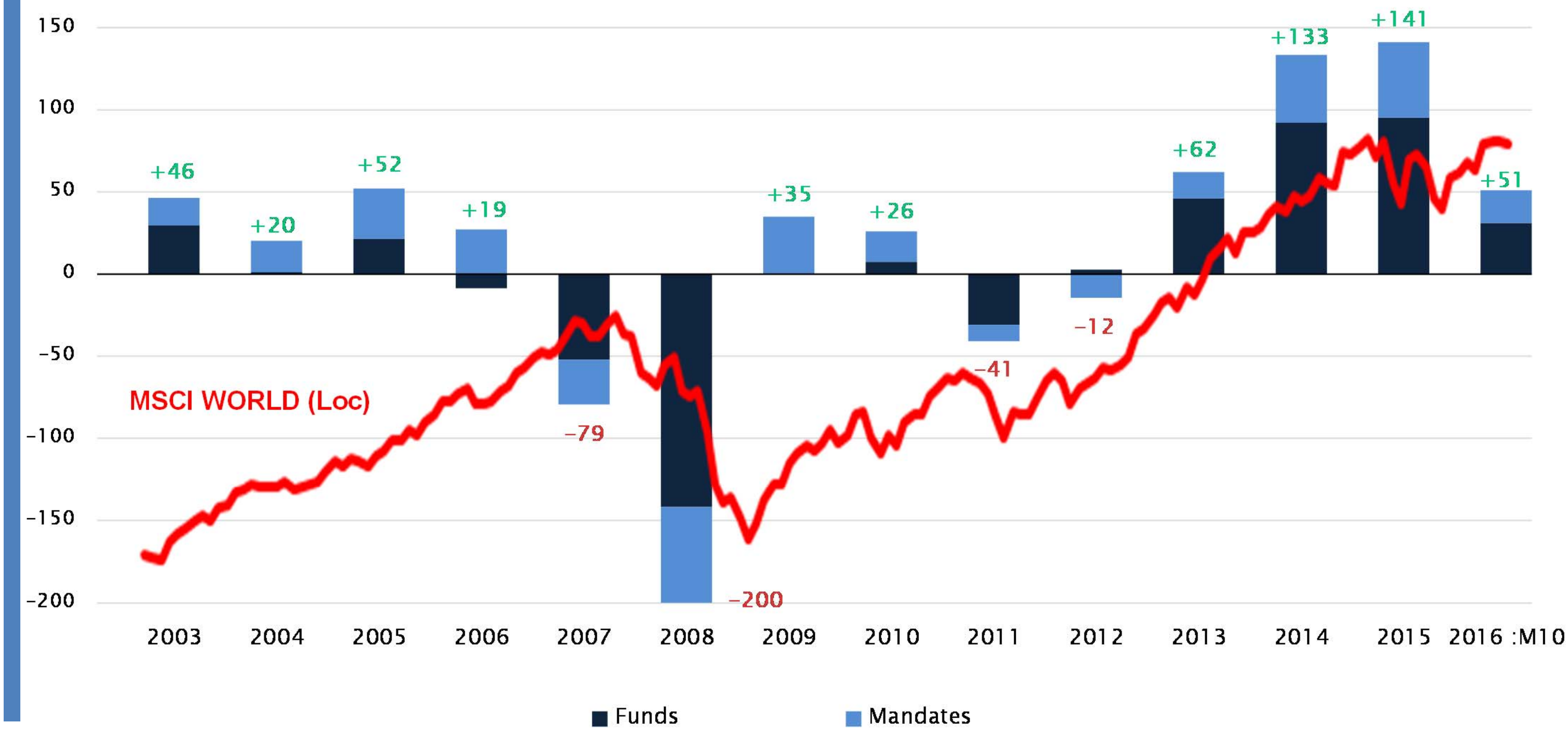
Top 10 Life Insurance Groups



Top 10 Unit&Index Linked Groups

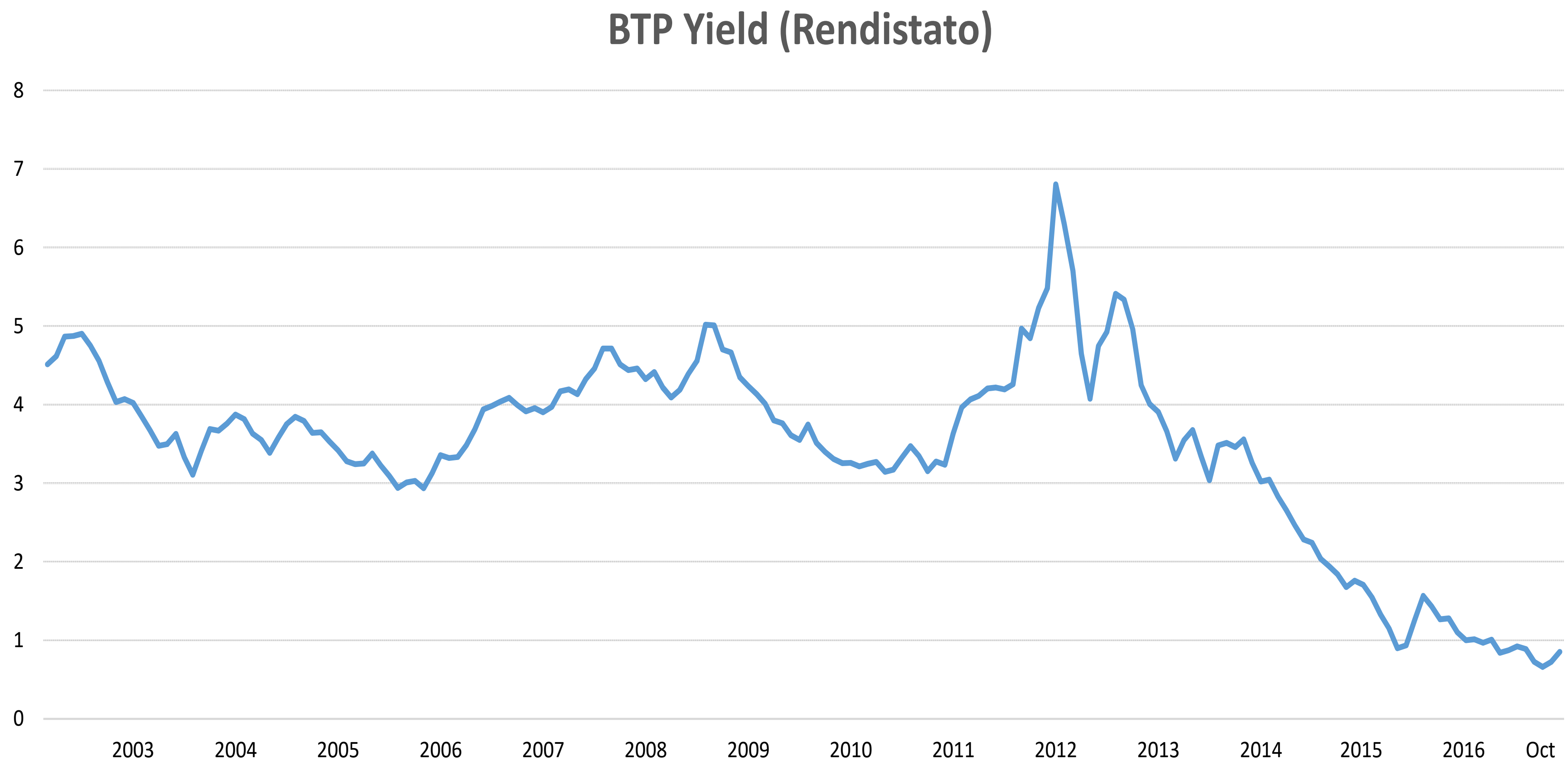


A pro-cyclical market



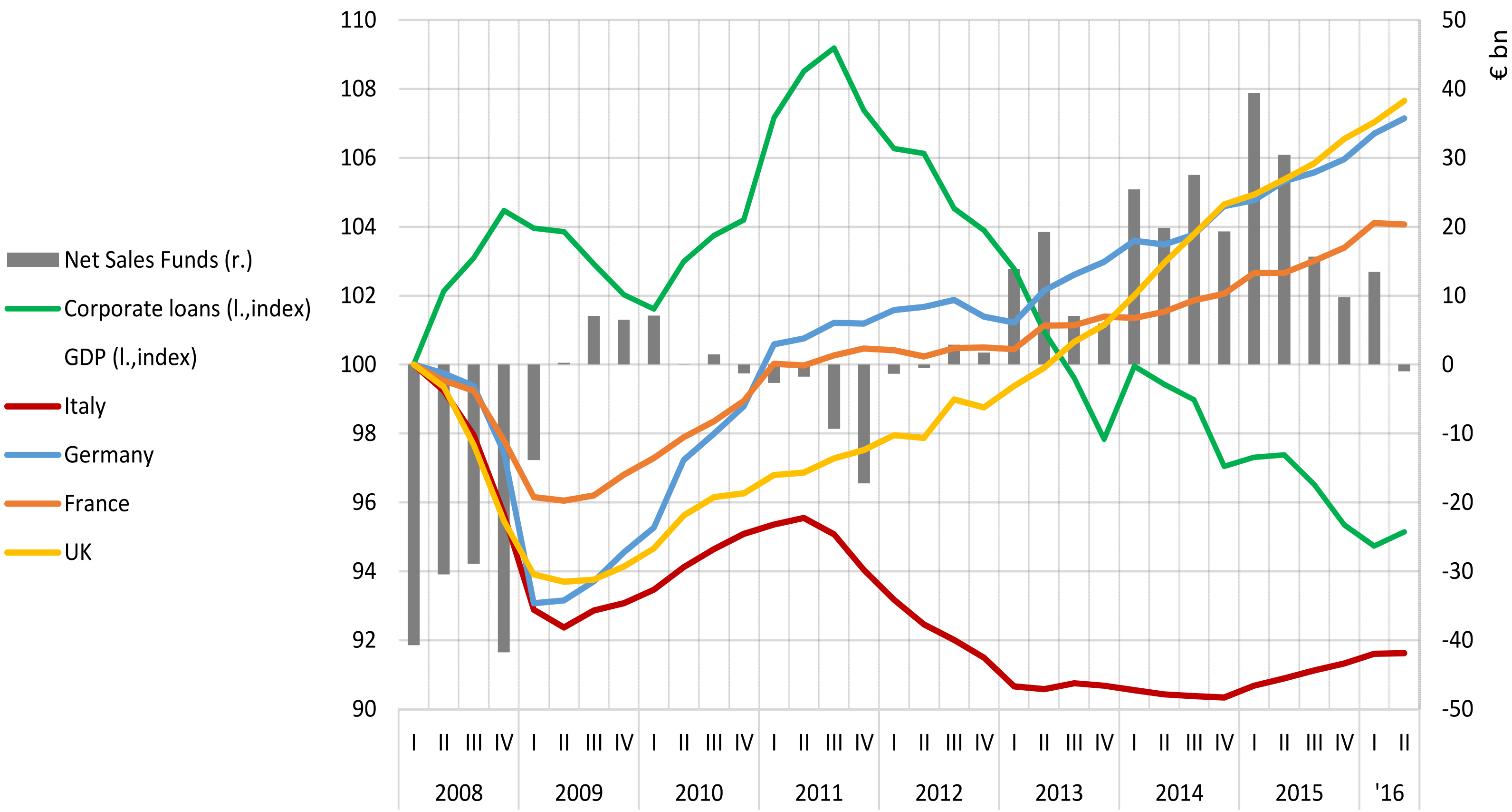
€bn, yearly data. Source: Assogestioni, MSCI.

… in search for yield



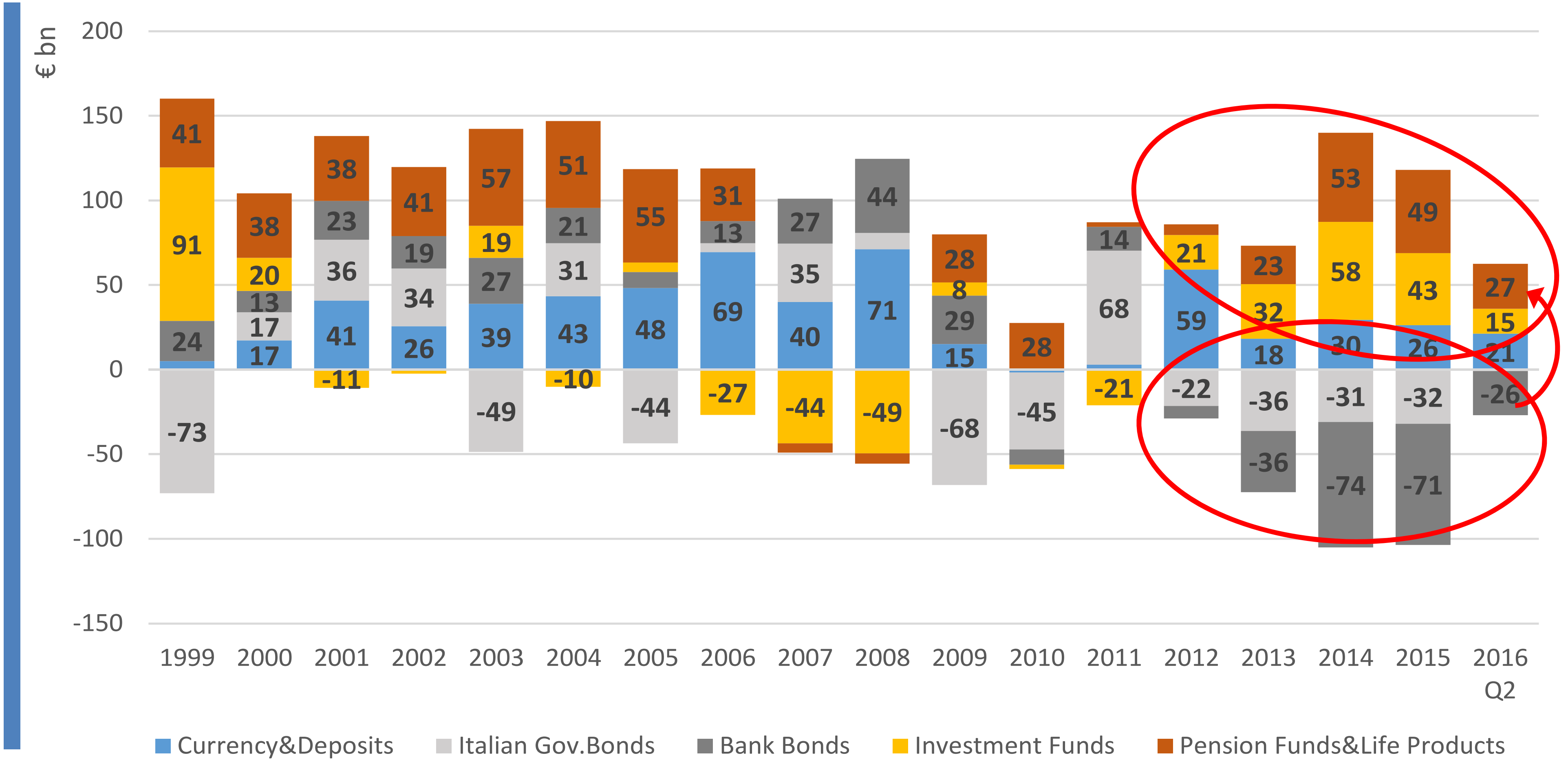
% Yield. Source: Bank of Italy.

AM Market, GDP & Bank credit



Source: Assogestioni, Bank of Italy, Eurostat.

Households: less bonds, more funds (flow view)

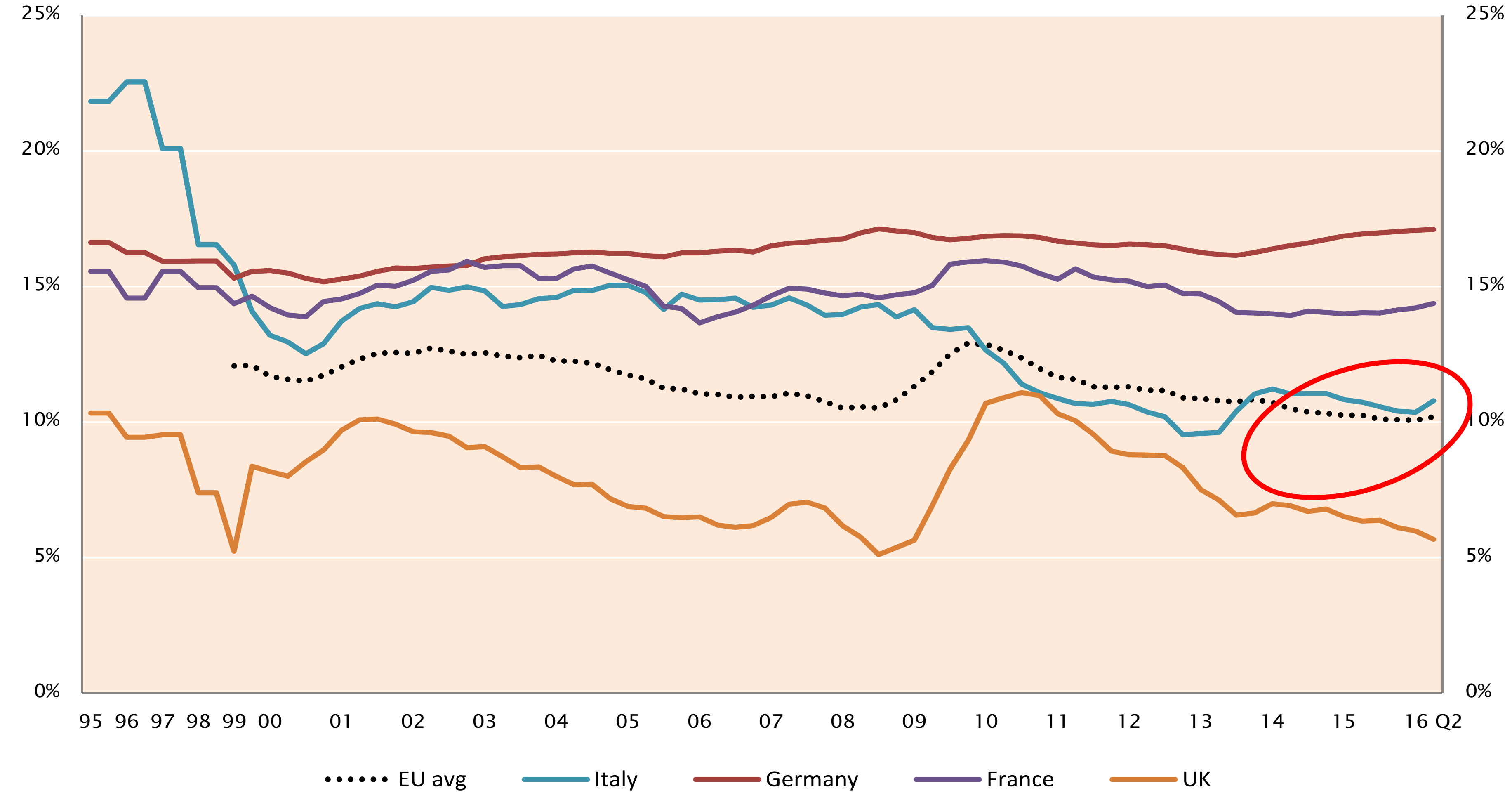


Households: less bonds, more funds (stock view)

	Total Asset	Currency & deposits	Bonds		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%
2000	3,041	22.9%	16.6%	6.4%	29.5%	5.4%	17.0%	10.0%
2005	3,864	23.6%	19.0%	7.1%	28.2%	2.4%	11.0%	14.2%
2010	3,633	30.6%	19.9%	10.2%	19.9%	2.0%	7.8%	17.4%
2012	3,732	31.4%	19.5%	9.9%	19.6%	1.5%	7.7%	17.6%
2015	4,117	30.9%	10.7%	4.5%	23.3%	1.6%	11.1%	20.0%
2016 Q2	4,004	32.3%	10.4%	4.1%	20.5%	1.3%	11.5%	21.3%
2016 Q2								
France	4,891	28.8%	1.4%	n.a.	20.5%	4.1%	6.7%	34.4%
Germany	5,568	39.3%	3.0%	n.a.	9.9%	4.7%	9.9%	31.3%
UK	8,225	22.4%	1.6%	n.a.	7.8%	2.7%	3.6%	60.5%
USA	65,151	13.6%	5.9%	n.a.	35.3%	n.a.	10.6%	32.7%

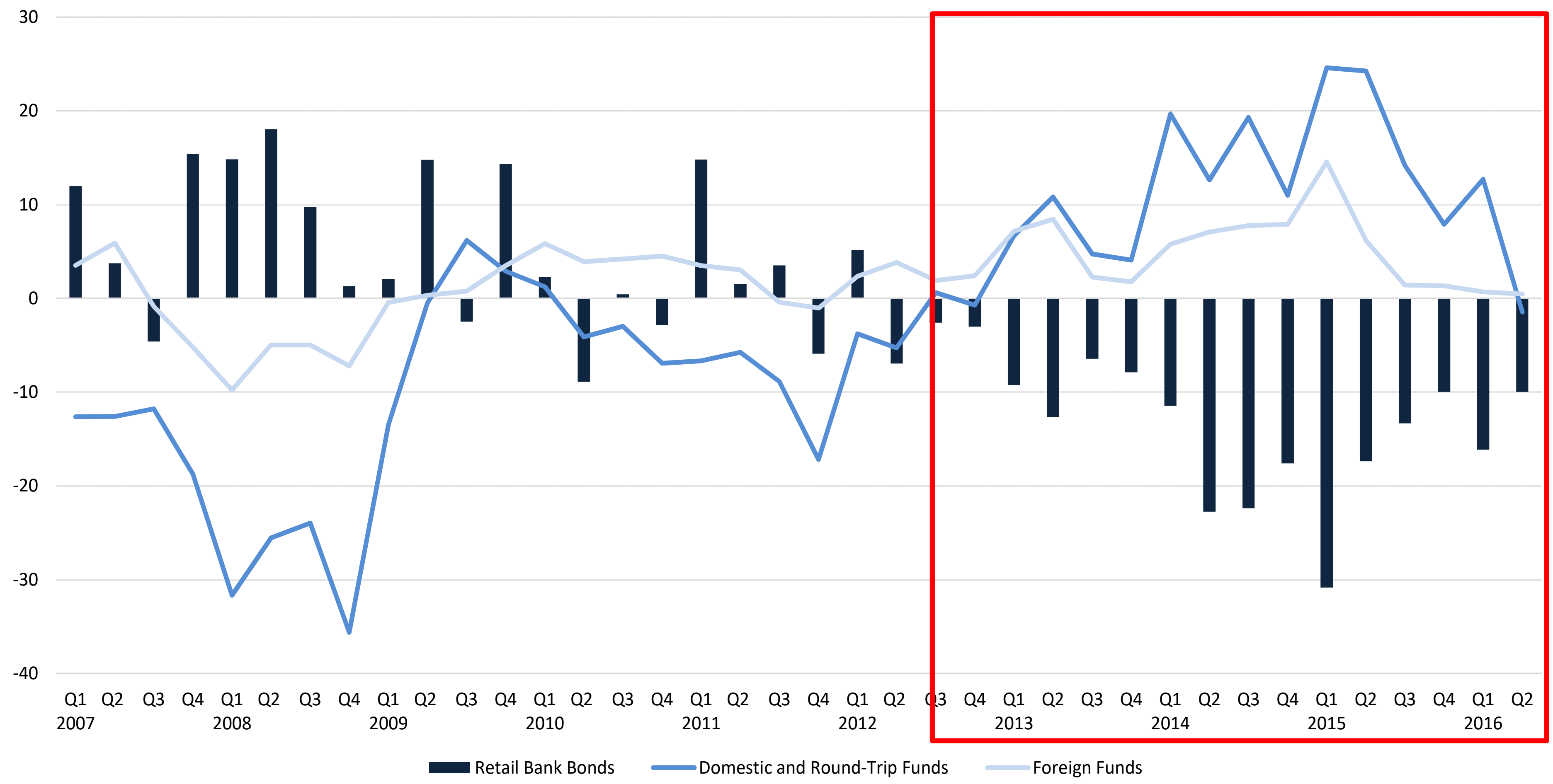
%. Source: Eurostat, OECD, BCE, Deutsche Bundesbank.

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

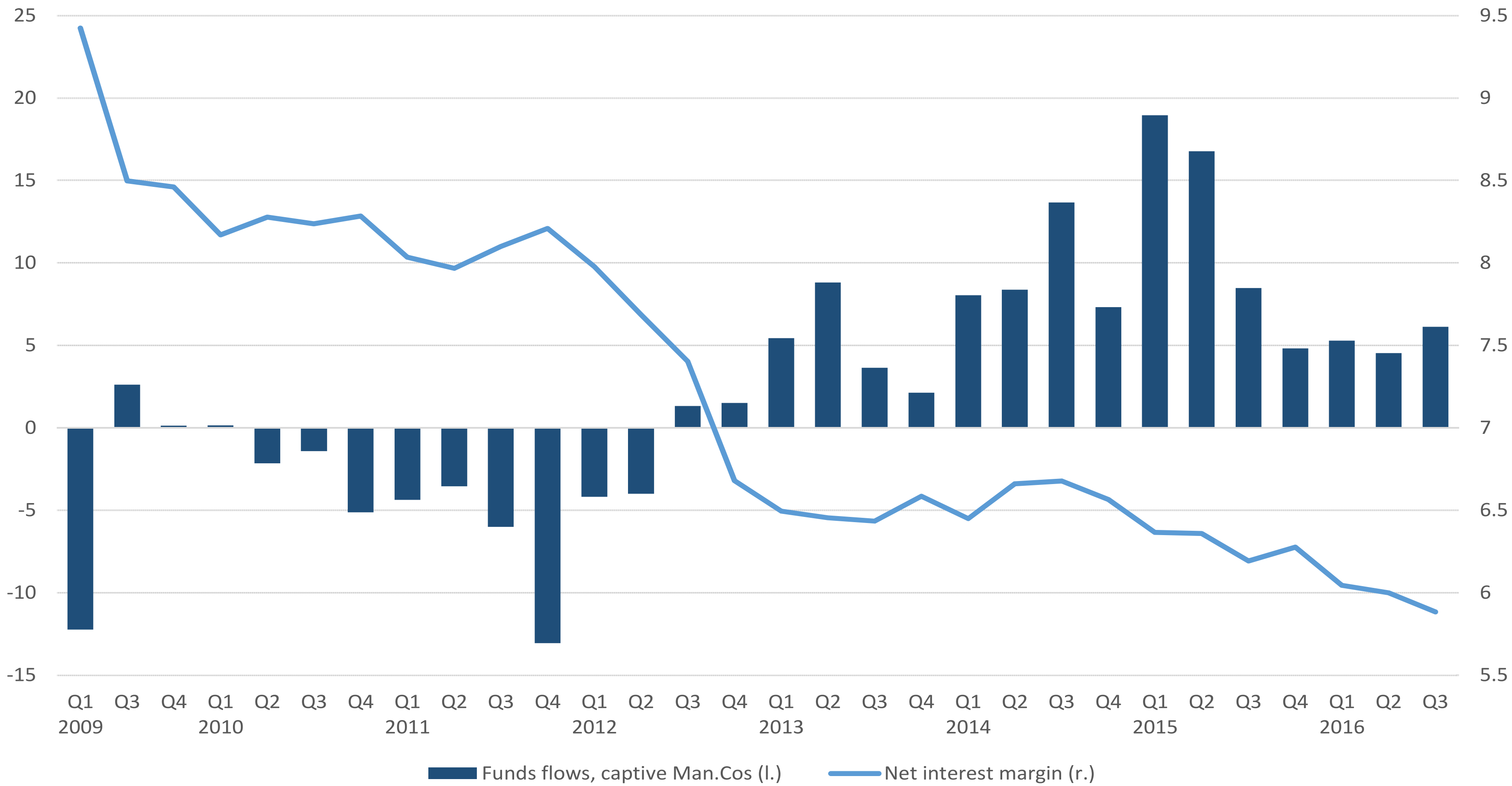


Gross household saving rates. Source: Eurostat.

Banks: no more dependent on funding from retail investors…

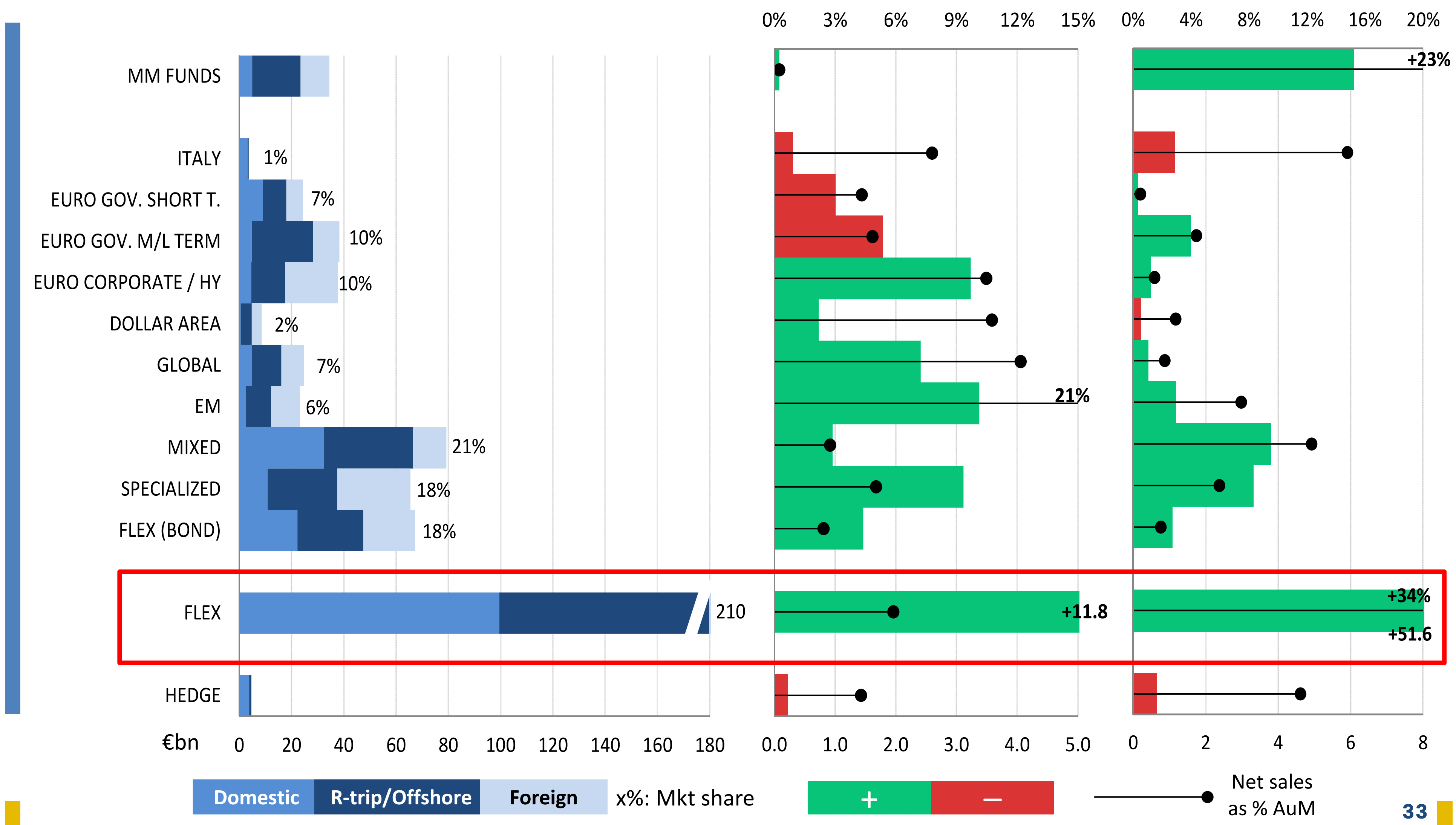


… and urged to sustain profitability through non interest-based sources of revenues



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

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



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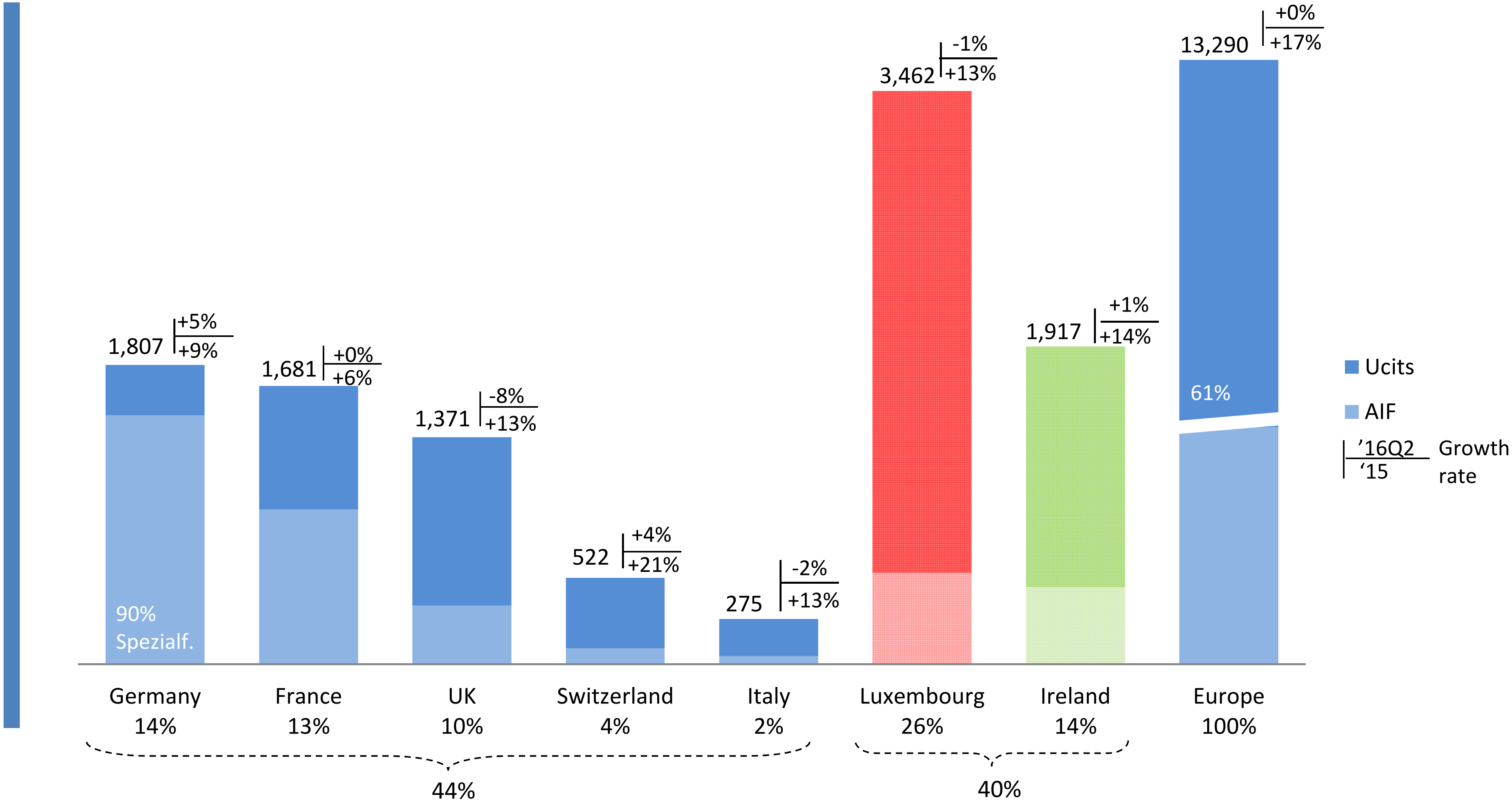
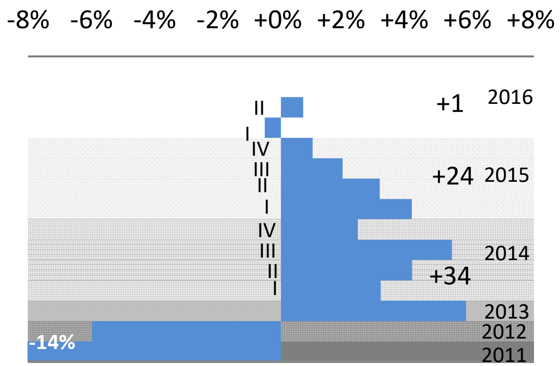
Net Assets by fund domicile



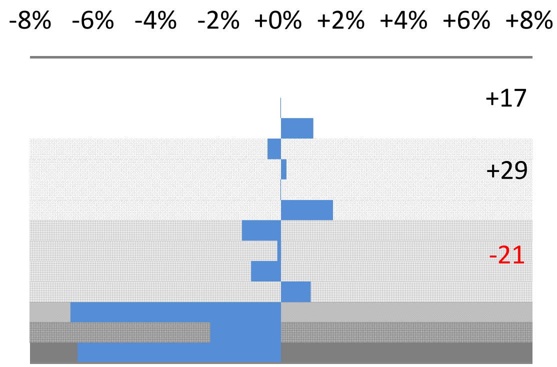
2016Q1 €bn. Source: Efama, AFG, BVI.

Net sales by fund domicile

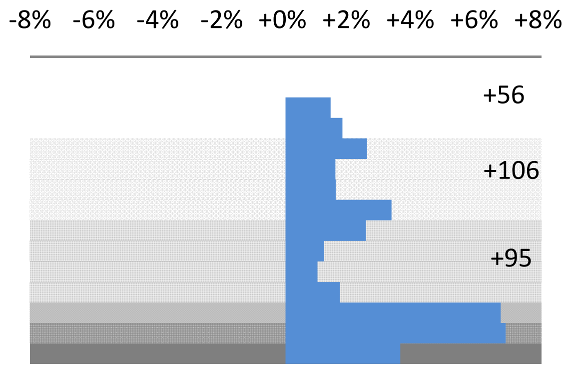
Italy



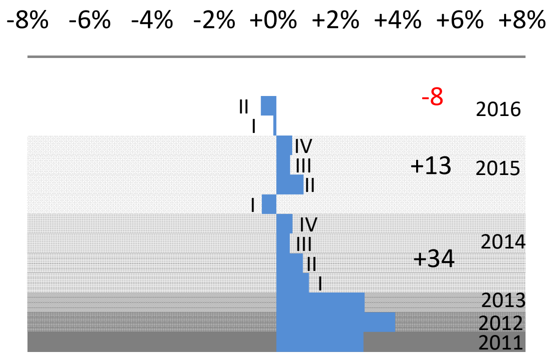
France



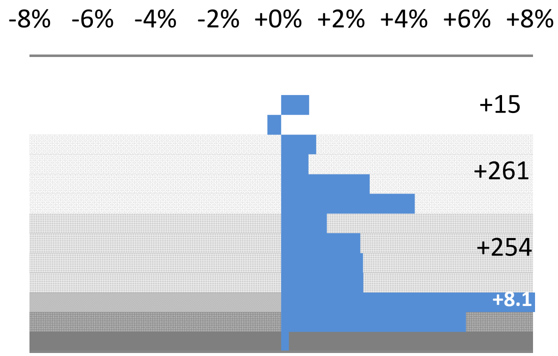
Germany



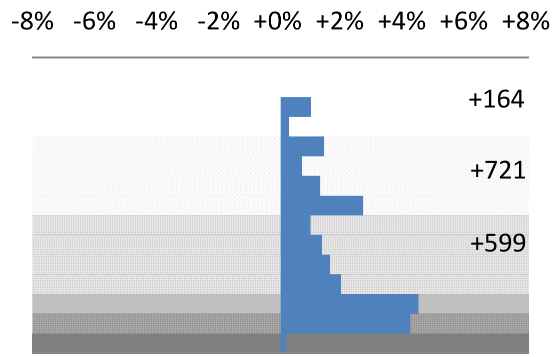
UK



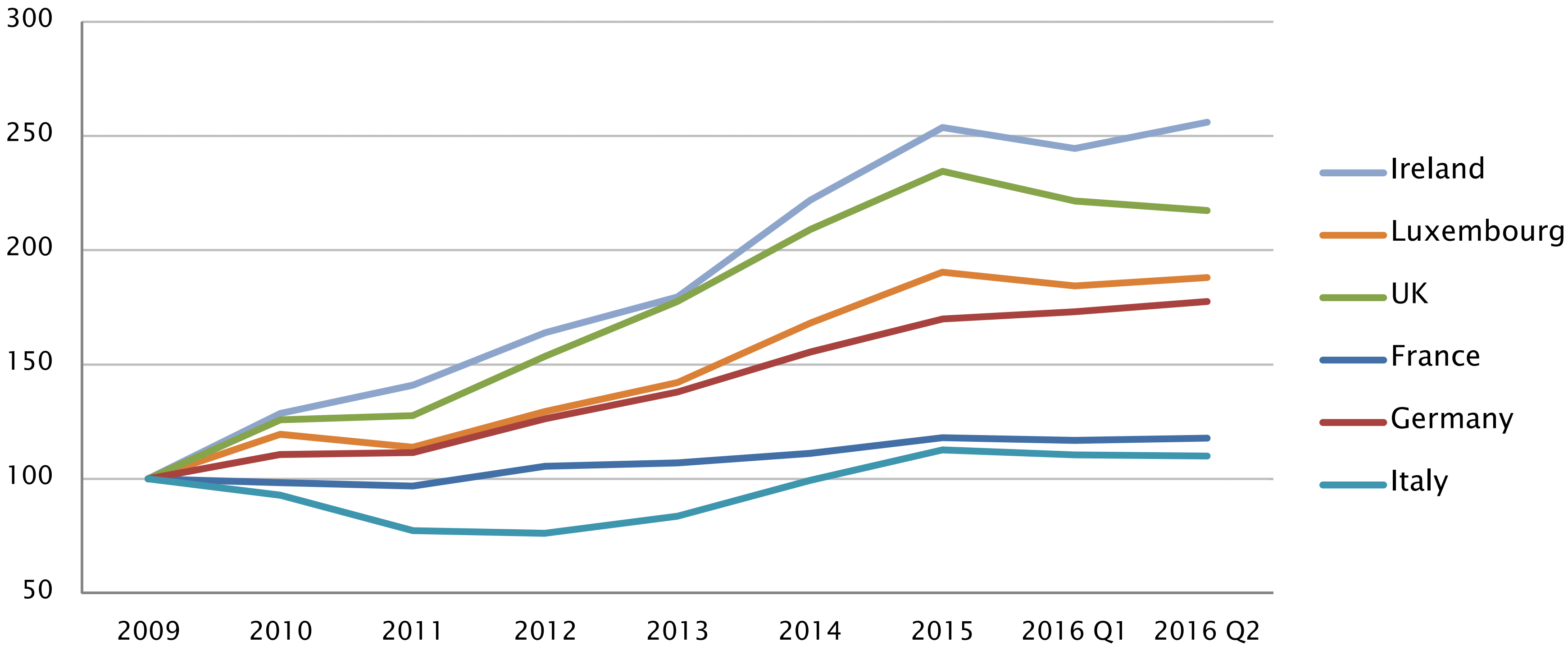
Luxembourg



Europe

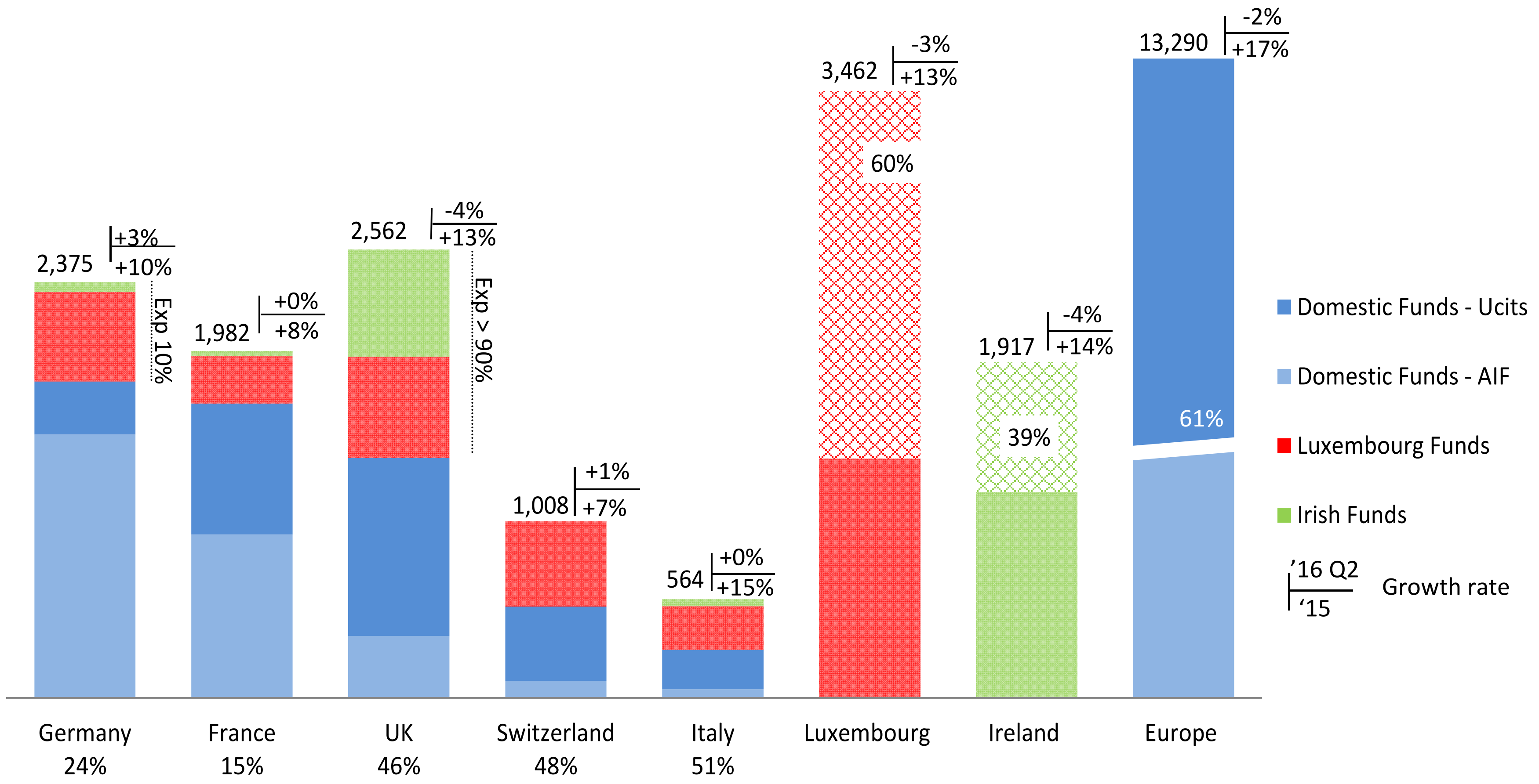


Net Assets by fund domicile – Long-term growth

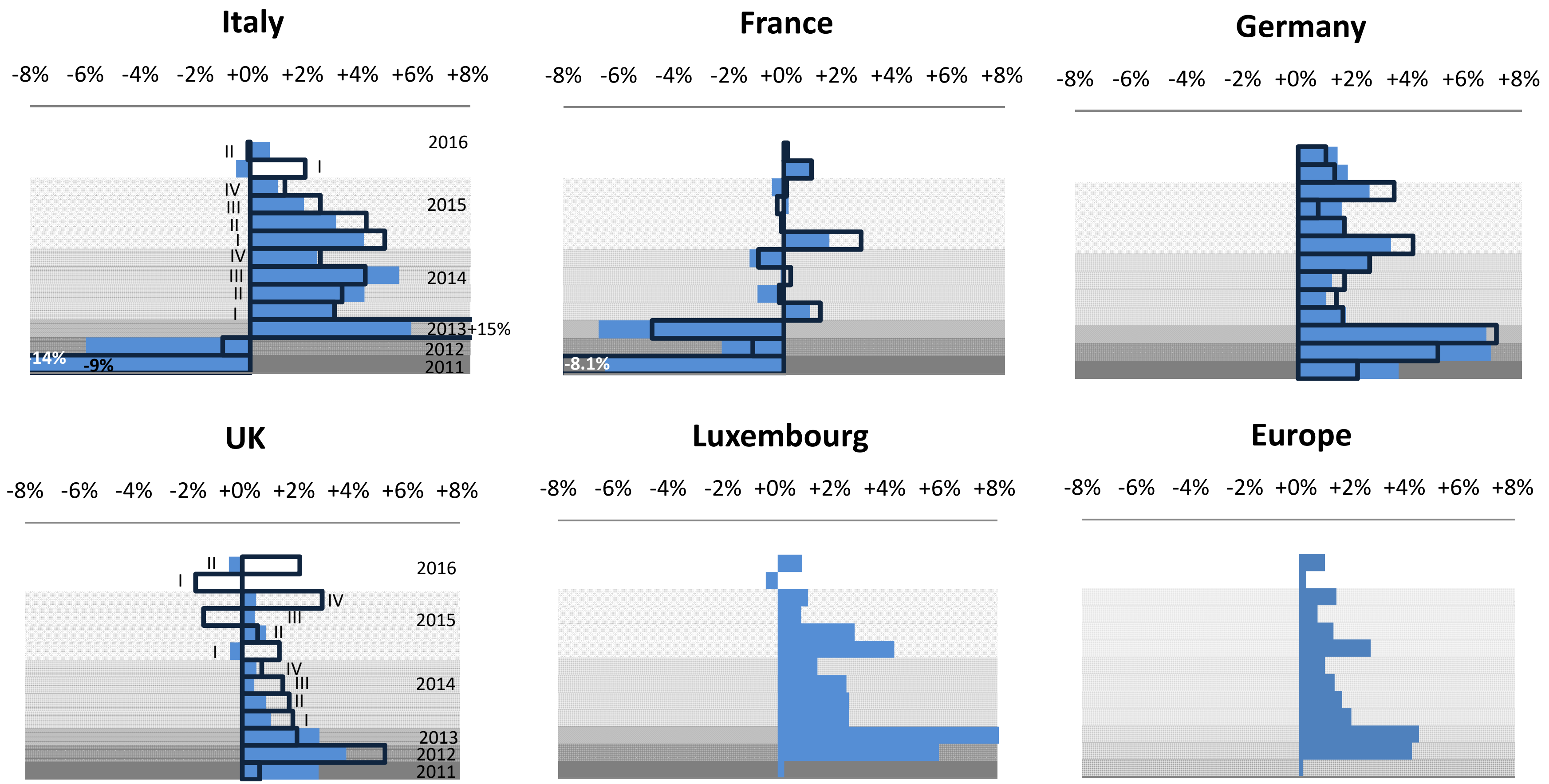


Index values. Source: Efama.

Net Assets by fund group domicile



Net sales: <u>fund</u> domicile vs. <u>fund group</u> domicile



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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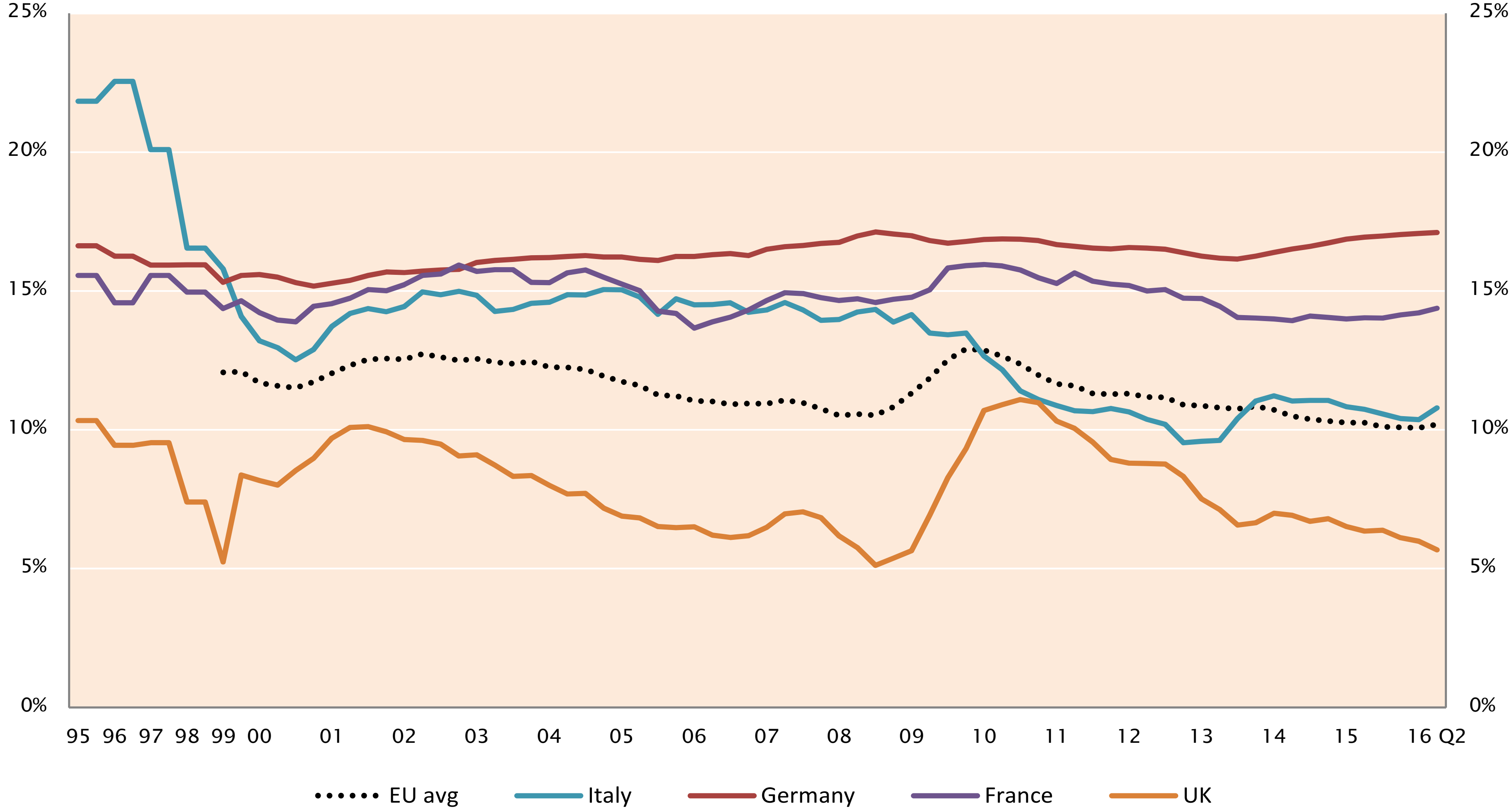
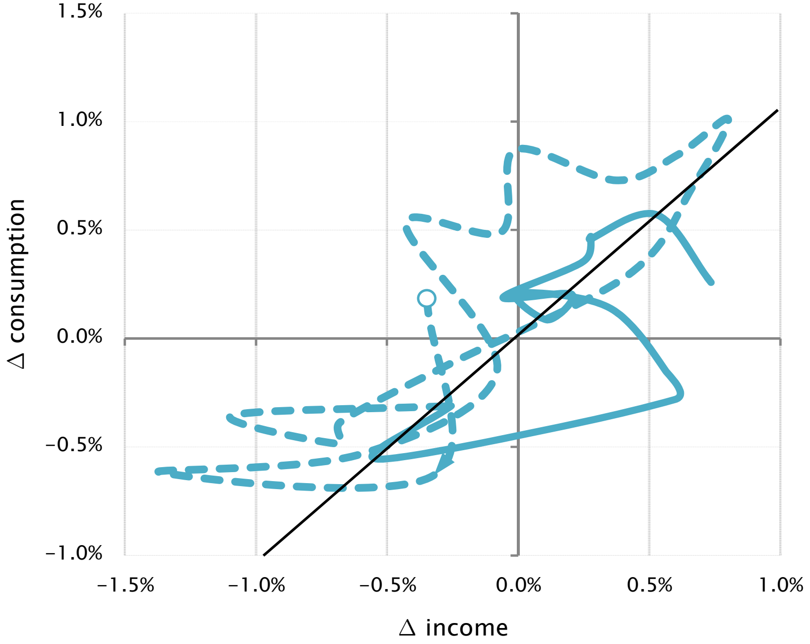
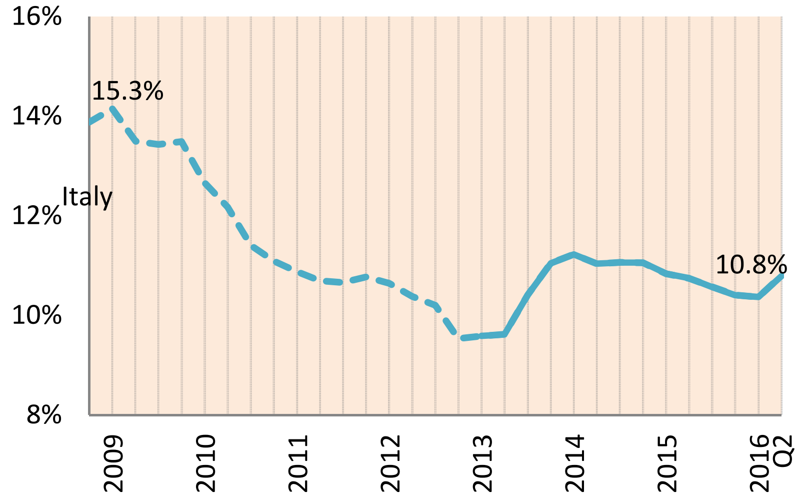
Household saving rates in Europe



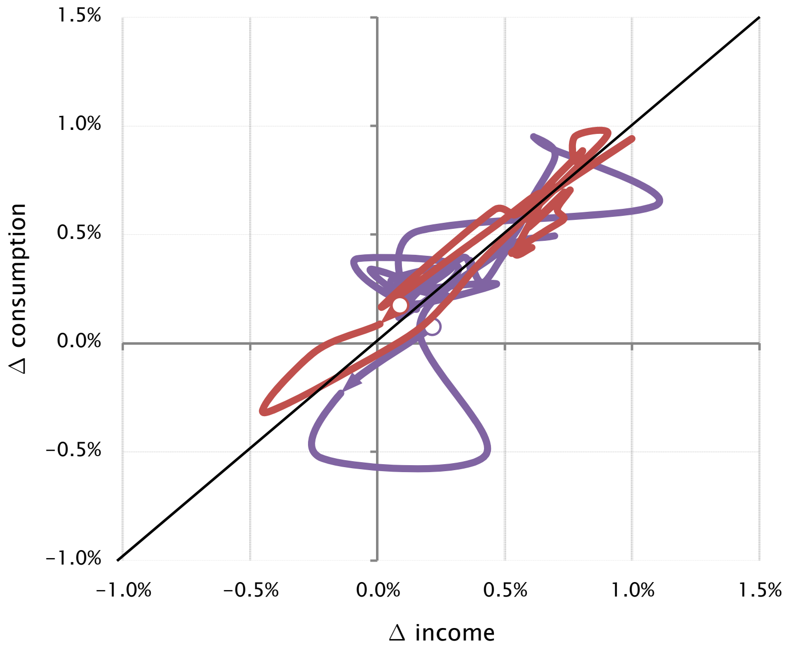
Gross household saving rates. Source: Eurostat.

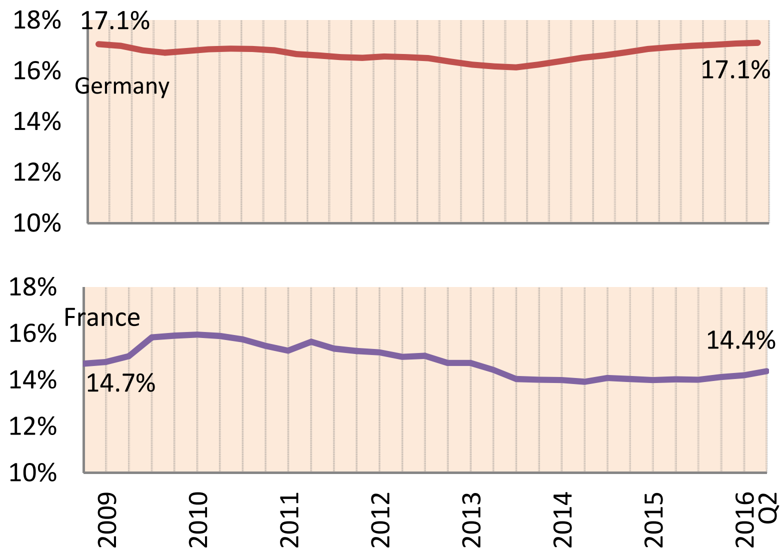
How income & consumption Δ% affect saving rates





How income & consumption Δ% affect saving rates





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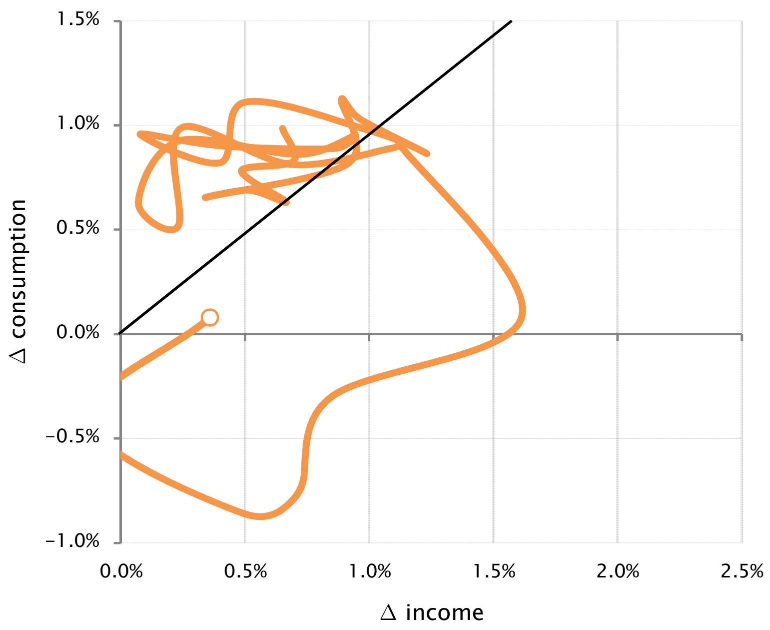

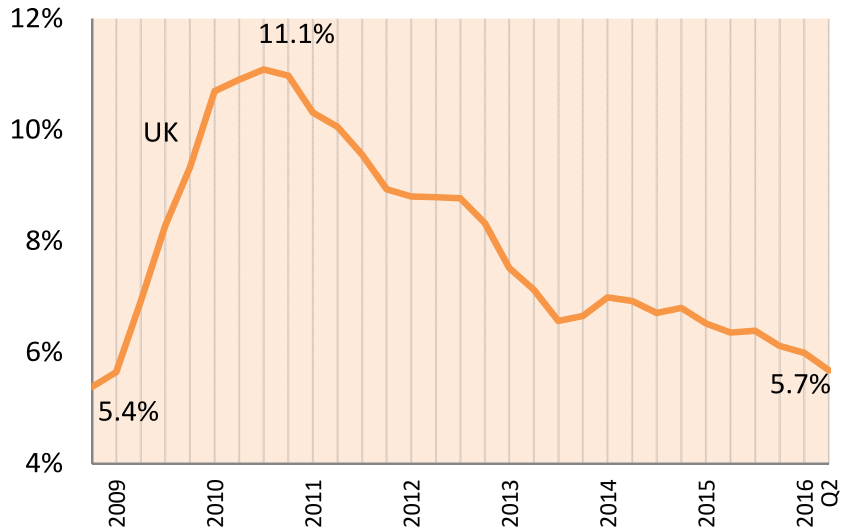

Household financial portfolio breakdown

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USA	65,151	13.6%	5.9%	n.a.	35.3%	n.a.	10.6%	32.7%

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

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

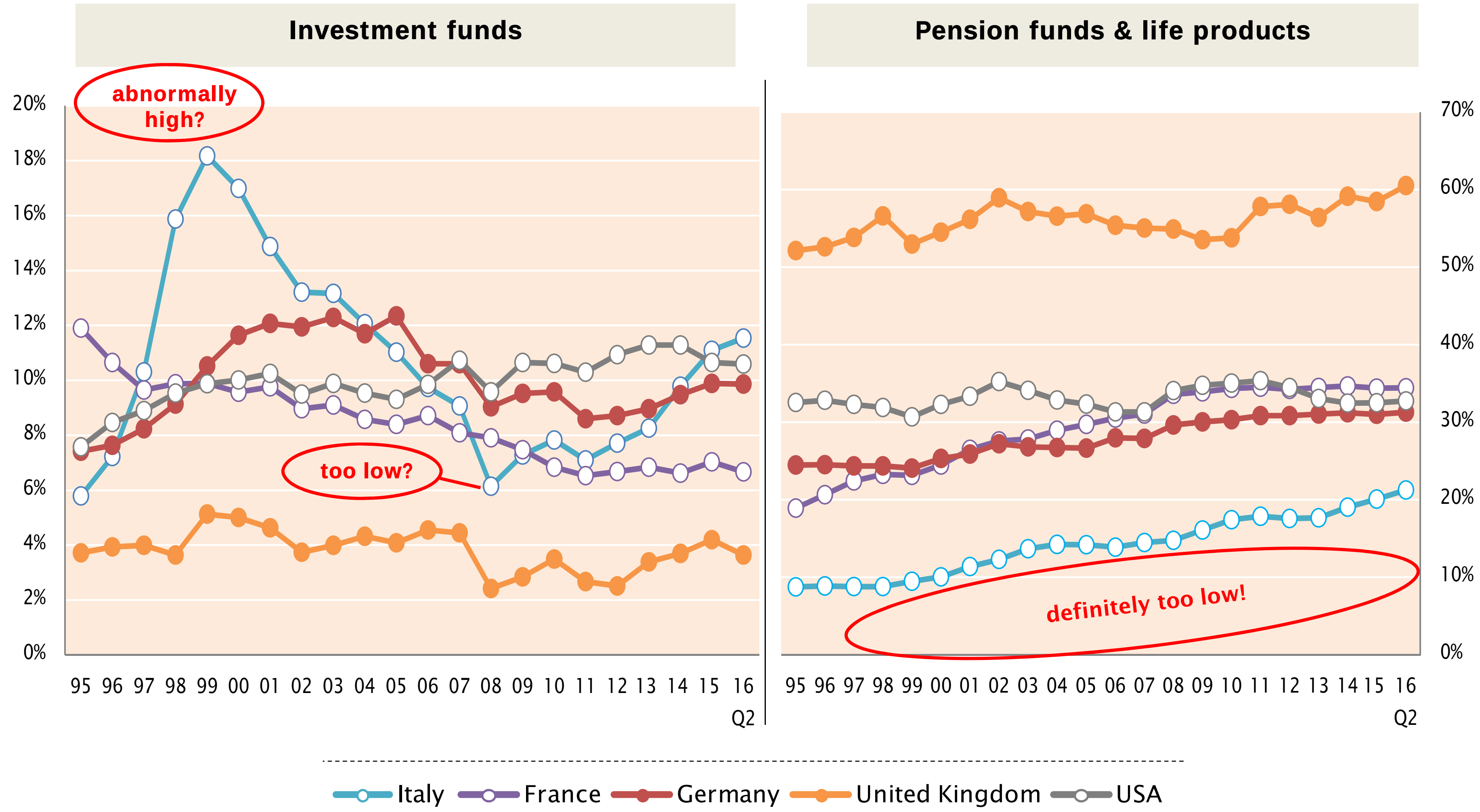
Negligible level of *listed shares.* High level of *unlisted* ones.

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)	%	'15 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.

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