ASSOGESTIONI
associazione del risparmio gestito

The Italian Asset Management market
key figures

27 June 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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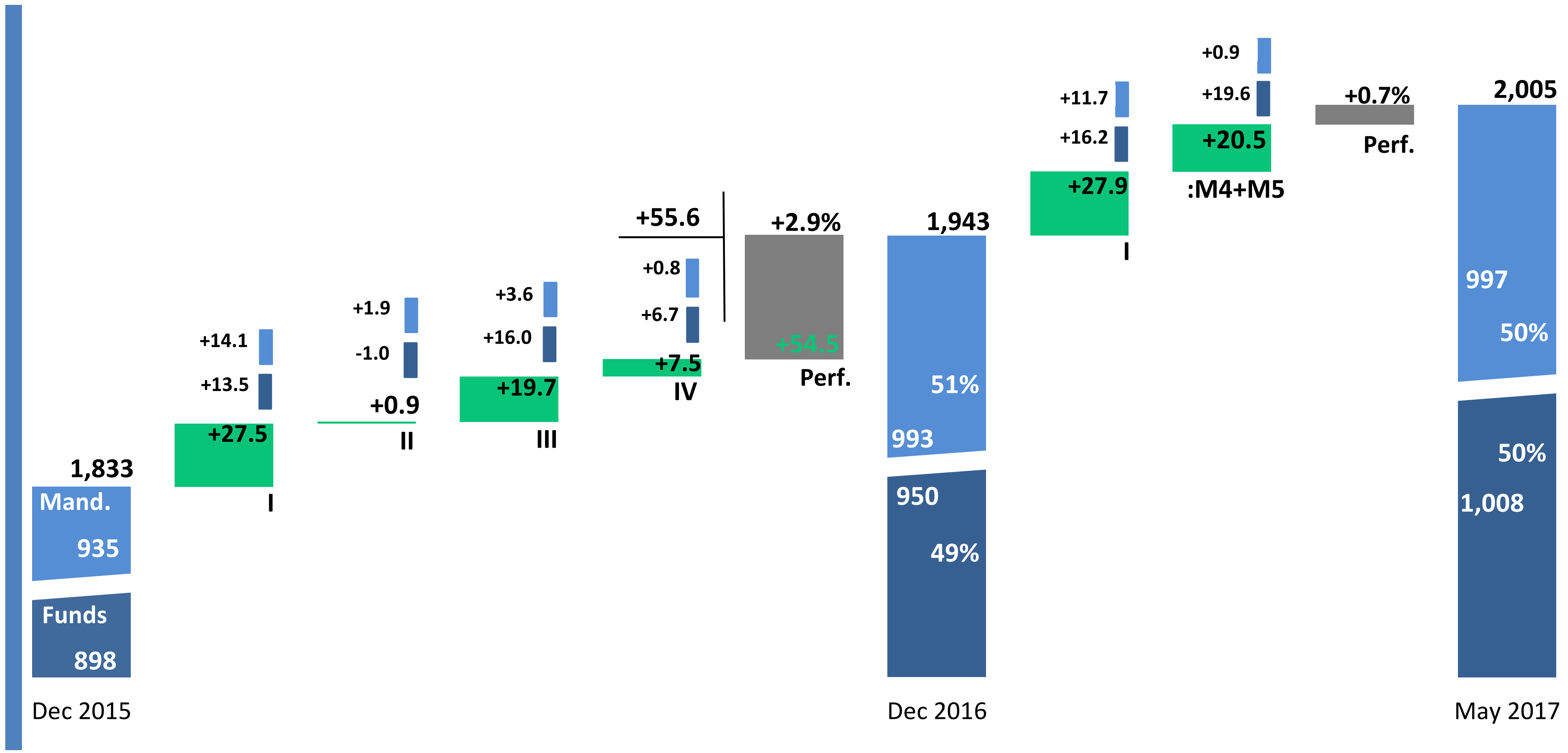
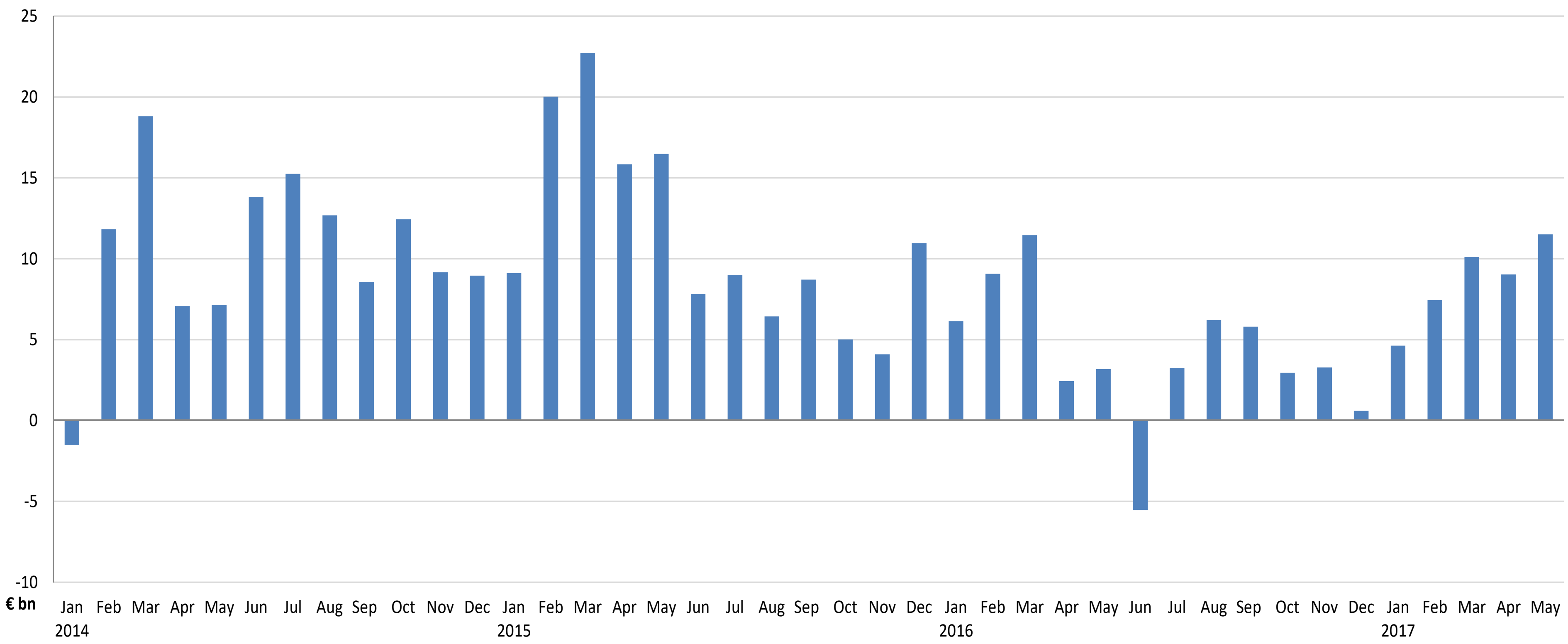
The Italian AM market (Jan 2016: May 2017)

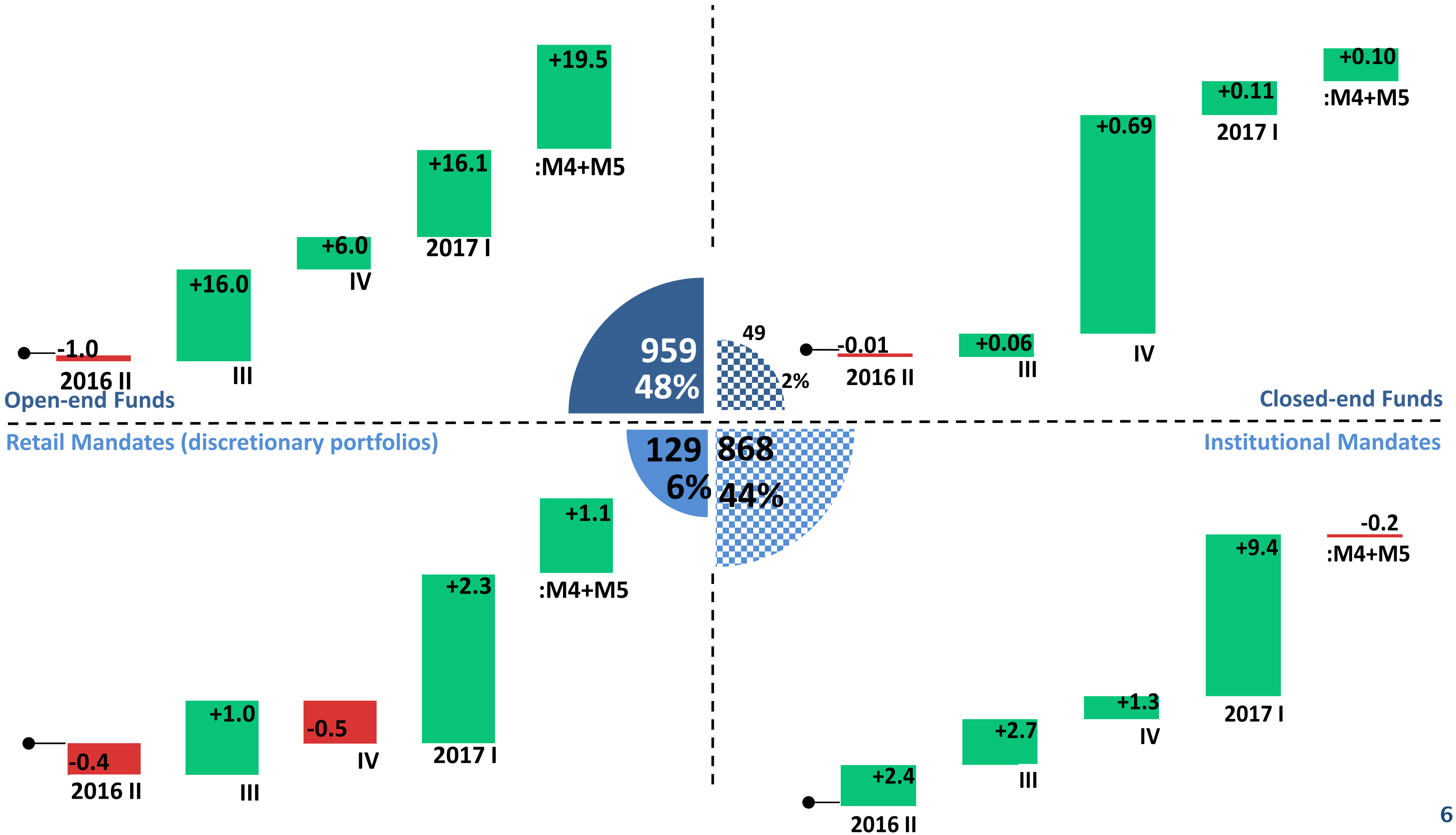


Net flows (monthly data)

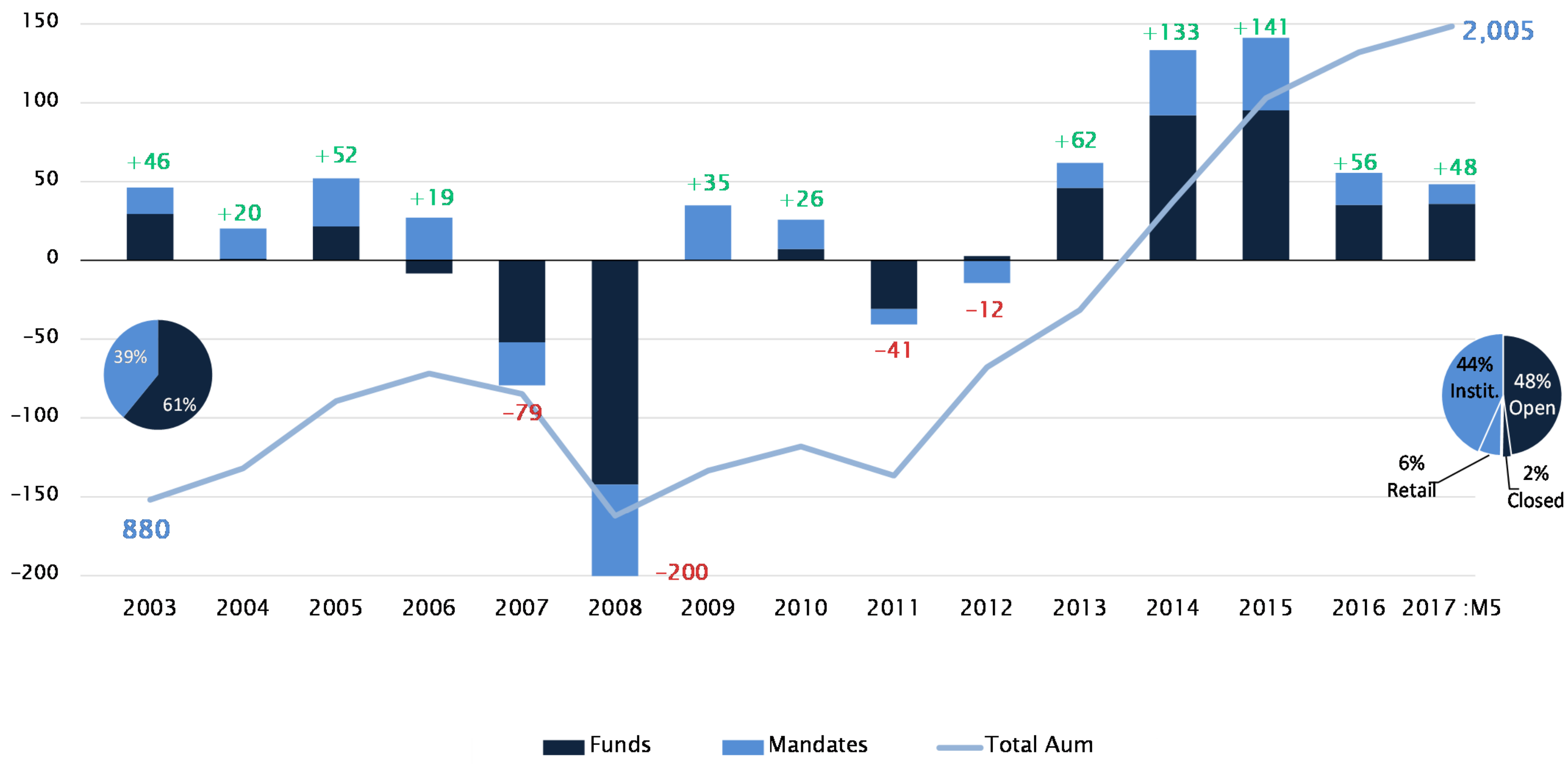


Monthly data. Source: Assogestioni.

Product breakdown

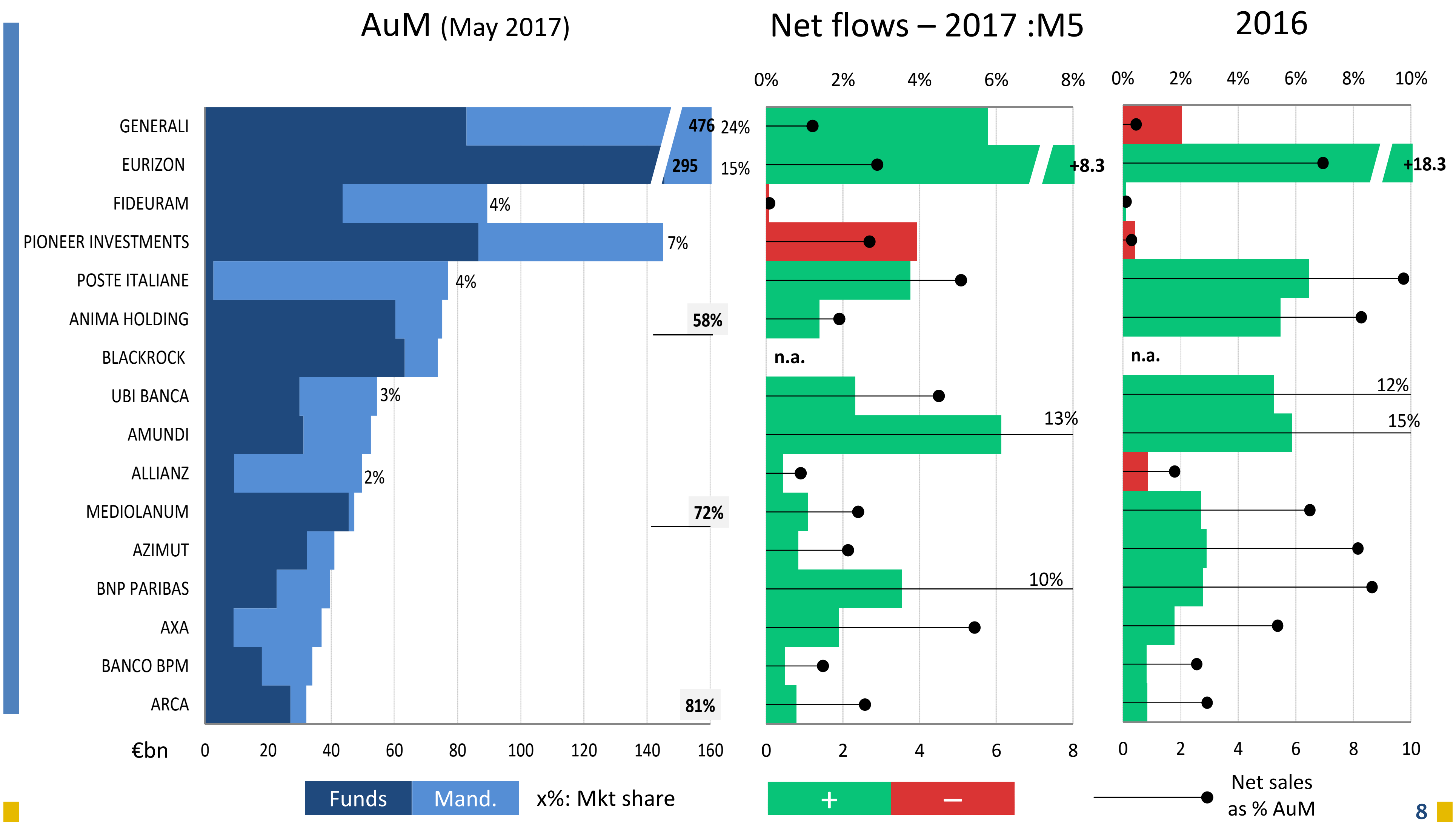


Long term trend

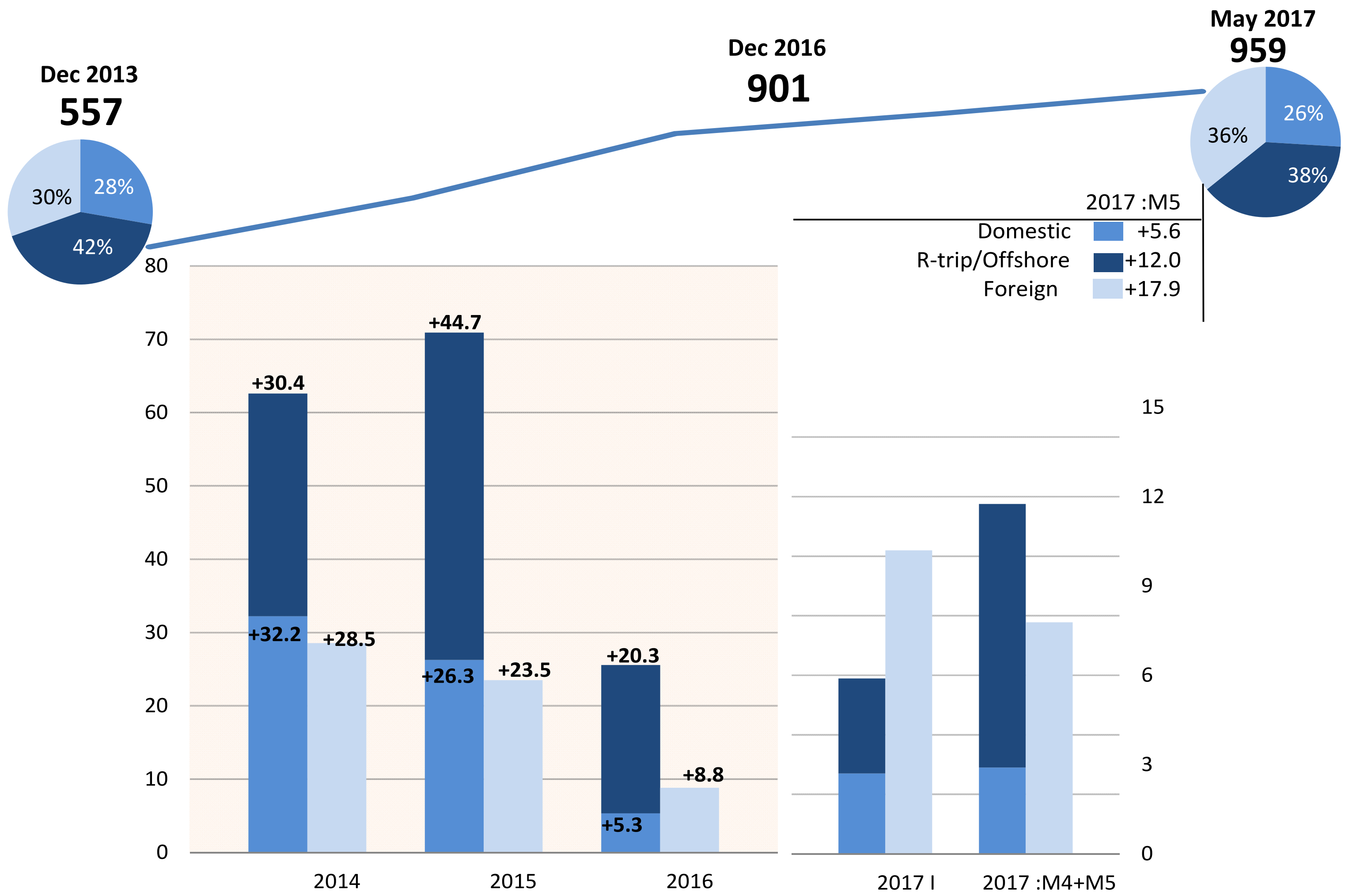


€bn, yearly data. Source: Assogestioni.

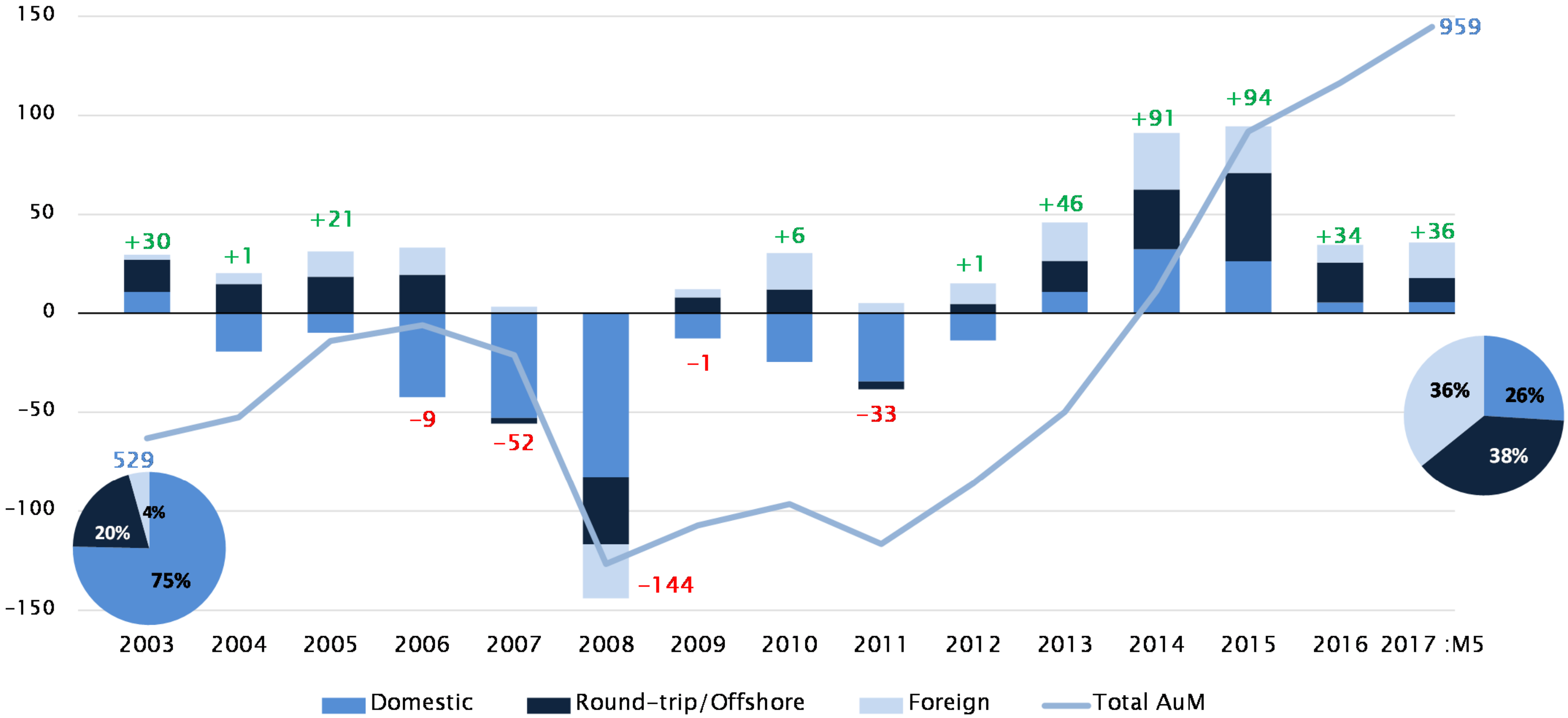
Top 15 Groups



Open-end funds: domicile breakdown

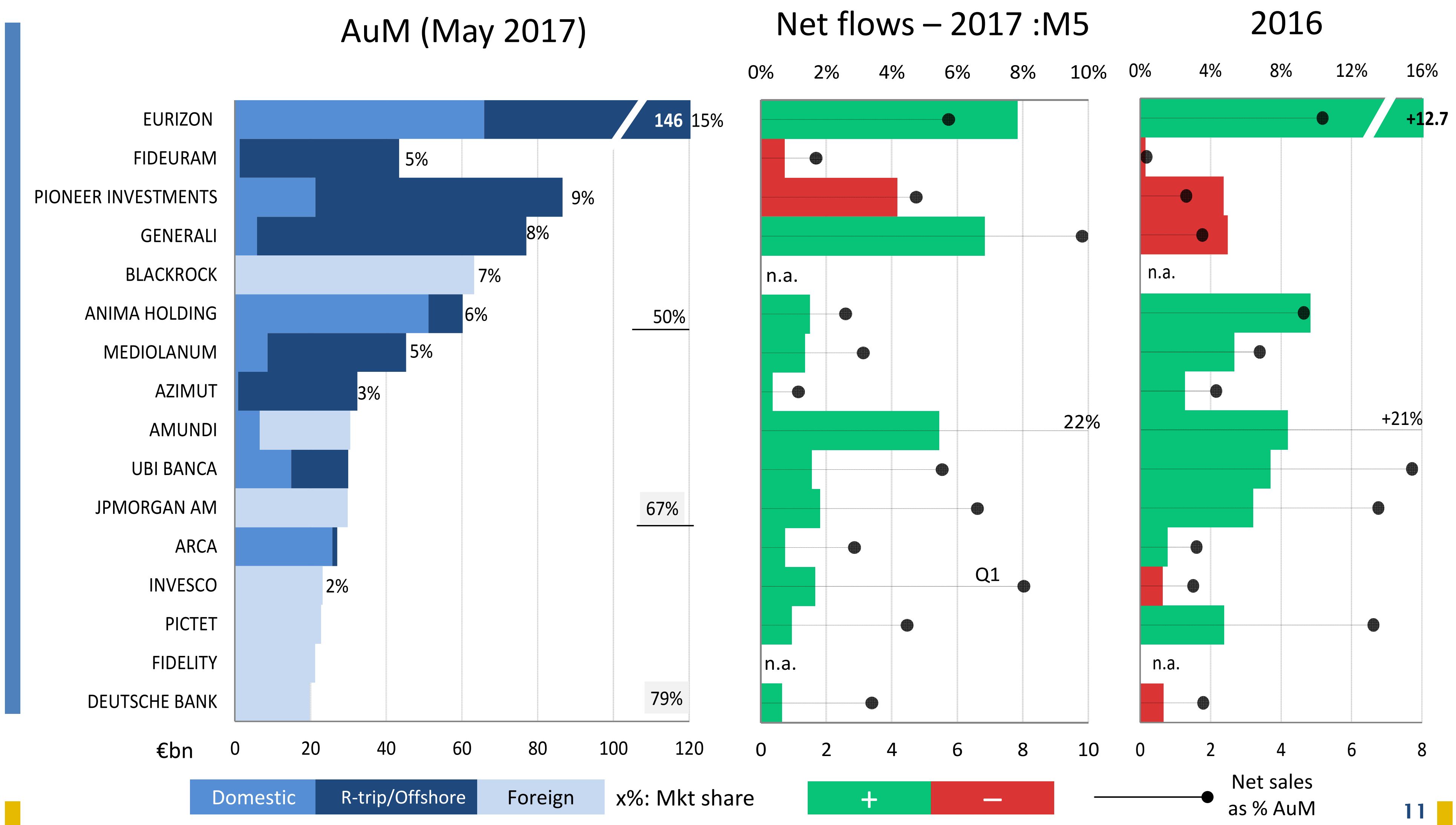


Long term trend: open-end funds

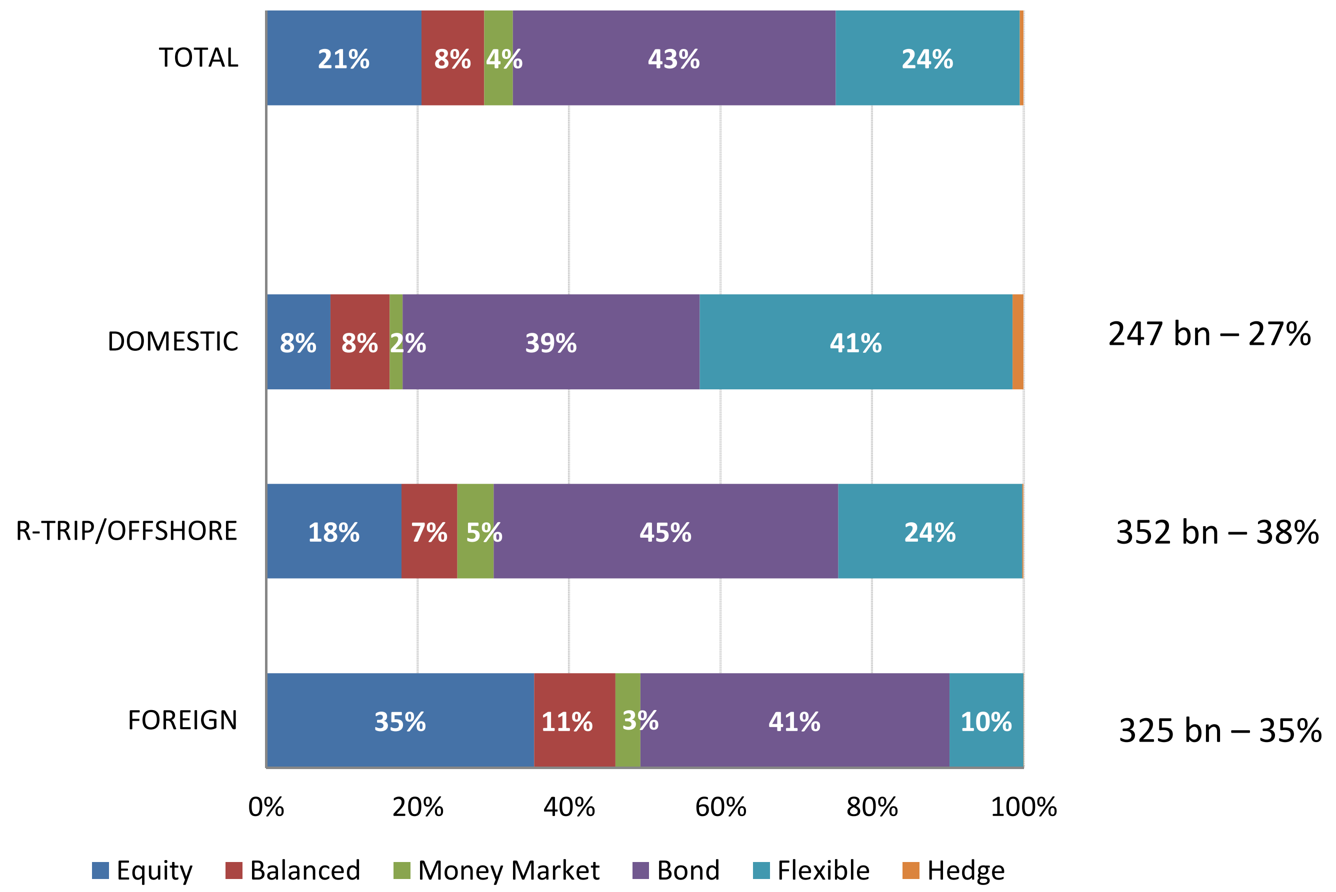


€bn, yearly data. Source: Assogestioni.

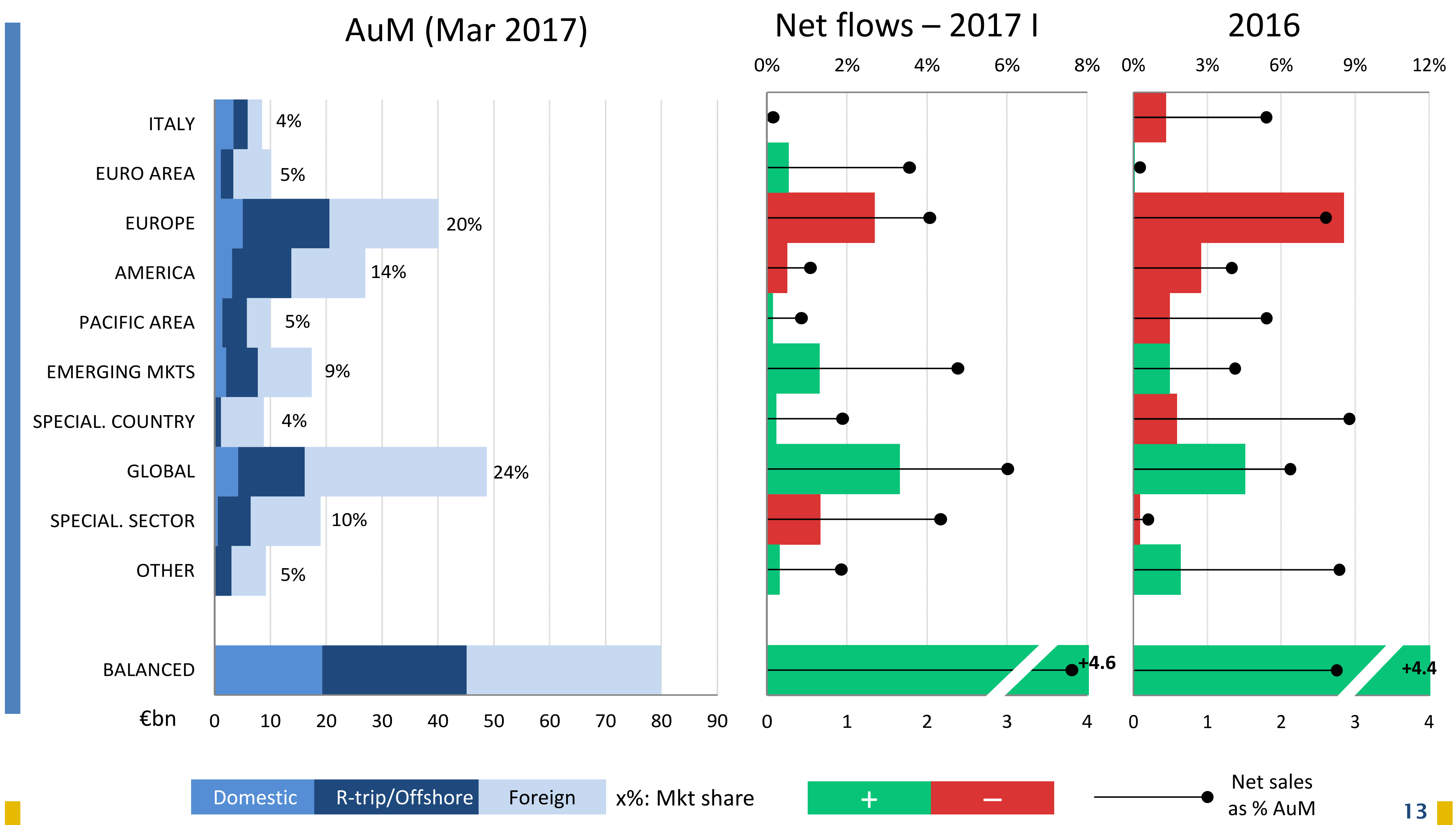
Top 15 Groups (open-end funds only)



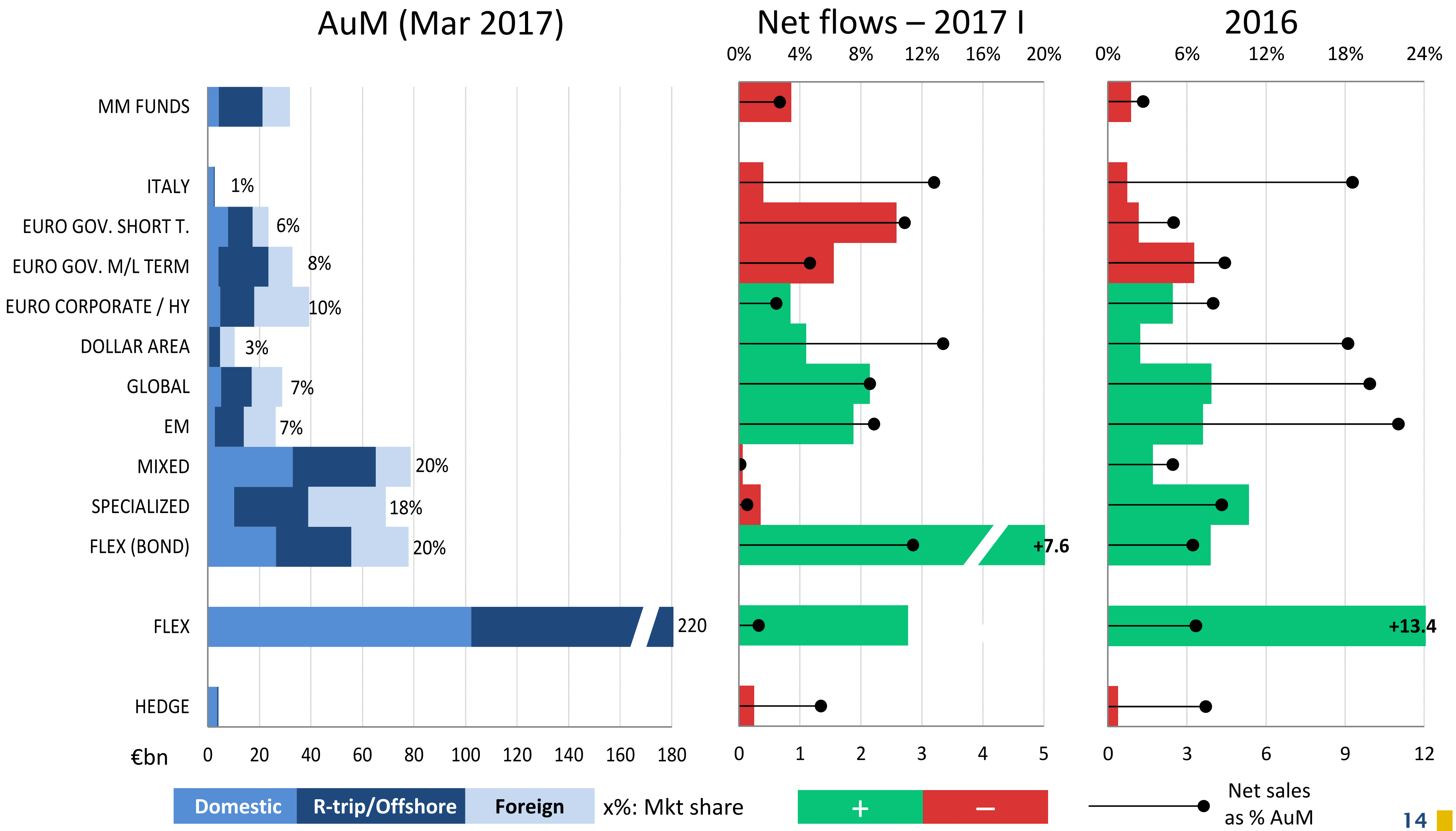
Asset Class breakdown



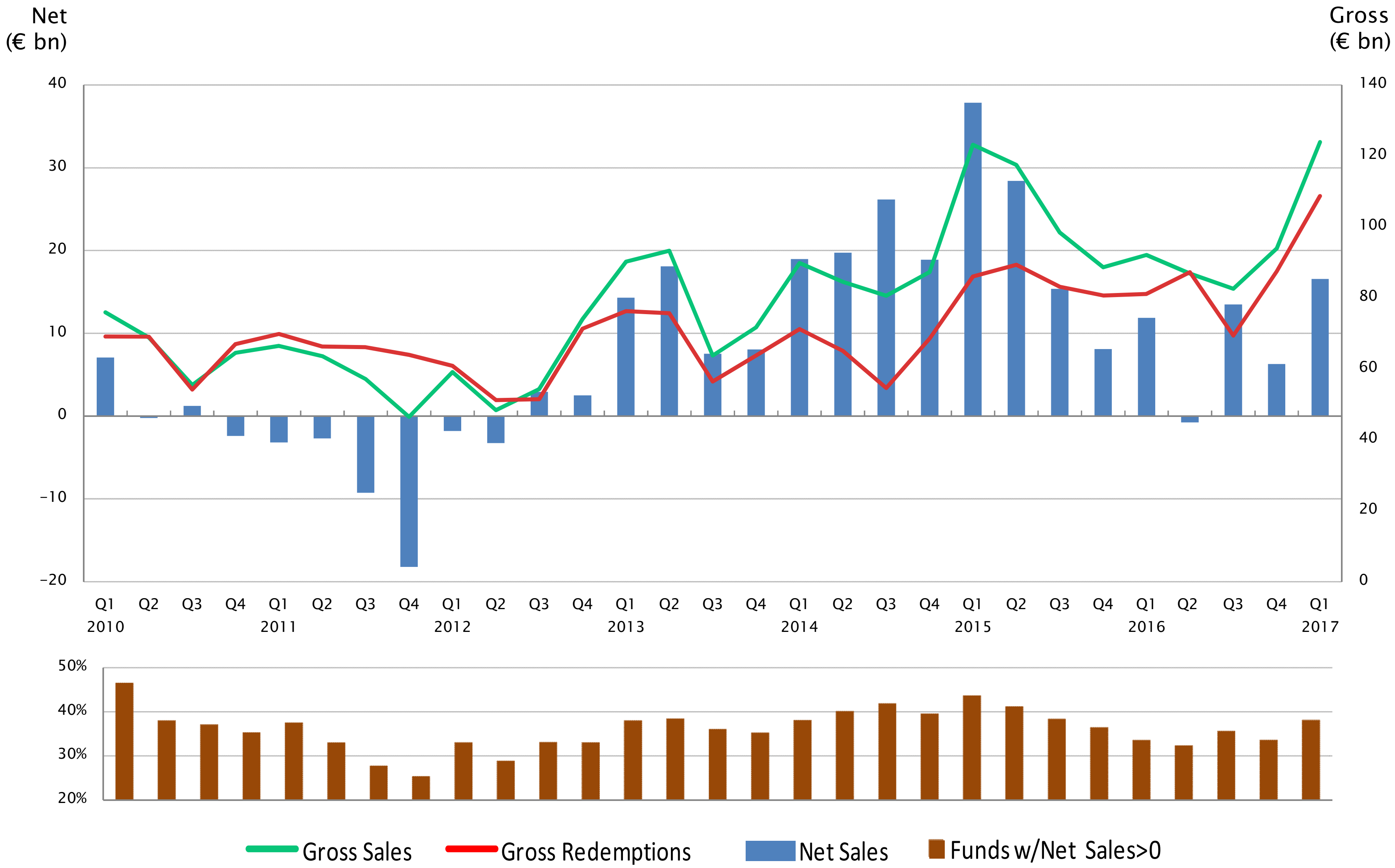
Equity & balanced funds



Money mkt, Bond, Flex & Hedge funds



Net & gross flows

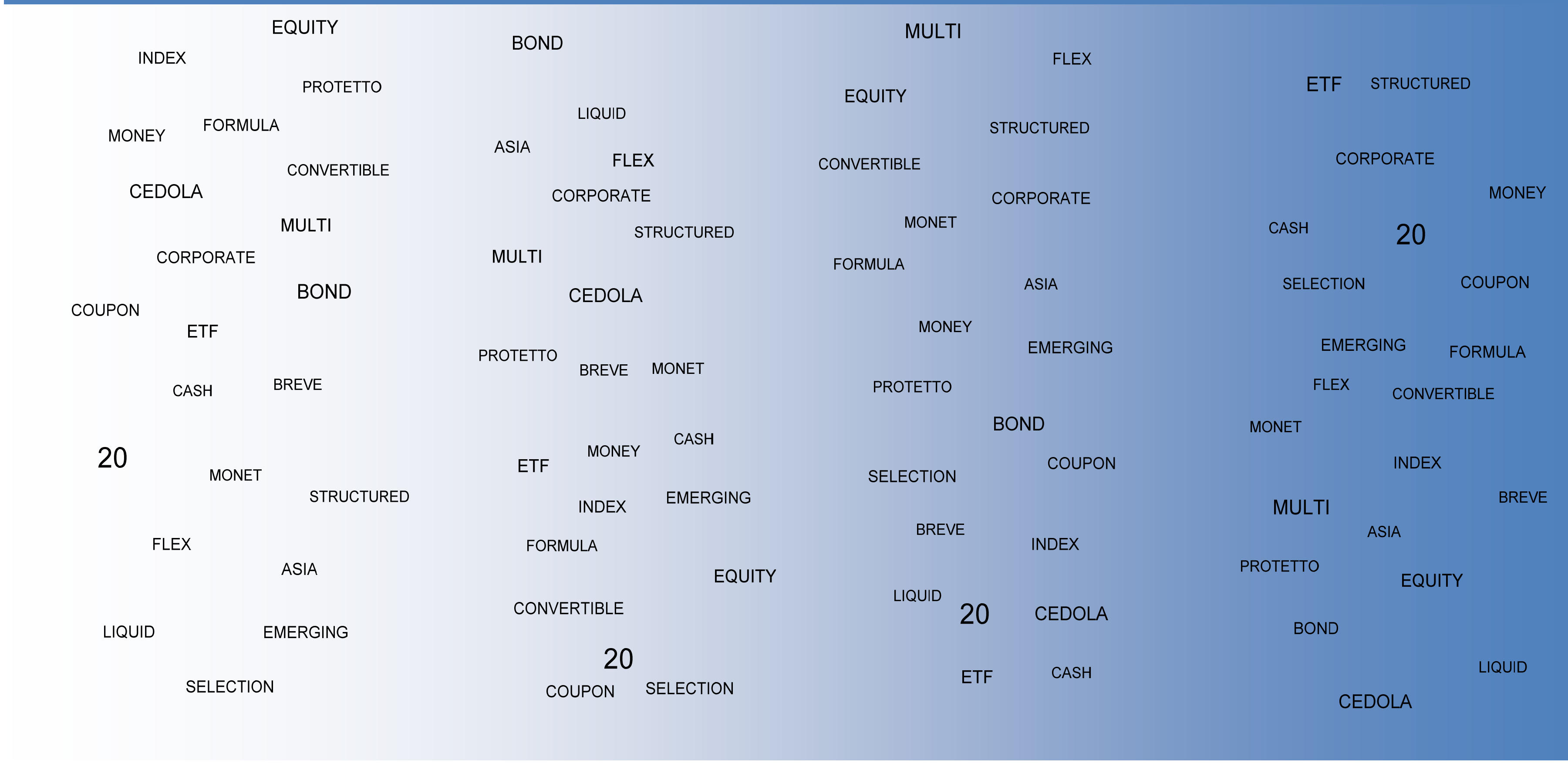


The *blockbuster effect* : top quartile funds take all

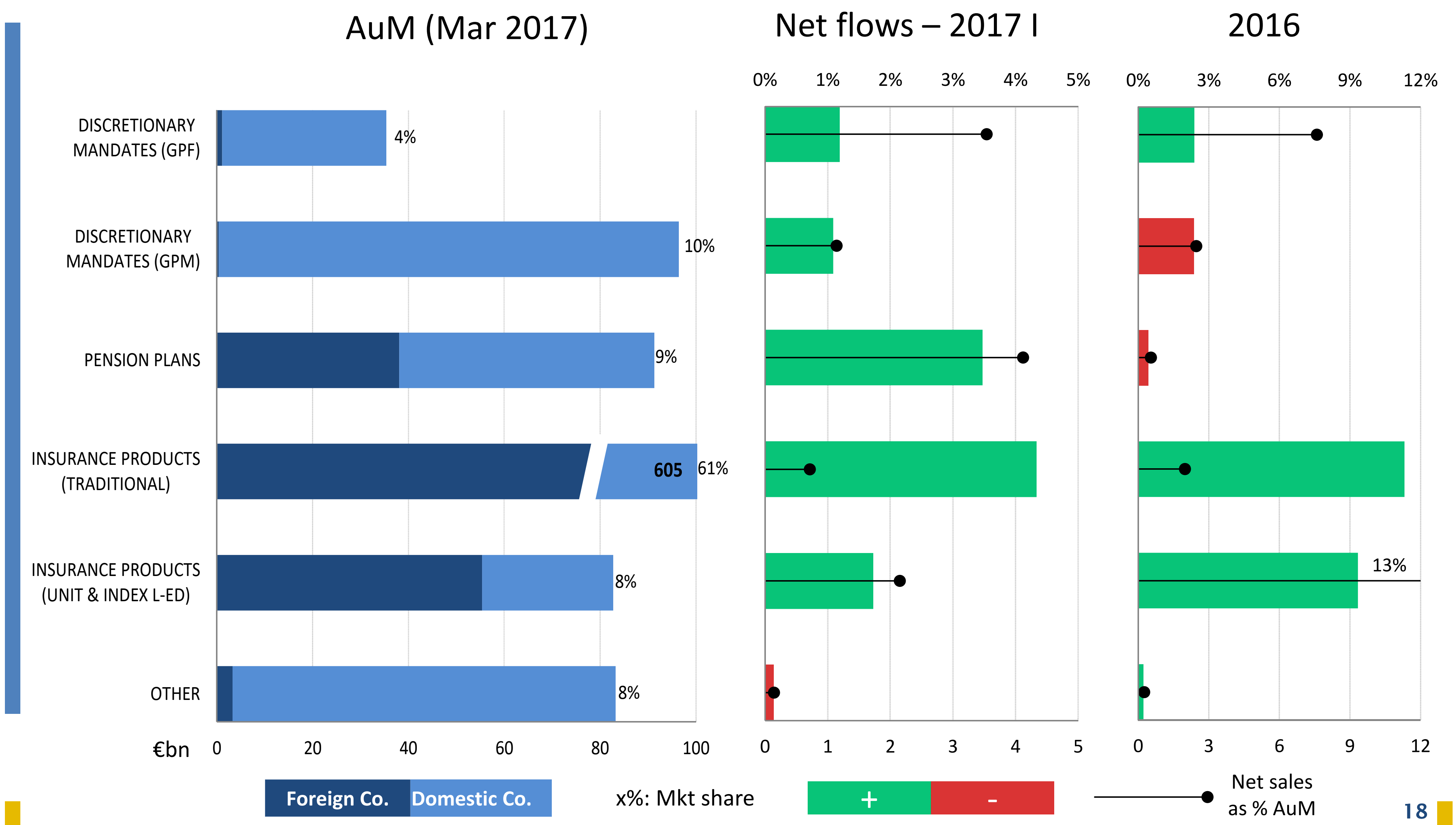
Net flows, €bn.

New stories tag cloud

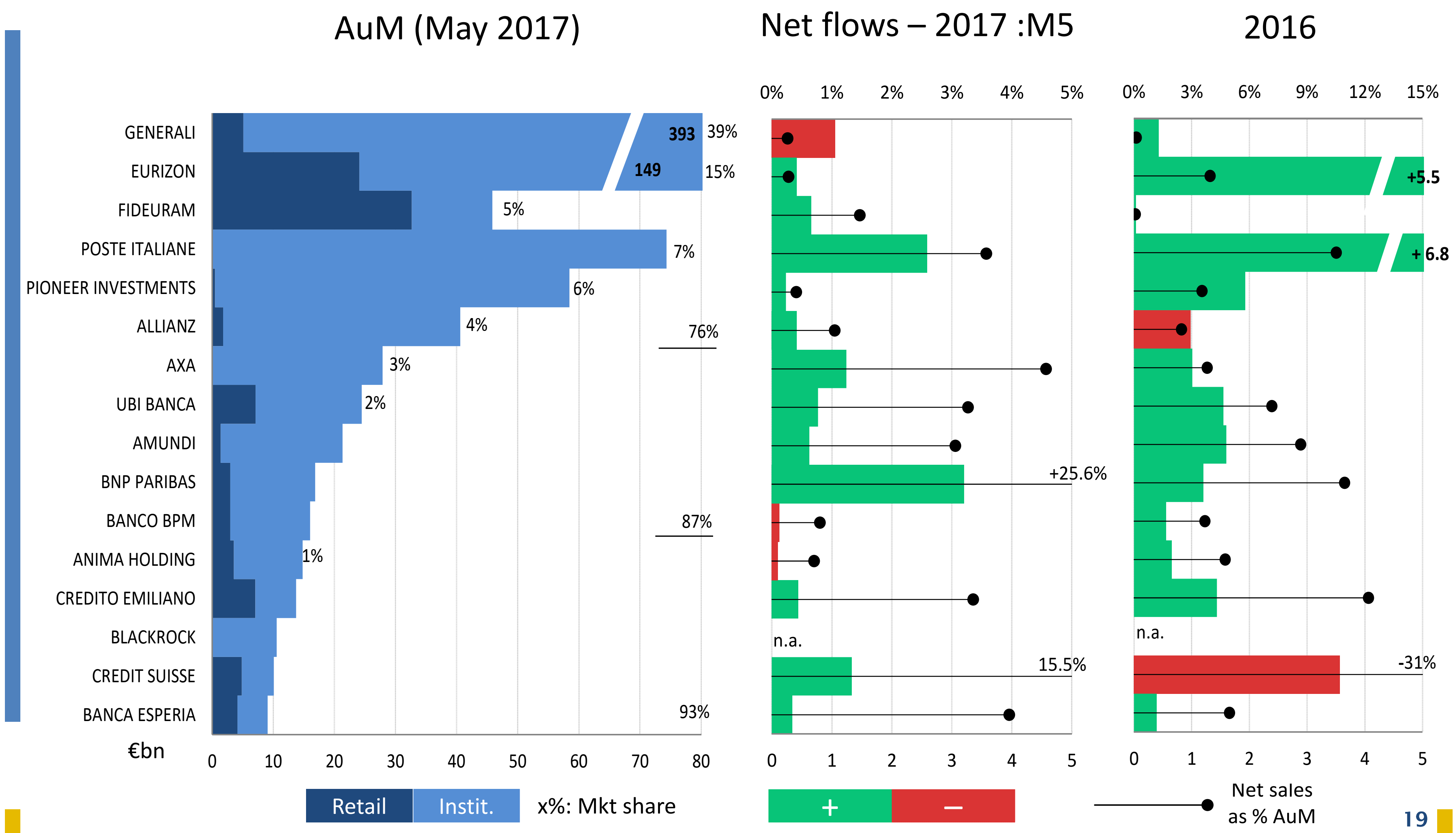
Year	2014	2015	2016	2017
New funds	456	439	410	85



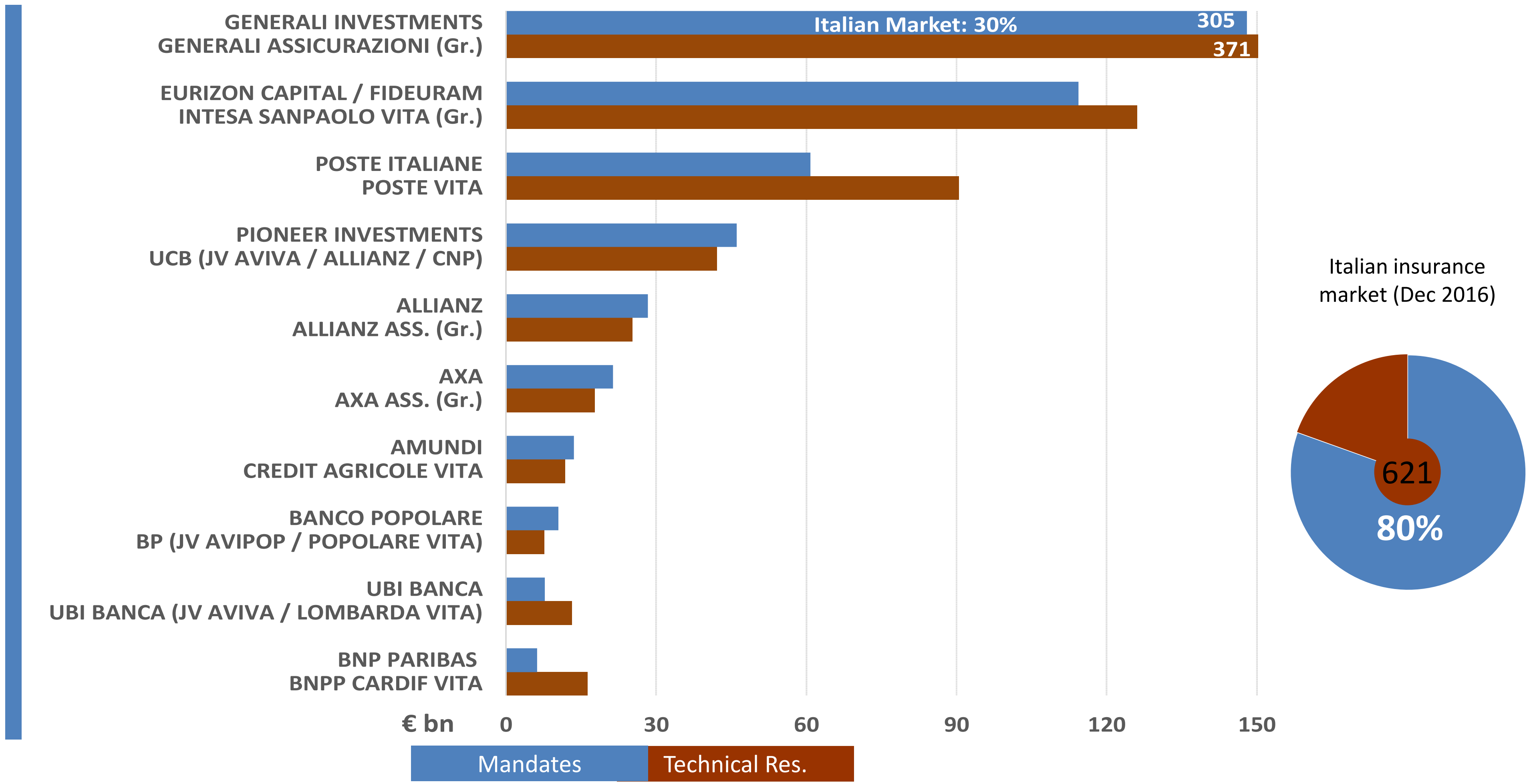
Mandates: AuM & Net Sales trends



Top 15 Groups (mandates only)

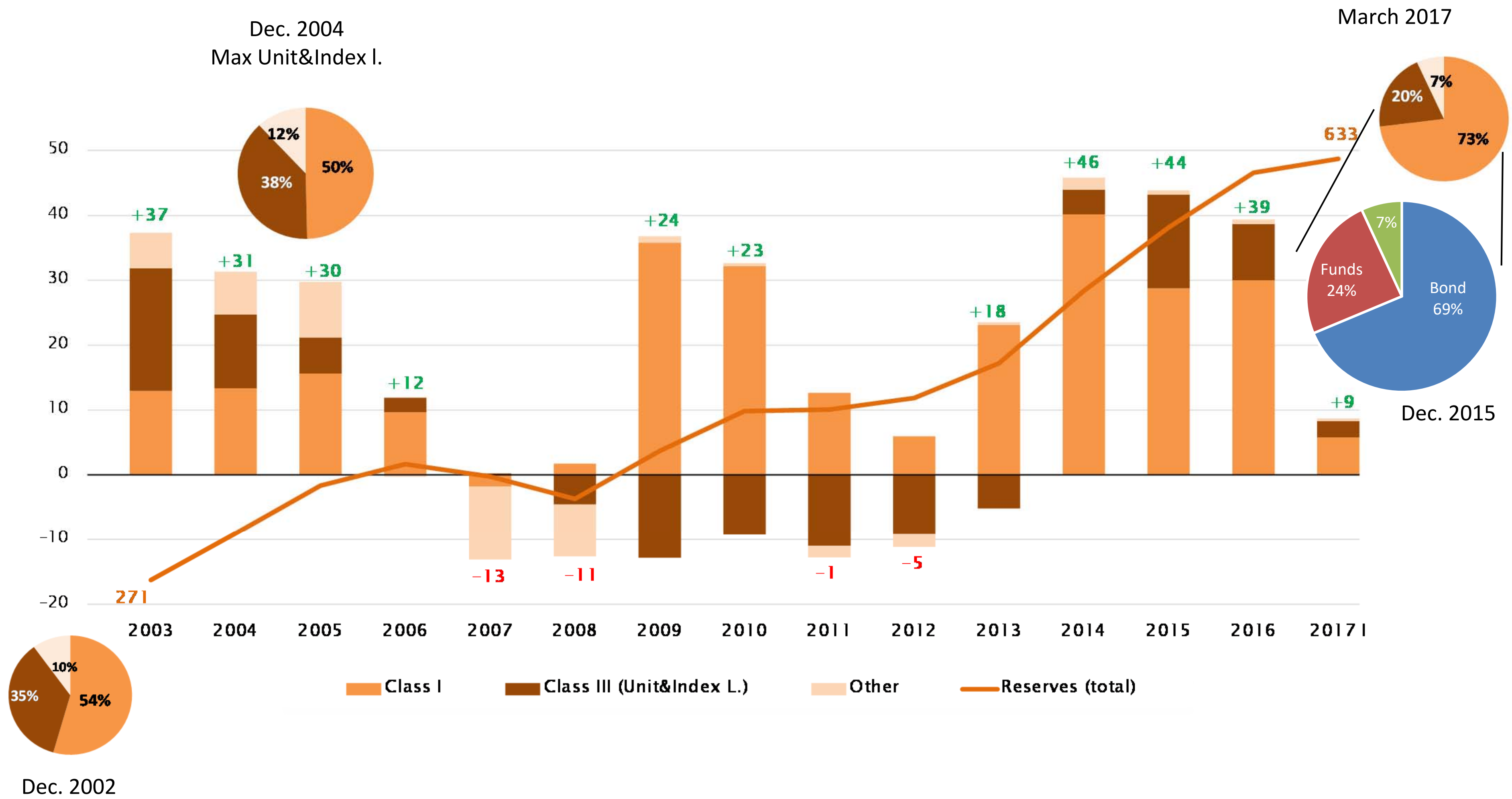


Insurance Mandates & Captive/Affiliated Insurers



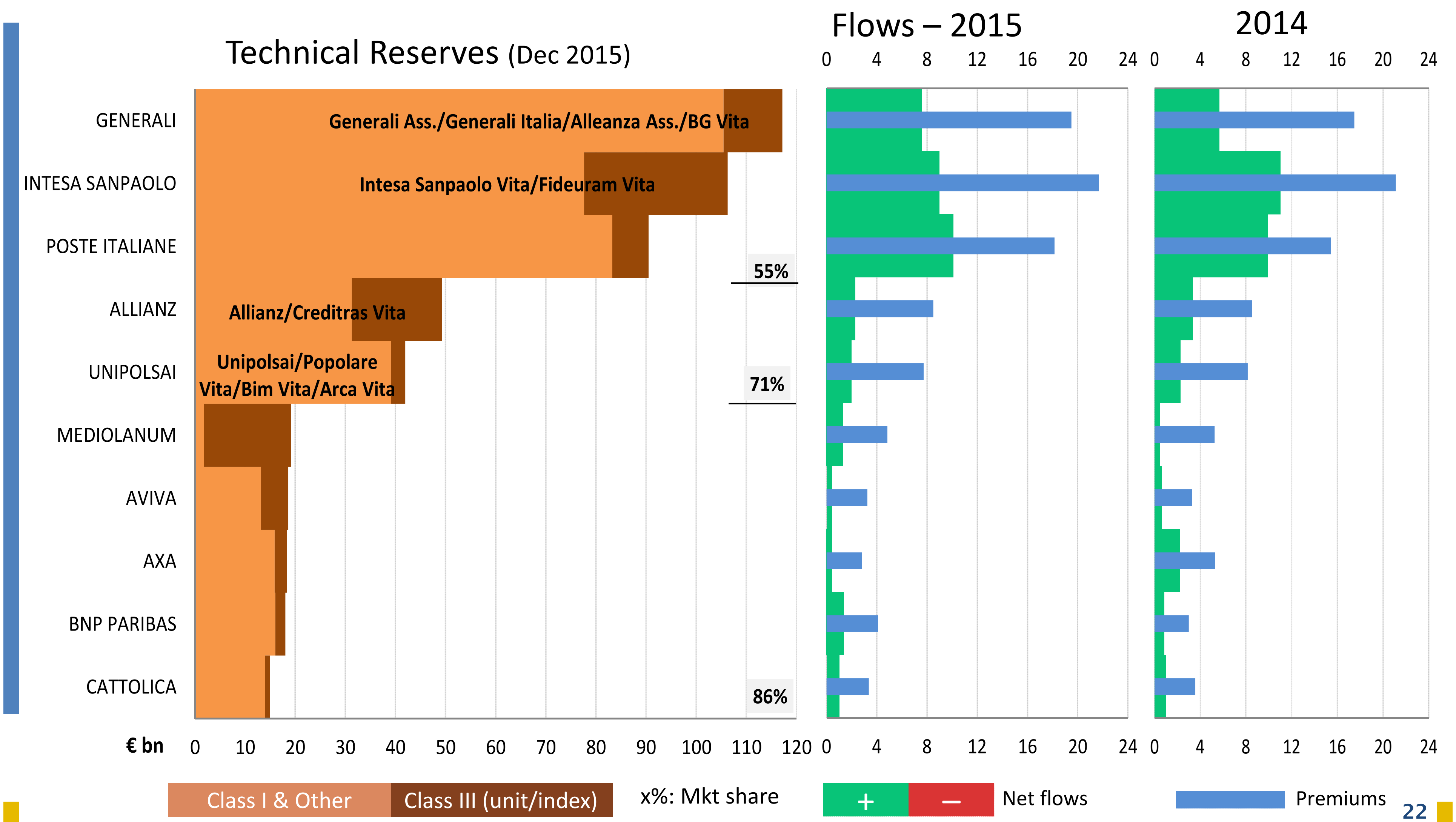
€bn, December 2015. Source: Assogestioni, balance sheets.

Life Insurance Market: long-term trend

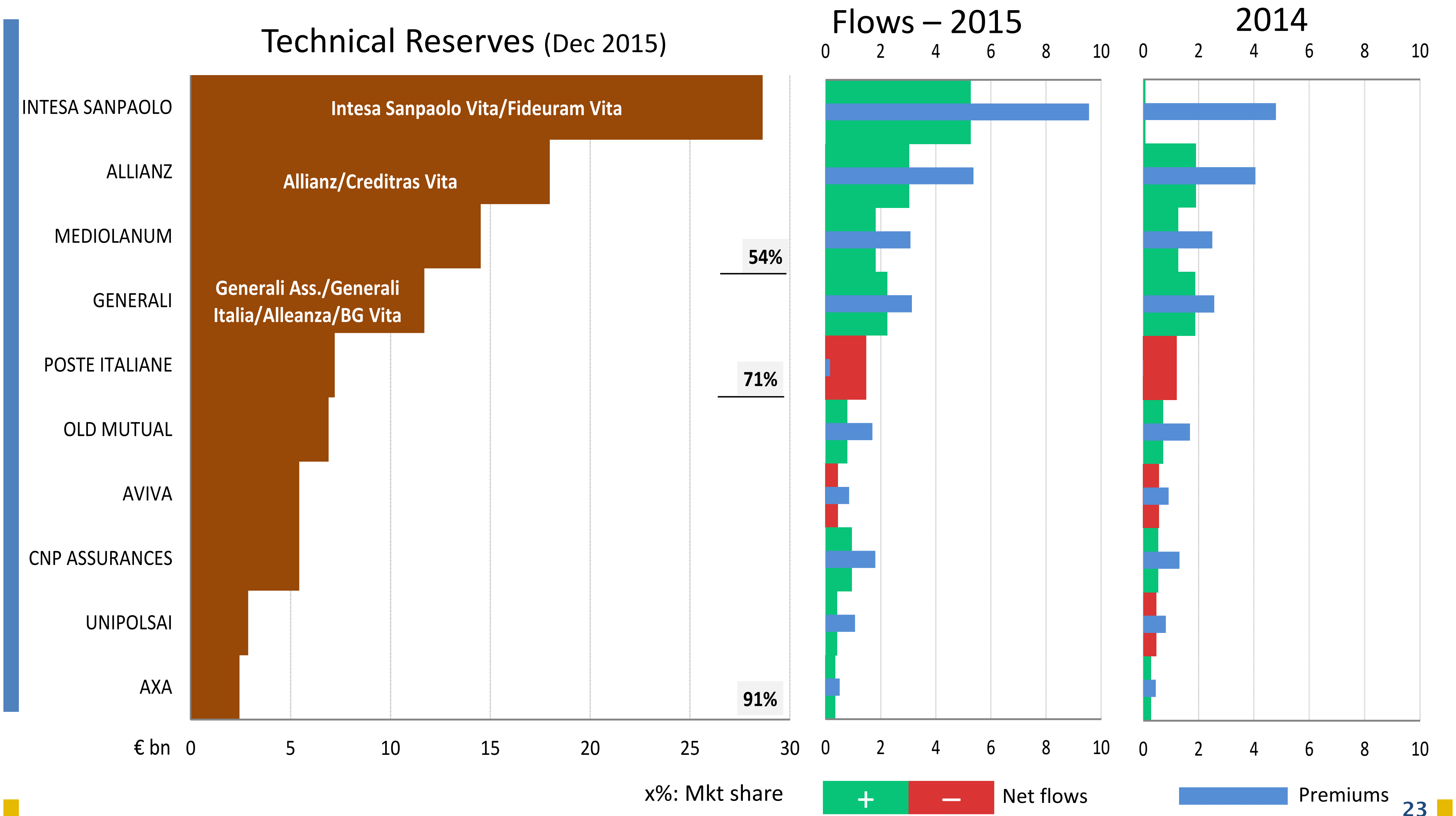


€bn, yearly data. Source: Ania, Ivass.

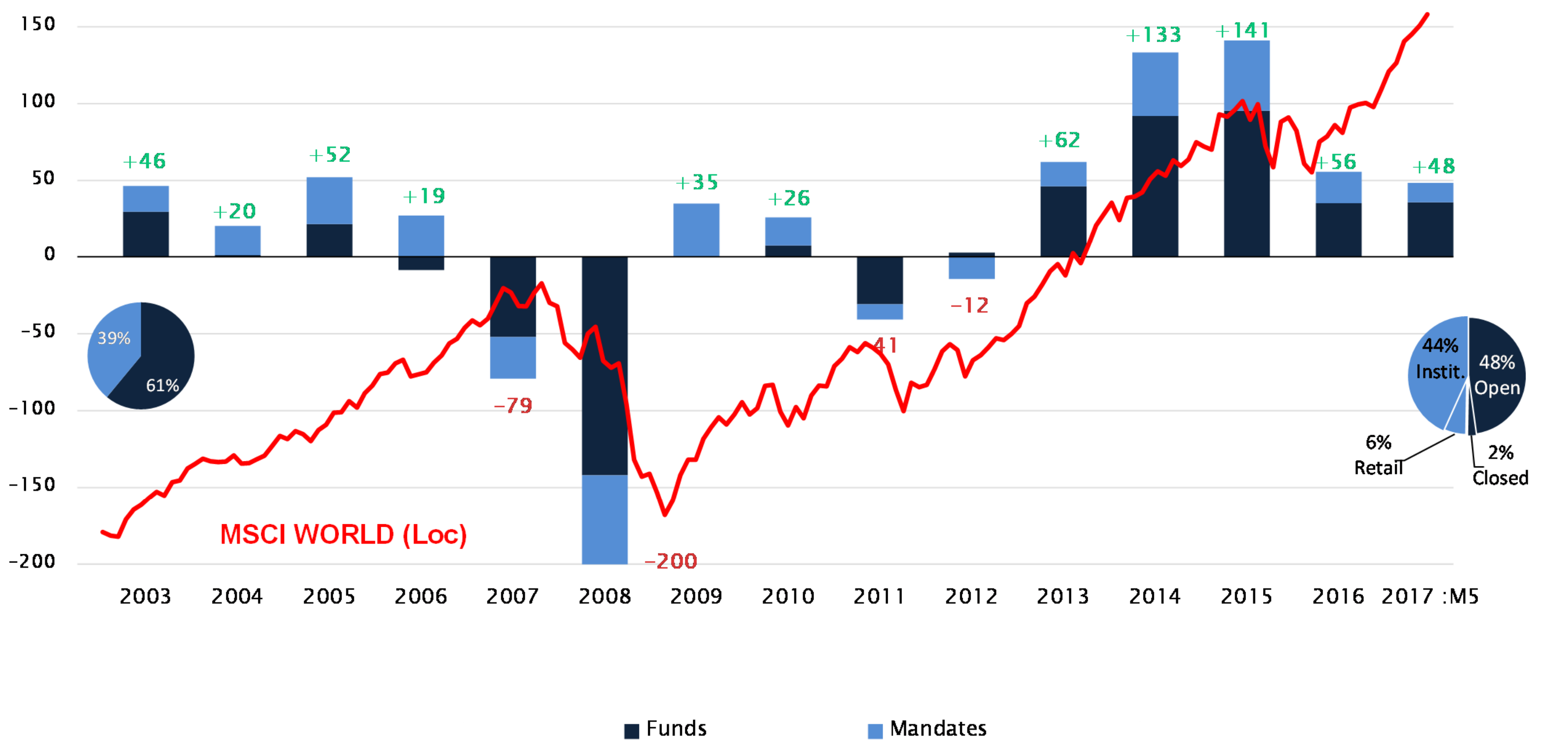
Top 10 Life Insurance Groups



Top 10 Unit&Index Linked Groups

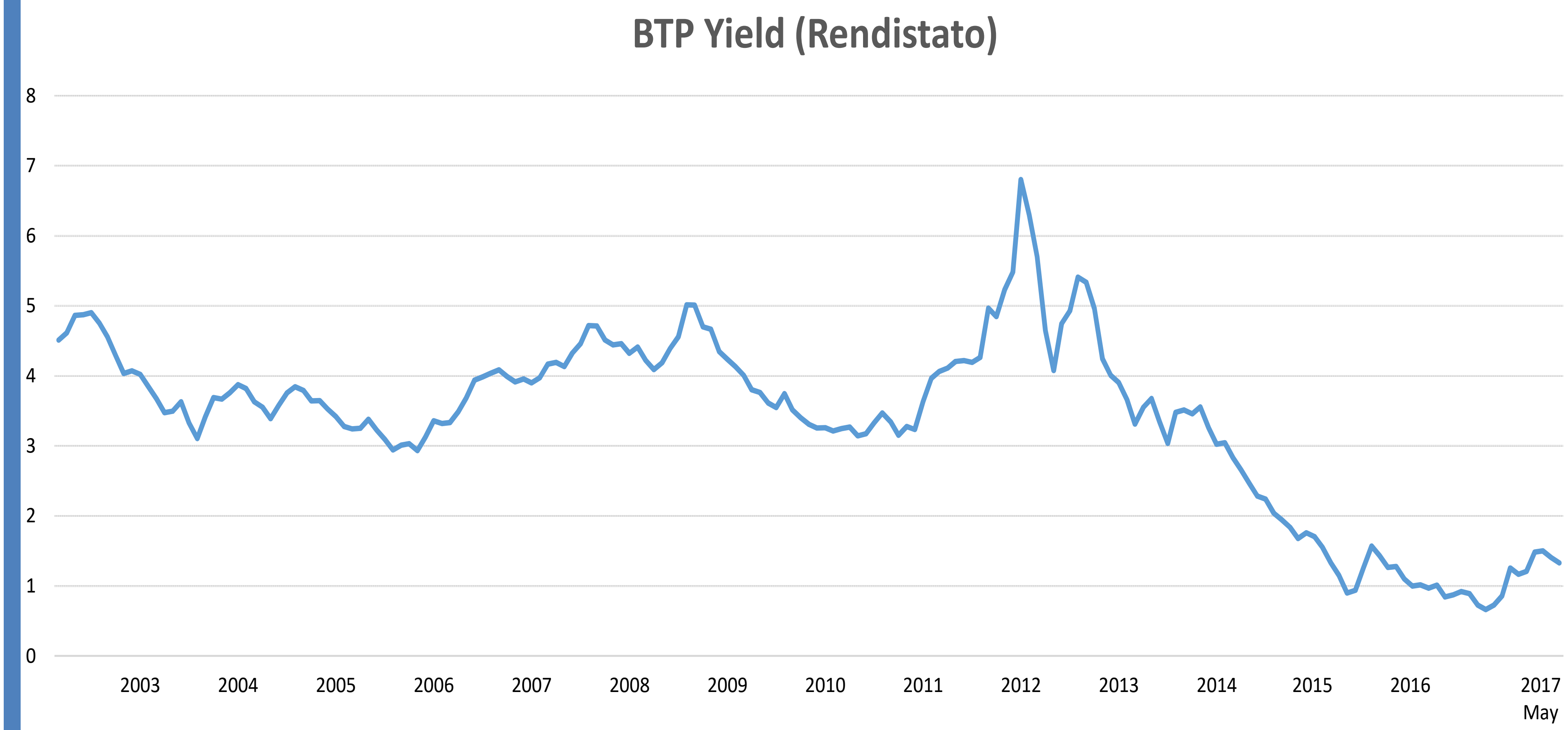


A pro-cyclical market



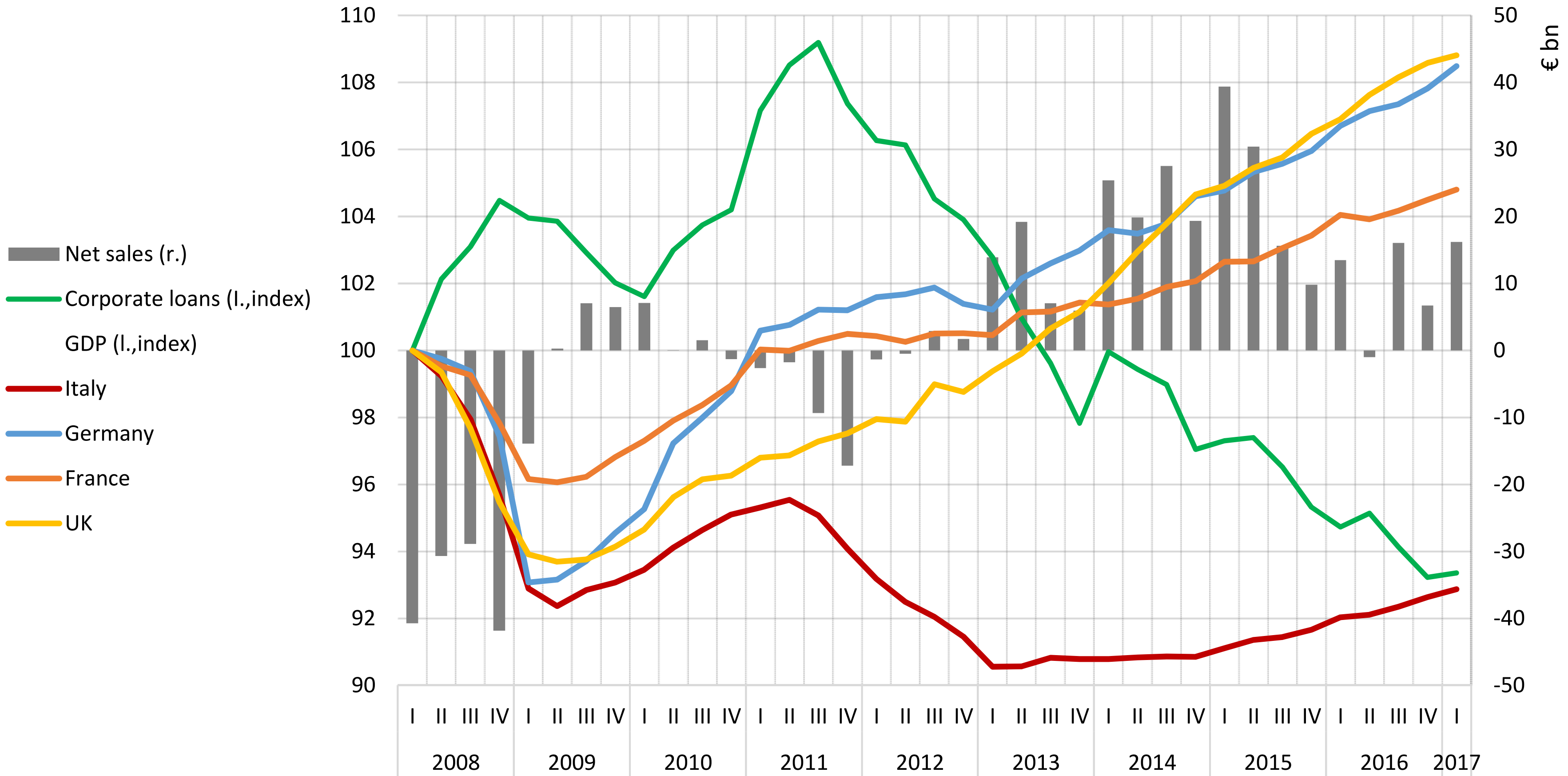
€bn, yearly data. Source: Assogestioni, MSCI.

… in search for yield



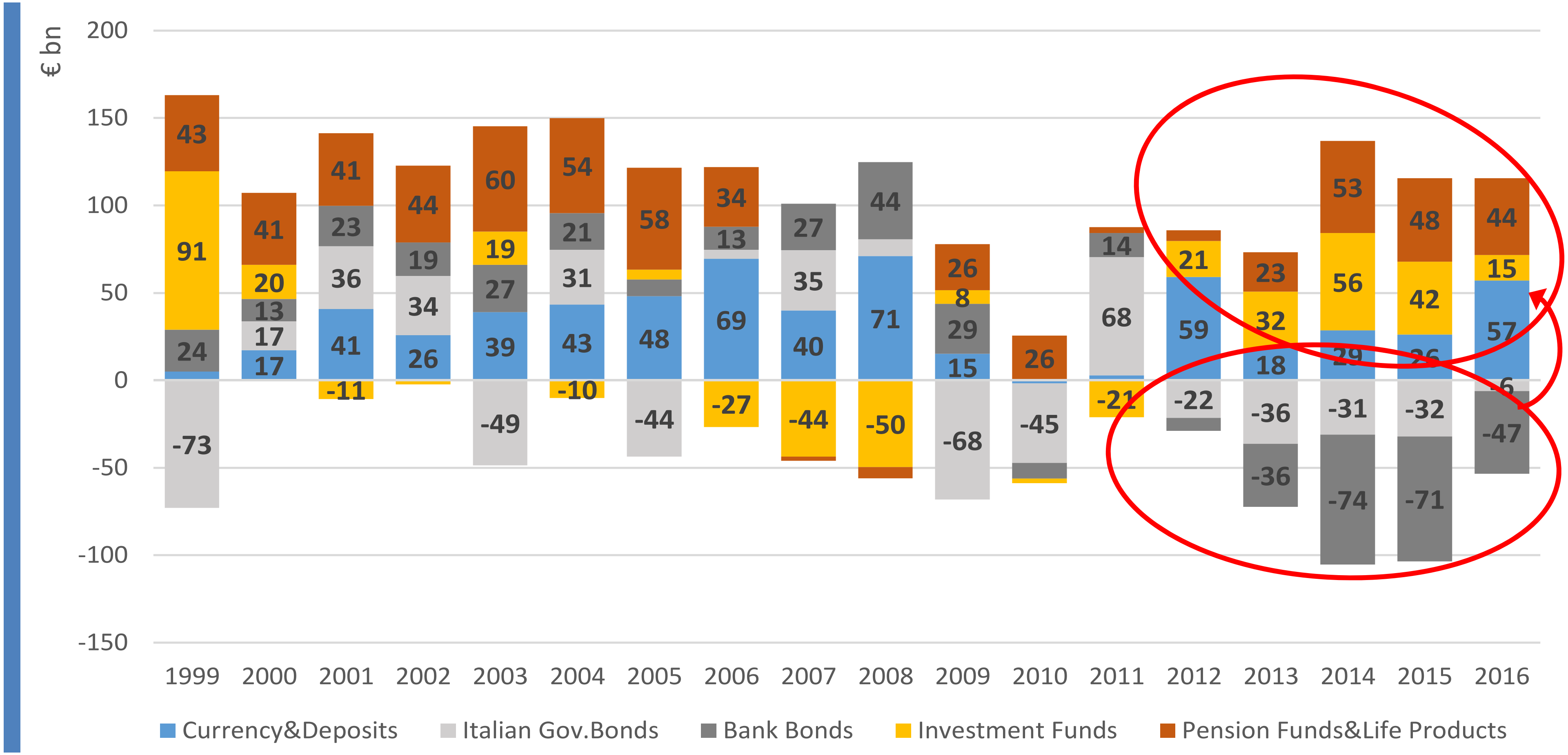
% Yield. Source: Bank of Italy.

AM Market, GDP & Bank credit



Source: Assogestioni, Bank of Italy, Eurostat.

Households: less bonds, more funds (flow view)



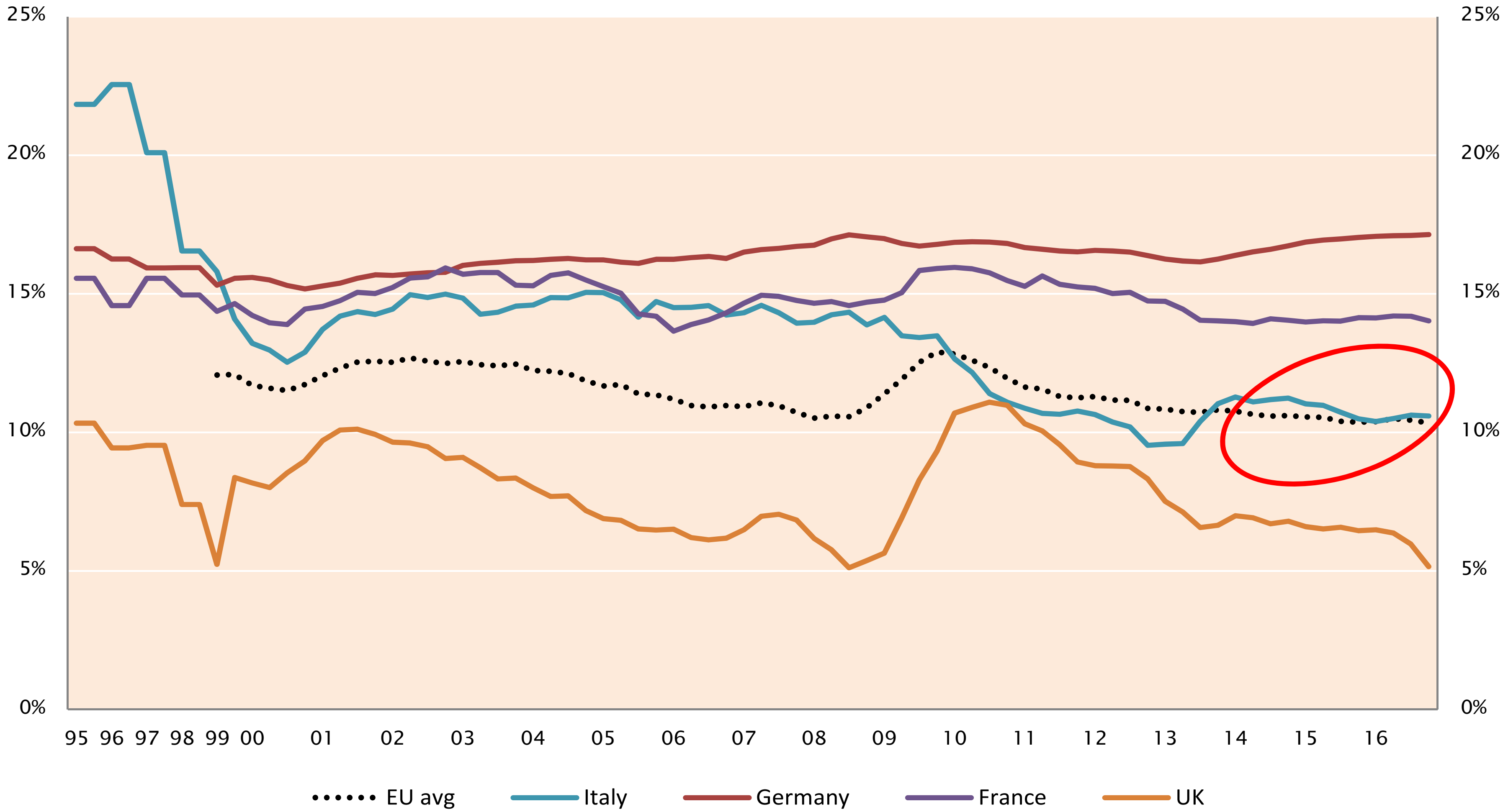
€bn. Source: Bank of Italy.

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	1,809	38.0%	22.5%	1.9%	19.2%	2.8%	5.8%	9.3%
2000	3,058	22.8%	16.5%	6.3%	29.3%	5.4%	16.9%	10.5%
2005	3,865	23.6%	19.0%	7.1%	28.2%	2.4%	11.0%	14.2%
2010	3,695	30.4%	19.6%	10.0%	19.7%	1.9%	7.8%	18.2%
2012	3,800	31.2%	19.2%	9.8%	19.4%	1.5%	7.7%	18.3%
2015	4,155	30.6%	9.9%	4.5%	23.8%	1.6%	11.0%	20.7%
2016	4,168	31.9%	8.7%	3.3%	22.0%	1.3%	11.5%	21.9%
2016								
France	5,102	28.1%	1.3%	n.a.	20.7%	4.7%	5.7%	37.6%
Germany	5,757	39.3%	2.8%	n.a.	10.5%	5.2%	10.1%	30.8%
UK	7,646	24.0%	1.7%	n.a.	8.3%	2.5%	2.2%	60.0%
USA	71,604	13.7%	5.6%	n.a.	35.9%	n.a.	10.4%	32.1%

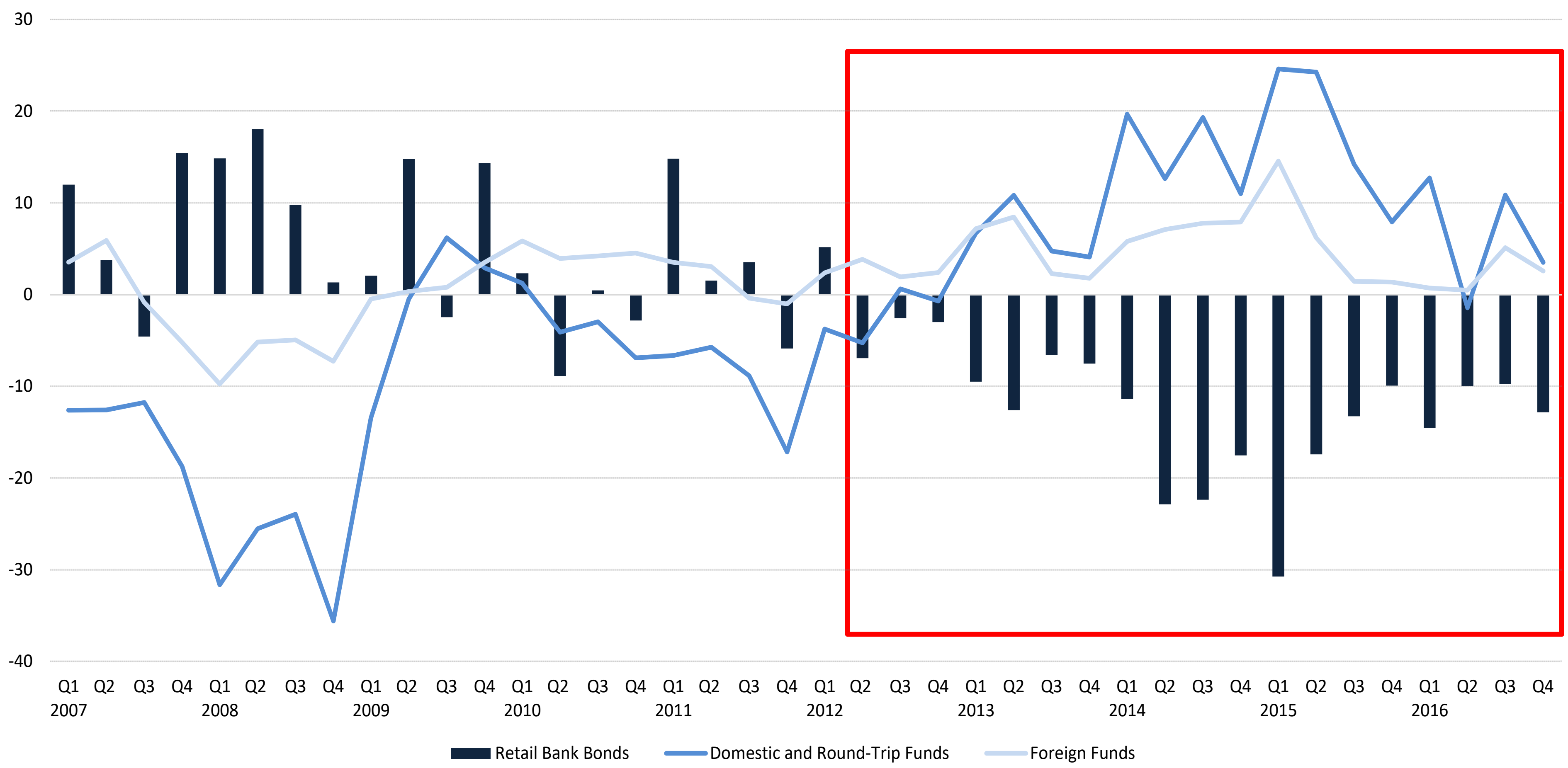
%. Source: Eurostat, OECD, BCE, Deutsche Bundesbank.

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.

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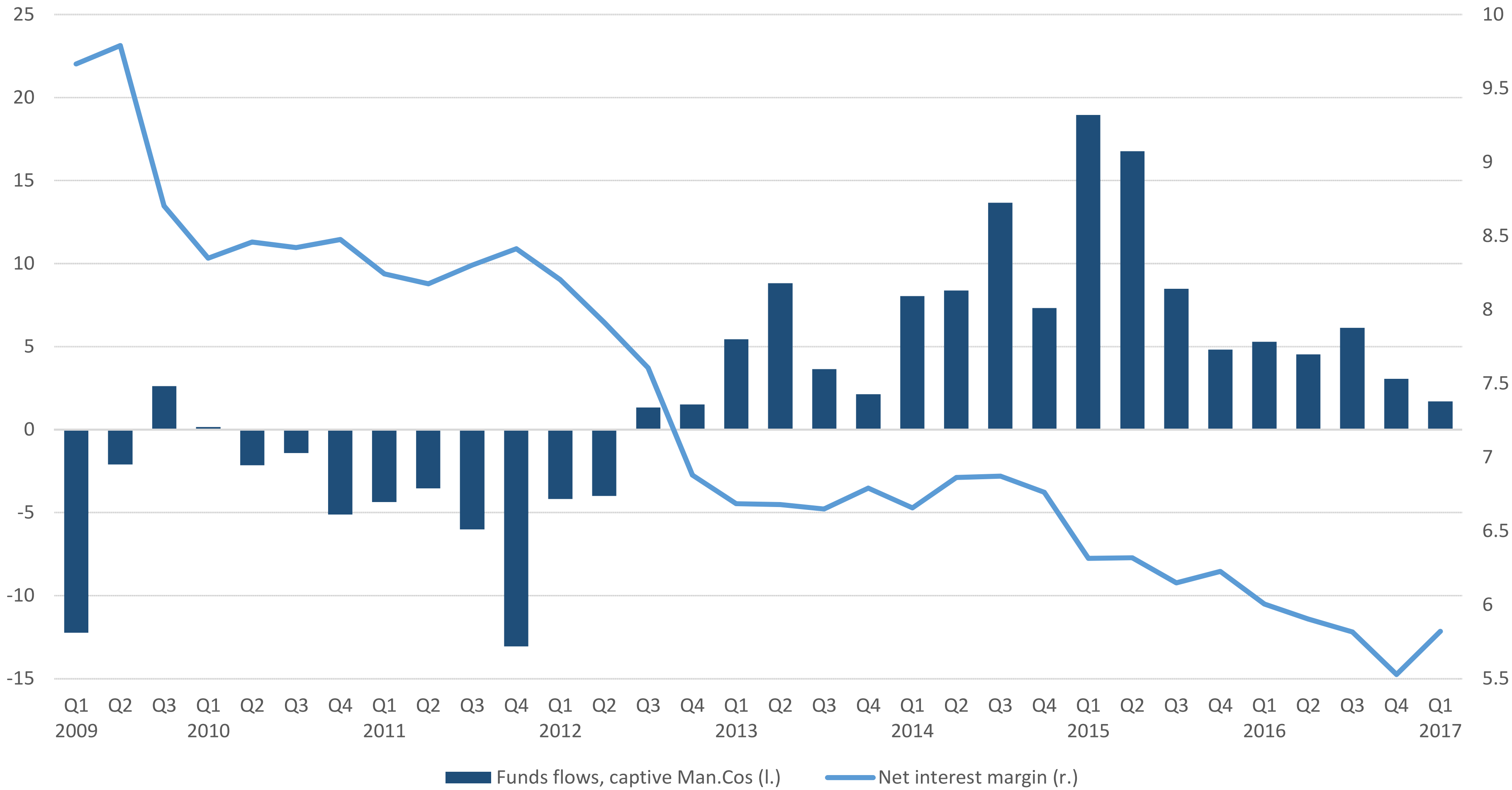
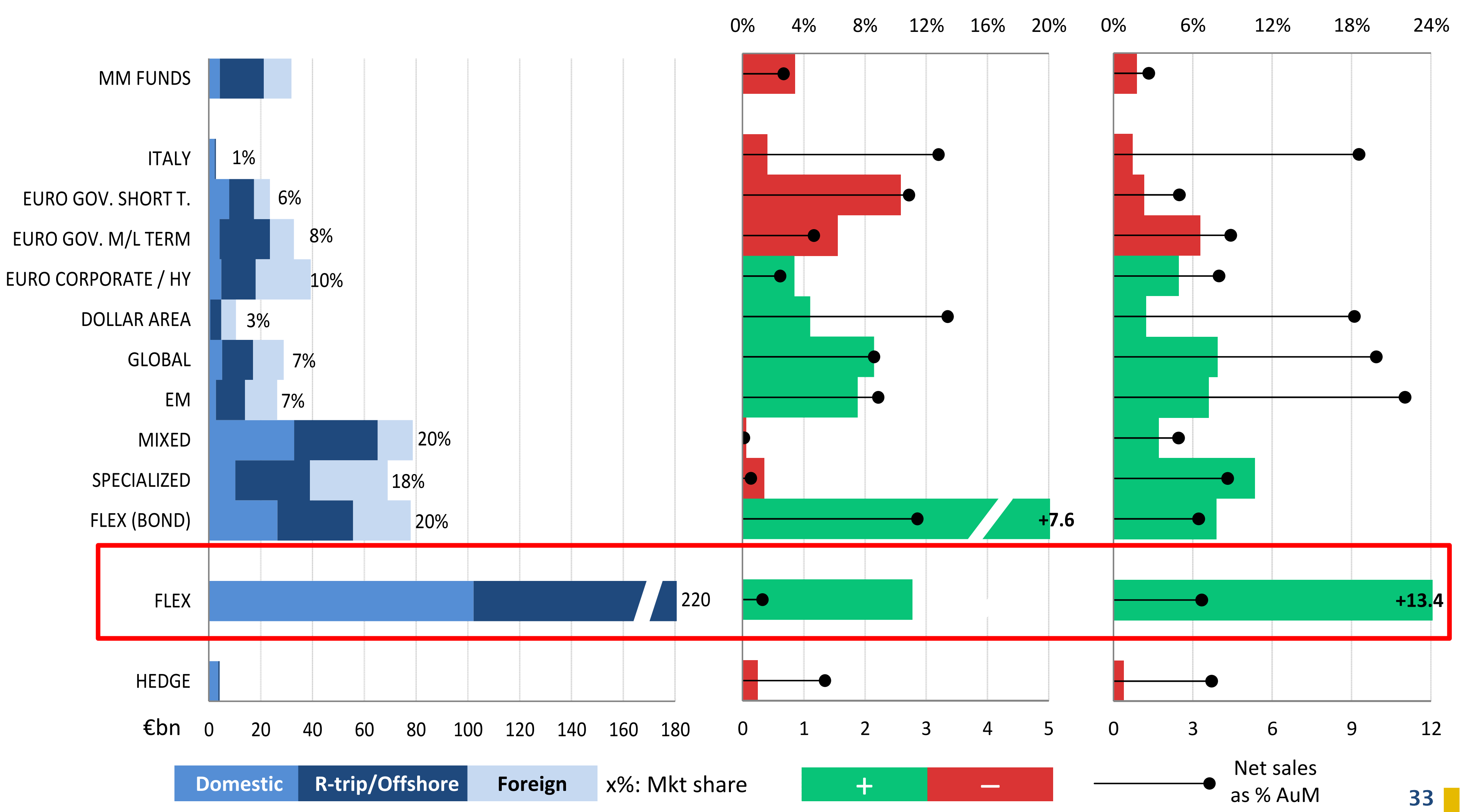
… and urged to sustain profitability through non interest-based sources of revenues



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

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



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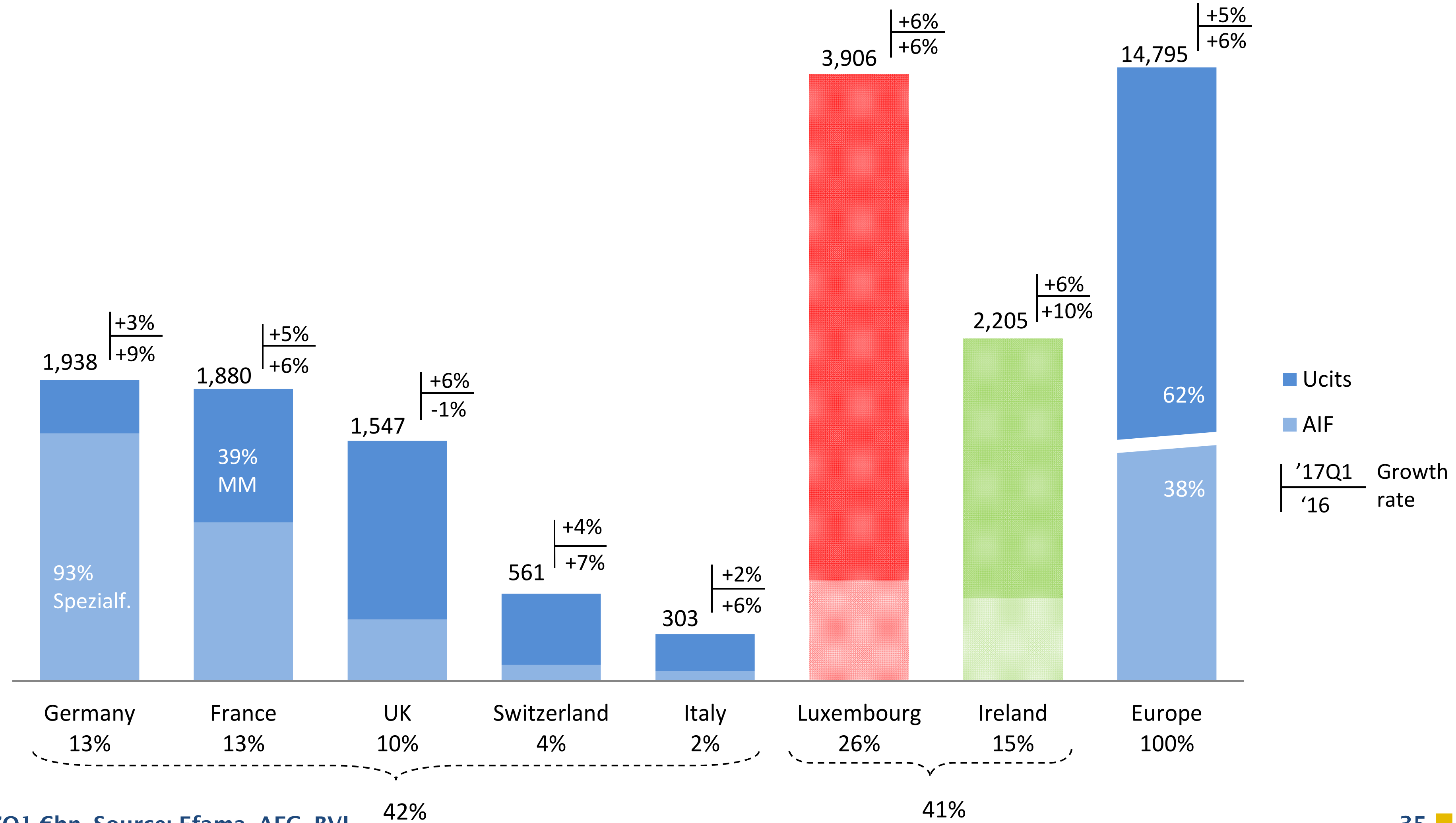
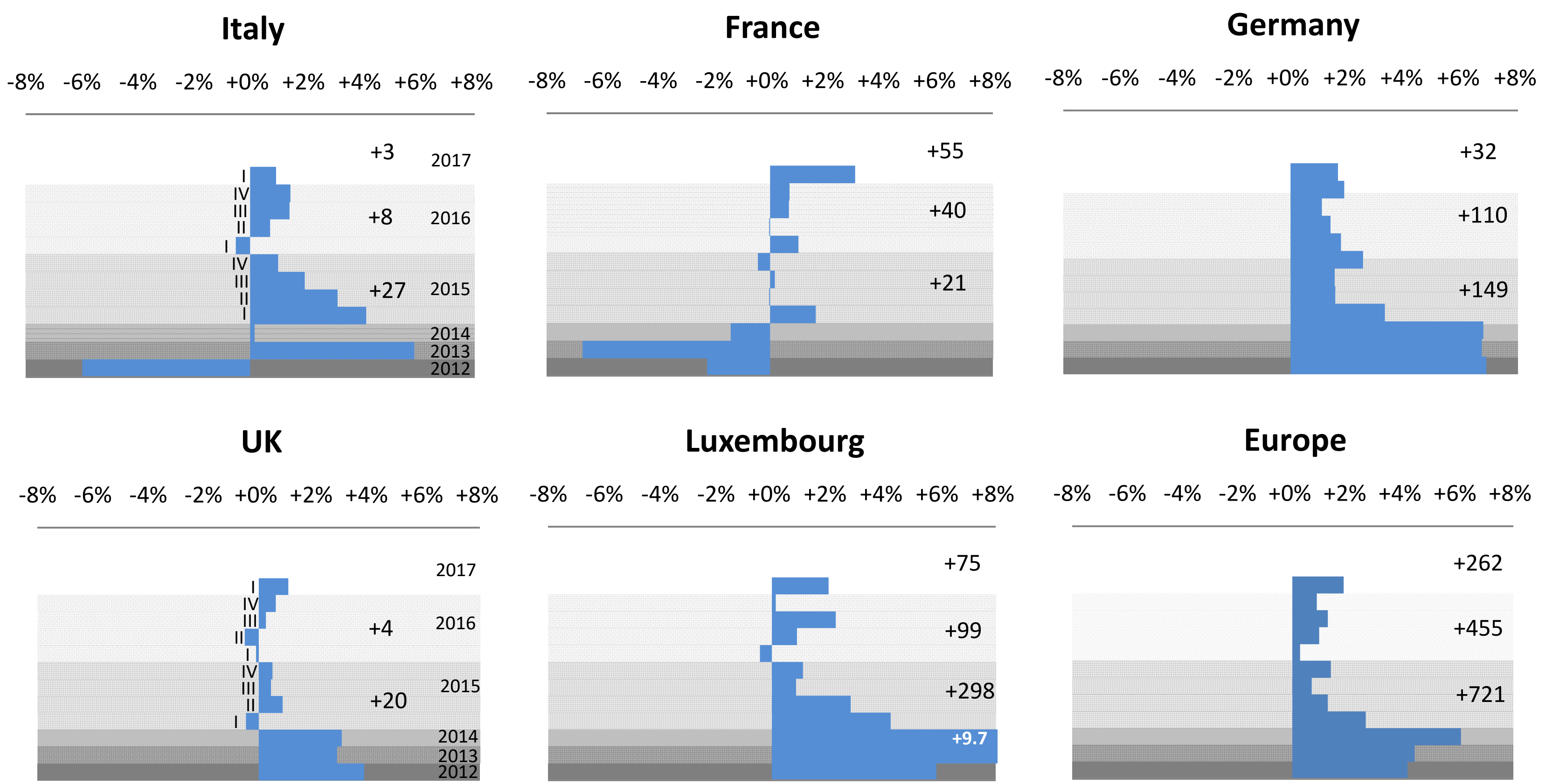
Net Assets by fund domicile



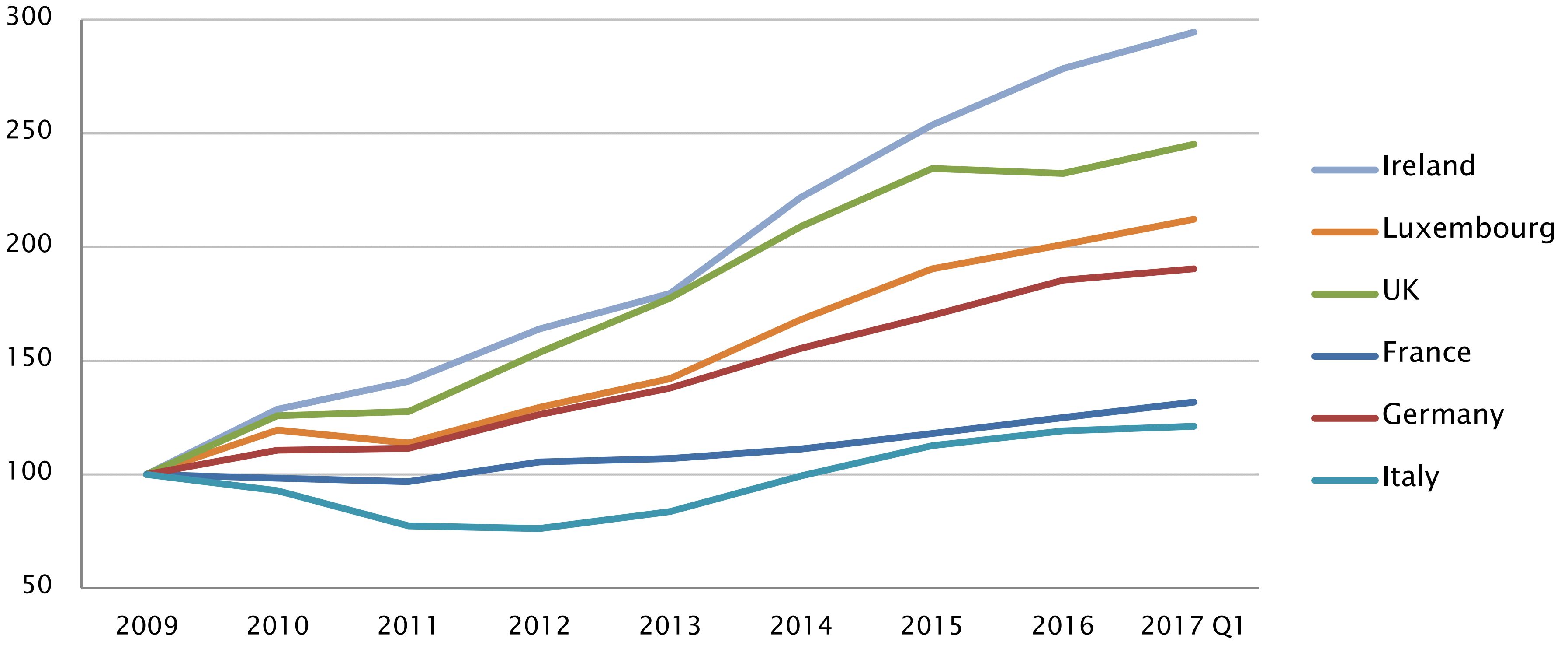
2017Q1 €bn. Source: Efama, AFG, BVI.

Net sales by fund domicile



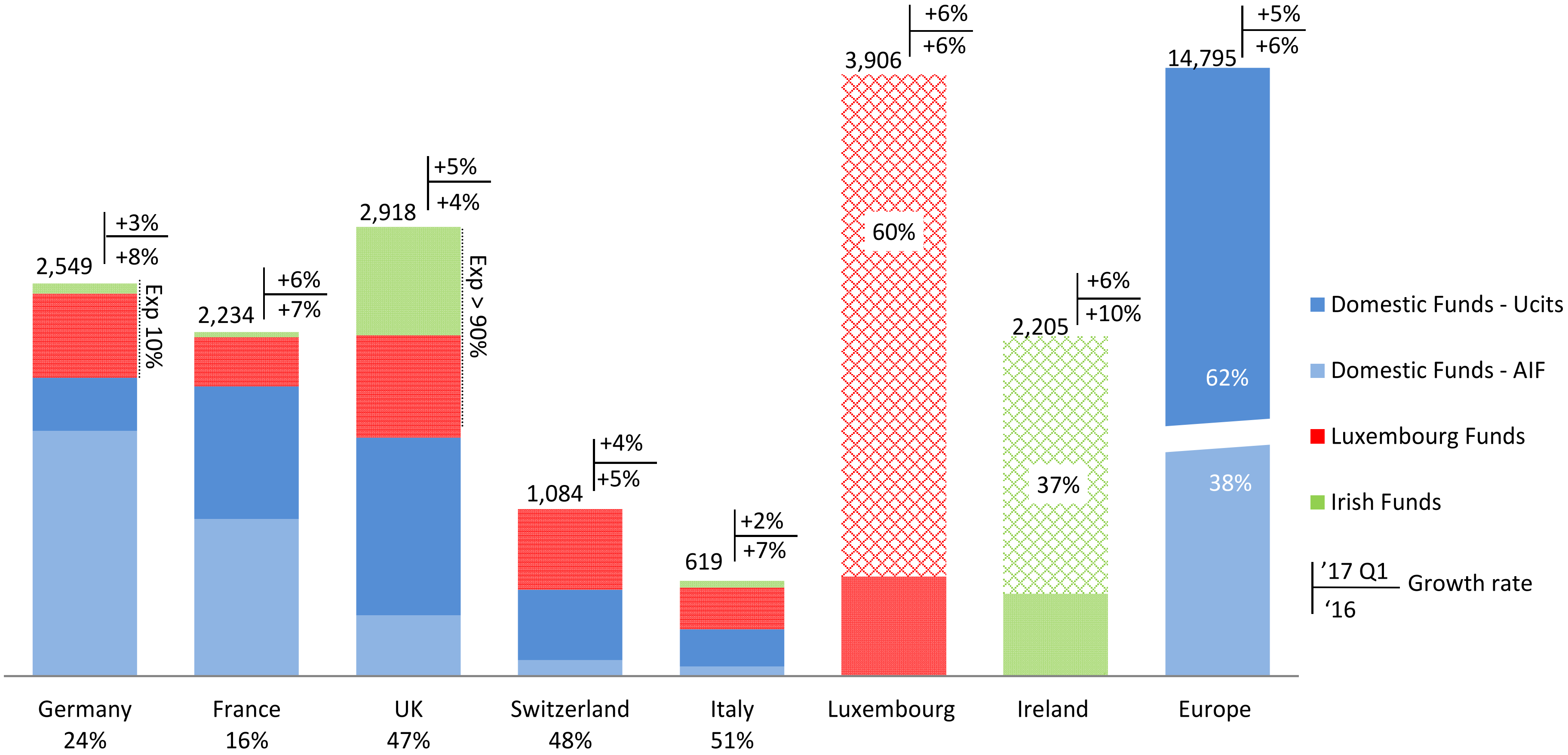
Net sales as a % of AuM. Yearly data in €bn. Source: Efama, BVI.

Net Assets by fund domicile – Long-term growth



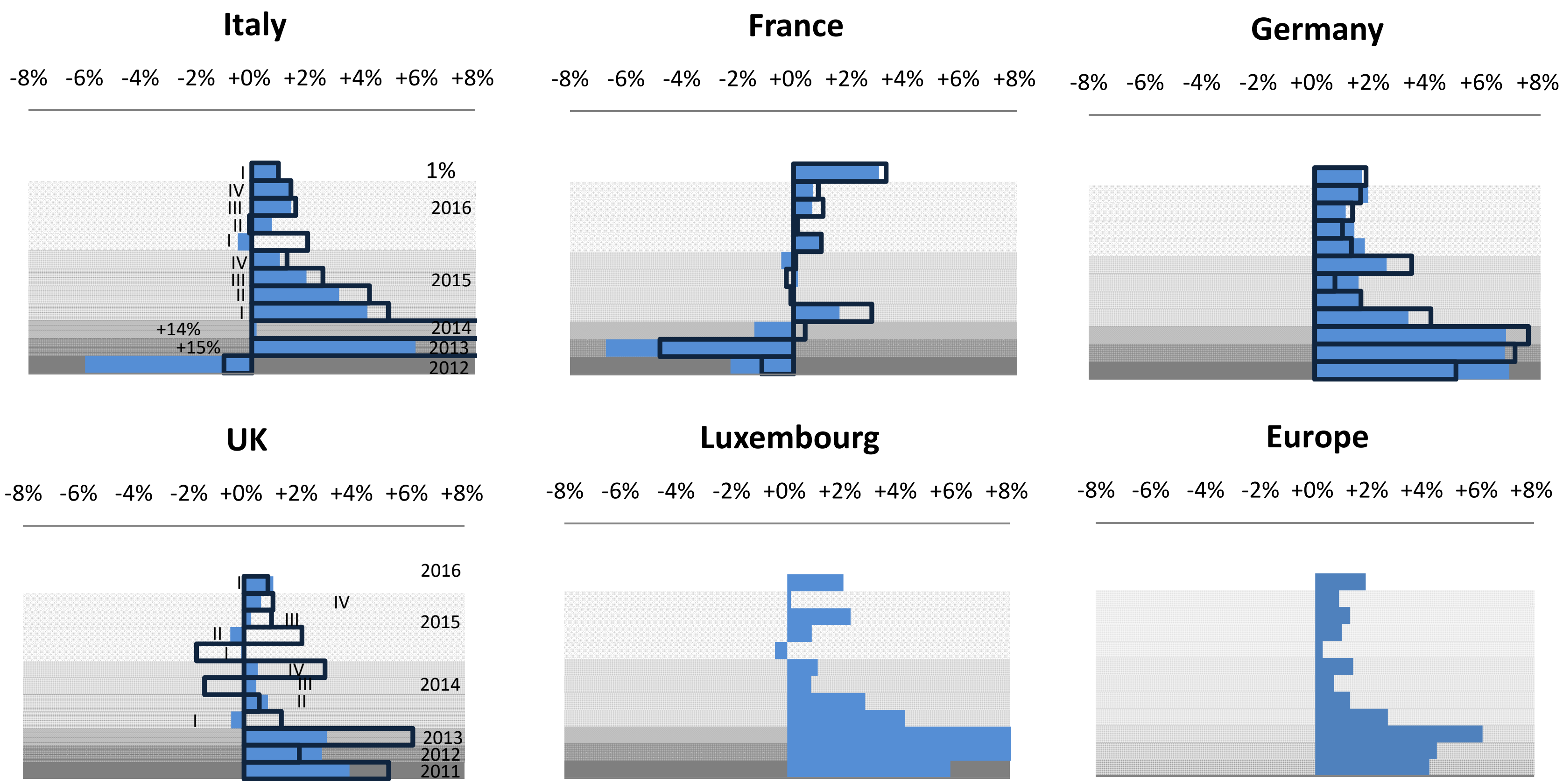
Index values. Source: Efama.

Net Assets by fund group domicile



2017Q1. €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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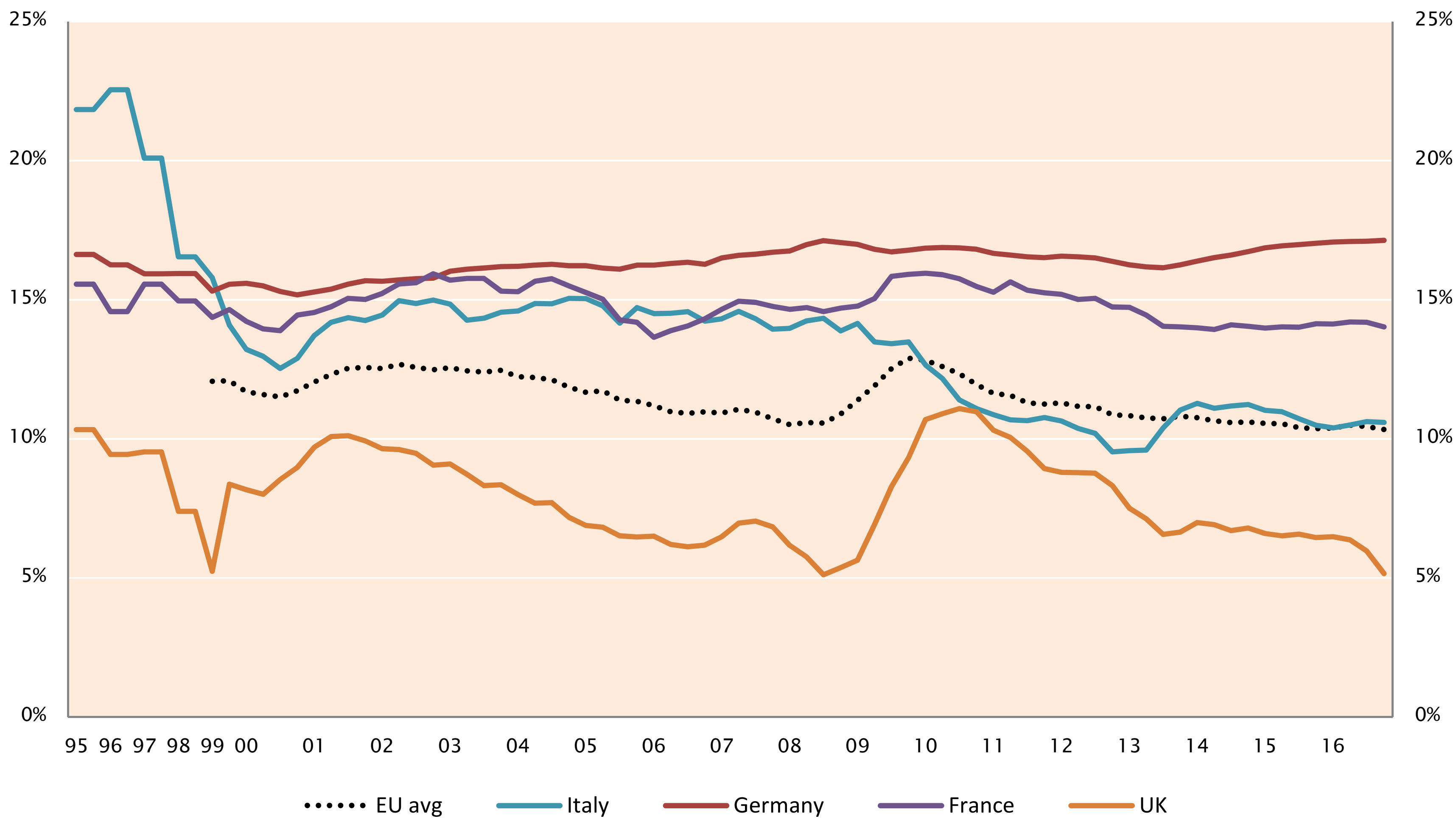
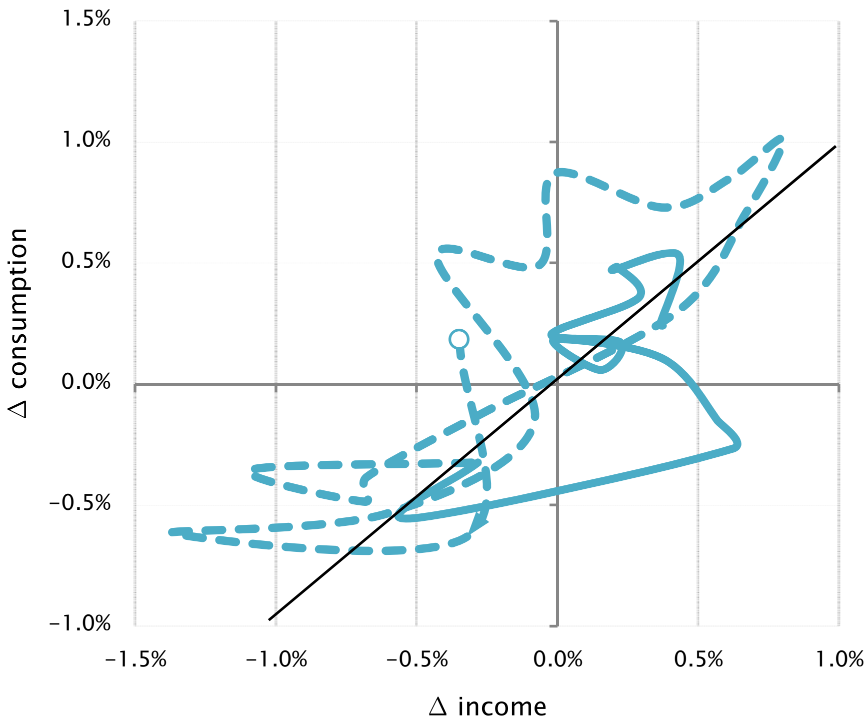
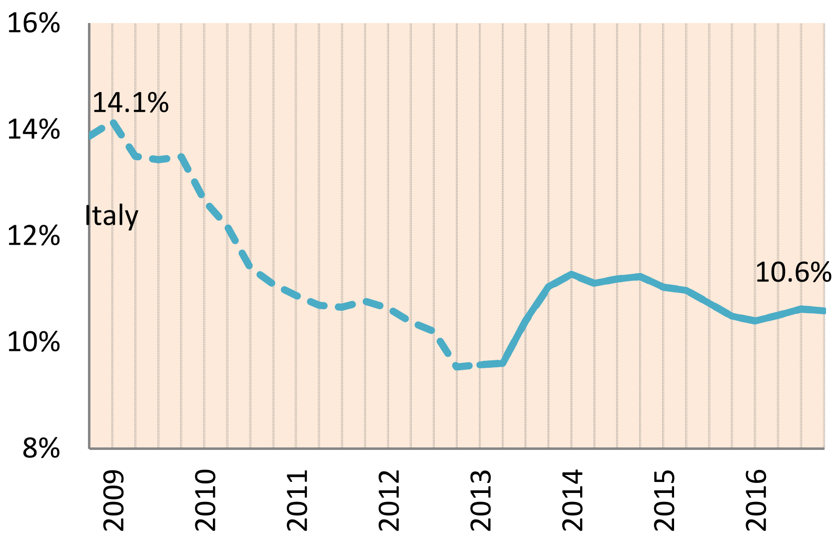
Household saving rates in Europe



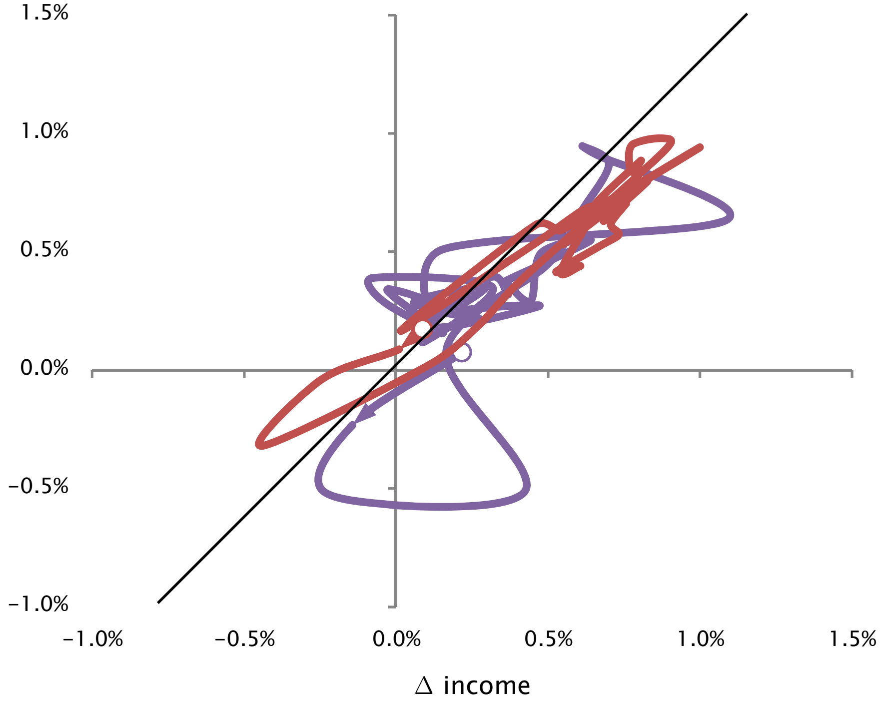
Gross household saving rates. Source: Eurostat.

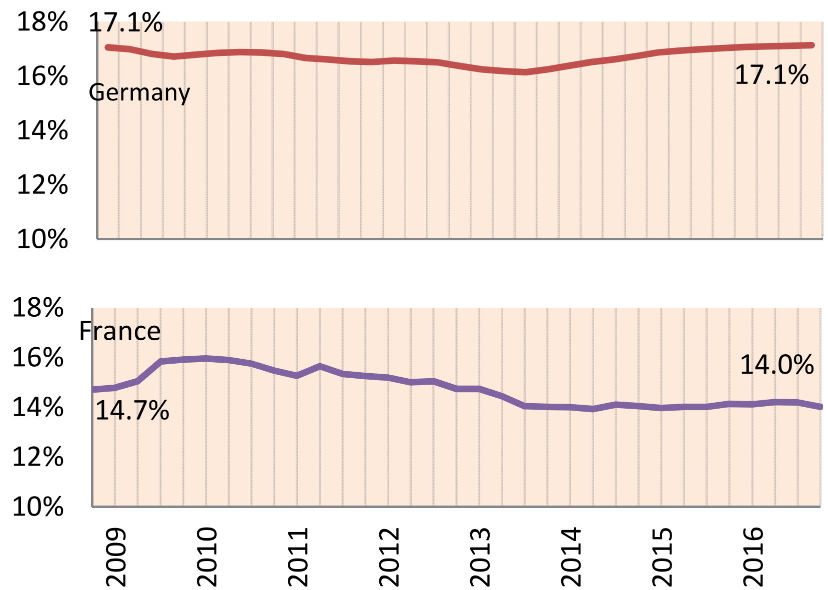
How income & consumption Δ% affect saving rates





How income & consumption Δ% affect saving rates





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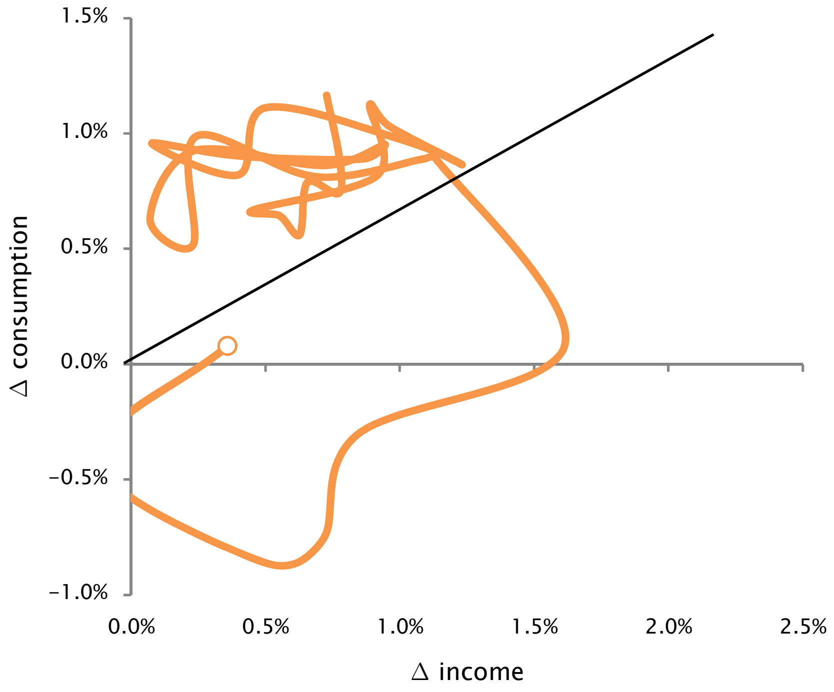

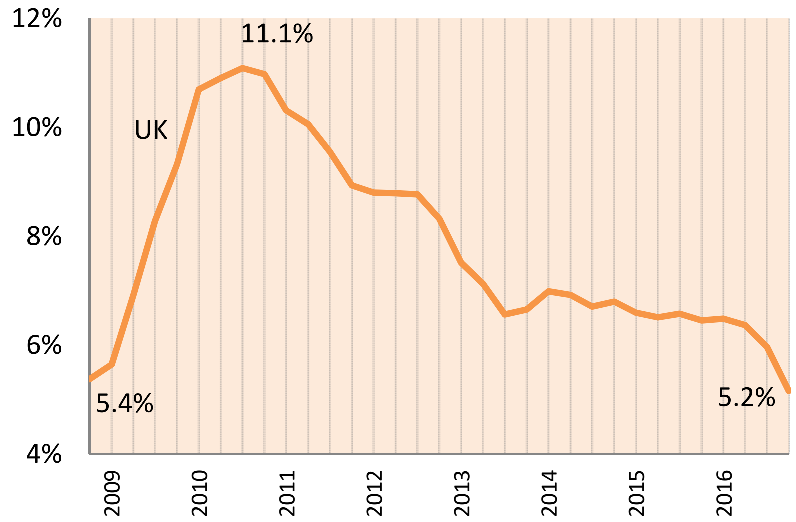

2008Q4:2016Q4 Source: Eurostat.

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	1,809	38.0%	22.5%	1.9%	19.2%	2.8%	5.8%	9.3%
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High level of *direct investment* (~ 30%)

Decreasing amounts of *bank issued bonds* (3.3%)

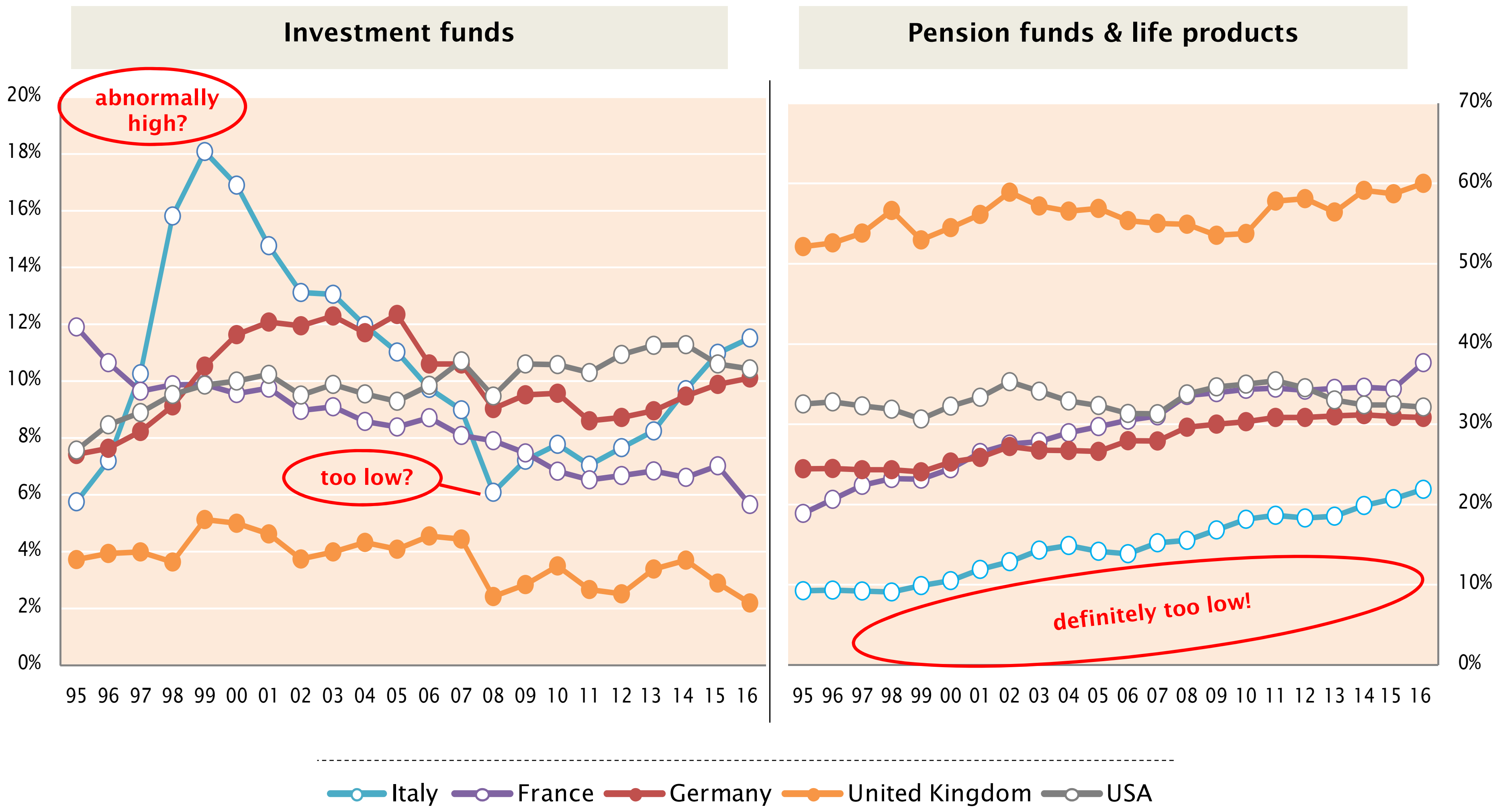
Negligible level of *listed shares.* High level of *unlisted* ones.

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)

	2016			2008
	(,000)	Working pop. (est.)	Membership rate	Membership rate
Member breakdown	**7,787**	**22,757**	**34.2%**	**21.0%**
Employees	5,788	17,310	33.4%	21.7%
Self-employed	1,999	5,447	36.7%	19.0%

	2016 Members				Assets	
	(,000)	%	'16 Δ %	'08 Δ %	(€ m)	*% GDP*
Vehicle breakdown	**7,787**	**100%**	**+8%**	**+60%**	**151,278**	9.0%
Contractual p.f.	2,597	33%	+7%	+27%	45,931	
Open p.f.	1,259	16%	+19%	+58%	17,092	
Ind. Insurance Plans (PIP)	3,281	42%	+8%	+138%	30,642	
Ante 1993 p.f. ('pre-existing')	654	8%	+1%	-5%	57,538	

Source: Covip, Istat, RGS.

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