

The Italian Asset Management market key figures

16 February 2017

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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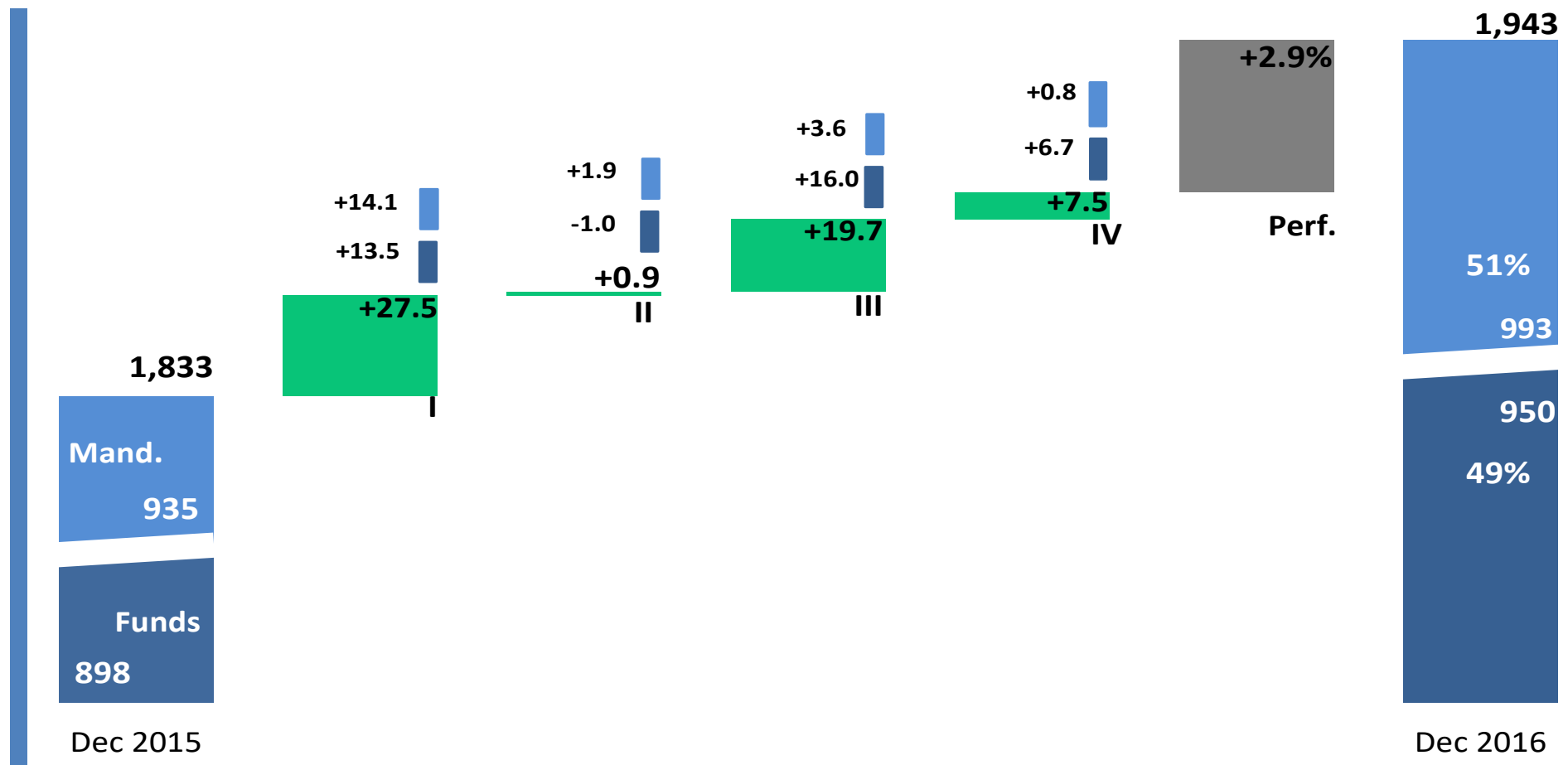
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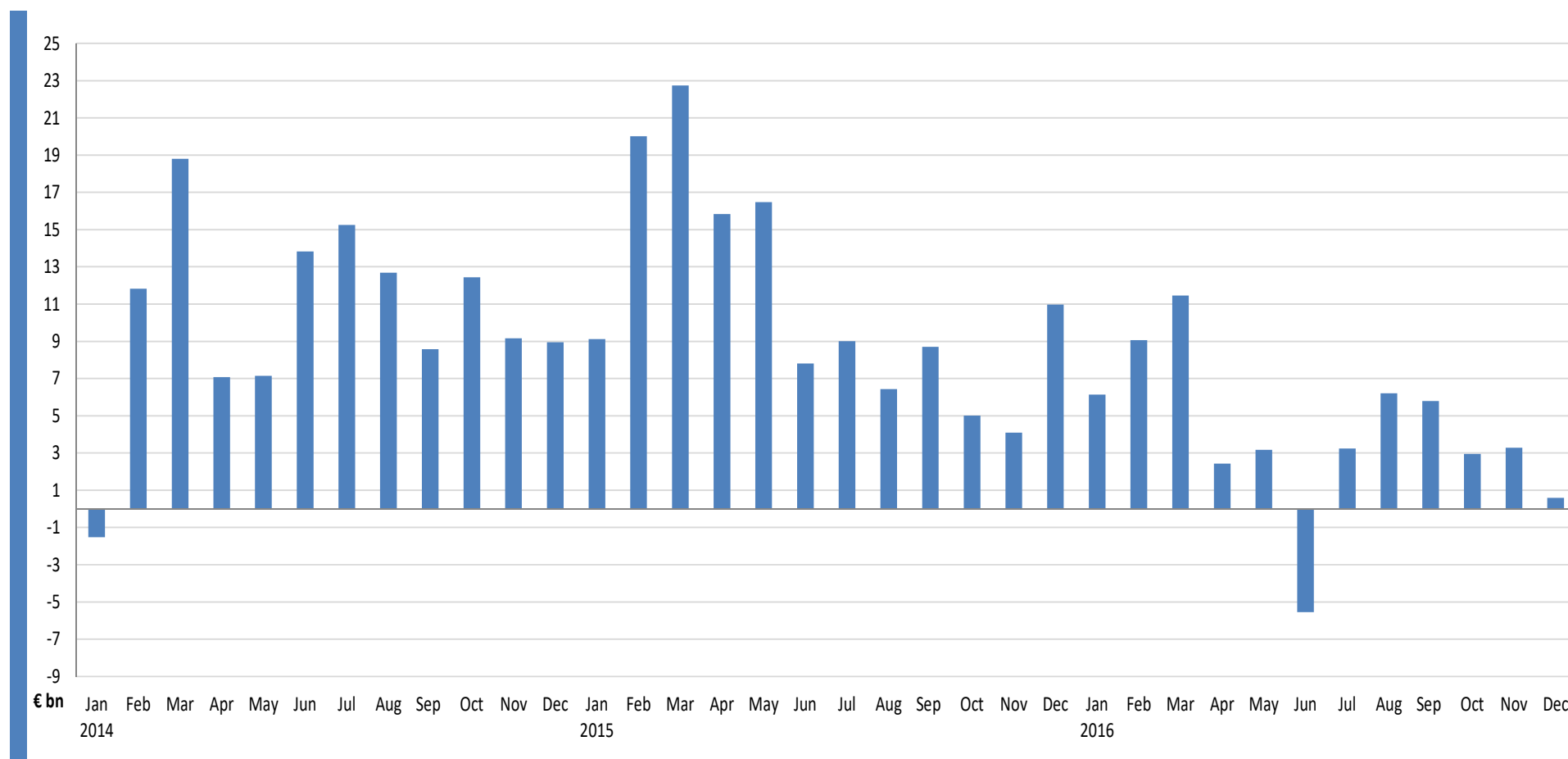


The Italian AM market (Jan 2015: Dec 2016)



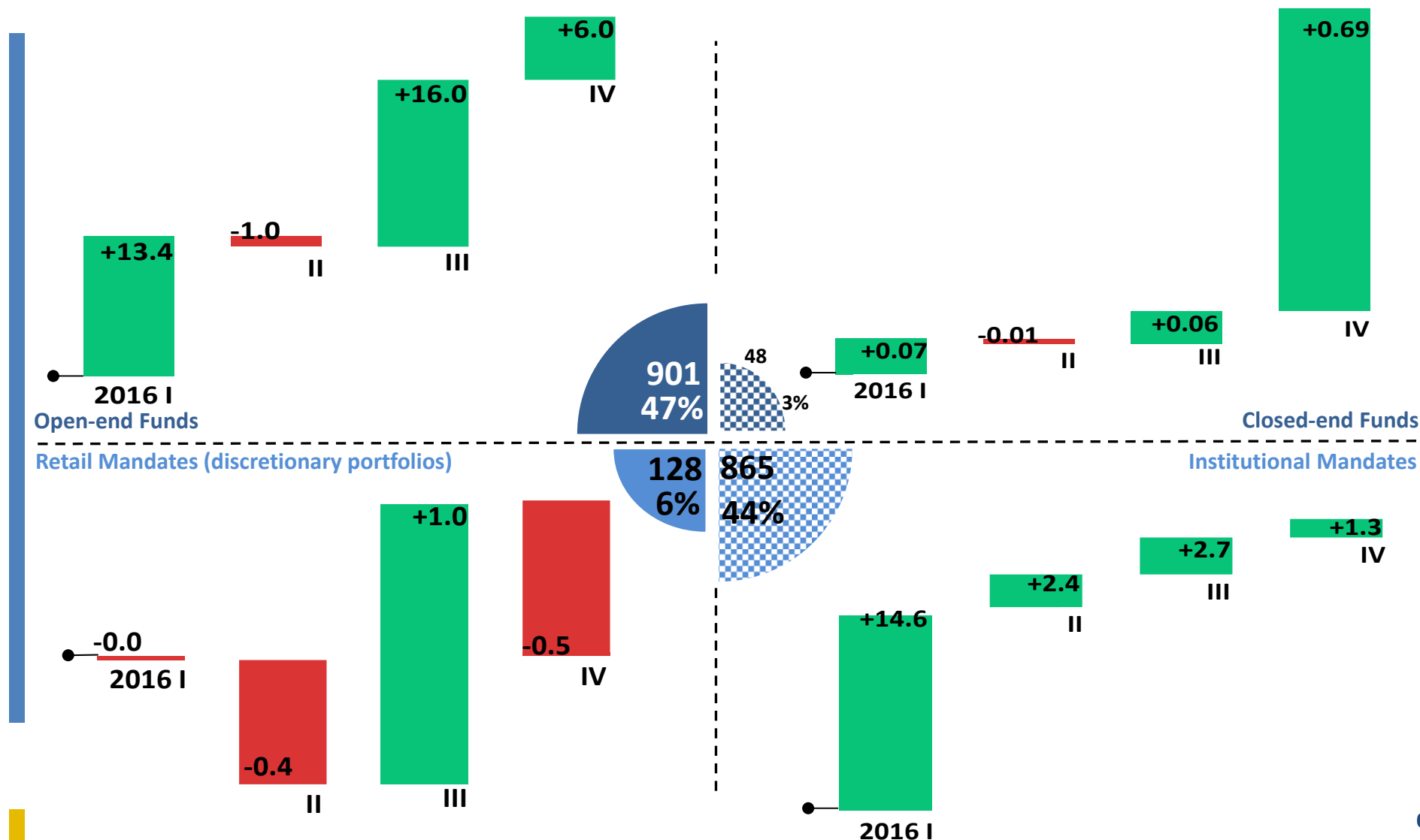


Net flows (monthly data)



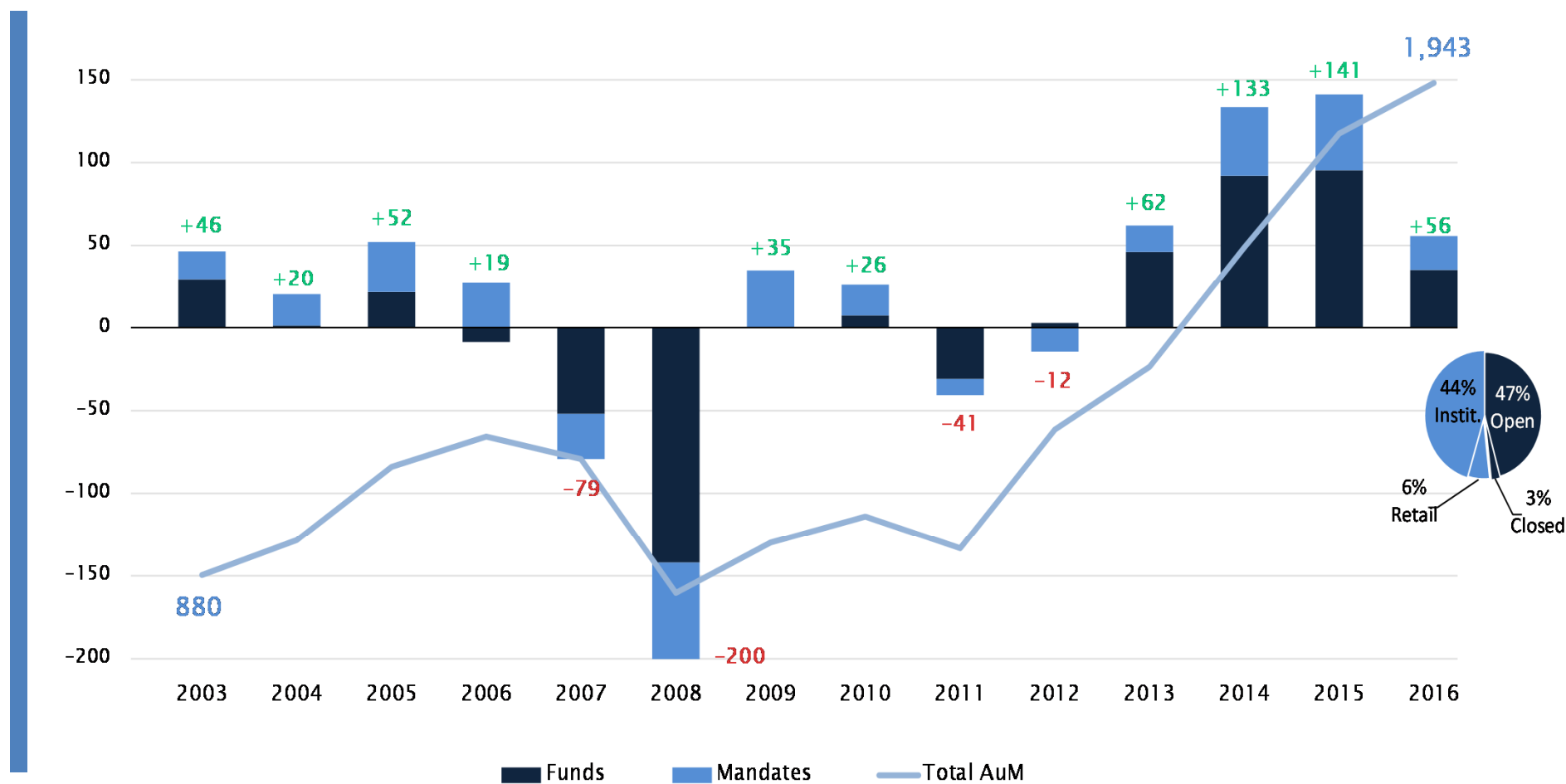


Product breakdown



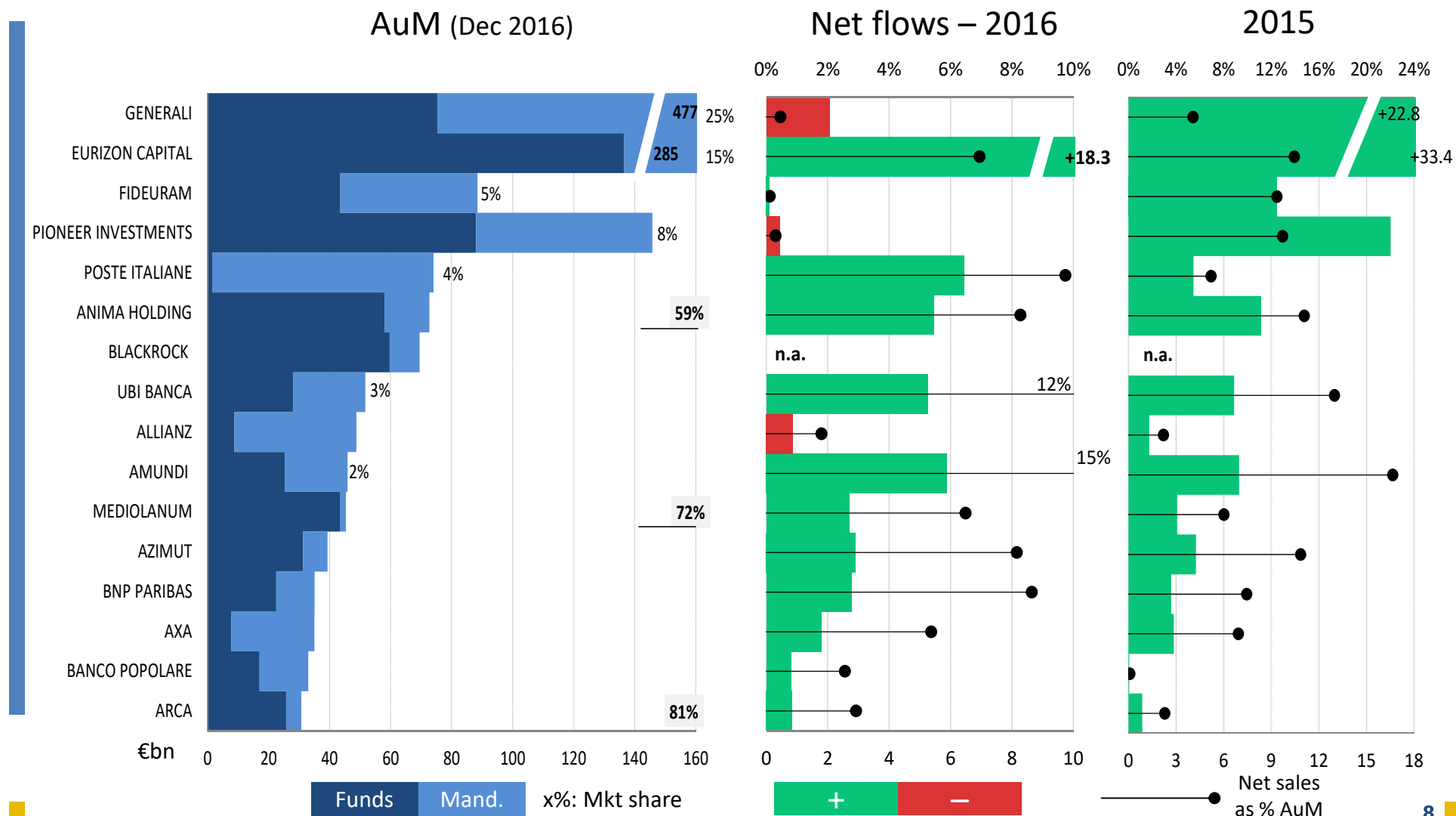


Long term trend



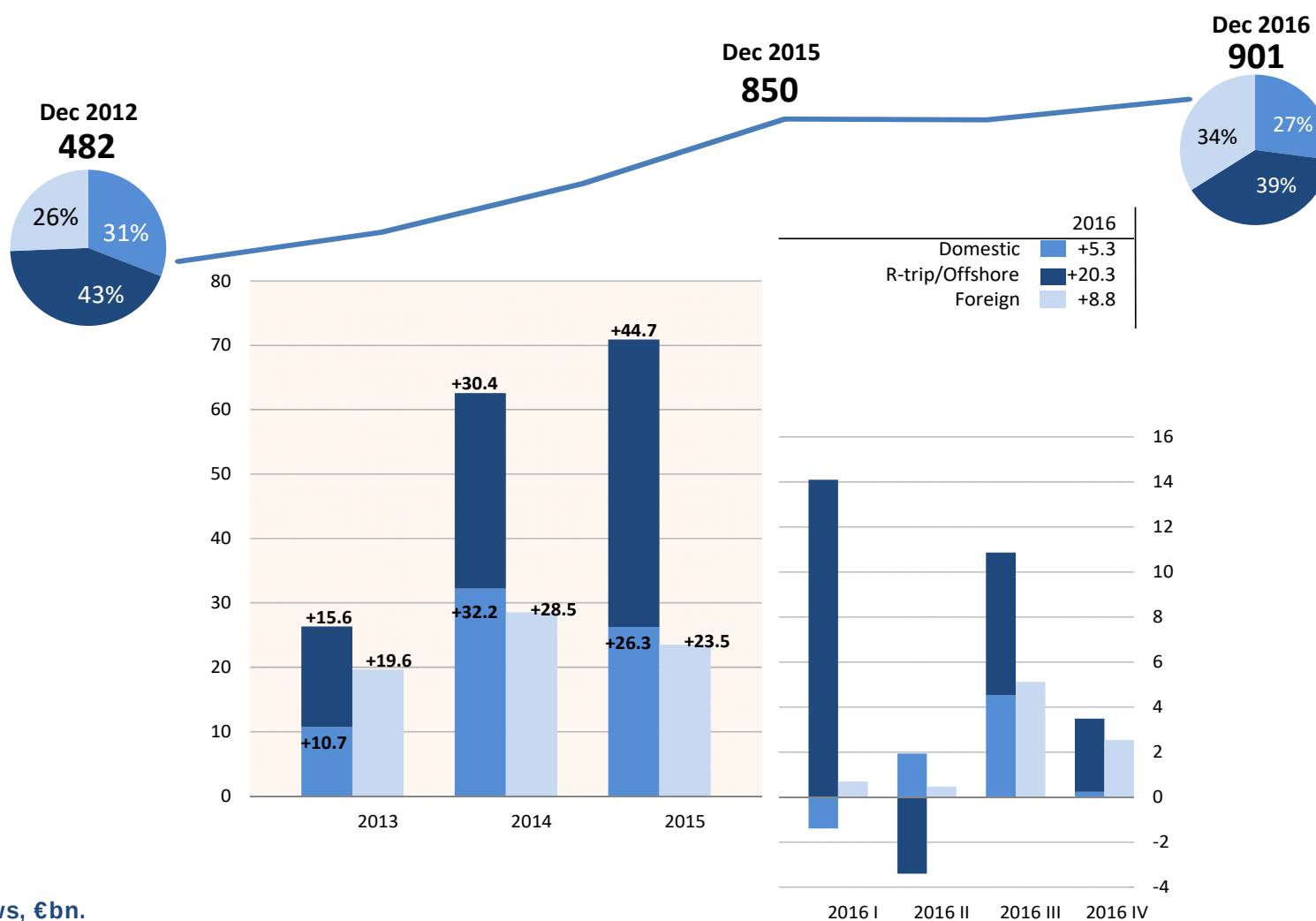


Top 15 Groups



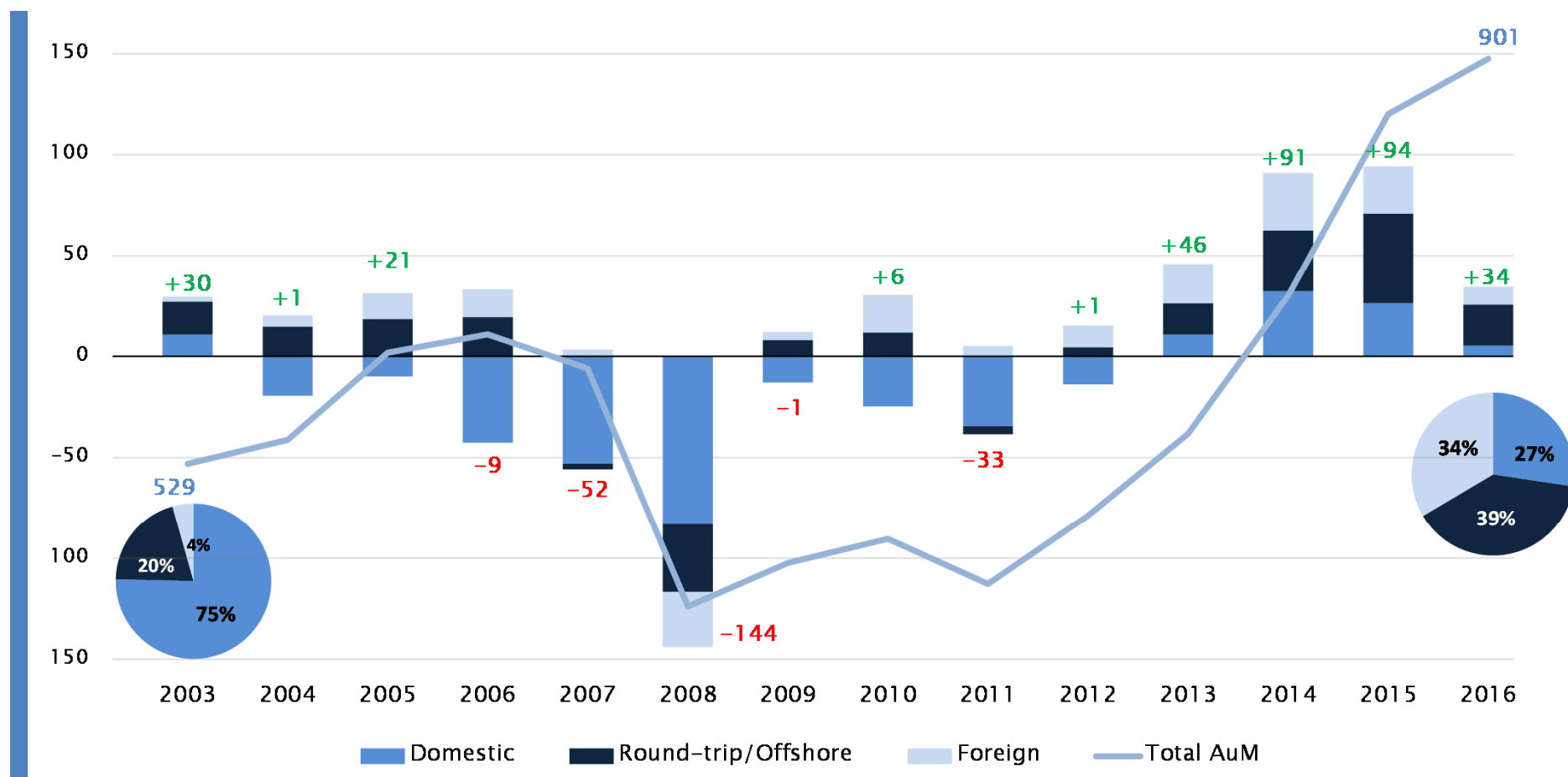


Open-end funds: domicile breakdown





Long term trend: open-end funds



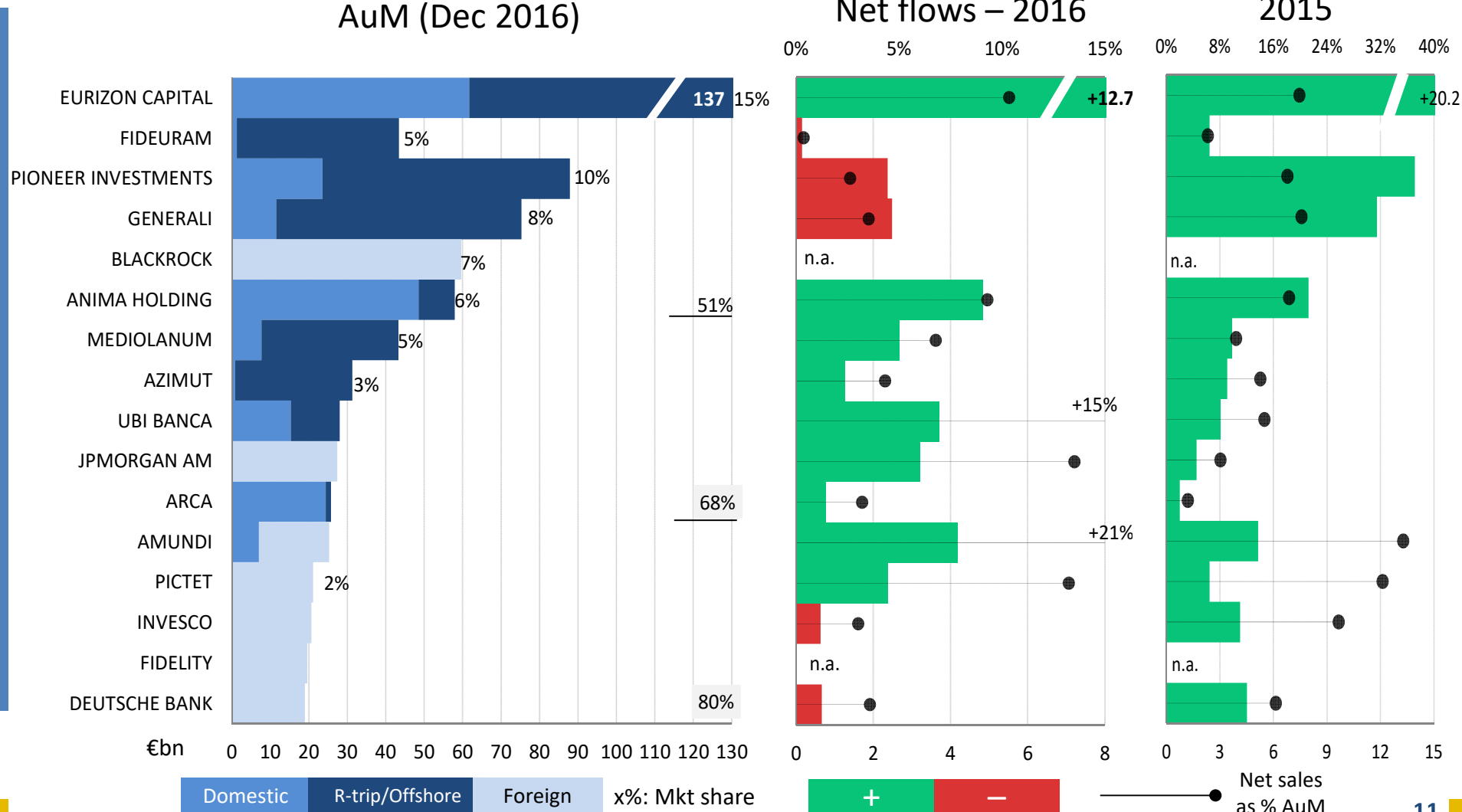


Top 15 Groups (open-end funds only)

AuM (Dec 2016)

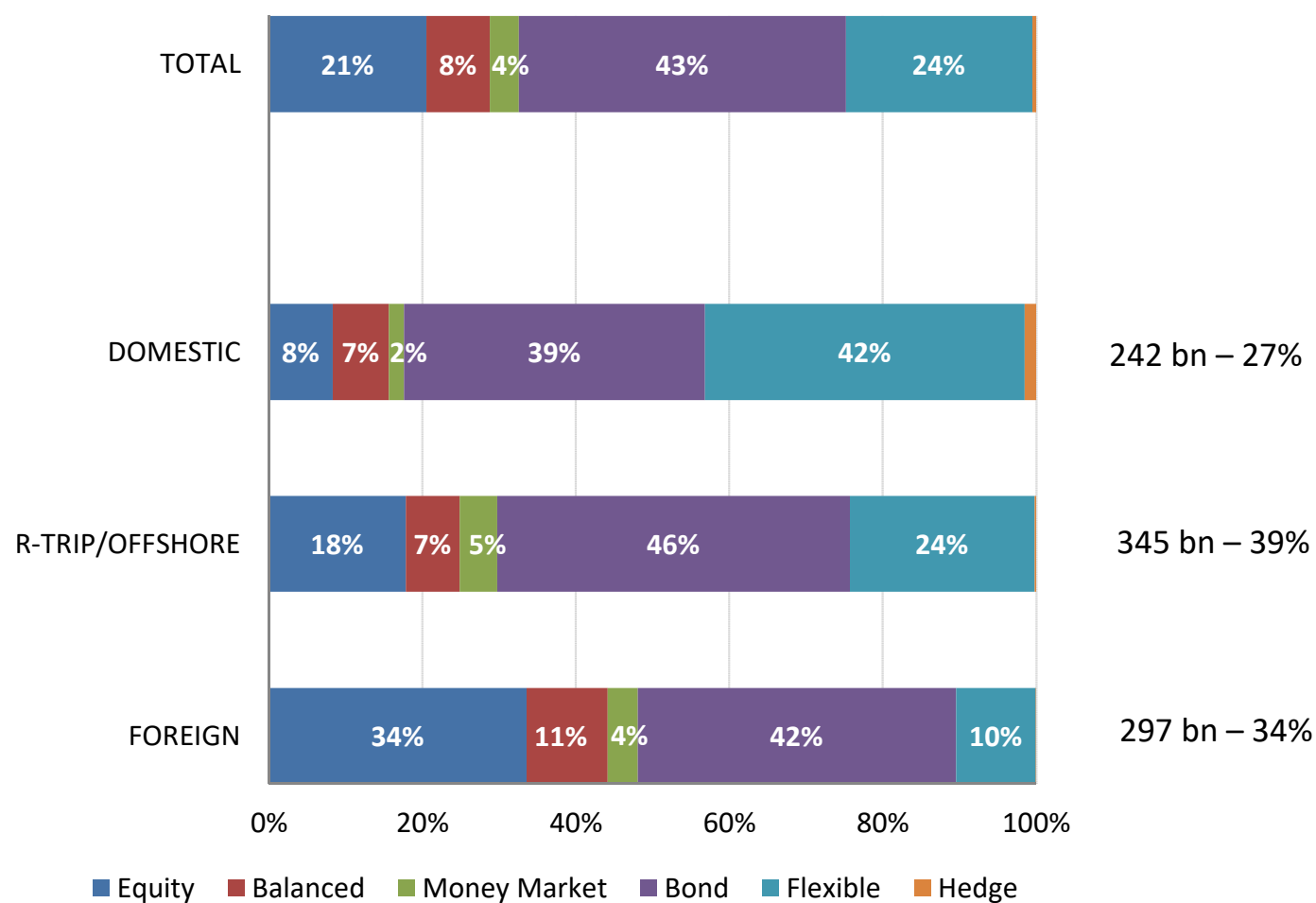
Net flows – 2016

2015



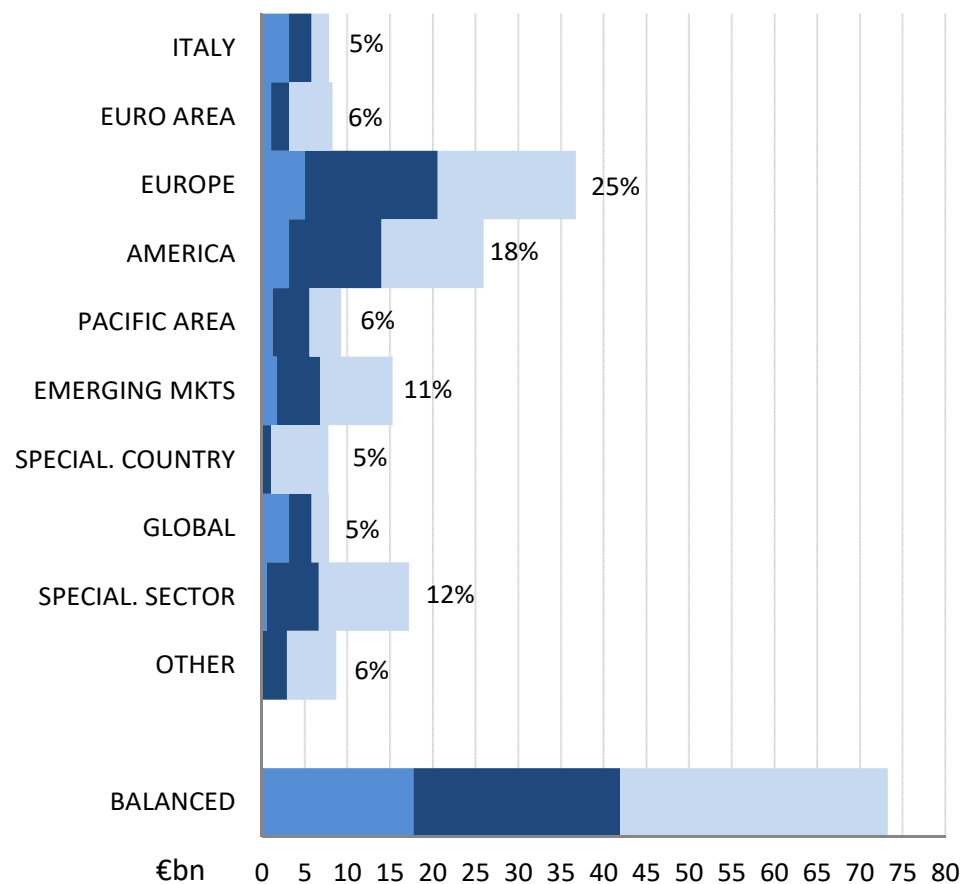


Asset Class breakdown

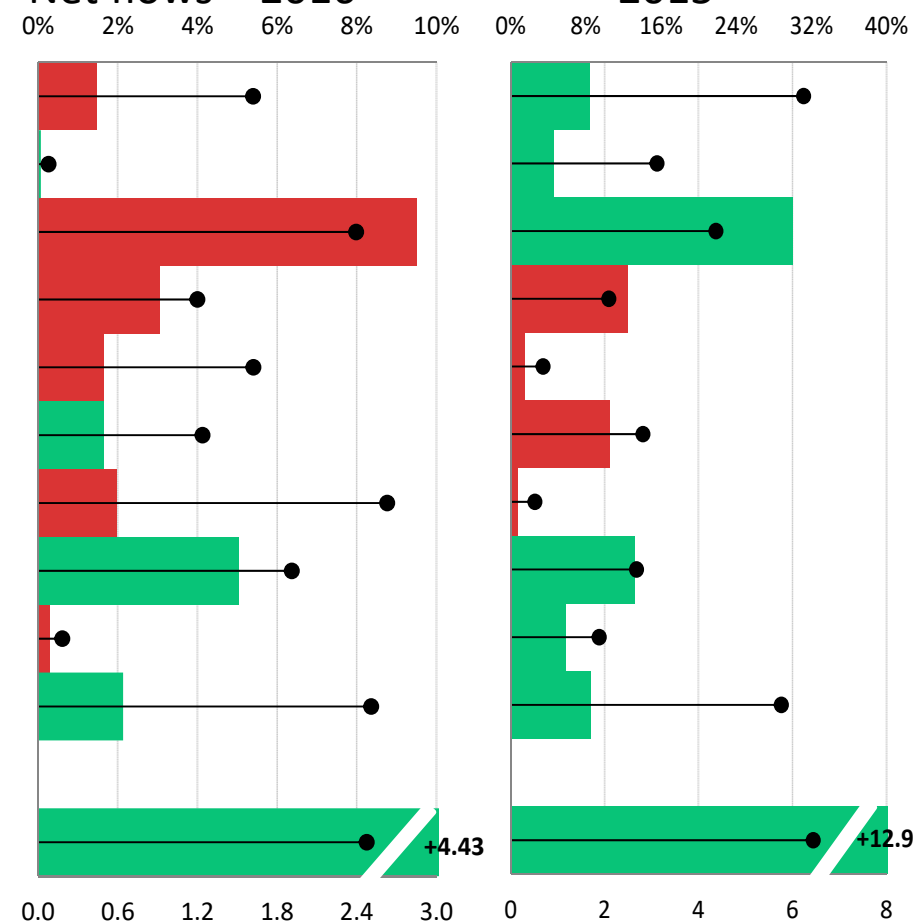


Equity & balanced funds

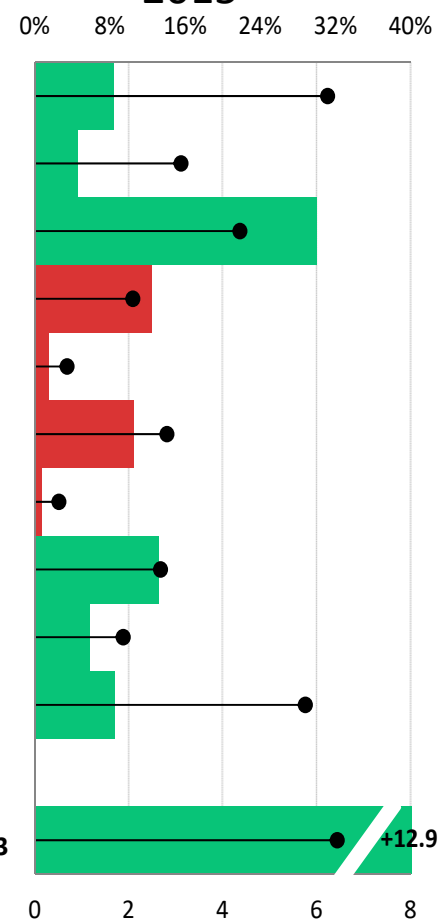
AuM (Dec 2016)



Net flows – 2016



2015



Domestic

R-trip/Offshore

Foreign

x%: Mkt share

+

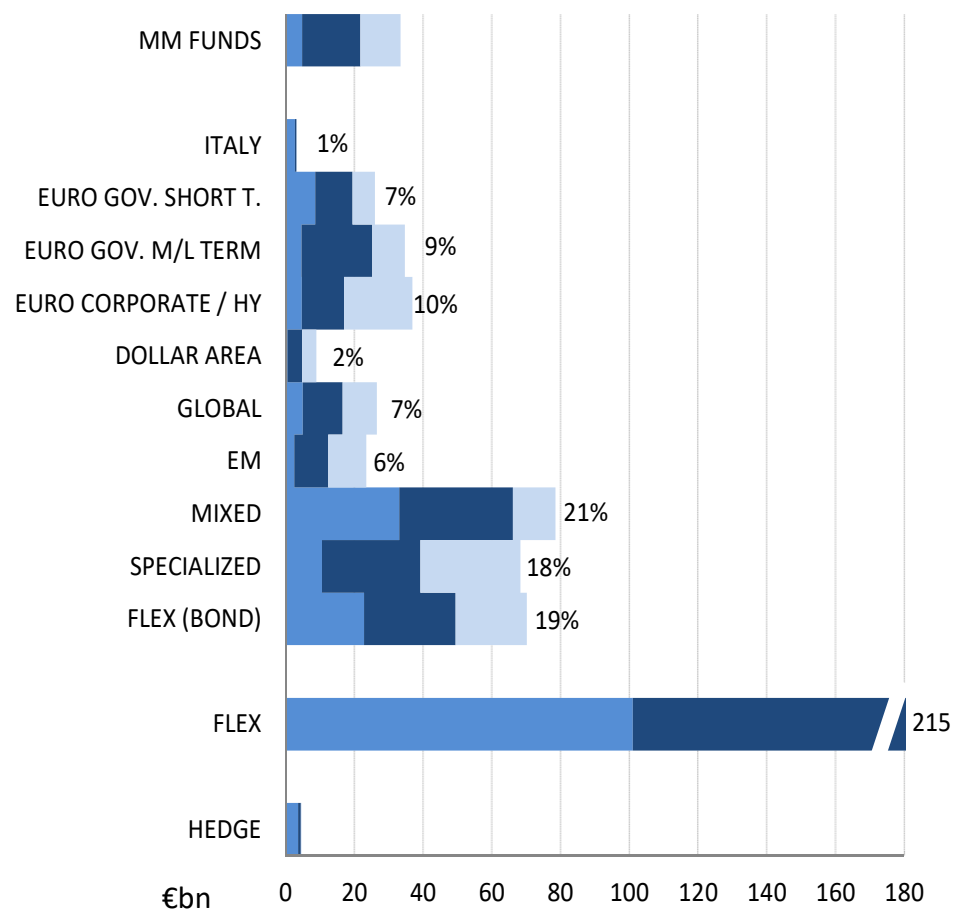
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Net sales
as % AuM



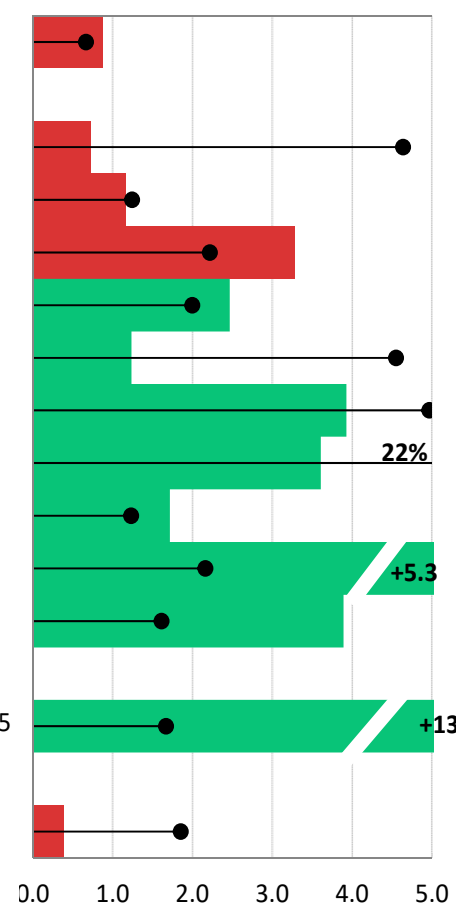
Money mkt, Bond, Flex & Hedge funds

AuM (Dec 2016)



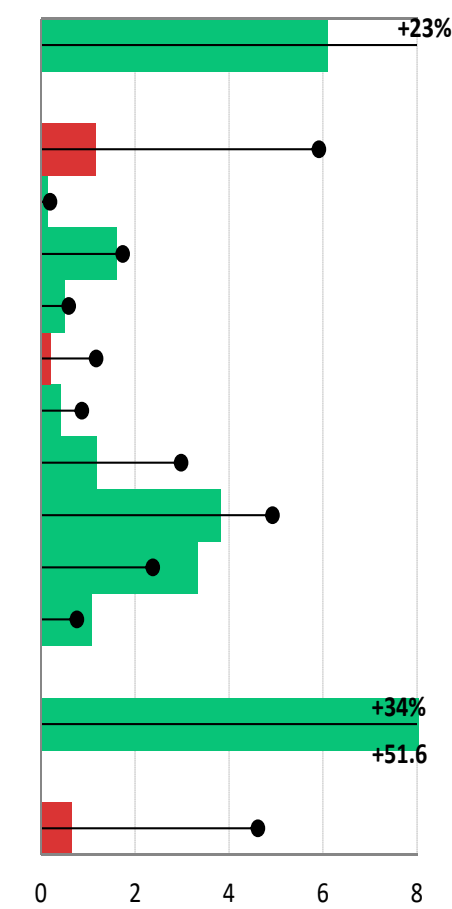
Net flows – 2016

0% 4% 8% 12% 16% 20%



2015

0% 4% 8% 12% 16% 20%



Domestic R-trip/Offshore Foreign x%: Mkt share

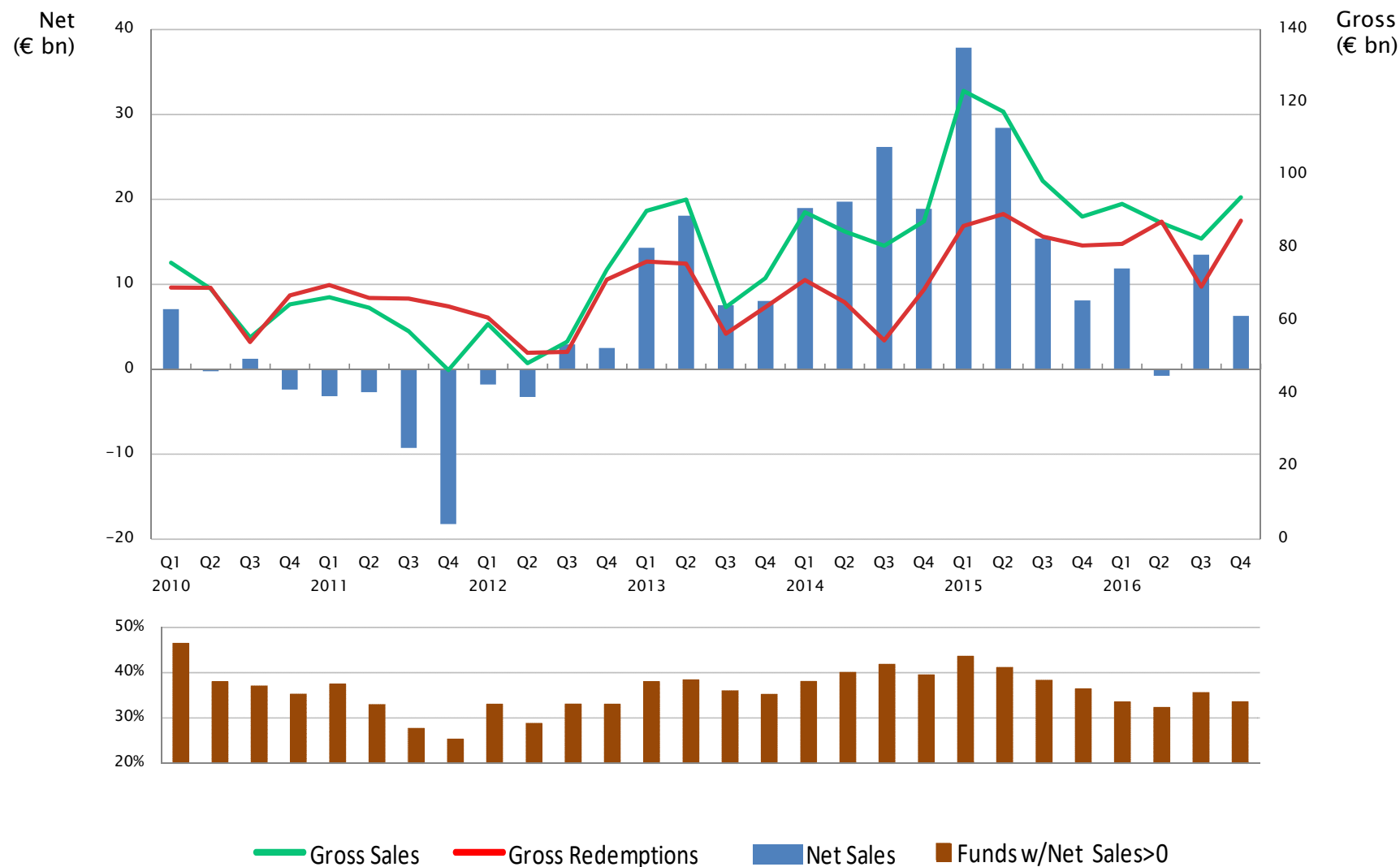
+

-

Net sales
as % AuM

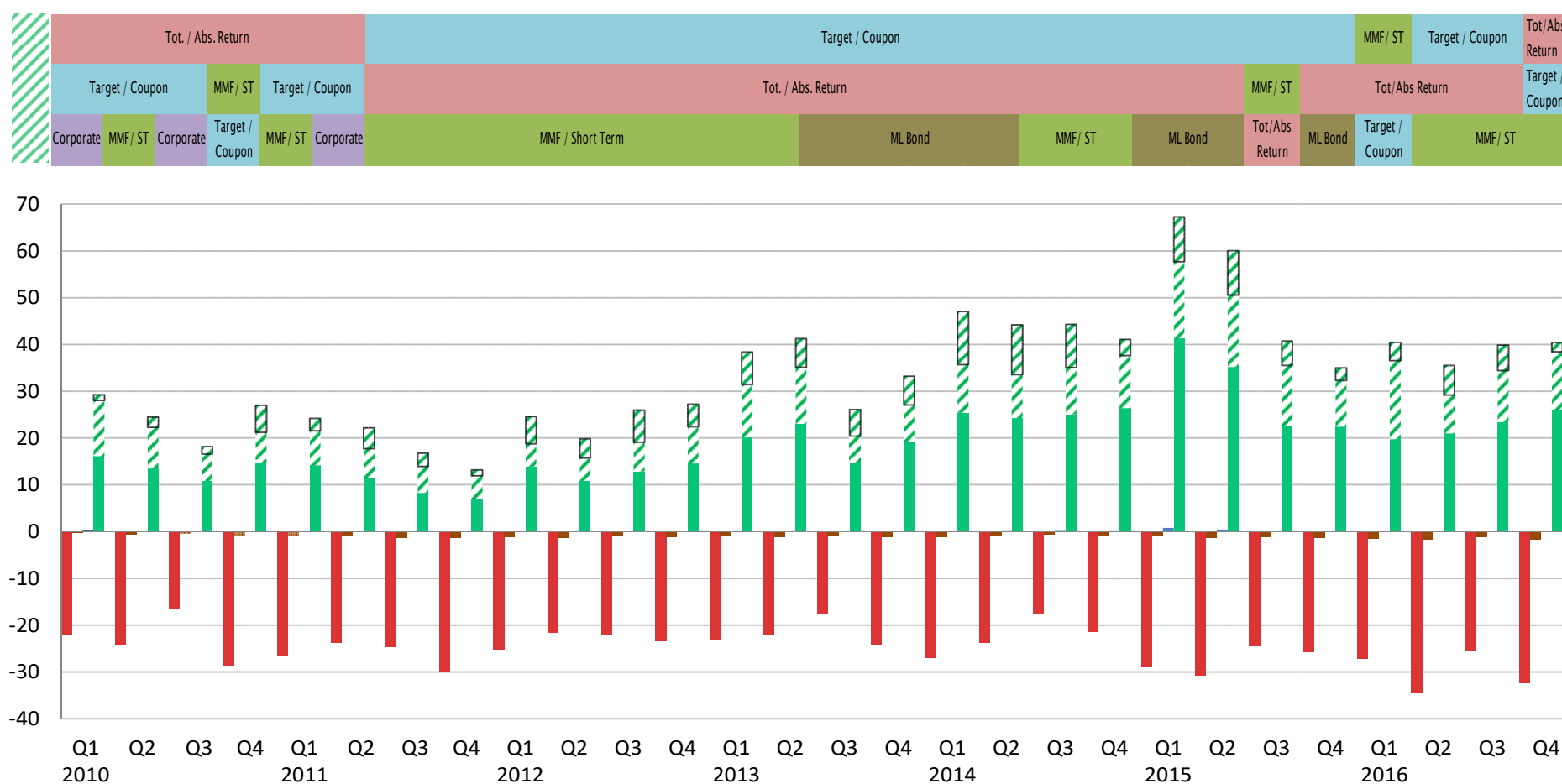


Net & gross flows



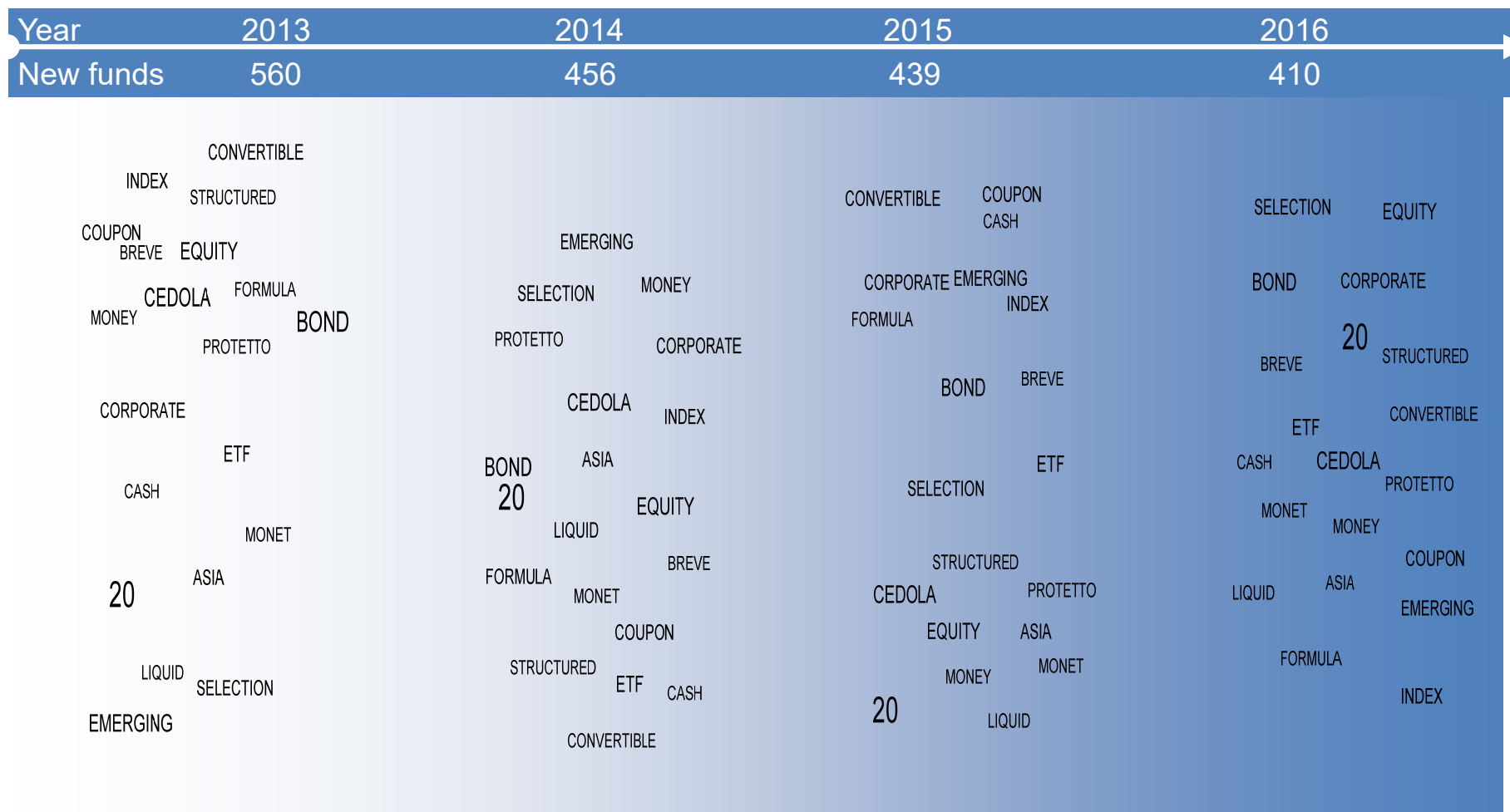


The *blockbuster effect*: top quartile funds take all



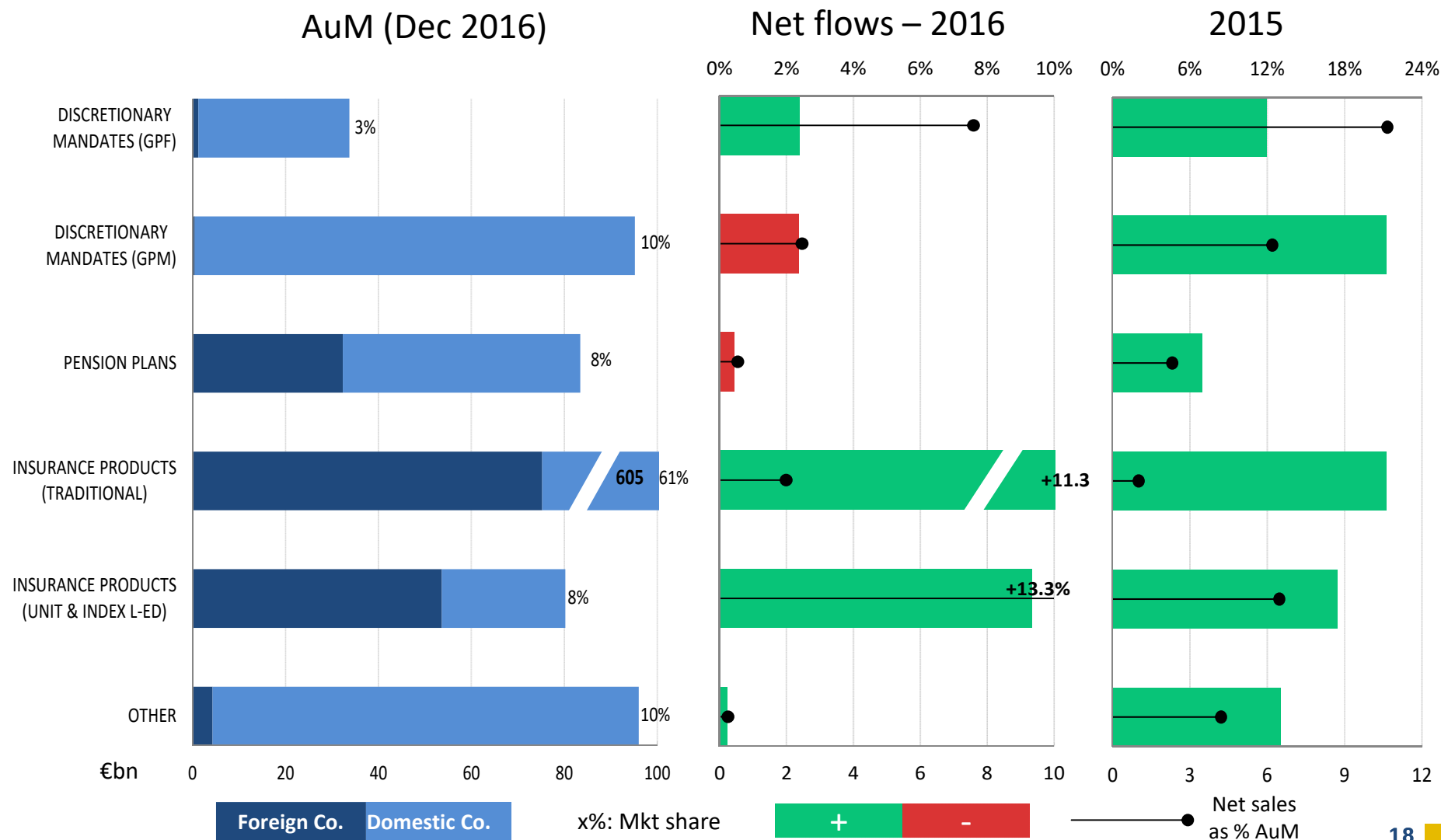


New stories tag cloud



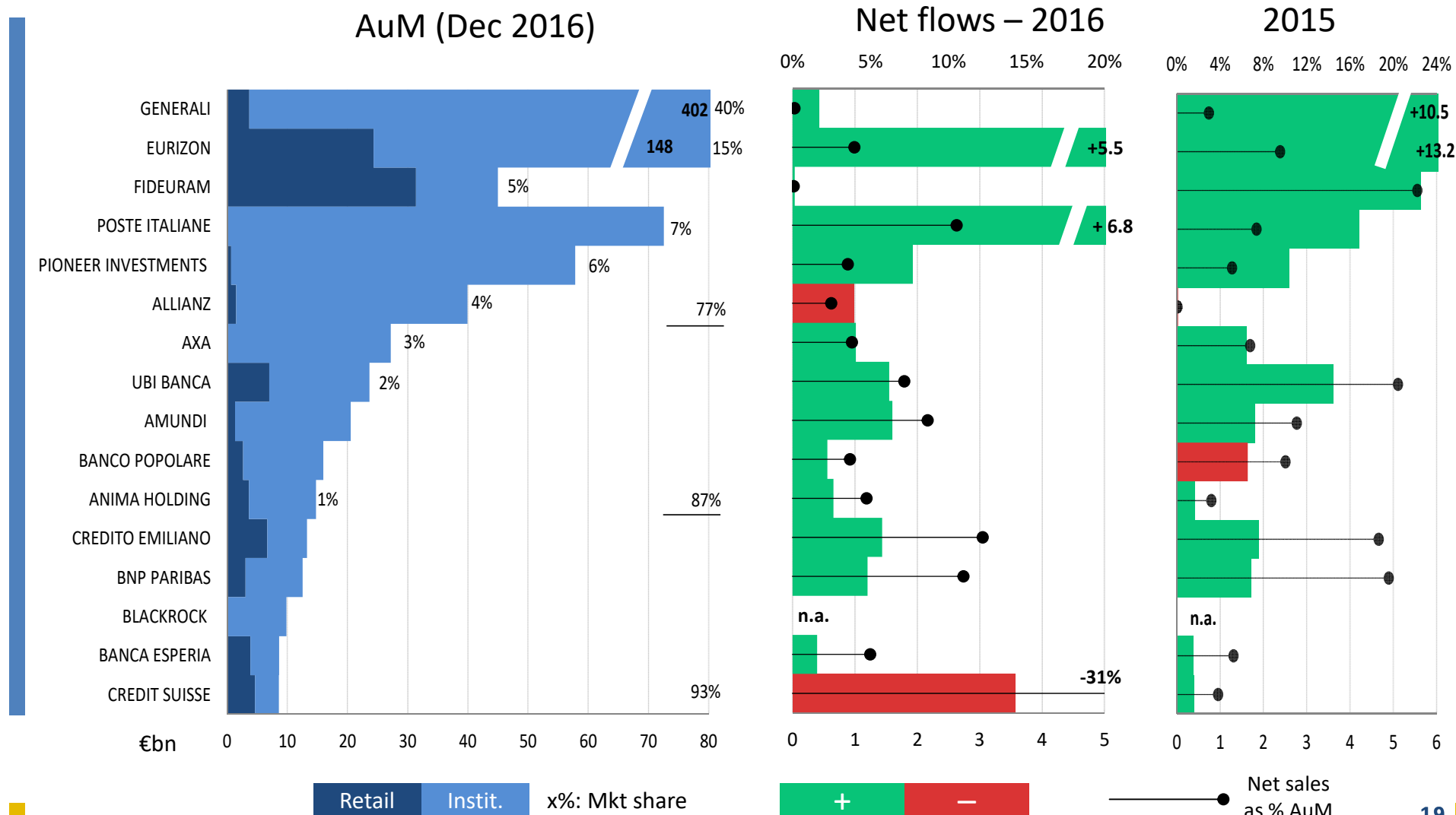


Mandates: AuM & Net Sales trends



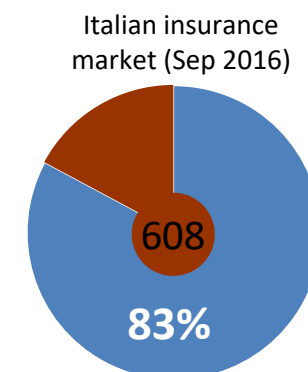
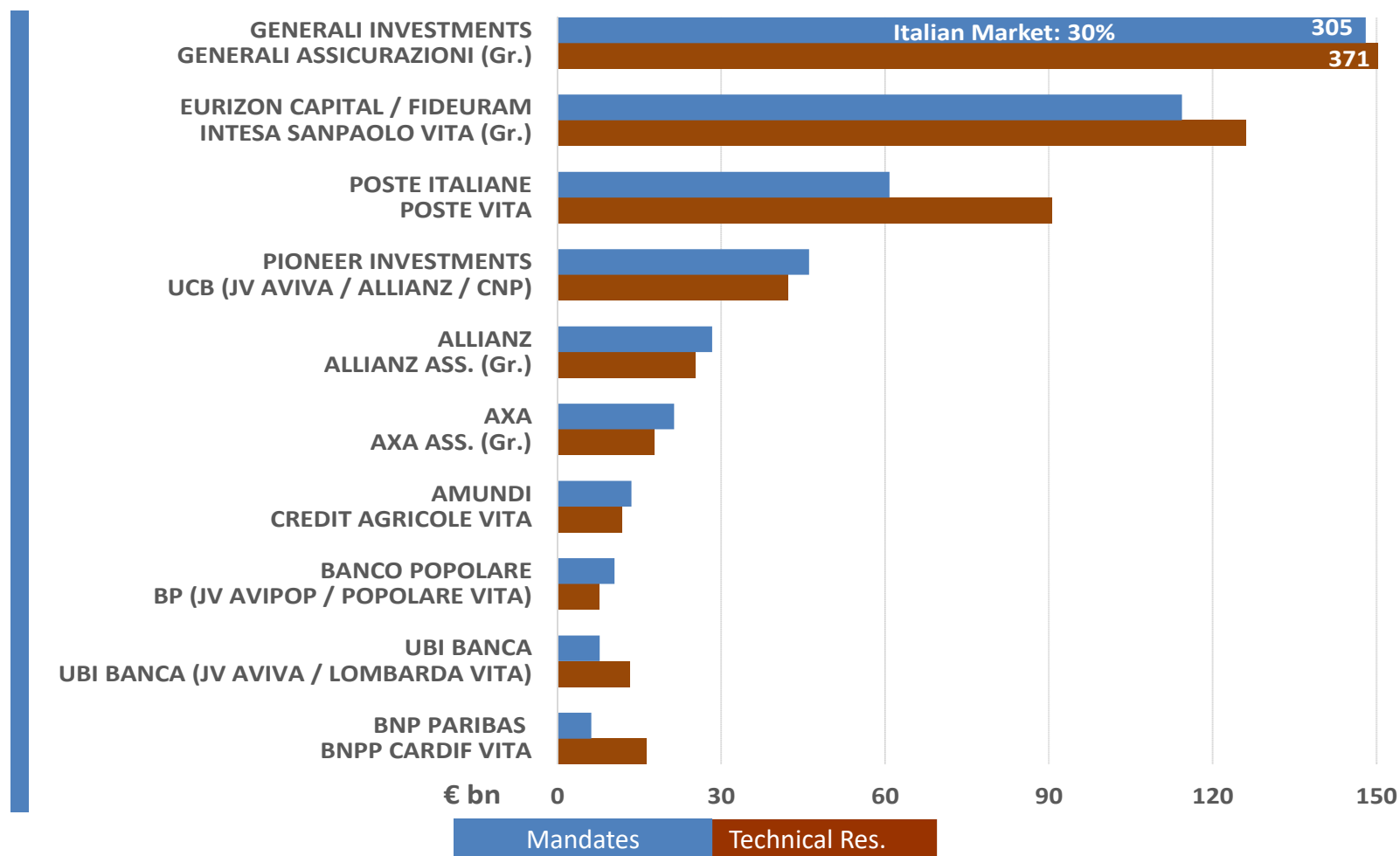


Top 15 Groups (mandates only)



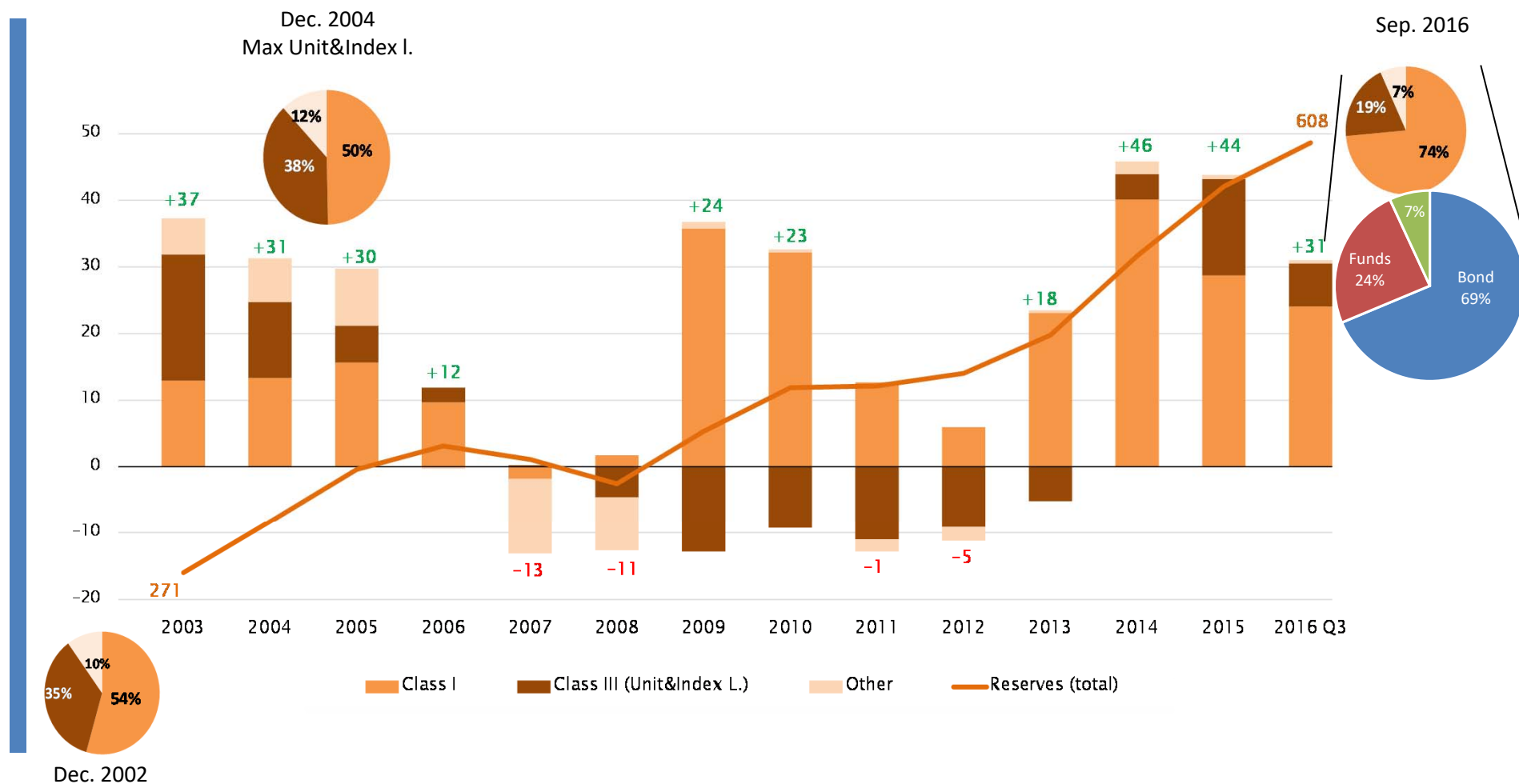


Insurance Mandates & Captive/Affiliated Insurers



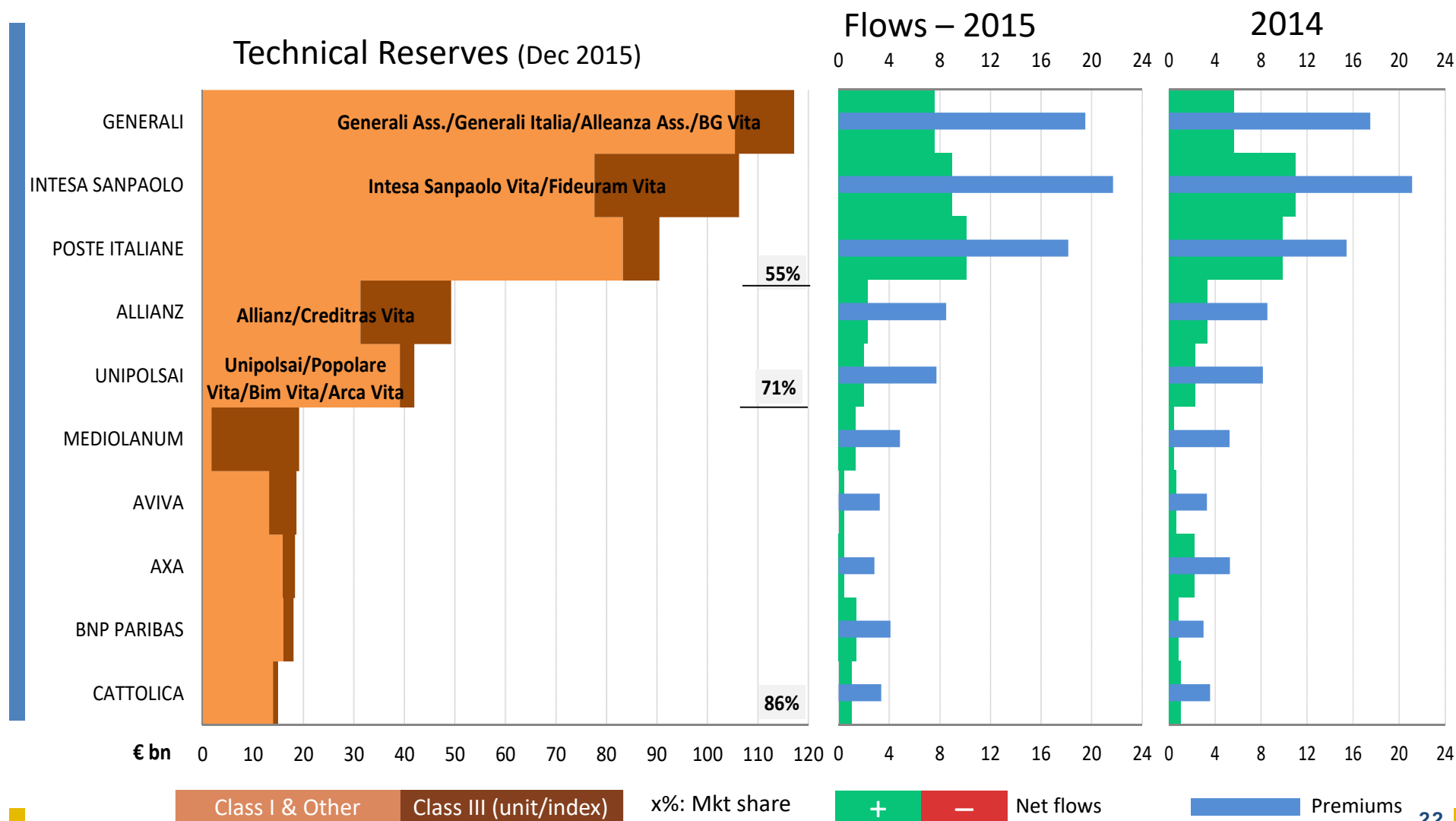


Life Insurance Market: long-term trend



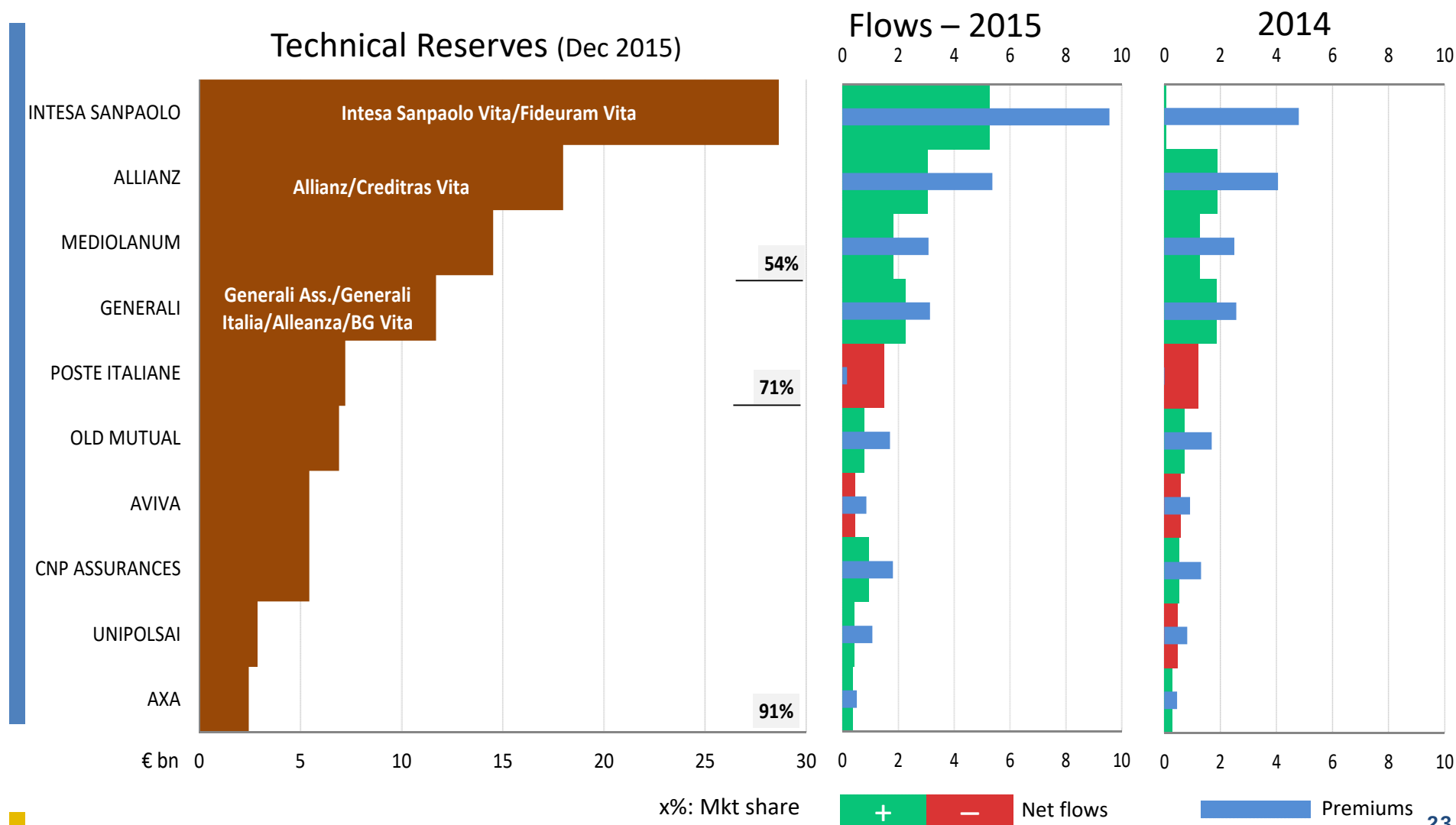


Top 10 Life Insurance Groups





Top 10 Unit&Index Linked Groups





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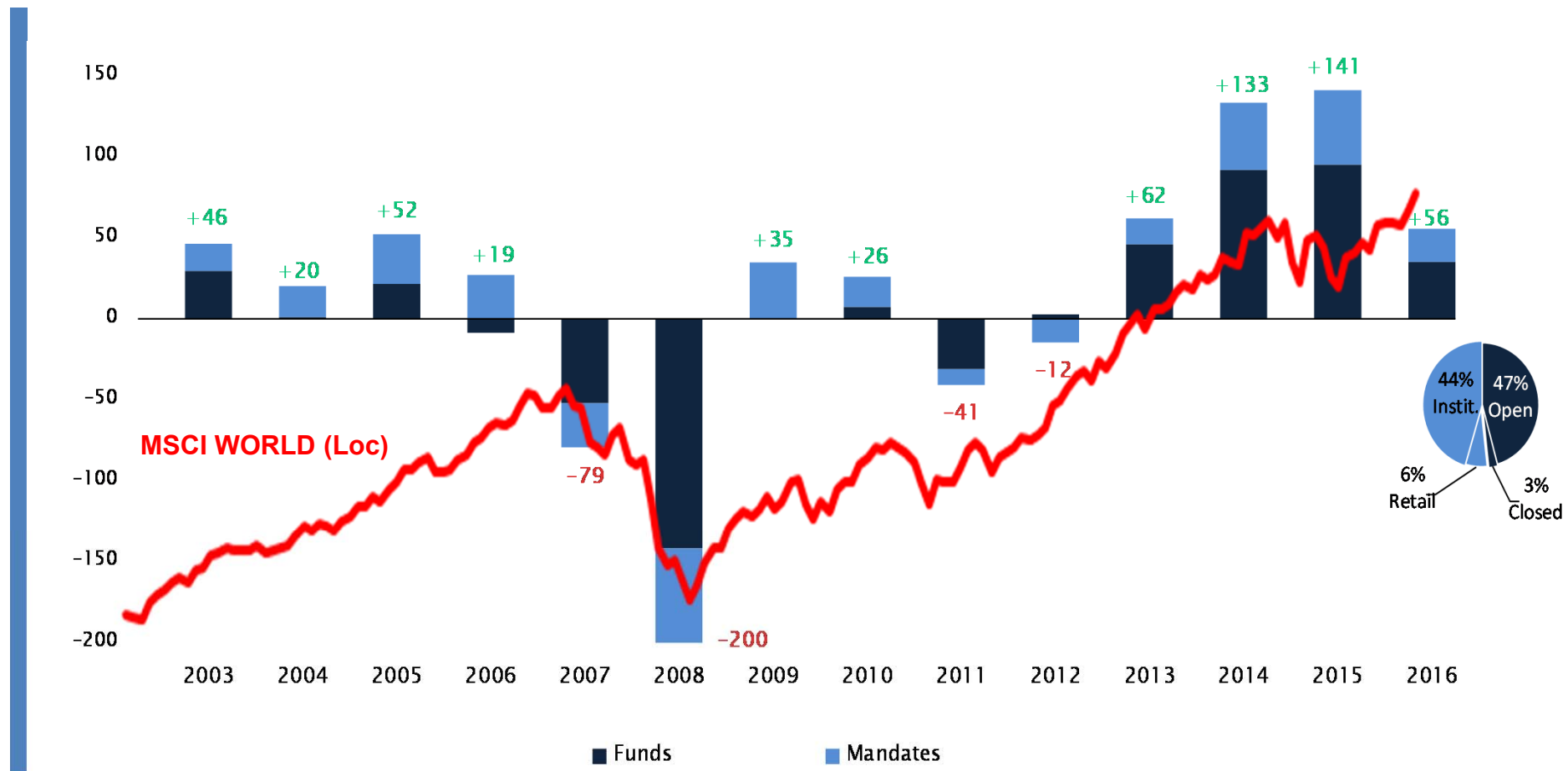
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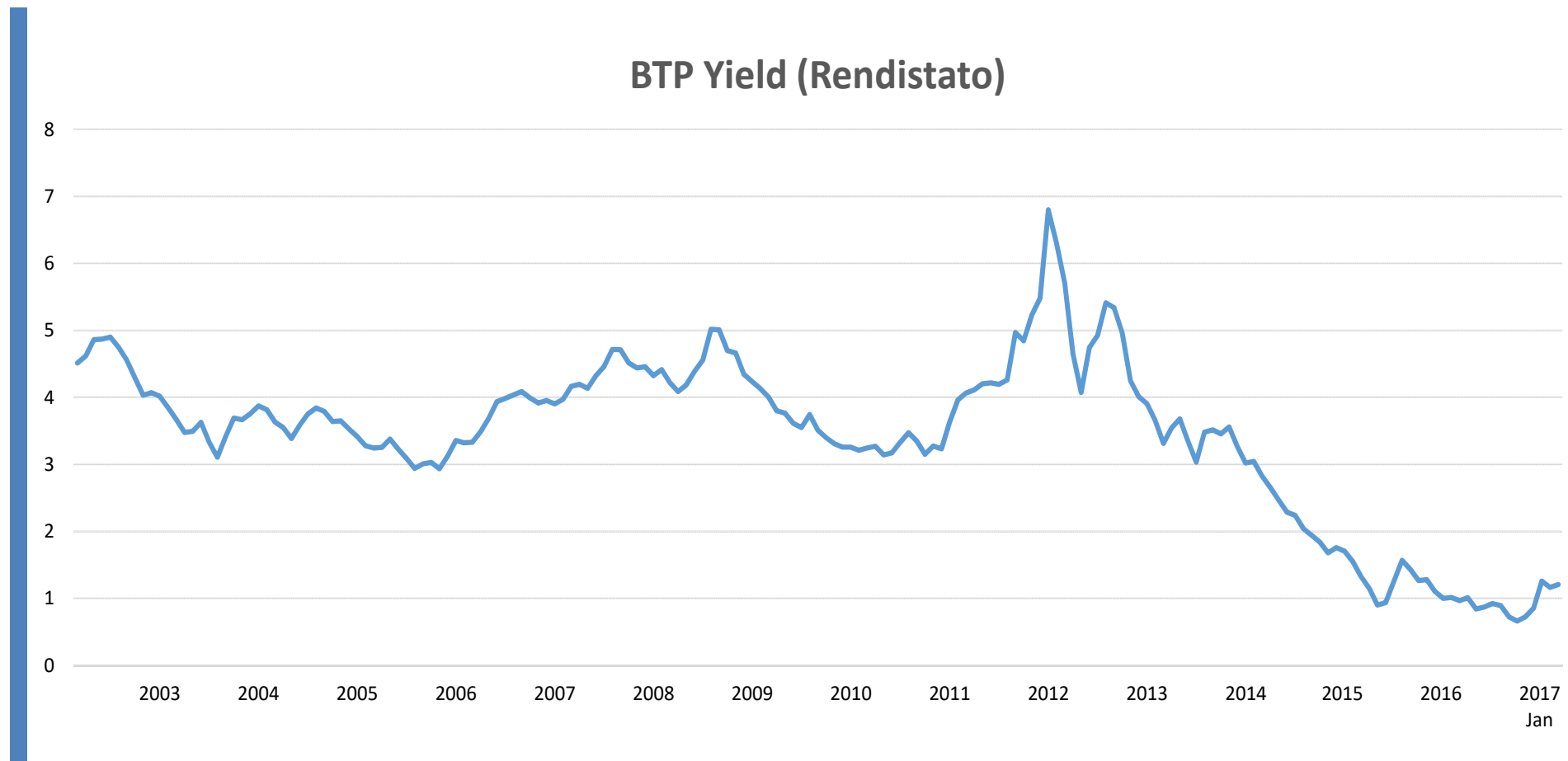


A pro-cyclical market



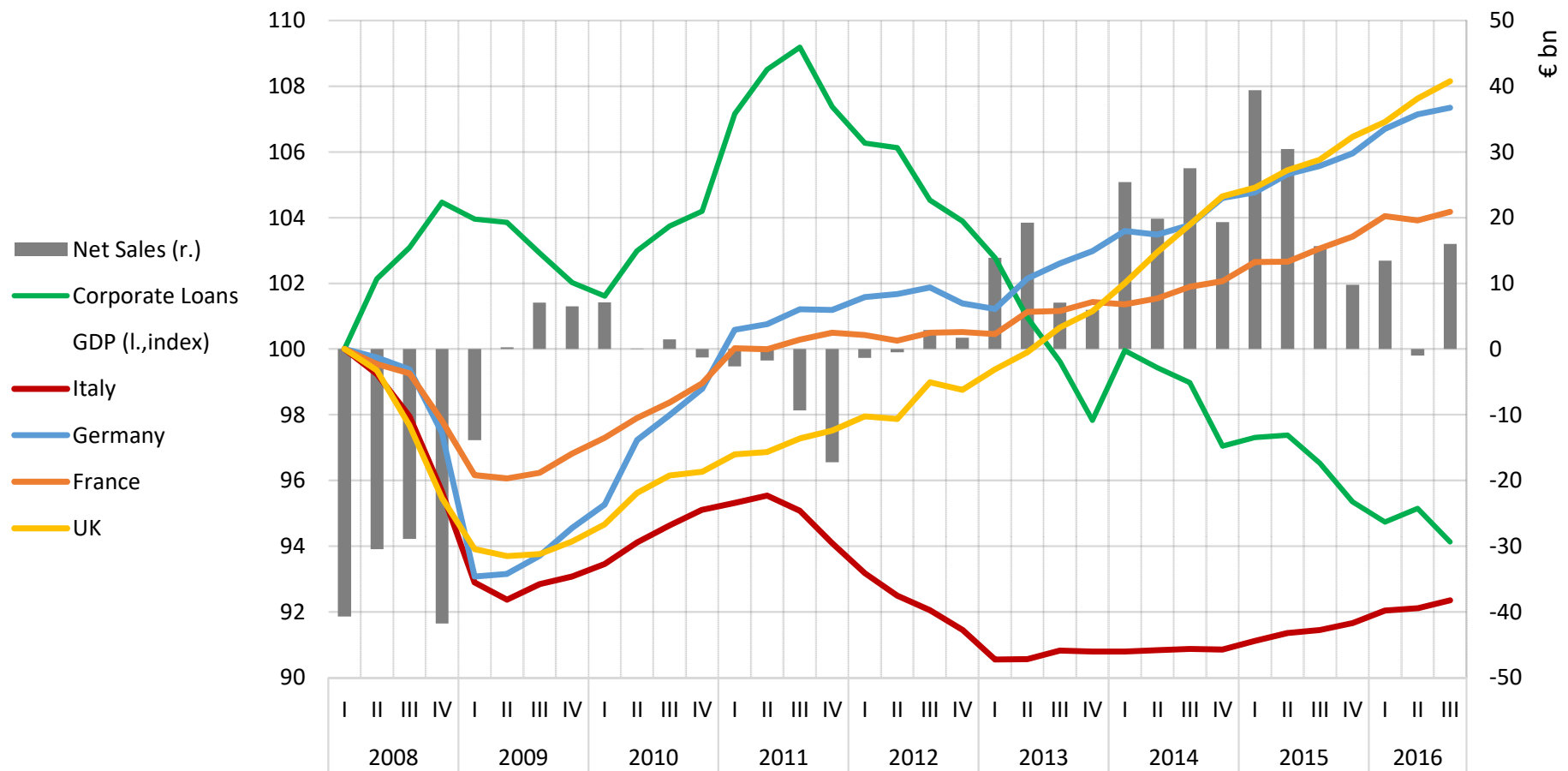


... in search for yield



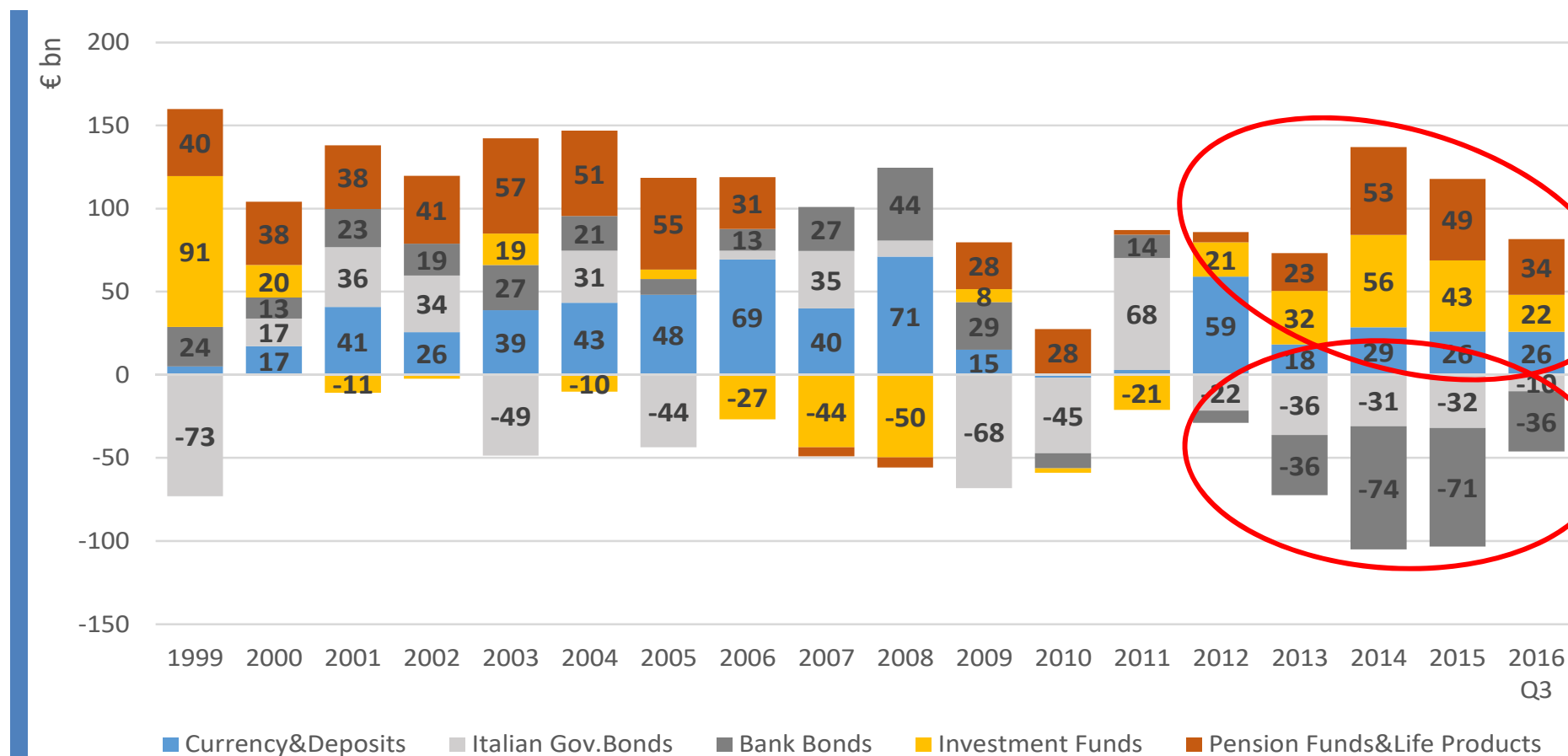


AM Market, GDP & Bank credit





Households: less bonds, more funds (flow view)



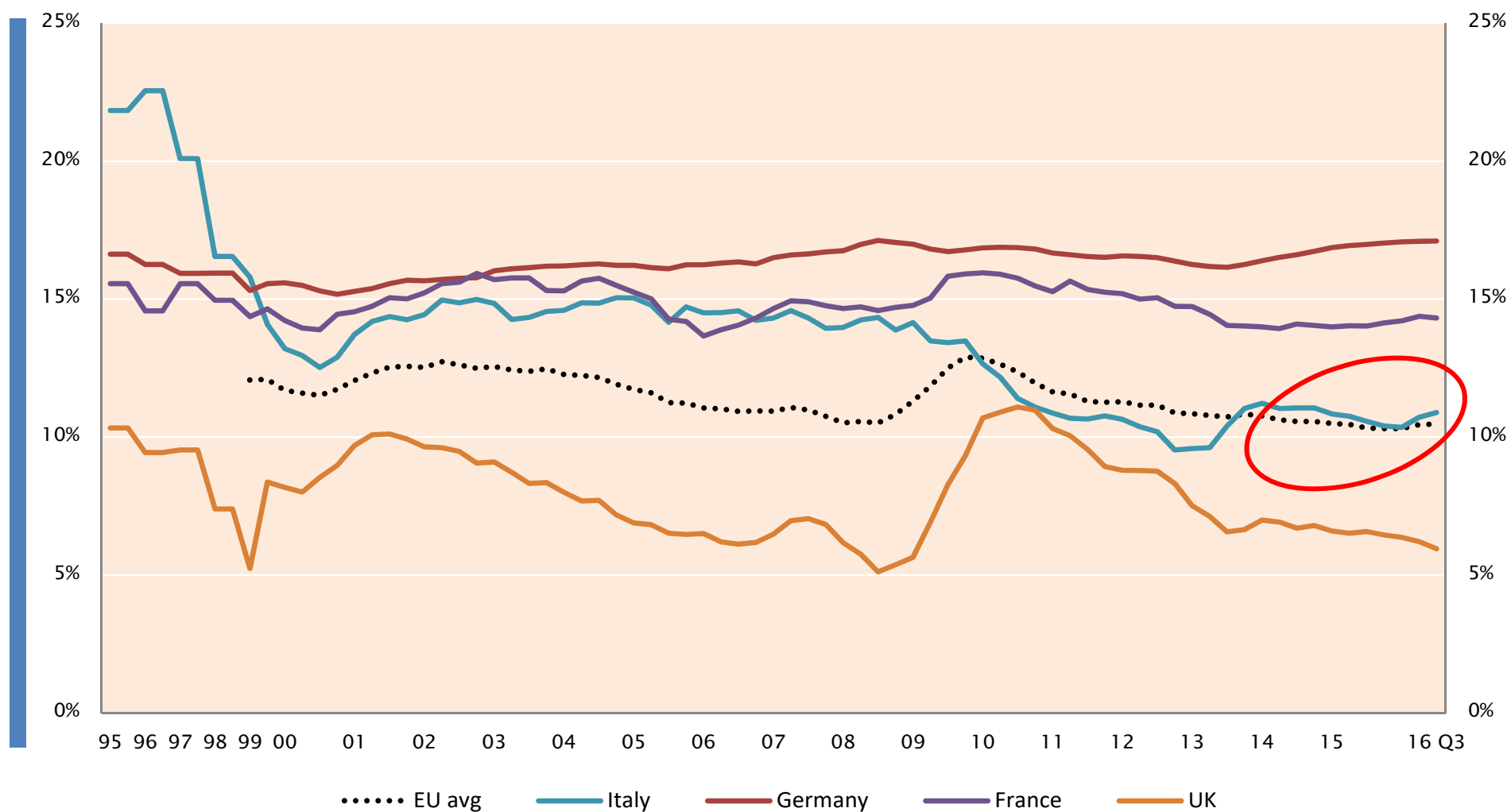


Households: less bonds, more funds (stock view)

	Total Asset	Currency & deposits	Bonds		Stocks		Investment funds	Pension funds & life pr
			Total	<i>Issued by banks</i>	Total	<i>Listed</i>		
Italy	€ bn	%	%	%	%	%	%	%
1995	1,798	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	3,865	23.6%	19.0%	7.1%	28.2%	2.4%	11.0%	14.2%
2010	3,663	30.6%	19.8%	10.1%	19.9%	2.0%	7.8%	17.4%
2012	3,770	31.4%	19.4%	9.8%	19.6%	1.6%	7.7%	17.6%
2015	4,120	30.9%	10.7%	4.6%	23.3%	1.6%	11.1%	20.0%
2016 Q3	4,012	32.4%	10.0%	3.8%	20.3%	1.3%	11.9%	21.5%
2016 Q3								
France	4,951	28.6%	1.3%	n.a.	20.7%	4.1%	6.3%	34.7%
Germany	5,648	39.1%	2.9%	n.a.	10.2%	5.0%	10.1%	31.1%
UK	7,791	23.2%	1.7%	n.a.	7.9%	2.5%	2.0%	61.5%
USA	65,533	13.9%	5.1%	n.a.	35.4%	n.a.	10.7%	32.9%

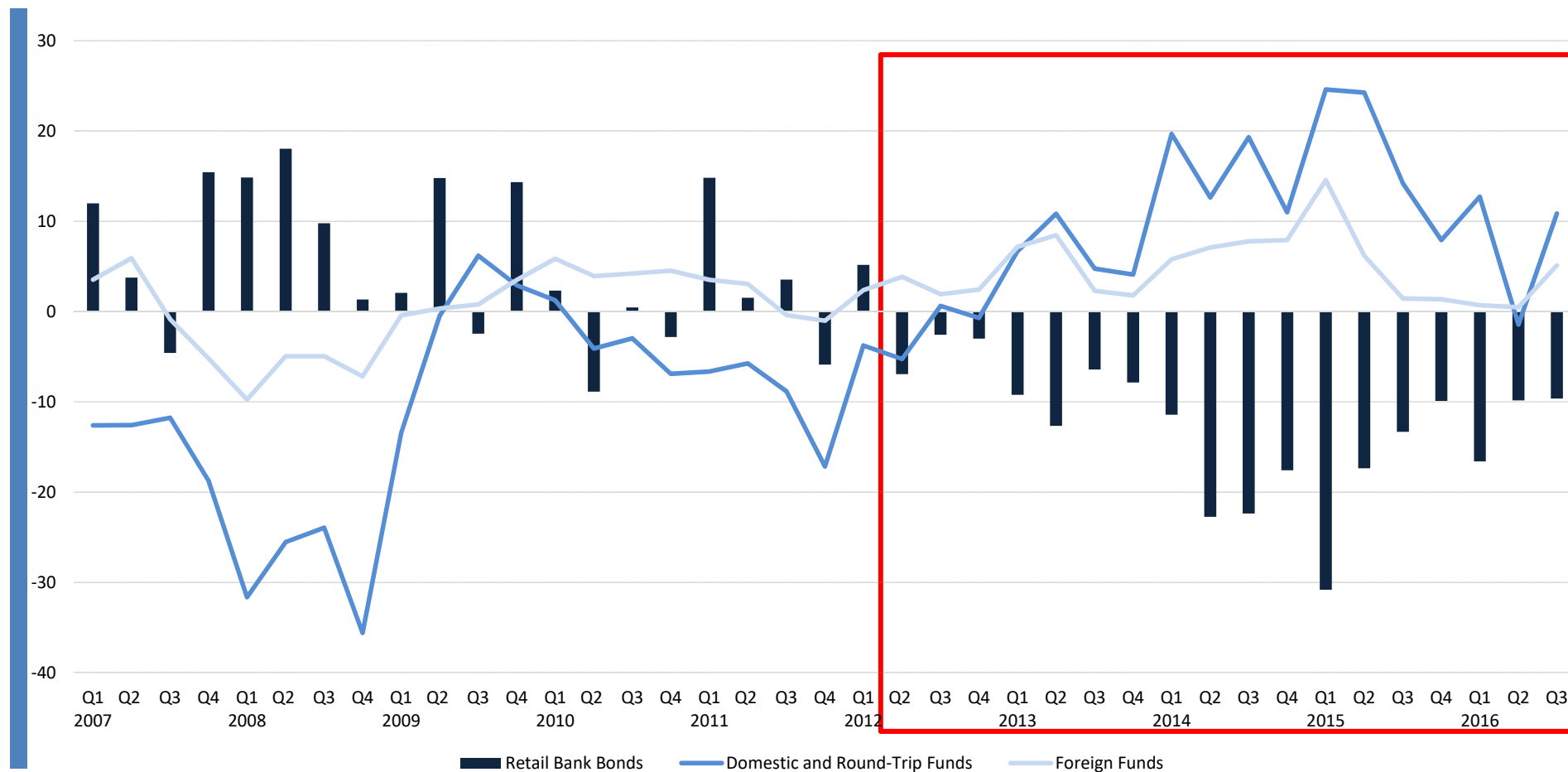


The uptick of the saving rate is good news for the industry



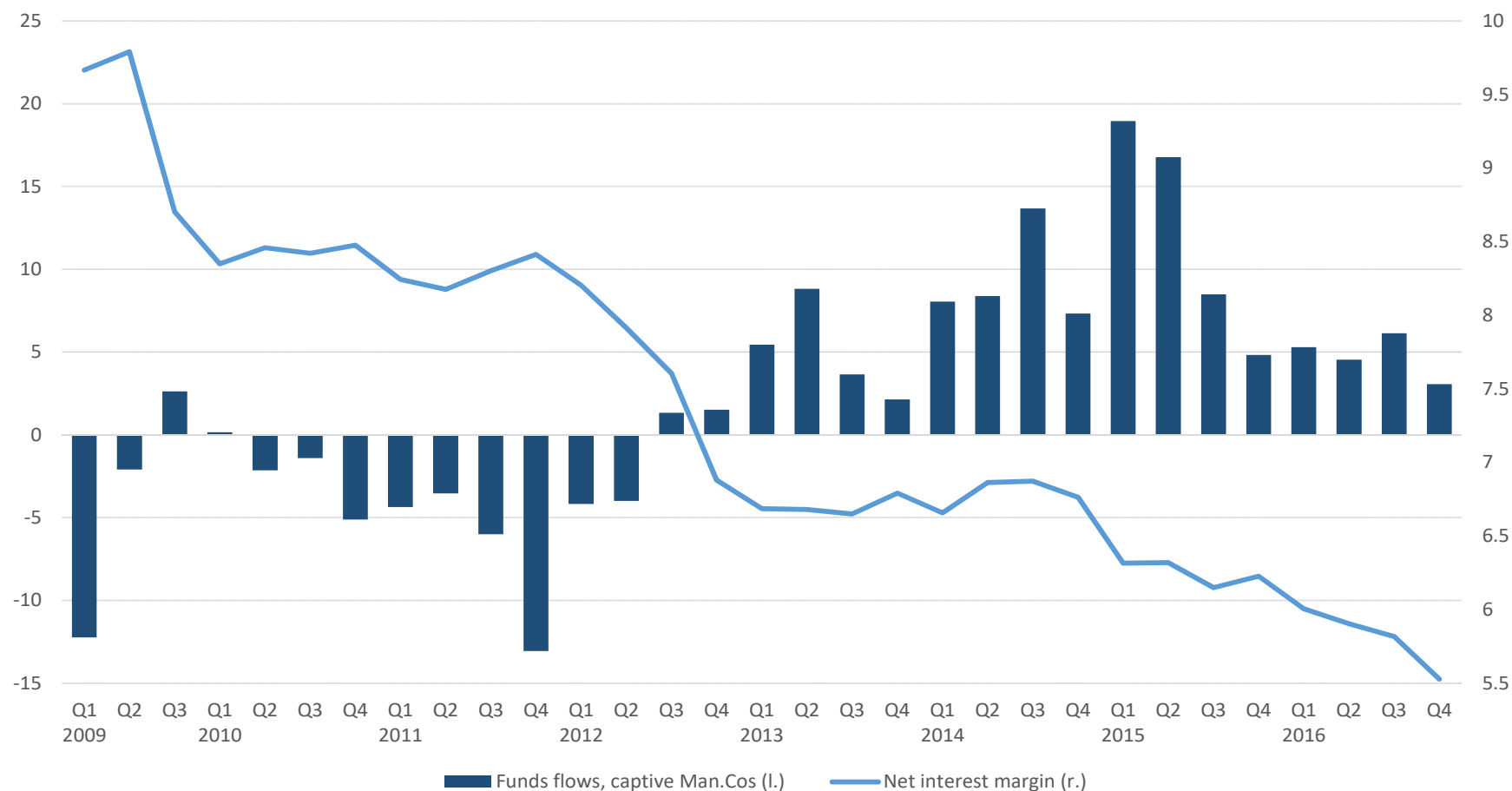


Banks: no more dependent on funding from retail investors...



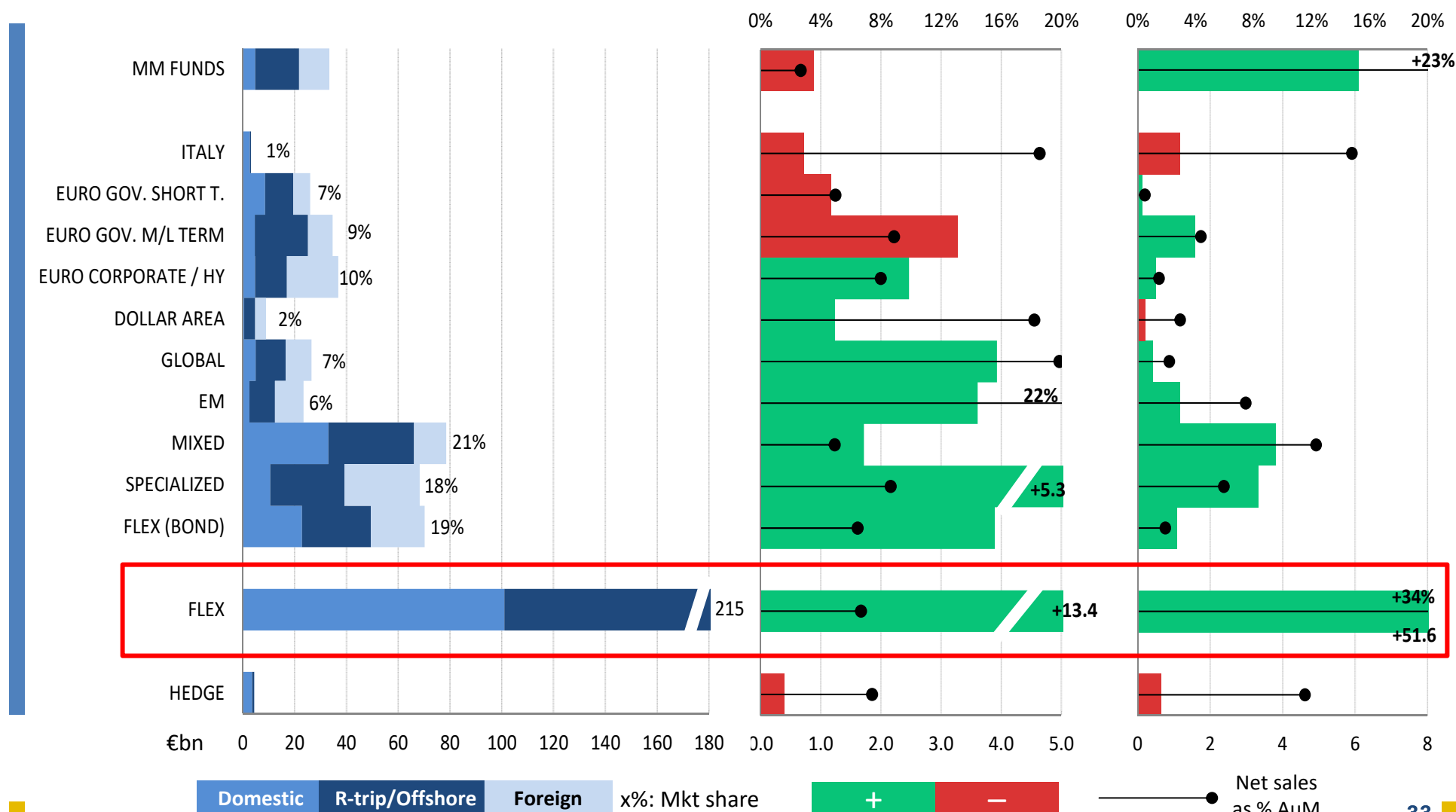


... and urged to sustain profitability through non interest-based sources of revenues





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





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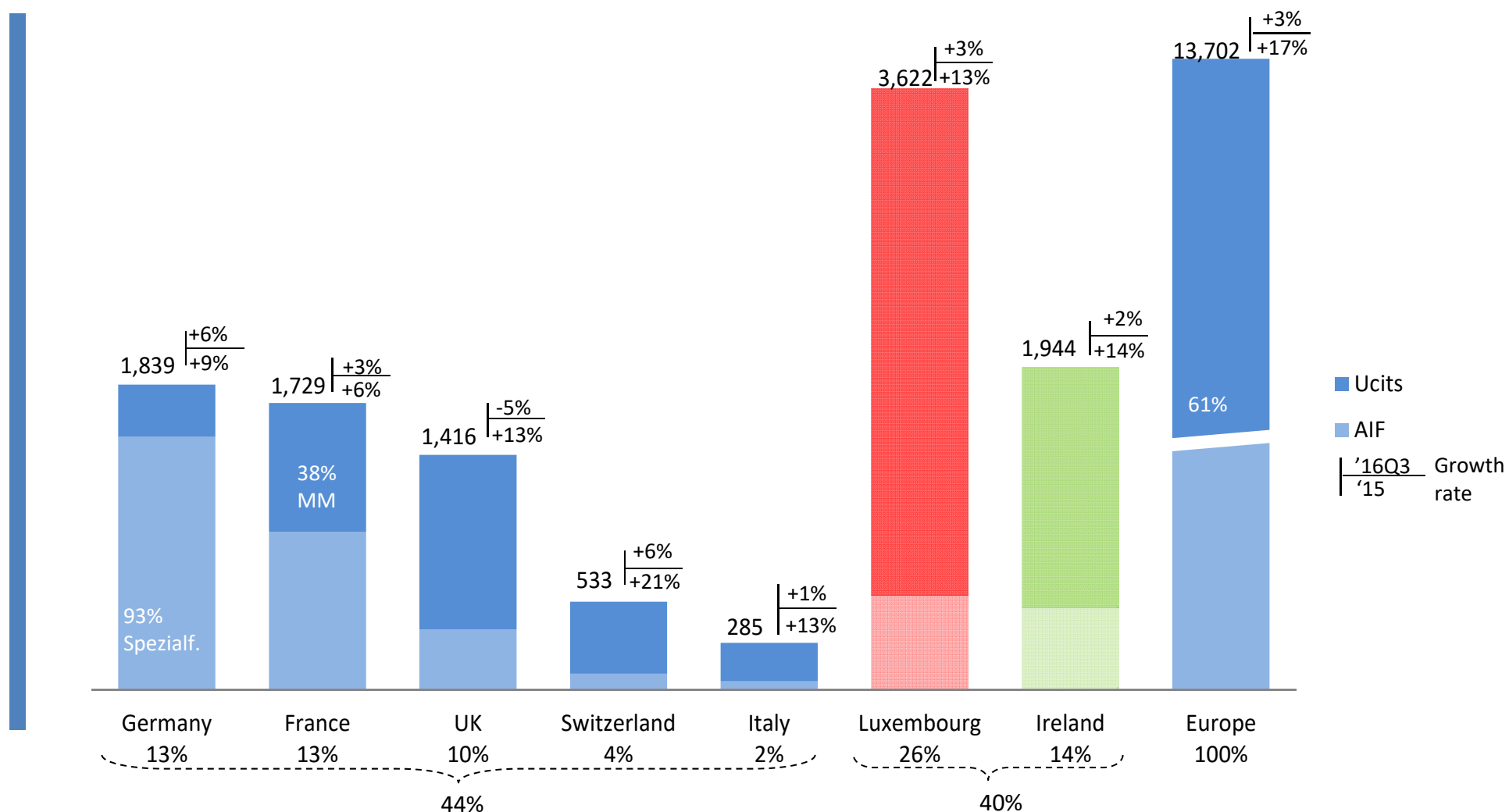
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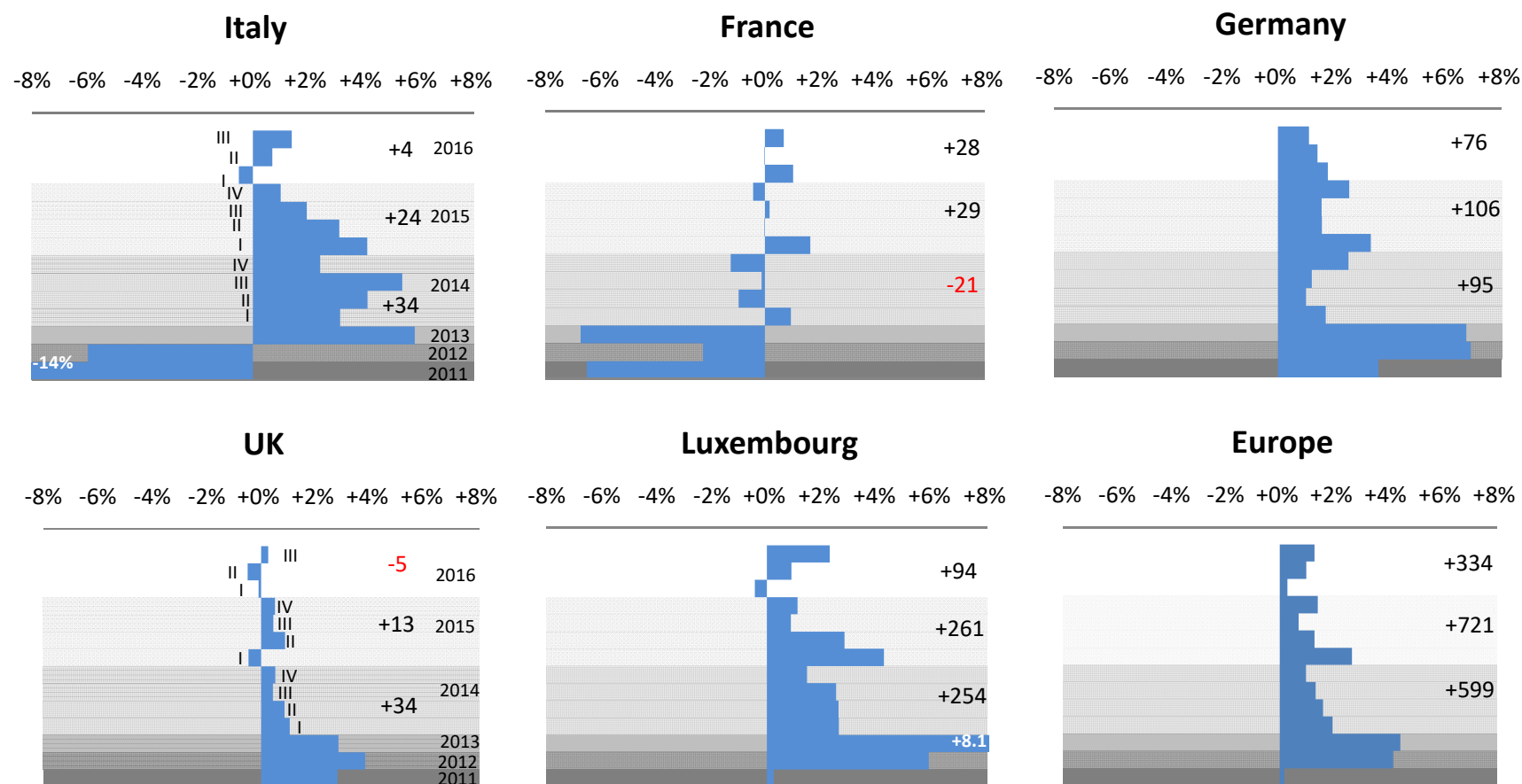
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Net Assets by fund domicile

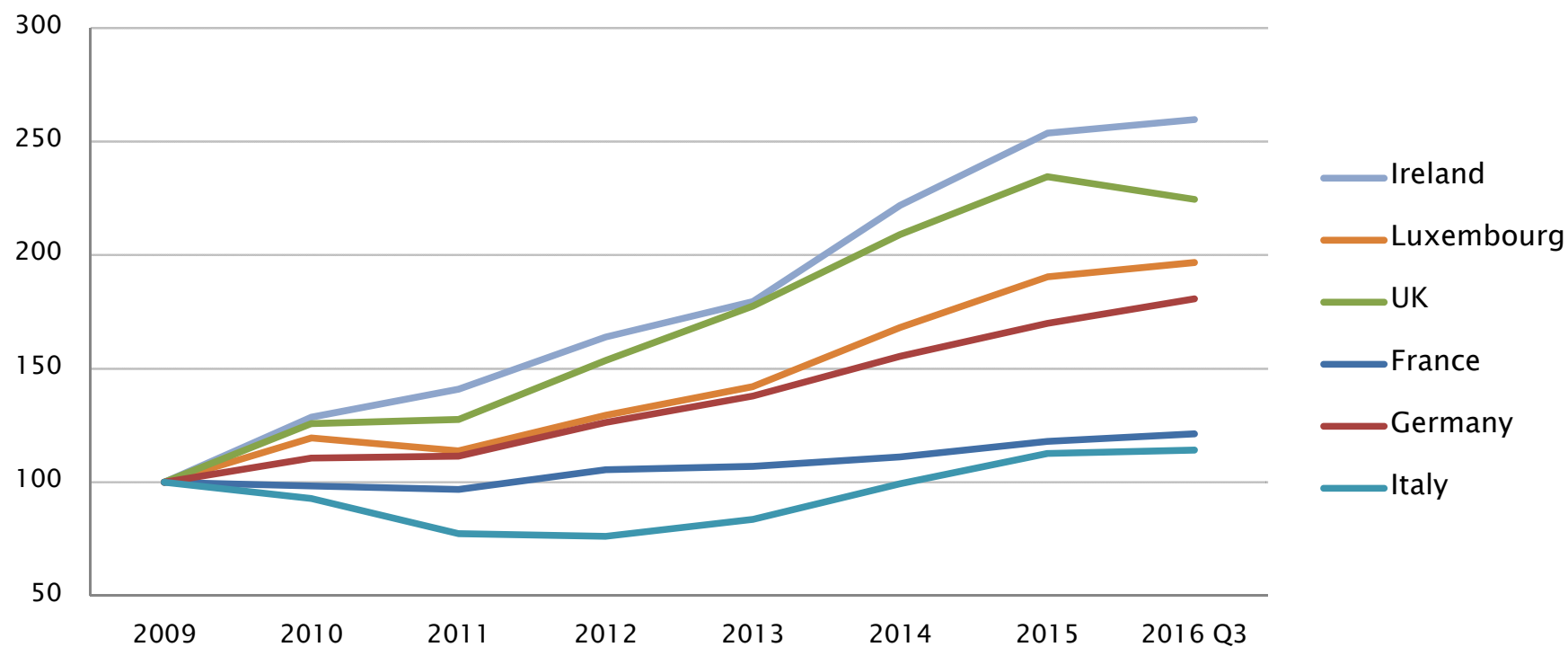


Net sales by fund domicile



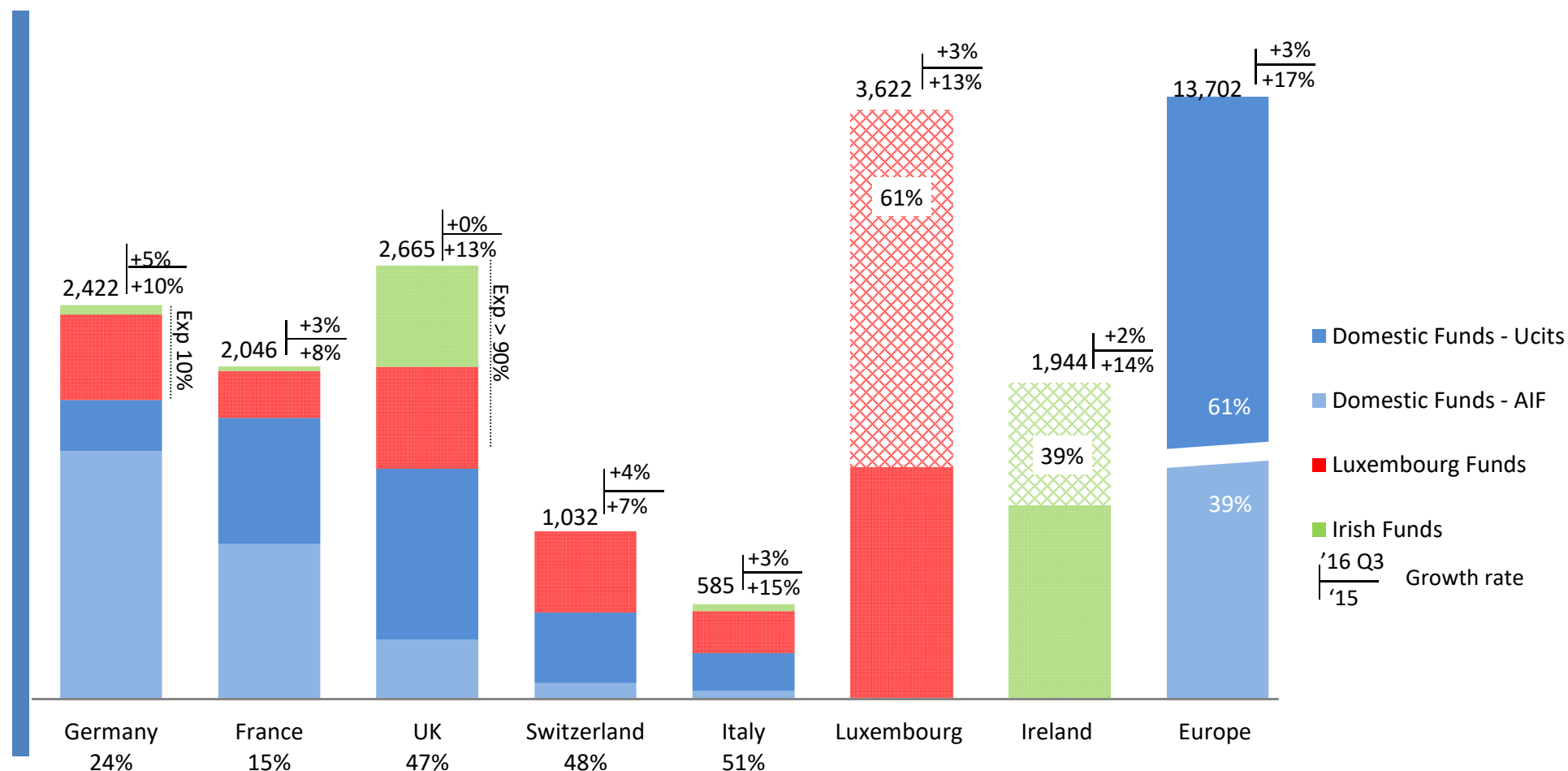


Net Assets by fund domicile – Long-term growth



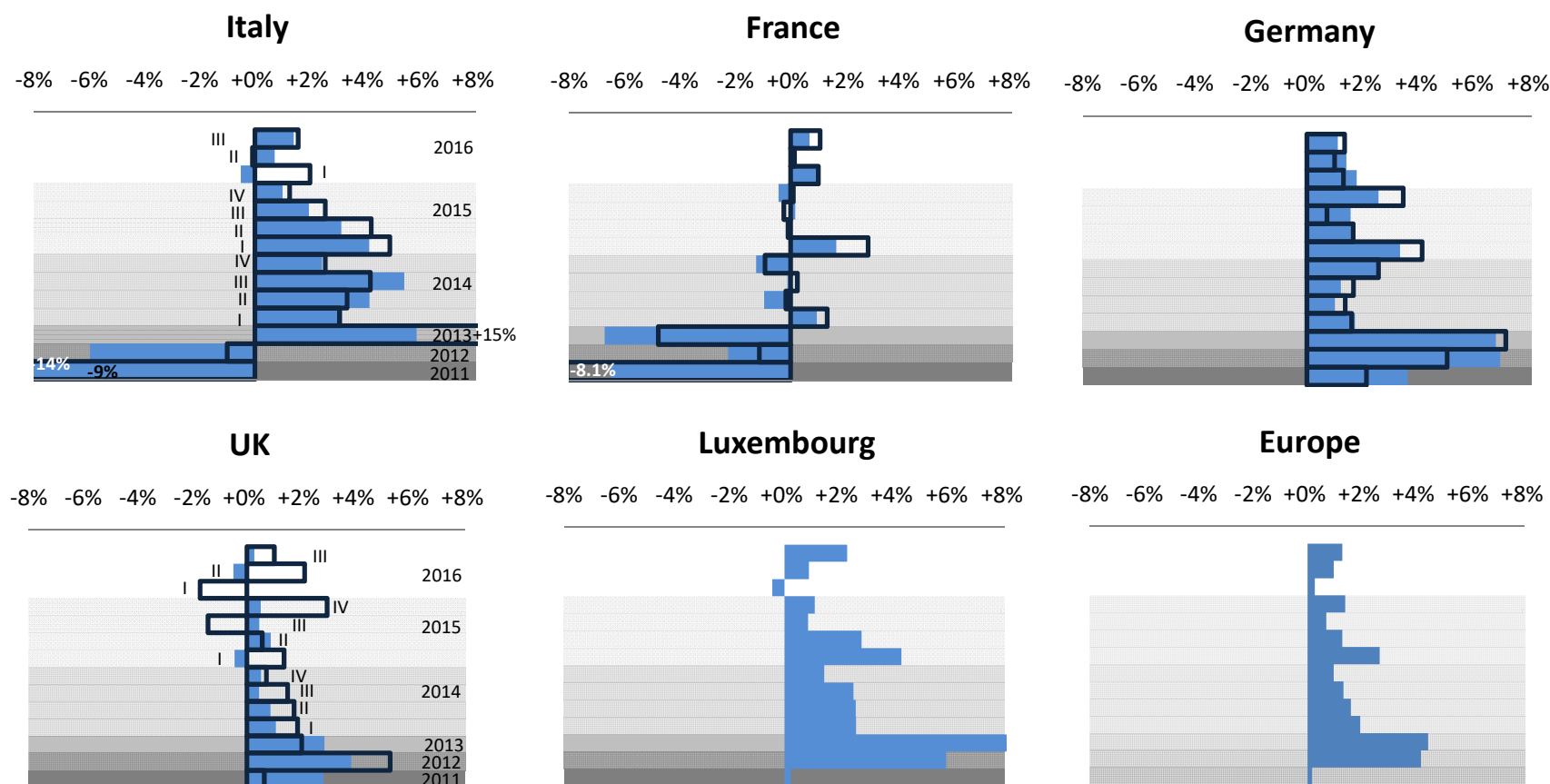


Net Assets by fund group domicile





Net sales: fund domicile vs. fund group domicile





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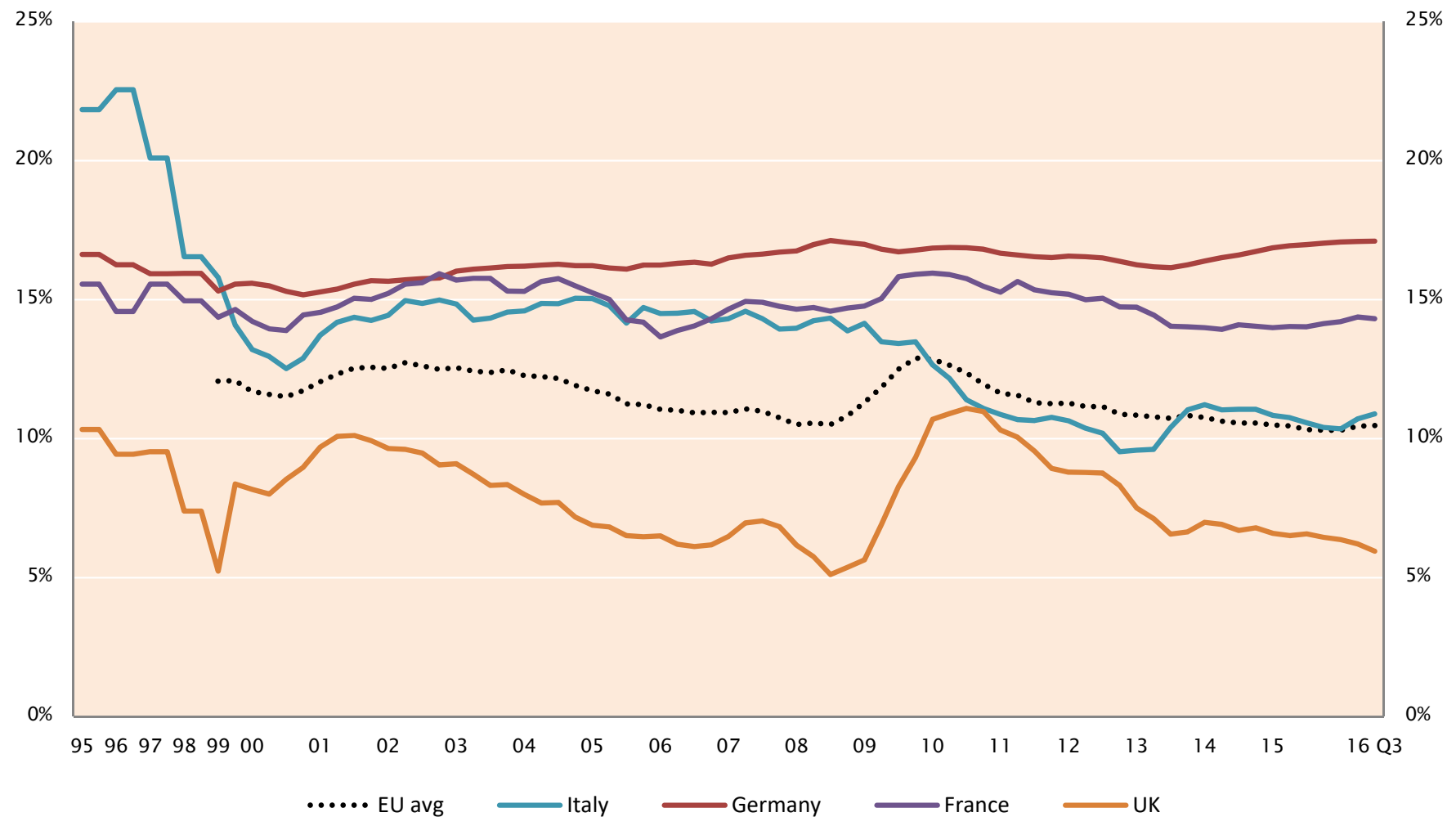
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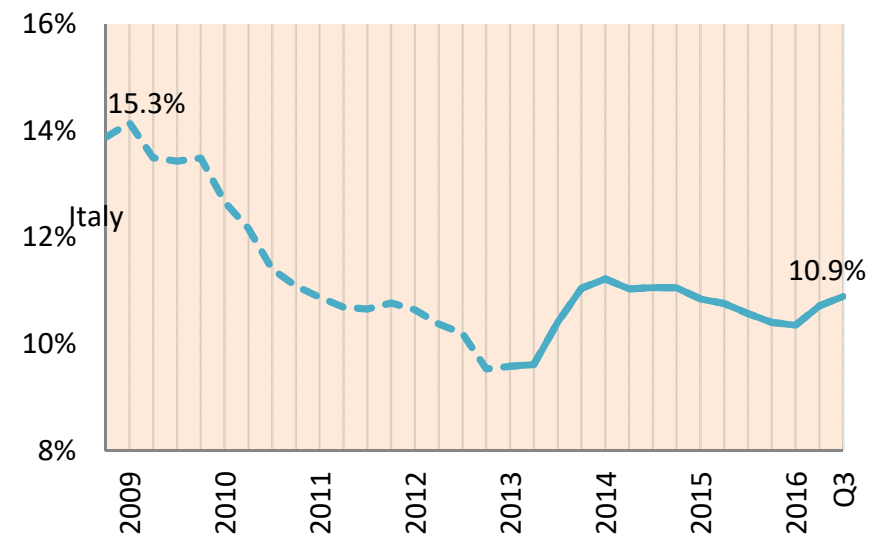
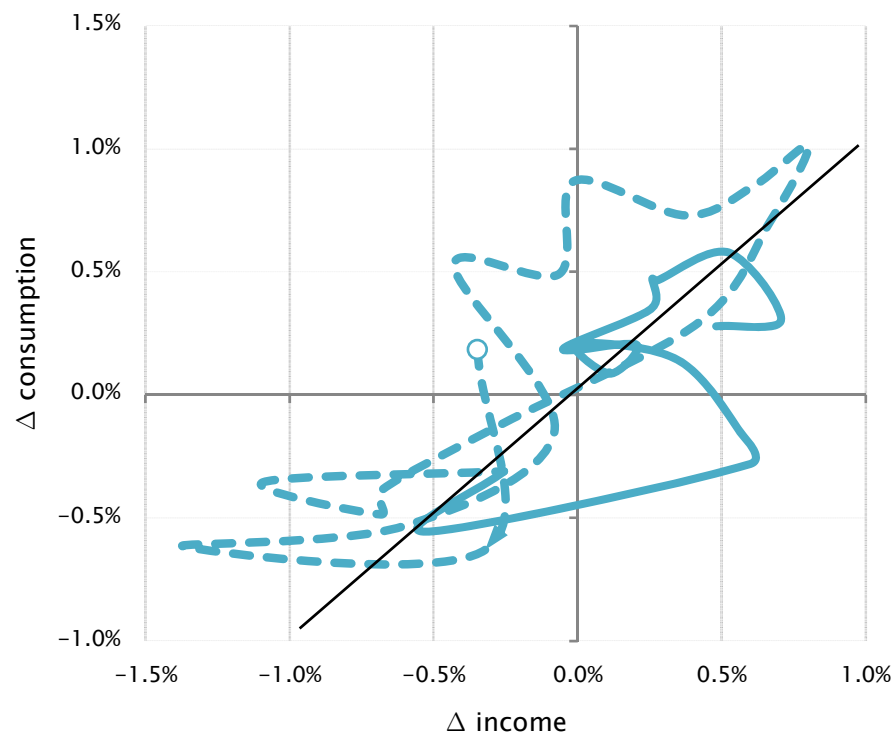


Household saving rates in Europe



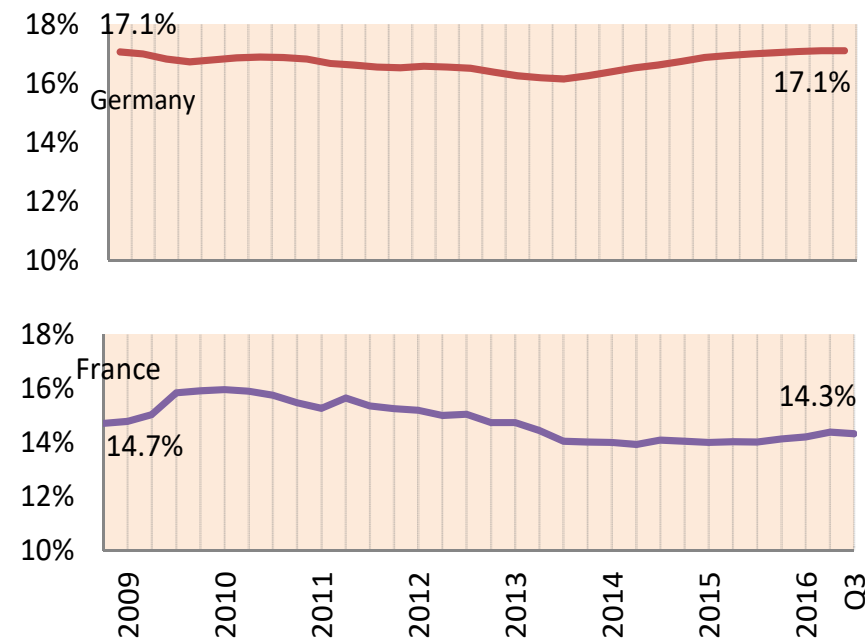
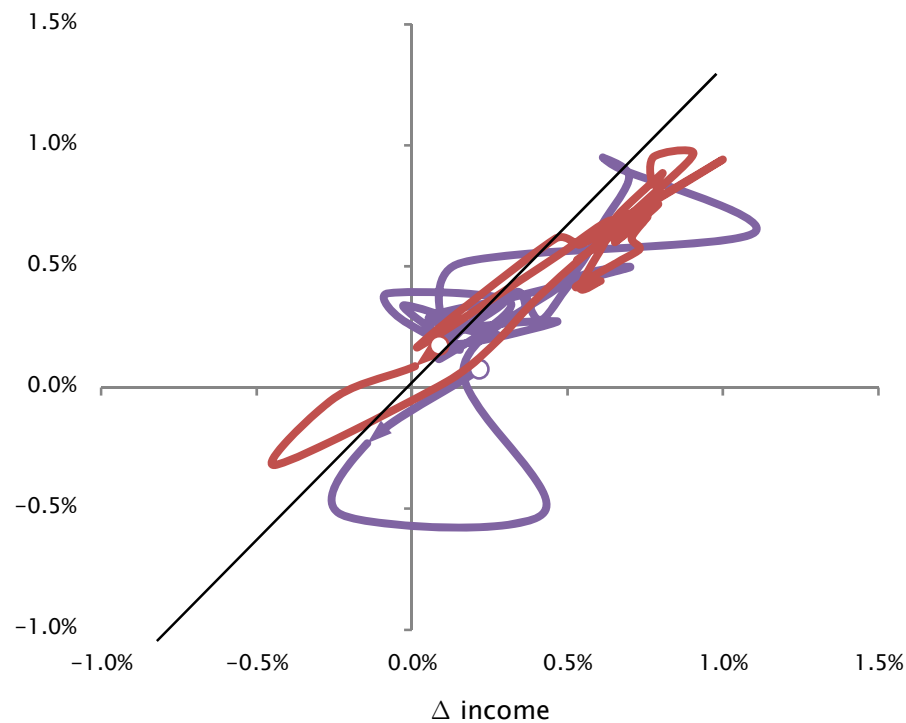


How income & consumption $\Delta\%$ affect saving rates



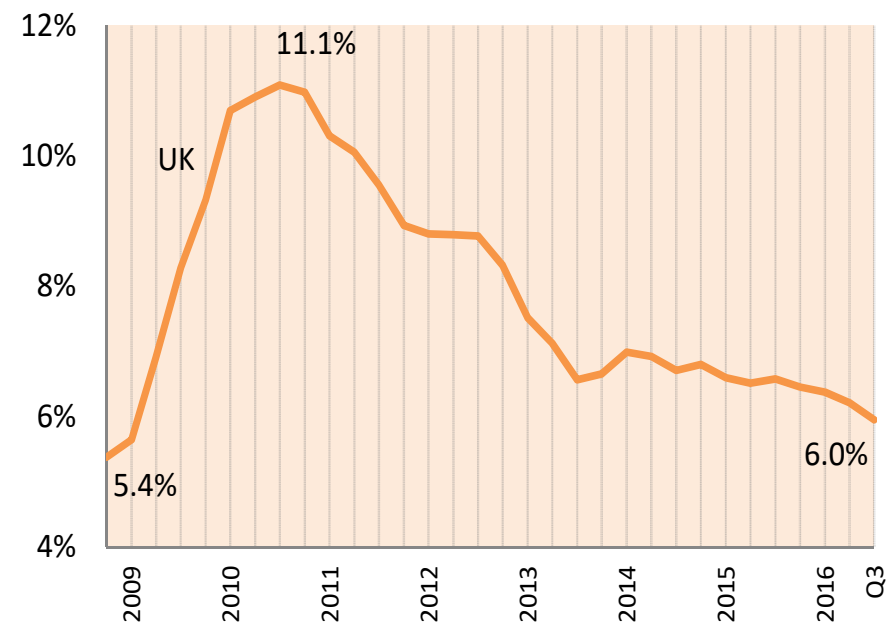
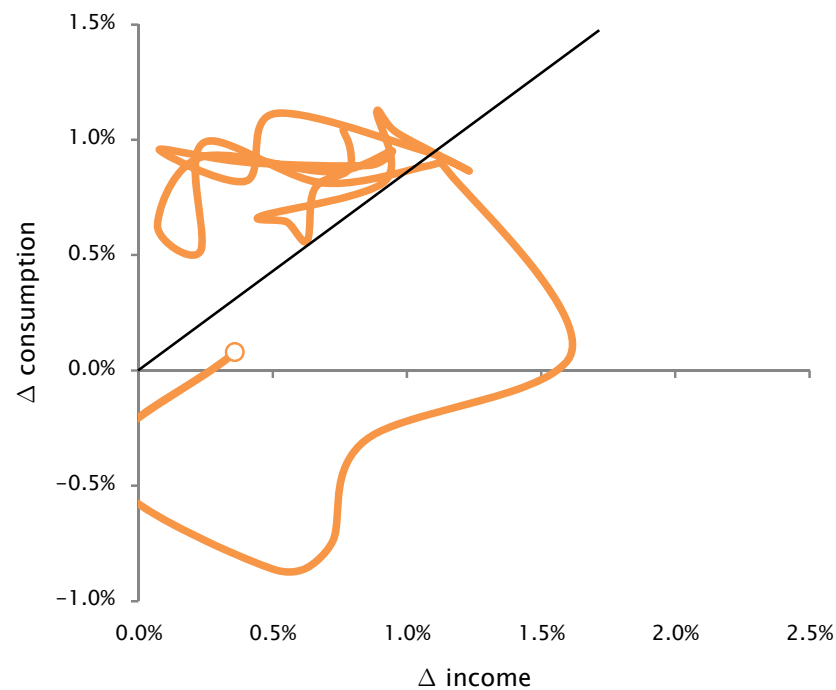


How income & consumption $\Delta\%$ affect saving rates





How income & consumption $\Delta\%$ affect saving rates





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.

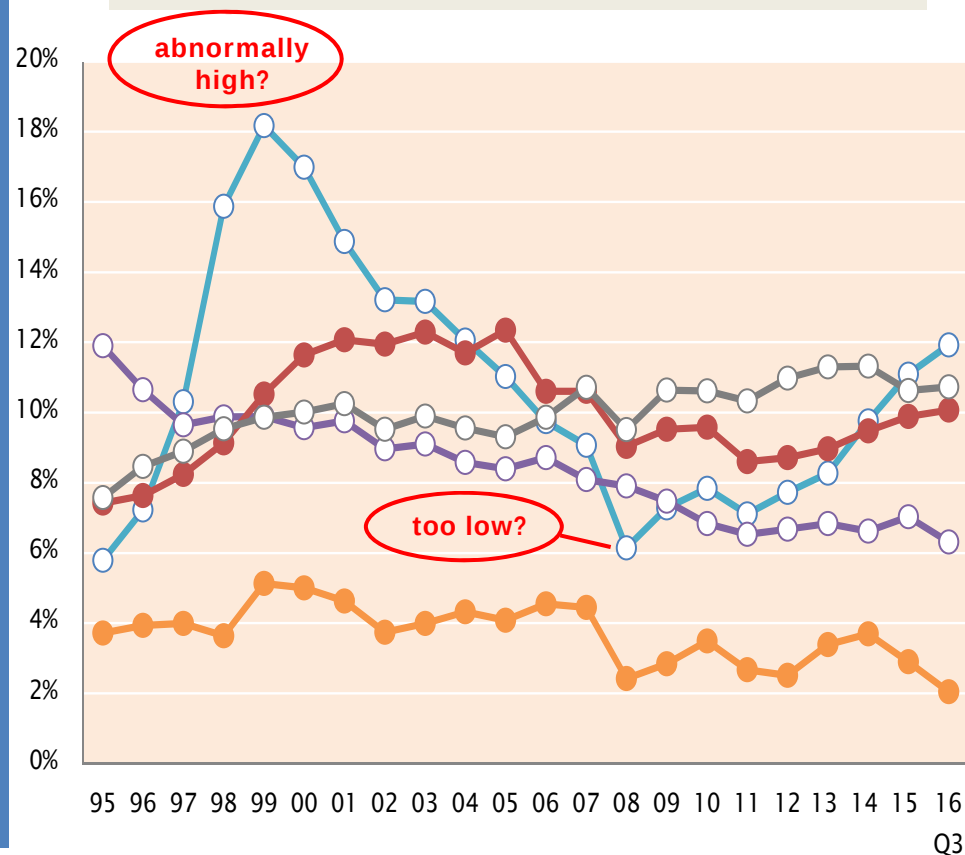
***Funds*: rise until 1999 (18%) then down, then again up.**

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

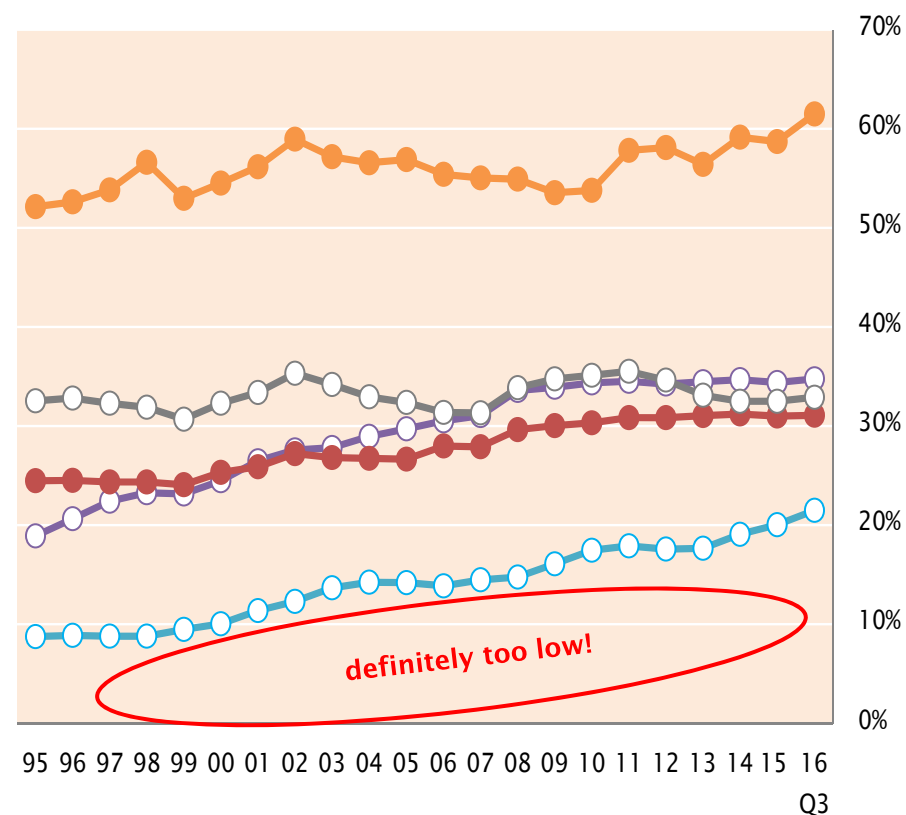


Managed products in household portfolios

Investment funds



Pension funds & life products



—○— Italy —○— France —●— Germany —○— United Kingdom —○— USA

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

	2015			2008	
	Working pop. (,000)	Membership (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

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