The Italian Asset Management market
key figures

23 November 2017

Research Department
1. The Italian Asset Management market
   - Overview
   - Open-end funds: AuM, flows & Asset classes
   - Open-end funds: Distribution
   - Mandates and the insurance market

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 2017: October 2017)

AuM, net flows & performance, € bn.

Dec 2016

- 993 Mand.
- 1,944 Funds

Oct 2017

- 1,025 Funds
- 2,079 AuM

Performance:
- +23.4% M10
- +14.1% III
- +29.2% II
- +16.2% +28.5% +11.7% +27.9%

Net Flows:
- +28.5% +0.7% +9.3% +0.0% +2.5% +6.8% +6.7%

Notes:
- AuM: Asset Under Management
- Mand.: Managed
- Perf.: Performance
Net flows (monthly data)

Monthly data. Source: Assogestioni.
Product breakdown

- **Open-end Funds**
  - 2017 I: +16.1%
  - 2017 II: +28.0%
  - 2017 III: +13.7%
- **Retail Mandates (discretionary portfolios)**
  - 2017 I: +1.5%
  - 2017 II: +0.3%
  - 2017 III: -0.2%
- **Closed-end Funds**
  - 2017 I: +9.4%
  - 2017 II: +9.0%
  - 2017 III: +6.7%
- **Institutional Mandates**
  - 2017 I: +2.3%
  - 2017 II: +1.5%
  - 2017 III: +0.47%

1,004 (48%)
131 (6%)
894 (43%)

$6\%$
Long term trend

€bn, yearly data. Source: Assogestioni.
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Open-end funds: domicile breakdown

Dec 2013
557

Dec 2016
901

Oct 2017
1,004

Open-end funds: domicile breakdown

AuM & net flows, €bn.

Research Department
The Italian Asset Management market
Key figures
23 November 2017

Domestic +13.5
Round-Trip +19.5
True Cross-Border +31.4

2014 2015 2016

2017:M10

Domestic +13.5
Round-Trip +19.5
True Cross-Border +31.4
Long term trend: open-end funds

€bn, yearly data. Source: Assogestioni.
Top 15 Groups (open-end funds only)

AuM (October 2017)

Net flows – 2017 :M10

2016

-14.5

+8.1

+9.8

+12.7
Asset Class breakdown

TOTAL
- Equity: 22%
- Balanced: 9%
- Money Market: 3%
- Bond: 42%
- Flexible: 24%

DOMESTIC
- Equity: 9%
- Balanced: 10%
- Money Market: 2%
- Bond: 38%
- Flexible: 41%

ROUND-TRIP
- Equity: 16%
- Balanced: 6%
- Money Market: 5%
- Bond: 47%
- Flexible: 24%

TRUE CROSS-BORDER
- Equity: 33%
- Balanced: 10%
- Money Market: 10%
- Bond: 41%
- Flexible: 12%

254 bn – 26%
299 bn – 31%
410 bn – 43%
Equity & balanced funds

AuM (September 2017)

Net flows – 2017 III

2016

Domestic Round-Trip True Cross-Border x%: Mkt share + Net sales as % AuM
Money mkt, Bond, Flex & Hedge funds

AuM (September 2017)

<table>
<thead>
<tr>
<th>Category</th>
<th>0%</th>
<th>6%</th>
<th>12%</th>
<th>18%</th>
<th>24%</th>
<th>Net sales as % AuM</th>
</tr>
</thead>
<tbody>
<tr>
<td>MM FUNDS</td>
<td>1%</td>
<td>5%</td>
<td>10%</td>
<td>20%</td>
<td>21%</td>
<td></td>
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<tr>
<td>ITALY</td>
<td></td>
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<tr>
<td>EURO GOV. SHORT T.</td>
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<tr>
<td>EURO GOV. M/L TERM</td>
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<tr>
<td>EURO CORPORATE / HY</td>
<td></td>
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</tr>
<tr>
<td>DOLLAR AREA</td>
<td>3%</td>
<td>7%</td>
<td>7%</td>
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<tr>
<td>GLOBAL</td>
<td>7%</td>
<td>7%</td>
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<tr>
<td>EM</td>
<td>7%</td>
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<tr>
<td>MIXED</td>
<td>20%</td>
<td>18%</td>
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<tr>
<td>SPECIALIZED</td>
<td></td>
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<tr>
<td>FLEX (BOND)</td>
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<tr>
<td>FLEX</td>
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<tr>
<td>HEDGE</td>
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</table>

Net flows – 2017 III

<table>
<thead>
<tr>
<th>Category</th>
<th>0%</th>
<th>6%</th>
<th>12%</th>
<th>18%</th>
<th>24%</th>
<th>30%</th>
<th>0%</th>
<th>6%</th>
<th>12%</th>
<th>18%</th>
<th>24%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money mkt, Bond, Flex &amp; Hedge funds</td>
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</tbody>
</table>

2016

<table>
<thead>
<tr>
<th>Category</th>
<th>0%</th>
<th>6%</th>
<th>12%</th>
<th>18%</th>
<th>24%</th>
<th>30%</th>
<th>0%</th>
<th>6%</th>
<th>12%</th>
<th>18%</th>
<th>24%</th>
<th>24%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic</td>
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<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Round-Trip</td>
<td></td>
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<td></td>
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<td></td>
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</tr>
<tr>
<td>True Cross-Border</td>
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<td></td>
<td></td>
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</tr>
<tr>
<td>x%: Mkt share</td>
<td></td>
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</tr>
</tbody>
</table>

Net sales as % AuM
1. The Italian Asset Management market
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3. Savings & Wealth
   - Household saving rate: trend & int’l comparison
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The Italian fund market is retail-oriented

End of 2016 data.
Banks dominate the *retail* fund distribution landscape (1)

**AuM of funds distributed to Italian retail clients (direct investment). End of 2016 data.**
Banks dominate the *retail* fund distribution landscape (2)

**Italian ManGroups**

- **Banks**: 249 (75%), 84 (25%)
- **Financial advisors**: Total 333

**Foreign ManGroups**

- **Banks**: 111 (61%), 73 (39%)
- **Financial advisors**: Total 184

*AuM of funds distributed to Italian retail clients (direct investment). End of 2016 data.*
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).
Distribution of 3\textsuperscript{rd} party funds: FAs more open than Banks...

End of 2016 data.
The more open the distributor...
... the higher the proportion of foreign ManGroups funds
Regional breakdown (channels)
Distinction by type of retail investors (1)

<table>
<thead>
<tr>
<th>Type of Retail Investors</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mass-Affluent</td>
<td>369</td>
</tr>
<tr>
<td>Private</td>
<td>148</td>
</tr>
<tr>
<td>Financial advisors</td>
<td>91</td>
</tr>
<tr>
<td>Banks</td>
<td>269</td>
</tr>
<tr>
<td>99</td>
<td></td>
</tr>
</tbody>
</table>

Total: 516

AuM of funds distributed to Italian retail clients (direct investment). End of 2016 data.
Distinction by type of *retail* investor (2)
3rd party funds: *private* segment more open than *Mass Affluent*
Regional breakdown (clients)

End of 2016 data.
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Mandates: AuM & Net Sales trends

AuM (September 2017)

- DISCRETIONARY MANDATES (GPF): 4%
- DISCRETIONARY MANDATES (GPM): 10%
- PENSION PLANS: 10%
- INSURANCE PRODUCTS (TRADITIONAL): 623, 61%
- INSURANCE PRODUCTS (UNIT & INDEX L-ED): 9%
- OTHER: 7%

Net flows – 2017 III

- 0%: Mkt share
- +: Net sales as % AuM
- -: Mkt share

2016

- 0%: Mkt share
- +: Net sales as % AuM
- -: Mkt share
Insurance Mandates & Captive/Affiliated Insurers

Italian insurance market (Dec 2016)


Italian Market: 35%

317

80%

621
Life Insurance Market: long-term trend

€bn, yearly data. Source: Ania, Ivass.
Top 10 Life Insurance Groups

**Technical Reserves (Dec 2016)**

- **CATTOLICA**: 55%
- **MEDIOLANUM**: 70%
- **CATTOLICA**: 85%

**Flows – 2016**

- **0 4 8 12 16 20 24**

**2015**

- **0 4 8 12 16 20 24**
Top 10 Unit&Index Linked Groups

Technical Reserves (Dec 2016)

INTESA SANPAOLO
Intesa Sanpaolo Vita/Fideuram Vita

ALLIANZ
Allianz/Creditras Vita

MEDIOLANUM
Generali Ass./Generali Italia/Alleanza/BG Vita

GENERALI

OLD MUTUAL

POSTE ITALIANE

CNP ASSURANCES

AVIVA

UNIPOLSAI

AXA

0 5 10 15 20 25 30 35
€ bn

flows

0 1 2 3 4 5 6 7

2016

2015

x%: Mkt share

+ Net flows

Premiums
1. The Italian Asset Management market
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Net Assets by fund domicile

2017Q2 €bn. Source: Efama, AFG, BVI.
### Net sales by fund domicile

#### Italy

<table>
<thead>
<tr>
<th>Year</th>
<th>+8 2017</th>
<th>+8 2016</th>
<th>+27 2015</th>
<th>-14% 2014</th>
</tr>
</thead>
</table>

#### France

| Year | +41 | +40 | +21 | |  
|------|-----|-----|-----| |  

#### Germany

| Year | +55 | +110 | +149 | |  
|------|-----|------|------| |  

#### UK

<table>
<thead>
<tr>
<th>Year</th>
<th>+4 2016</th>
<th>+20 2015</th>
<th>-14% 2014</th>
</tr>
</thead>
</table>

#### Luxembourg

| Year | +151 | +99 | +298 | +9.7 | |  
|------|-----|----|------|-----| |  

#### Europe

| Year | +507 | +455 | +721 | |  
|------|------|------|------| |  

---

**Net sales as a % of AuM. Yearly data in €bn. Source: Efama, BVI.**
Net Assets by fund domicile – Long-term growth

- Ireland
- Luxembourg
- UK
- France
- Germany
- Italy

Index values. Source: Efama.
Net Assets by fund group domicile

<table>
<thead>
<tr>
<th>Country</th>
<th>Domestic Funds - Ucits</th>
<th>Domestic Funds - AIF</th>
<th>Luxembourg Funds</th>
<th>Irish Funds</th>
<th>Europe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>24%</td>
<td>10%</td>
<td>47%</td>
<td>50%</td>
<td>62%</td>
</tr>
<tr>
<td>France</td>
<td>15%</td>
<td>10%</td>
<td>36%</td>
<td>50%</td>
<td>38%</td>
</tr>
<tr>
<td>UK</td>
<td>47%</td>
<td>30%</td>
<td>60%</td>
<td>47%</td>
<td>40%</td>
</tr>
<tr>
<td>Switzerland</td>
<td>50%</td>
<td>5%</td>
<td>7%</td>
<td>7%</td>
<td></td>
</tr>
<tr>
<td>Italy</td>
<td>51%</td>
<td>6%</td>
<td>4%</td>
<td>7%</td>
<td></td>
</tr>
<tr>
<td>Luxembourg</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Ireland</td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

2017Q2. €bn. Foreign (Round-trip) share in %. Est. on Efama, Assogestioni, ALFI & IFIA data.
Net sales: fund domicile vs. fund group domicile

- **Italy**
  - 2012: -8% to +8%
  - 2013: -6% to +6%
  - 2014: -4% to +4%
  - 2015: -2% to +2%
  - 2016: +0% to +0%
  - 2017: +2% to +8%

- **France**
  - 2012: -8% to +8%
  - 2013: -6% to +6%
  - 2014: -4% to +4%
  - 2015: -2% to +2%
  - 2016: +0% to +0%
  - 2017: +2% to +8%

- **Germany**
  - 2012: -8% to +8%
  - 2013: -6% to +6%
  - 2014: -4% to +4%
  - 2015: -2% to +2%
  - 2016: +0% to +0%
  - 2017: +2% to +8%

- **UK**
  - 2012: -8% to +8%
  - 2013: -6% to +6%
  - 2014: -4% to +4%
  - 2015: -2% to +2%
  - 2016: +0% to +0%
  - 2017: +2% to +8%

- **Luxembourg**
  - 2012: -8% to +8%
  - 2013: -6% to +6%
  - 2014: -4% to +4%
  - 2015: -2% to +2%
  - 2016: +0% to +0%
  - 2017: +2% to +8%

- **Europe**
  - 2012: -8% to +8%
  - 2013: -6% to +6%
  - 2014: -4% to +4%
  - 2015: -2% to +2%
  - 2016: +0% to +0%
  - 2017: +2% to +8%

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.
## Household financial portfolio breakdown

<table>
<thead>
<tr>
<th></th>
<th>Total Asset</th>
<th>Currency &amp; deposits</th>
<th>Bonds</th>
<th>Stocks</th>
<th>Investment funds</th>
<th>Pension funds &amp; life pr</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>€ bn</td>
<td>%</td>
<td></td>
<td>%</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>Italy</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>1995</td>
<td>1,809</td>
<td>38.0%</td>
<td>22.5%</td>
<td>1.9%</td>
<td>19.2%</td>
<td>2.8%</td>
</tr>
<tr>
<td>2000</td>
<td>3,057</td>
<td>22.8%</td>
<td>16.5%</td>
<td>6.3%</td>
<td>29.3%</td>
<td>5.4%</td>
</tr>
<tr>
<td>2005</td>
<td>3,896</td>
<td>23.4%</td>
<td>18.9%</td>
<td>7.0%</td>
<td>28.0%</td>
<td>2.4%</td>
</tr>
<tr>
<td>2010</td>
<td>3,694</td>
<td>30.4%</td>
<td>19.6%</td>
<td>10.0%</td>
<td>19.8%</td>
<td>1.9%</td>
</tr>
<tr>
<td>2014</td>
<td>4,049</td>
<td>30.8%</td>
<td>12.7%</td>
<td>6.1%</td>
<td>23.2%</td>
<td>1.6%</td>
</tr>
<tr>
<td>2016</td>
<td>4,193</td>
<td>31.7%</td>
<td>8.6%</td>
<td>3.3%</td>
<td>22.5%</td>
<td>1.3%</td>
</tr>
<tr>
<td>2017 Q2</td>
<td>4,229</td>
<td>31.4%</td>
<td>8.0%</td>
<td>2.6%</td>
<td>22.8%</td>
<td>1.3%</td>
</tr>
<tr>
<td>France</td>
<td>5,272</td>
<td>28.0%</td>
<td>1.2%</td>
<td>n.a.</td>
<td>21.3%</td>
<td>4.9%</td>
</tr>
<tr>
<td>Germany</td>
<td>5,901</td>
<td>39.1%</td>
<td>2.7%</td>
<td>n.a.</td>
<td>10.6%</td>
<td>5.4%</td>
</tr>
<tr>
<td>UK</td>
<td>7,436</td>
<td>24.2%</td>
<td>0.4%</td>
<td>n.a.</td>
<td>11.2%</td>
<td>4.2%</td>
</tr>
<tr>
<td>USA</td>
<td>68,595</td>
<td>13.2%</td>
<td>5.0%</td>
<td>n.a.</td>
<td>36.8%</td>
<td>n.a.</td>
</tr>
</tbody>
</table>

### Notes

- **High level of direct investment (~30%)**
- **Decreasing amounts of bank issued bonds (2.6%)**
- **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

Investment funds

Pension funds & life products

Source: Eurostat, OECD, BCE, Deutsche Bundesbank.
# Private pension plans at a glance (2nd & 3rd pillar)

<table>
<thead>
<tr>
<th></th>
<th>2016 (,000)</th>
<th></th>
<th>2008 Membership rate</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Member breakdown</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>7,787</td>
<td>22,757</td>
<td>34.2%</td>
</tr>
<tr>
<td>Employees</td>
<td>5,788</td>
<td>17,310</td>
<td>33.4%</td>
</tr>
<tr>
<td>Self-employed</td>
<td>1,999</td>
<td>5,447</td>
<td>36.7%</td>
</tr>
<tr>
<td><strong>Vehicle breakdown</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>7,787</td>
<td>100%</td>
<td>+8%</td>
</tr>
<tr>
<td>Contractual p.f.</td>
<td>2,597</td>
<td>33%</td>
<td>+7%</td>
</tr>
<tr>
<td>Open p.f.</td>
<td>1,259</td>
<td>16%</td>
<td>+19%</td>
</tr>
<tr>
<td>Ind. Insurance Plans (PIP)</td>
<td>3,281</td>
<td>42%</td>
<td>+8%</td>
</tr>
<tr>
<td>Ante 1993 p.f. ('pre-existing')</td>
<td>654</td>
<td>8%</td>
<td>+1%</td>
</tr>
</tbody>
</table>

**Working pop. (est.)**

- **2016:**
  - Employees: 5,788
  - Self-employed: 1,999

- **2008:**
  - Employees: 5,788
  - Self-employed: 1,999

**Membership rate**

- **2016:**
  - Employees: 33.4%
  - Self-employed: 36.7%

- **2008:**
  - Employees: 21.7%
  - Self-employed: 19.0%

**Assets (€ m) % GDP**

- **2016:**
  - Contractual p.f.: 45,931
  - Open p.f.: 17,092
  - Ind. Insurance Plans (PIP): 30,642
  - Ante 1993 p.f. ('pre-existing'): 57,538

- **2008:**
  - Contractual p.f.: 151,278
  - Open p.f.: 45,931
  - Ind. Insurance Plans (PIP): 30,642
  - Ante 1993 p.f. ('pre-existing'): 57,538

**Source:** Covip, Istat, RGS.
The Italian Asset Management market key figures

23 November 2017

Research Department