



ASSOGESTIONI

associazione del risparmio gestito

The Italian Asset Management market key figures

24 March 2015

Research Department



1. The Italian Asset Management market

- Summary statistics
- Open-end funds
- Mandates
- The recent mkt 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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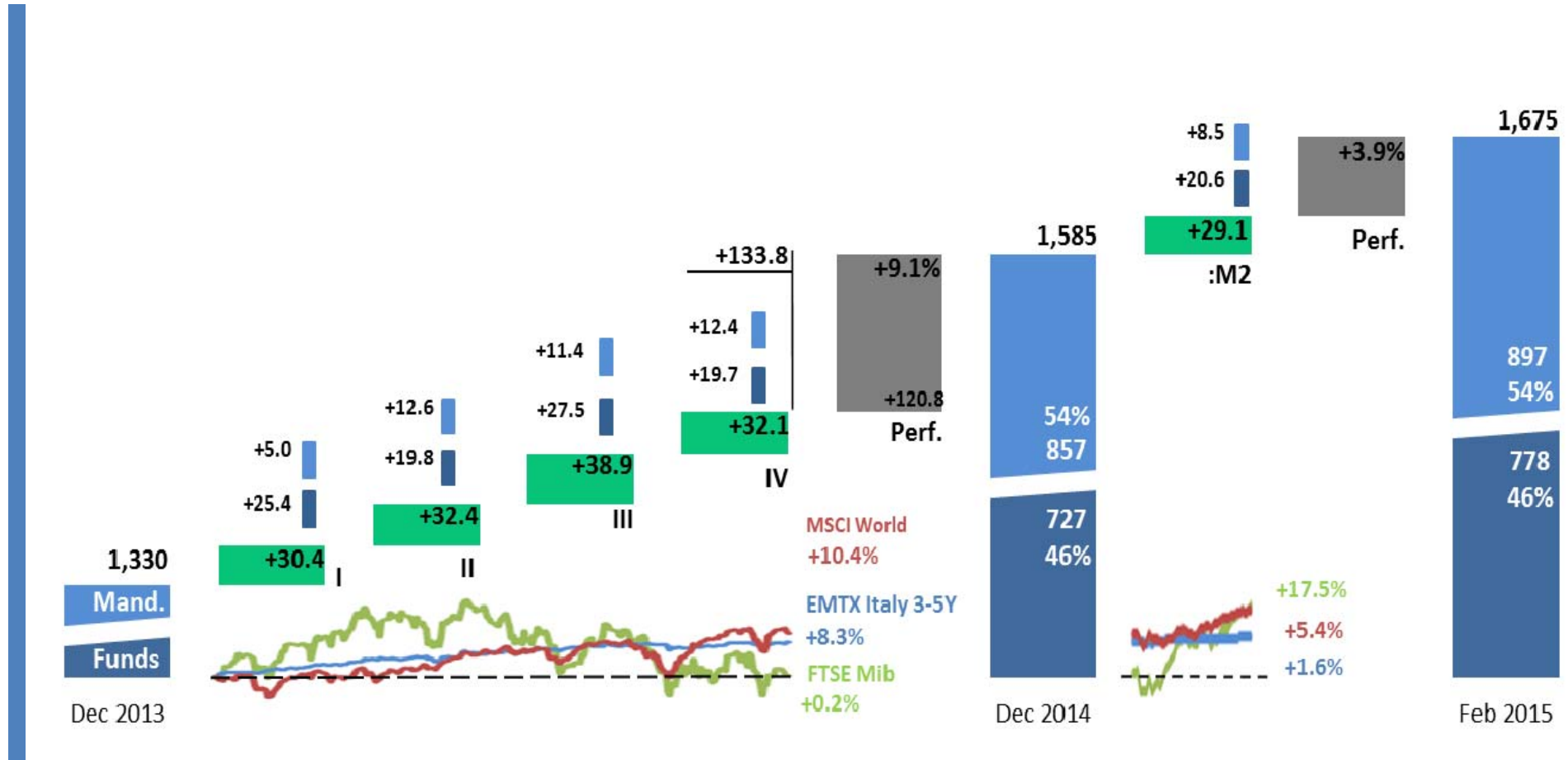
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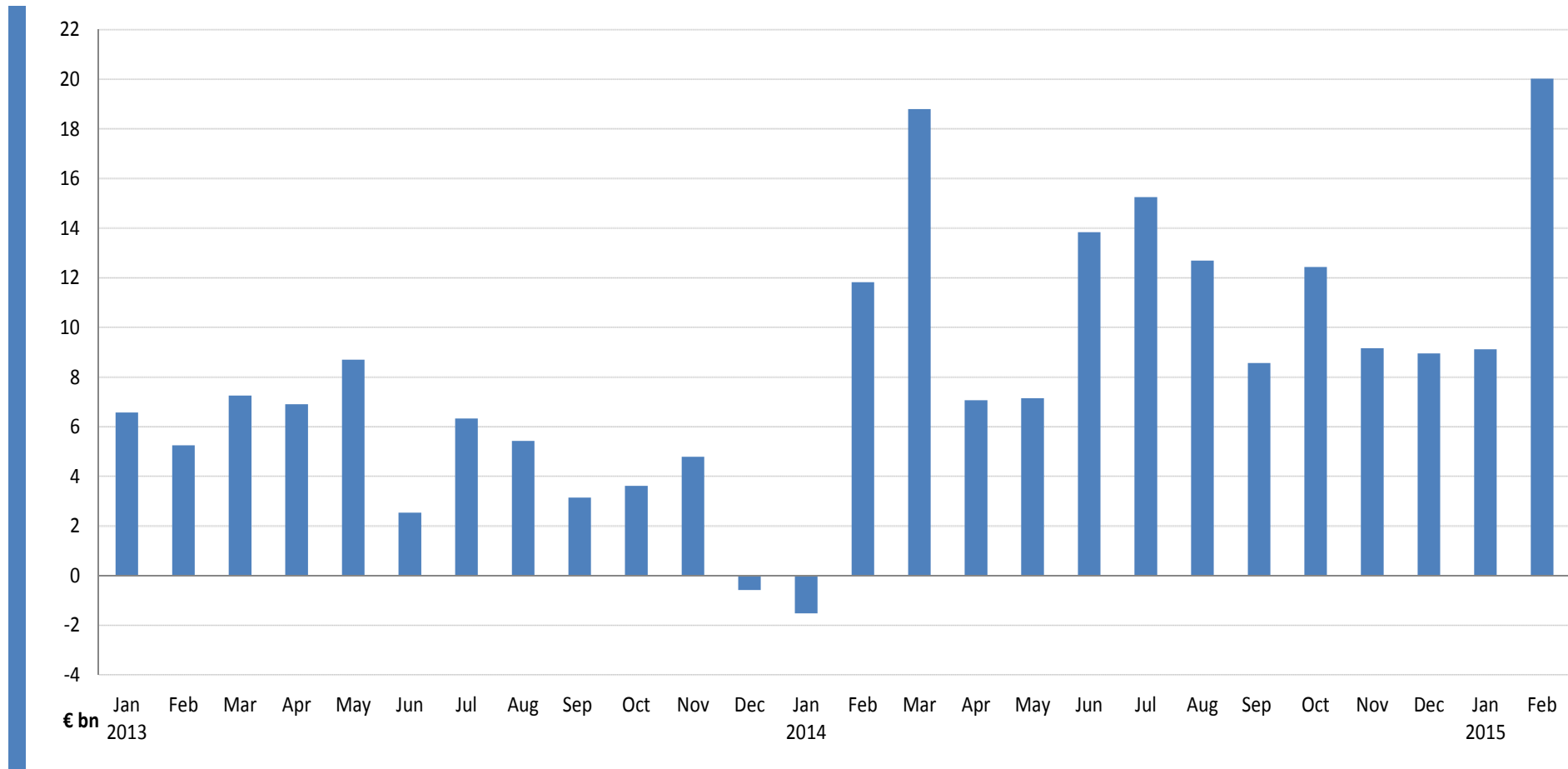
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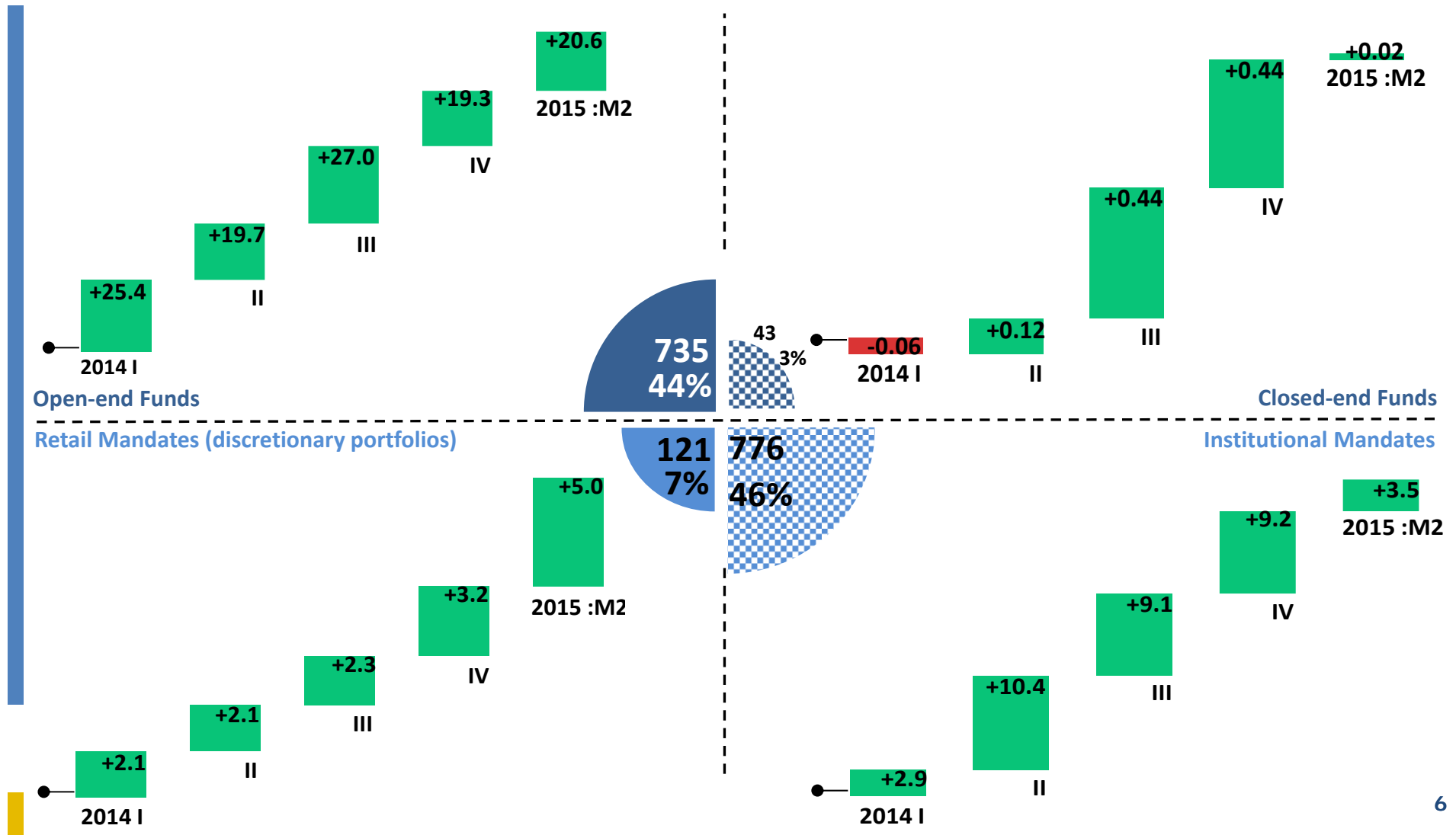
The Italian AM market (Jan 2014:Feb 2015)



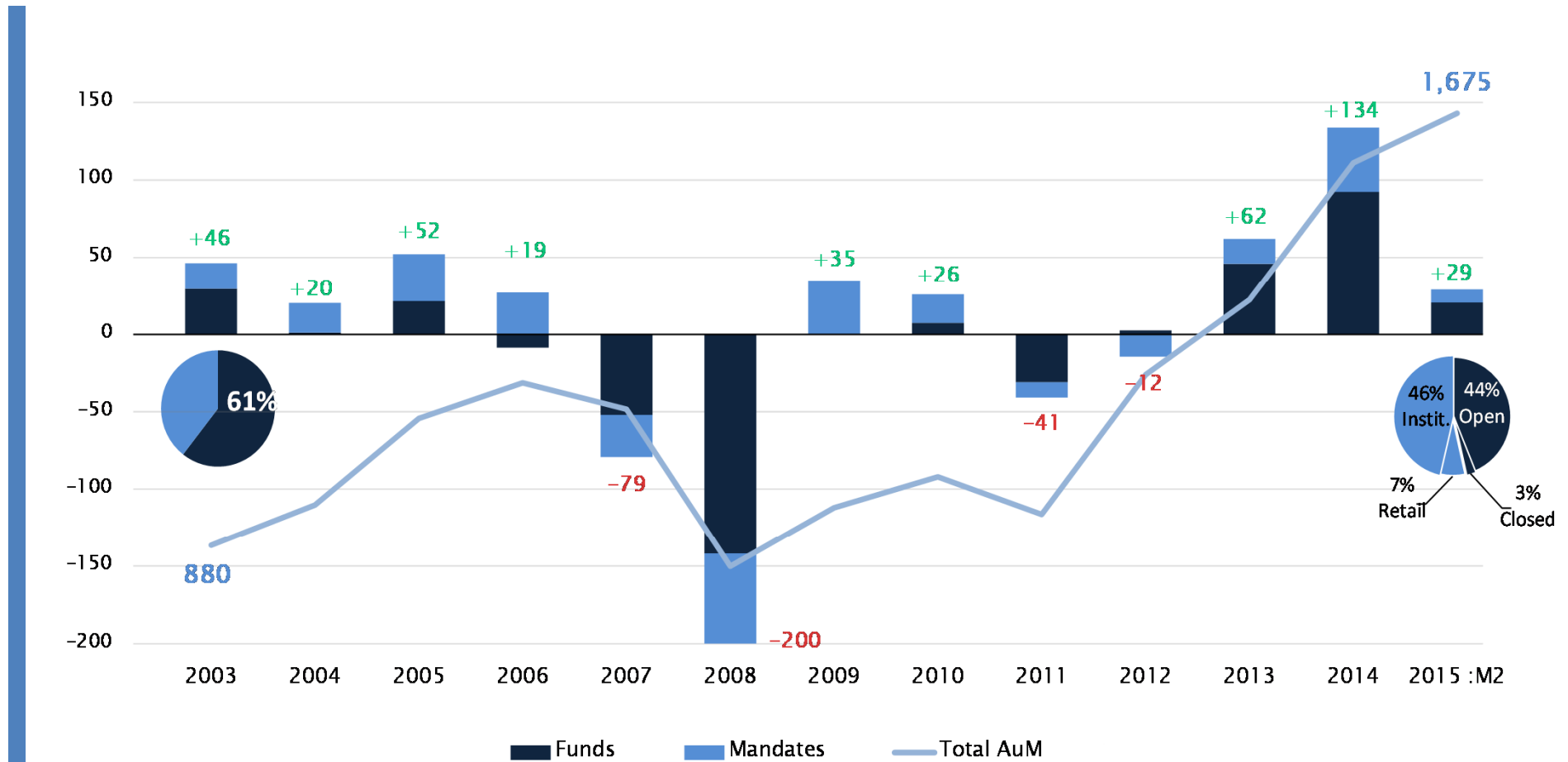
Net flows (monthly data)



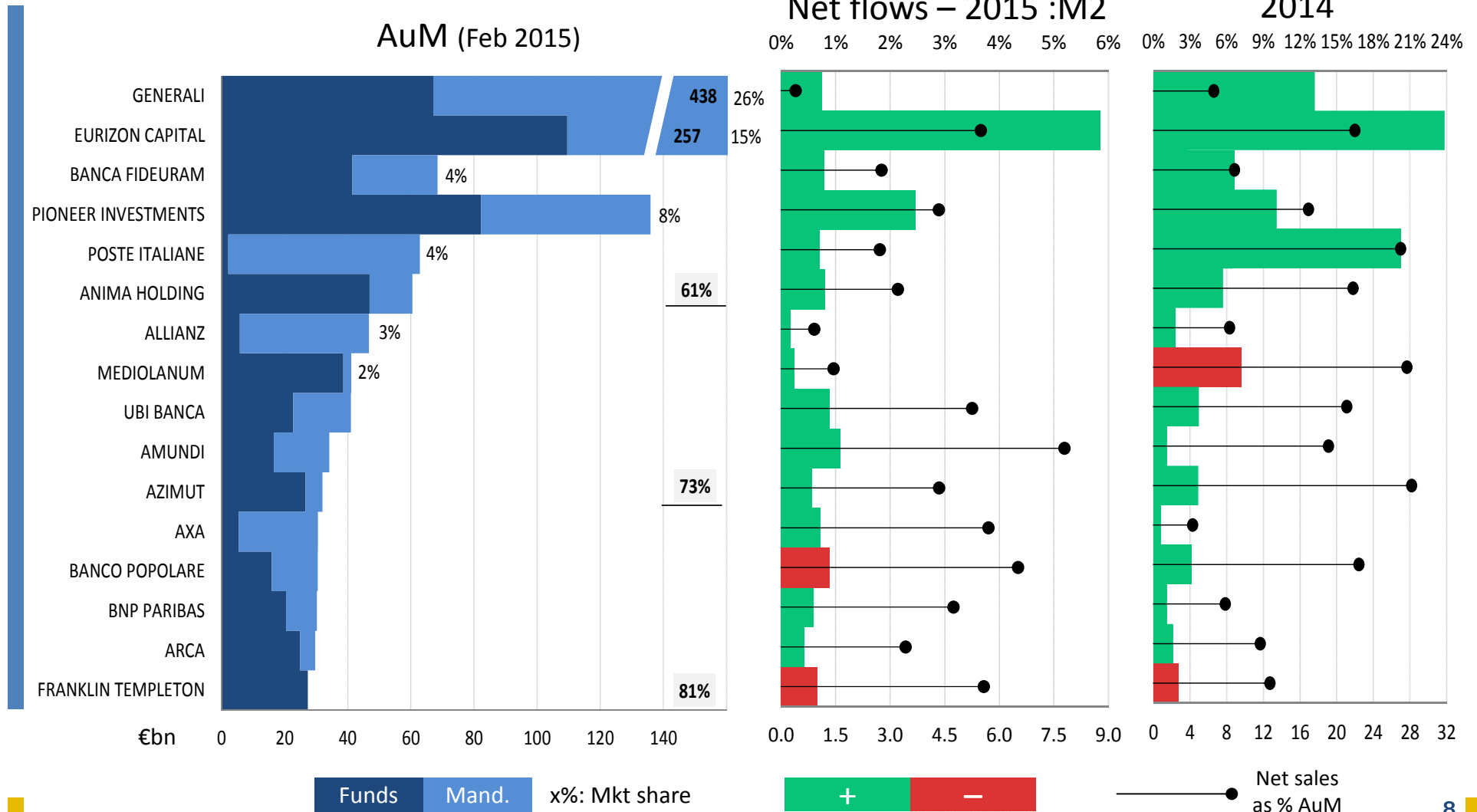
Product breakdown



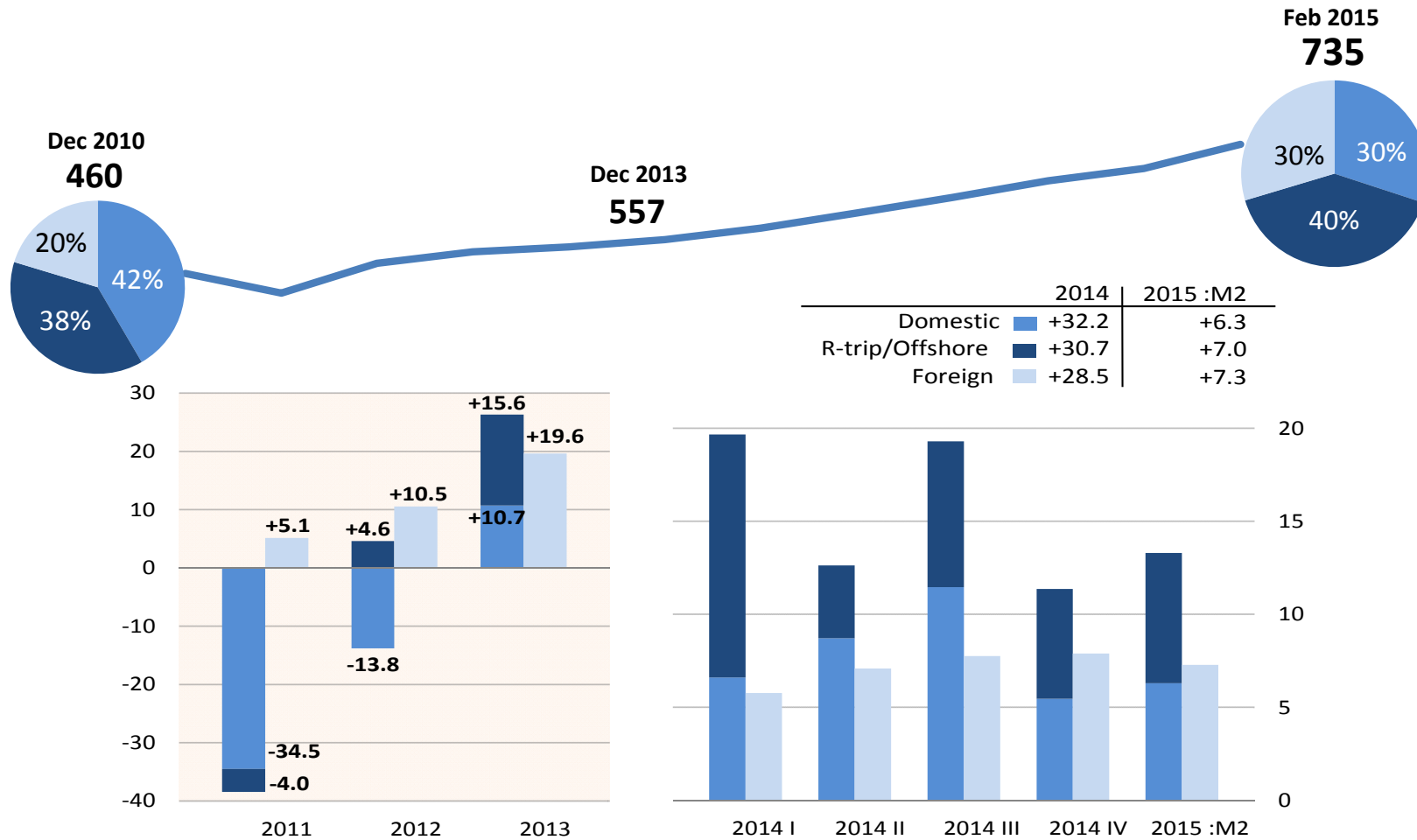
Long term trend



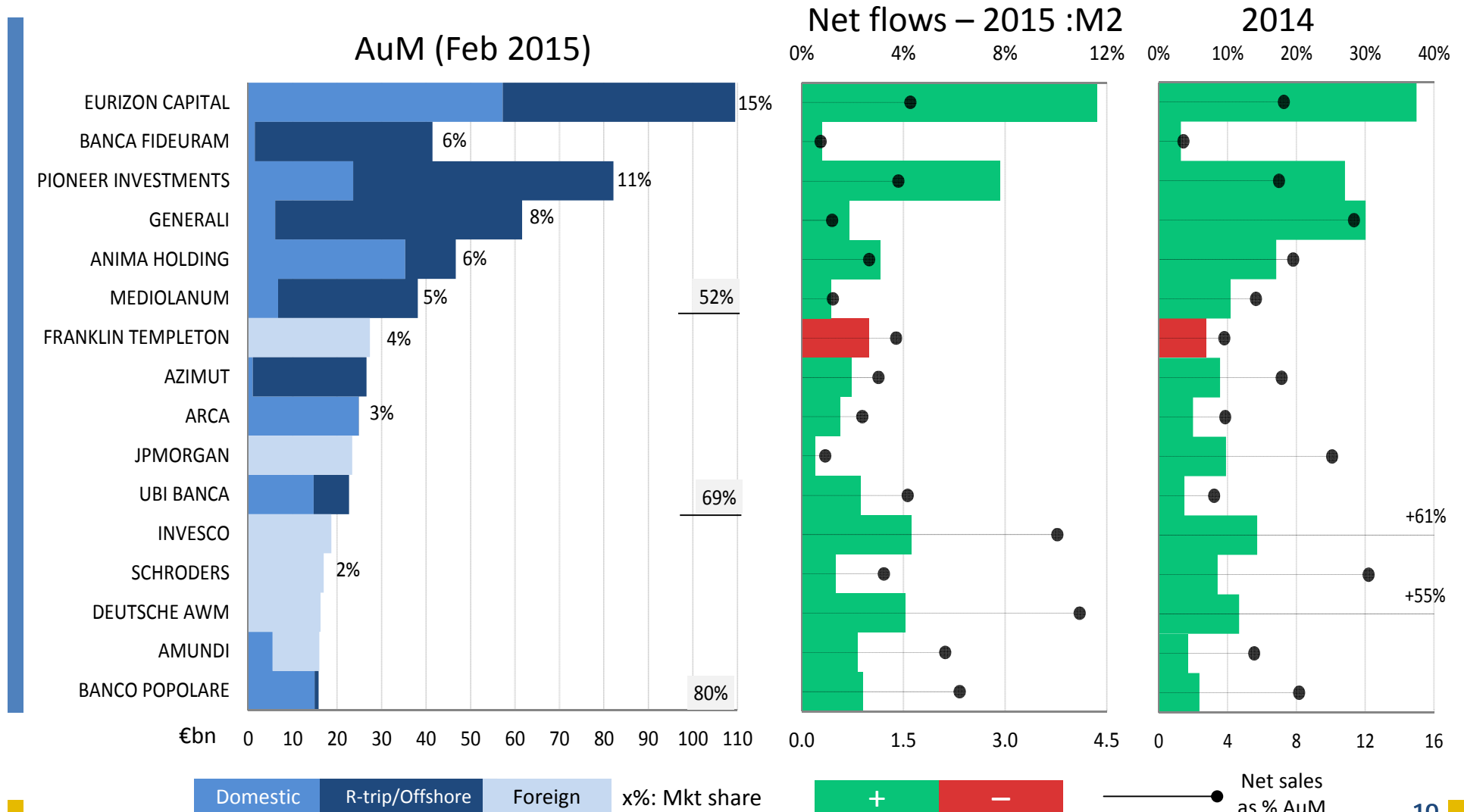
Top 15 Groups



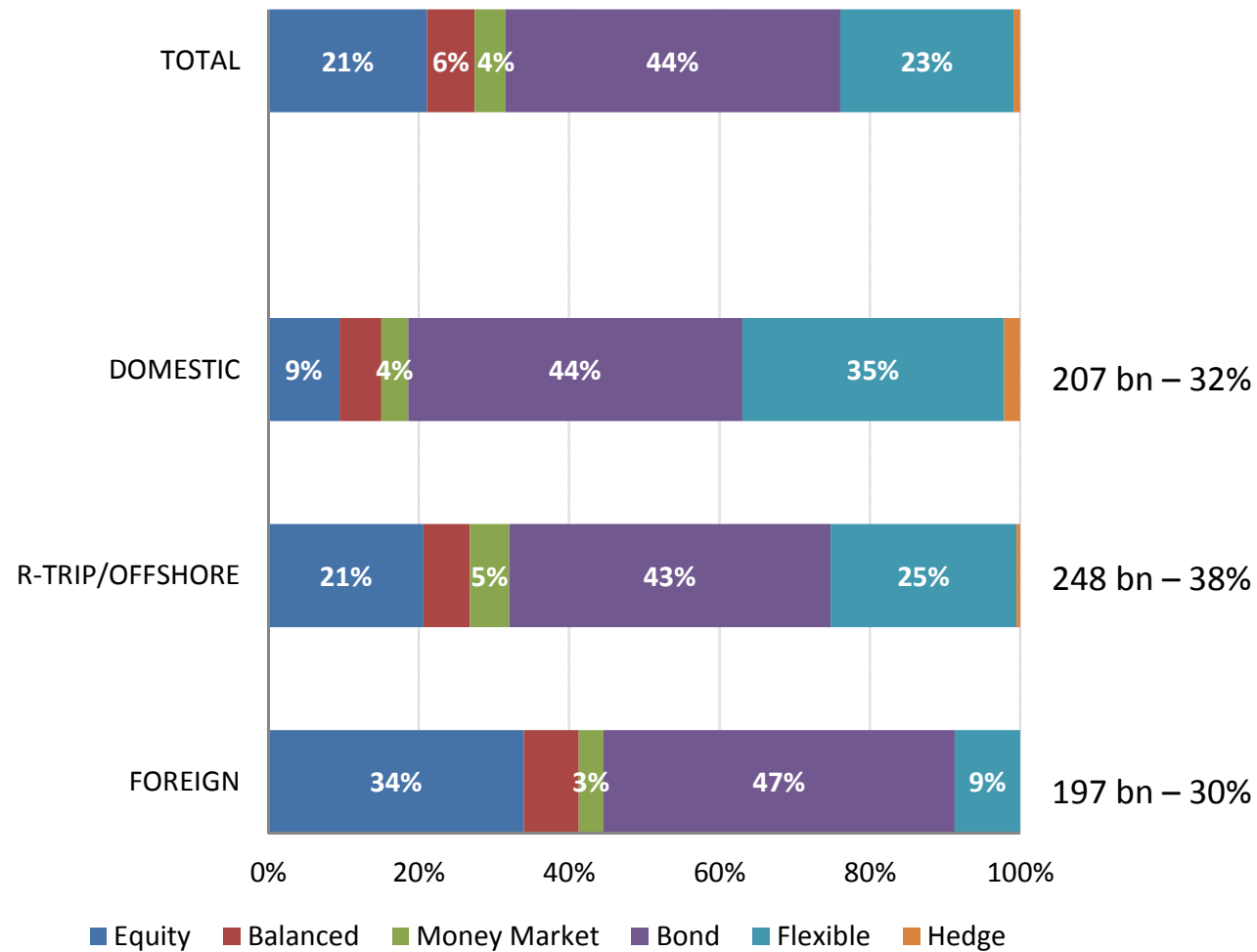
Open-end funds: domicile breakdown



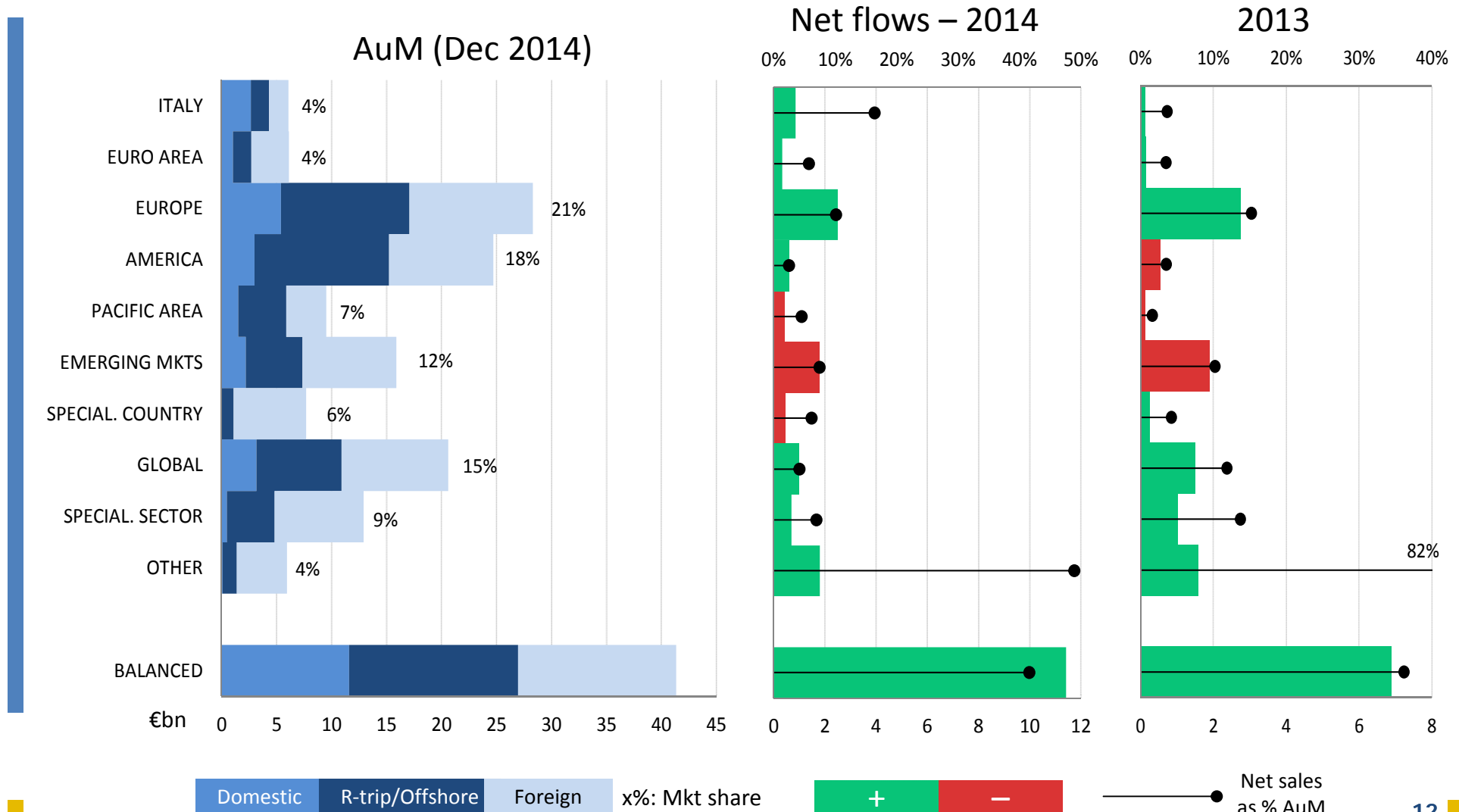
Top 15 Groups (open-end funds only)



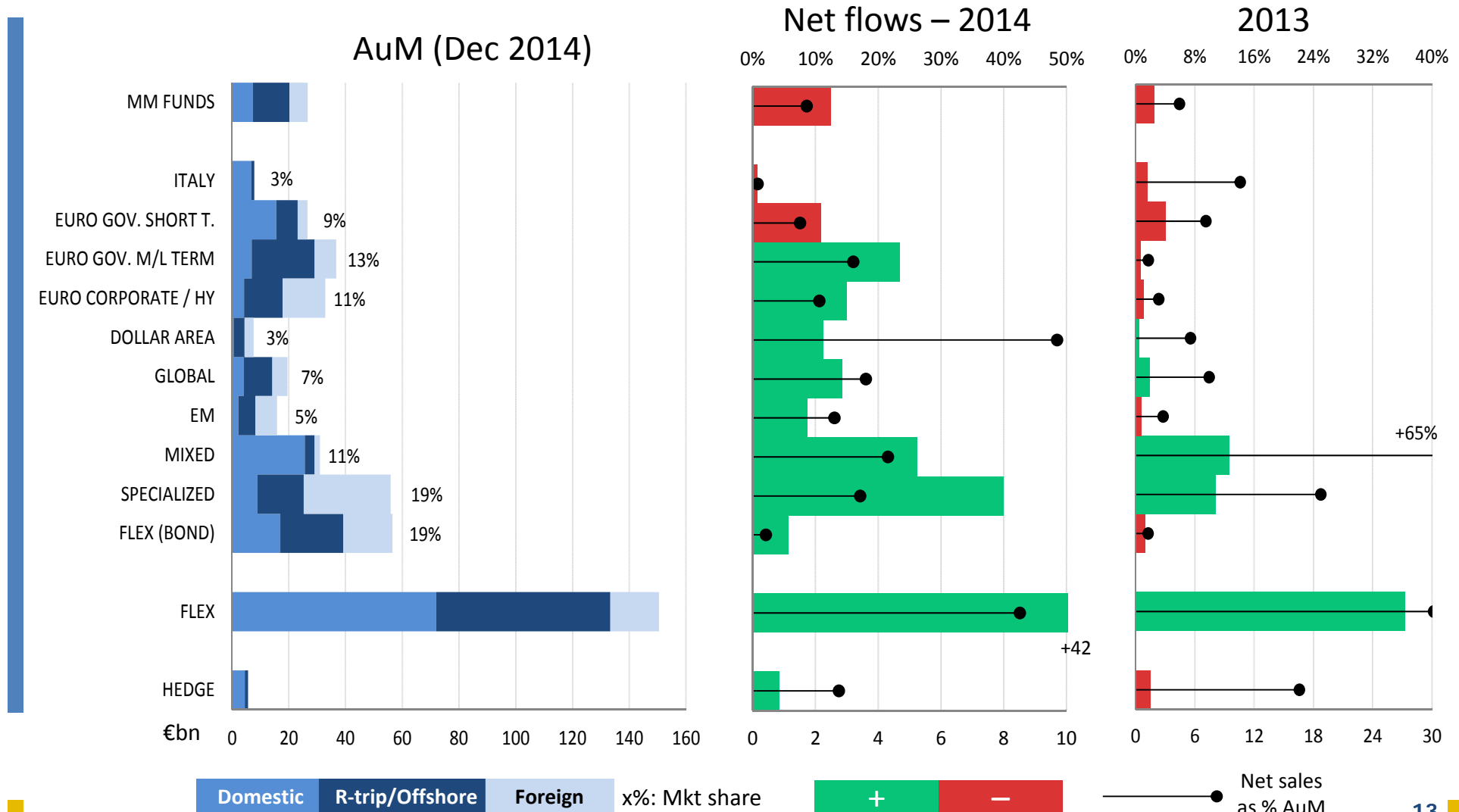
Asset Class breakdown



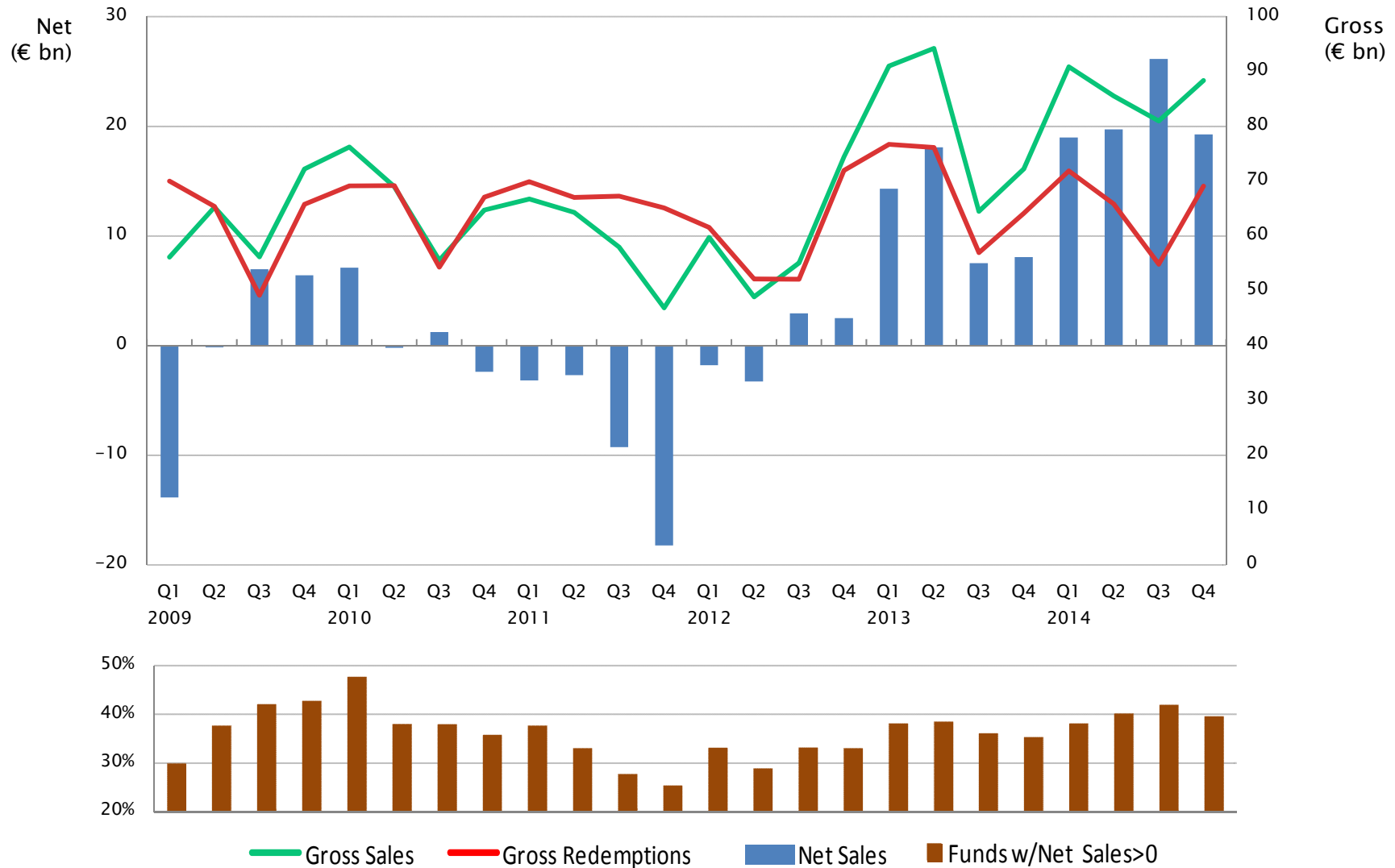
Equity & balanced funds



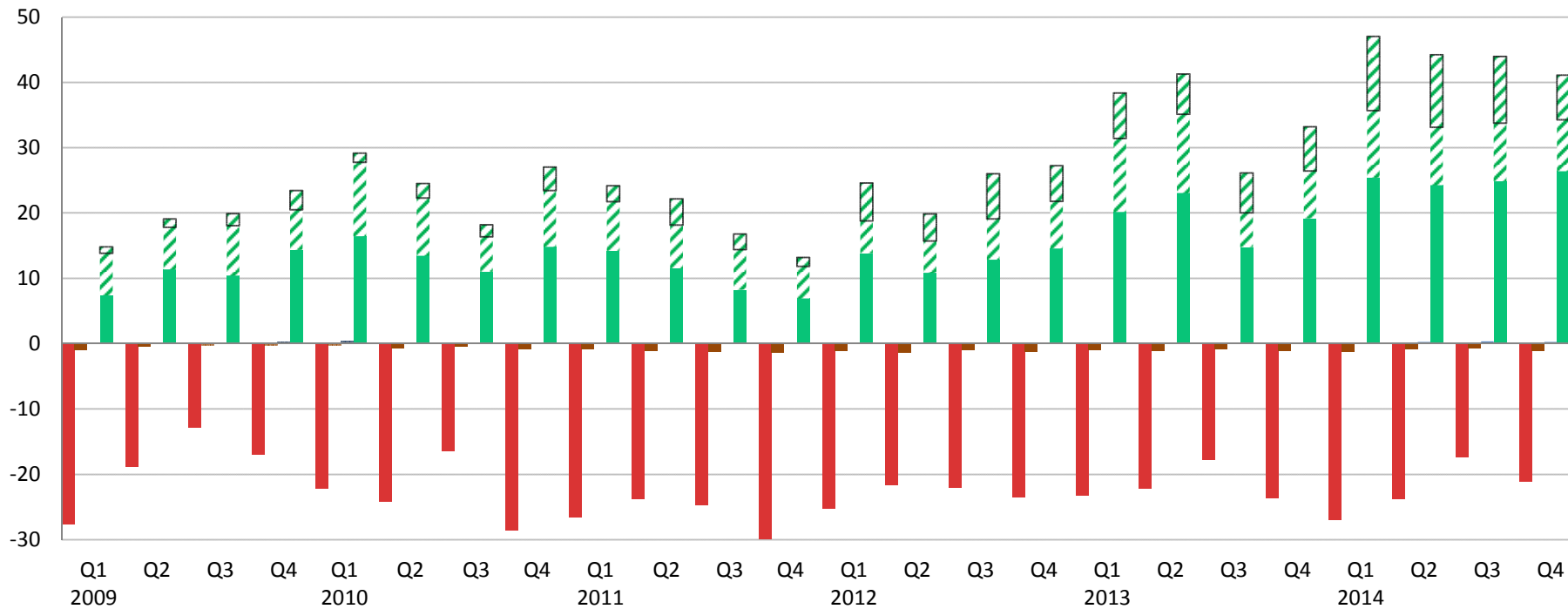
Money mkt, Bond, Flex & Hedge funds



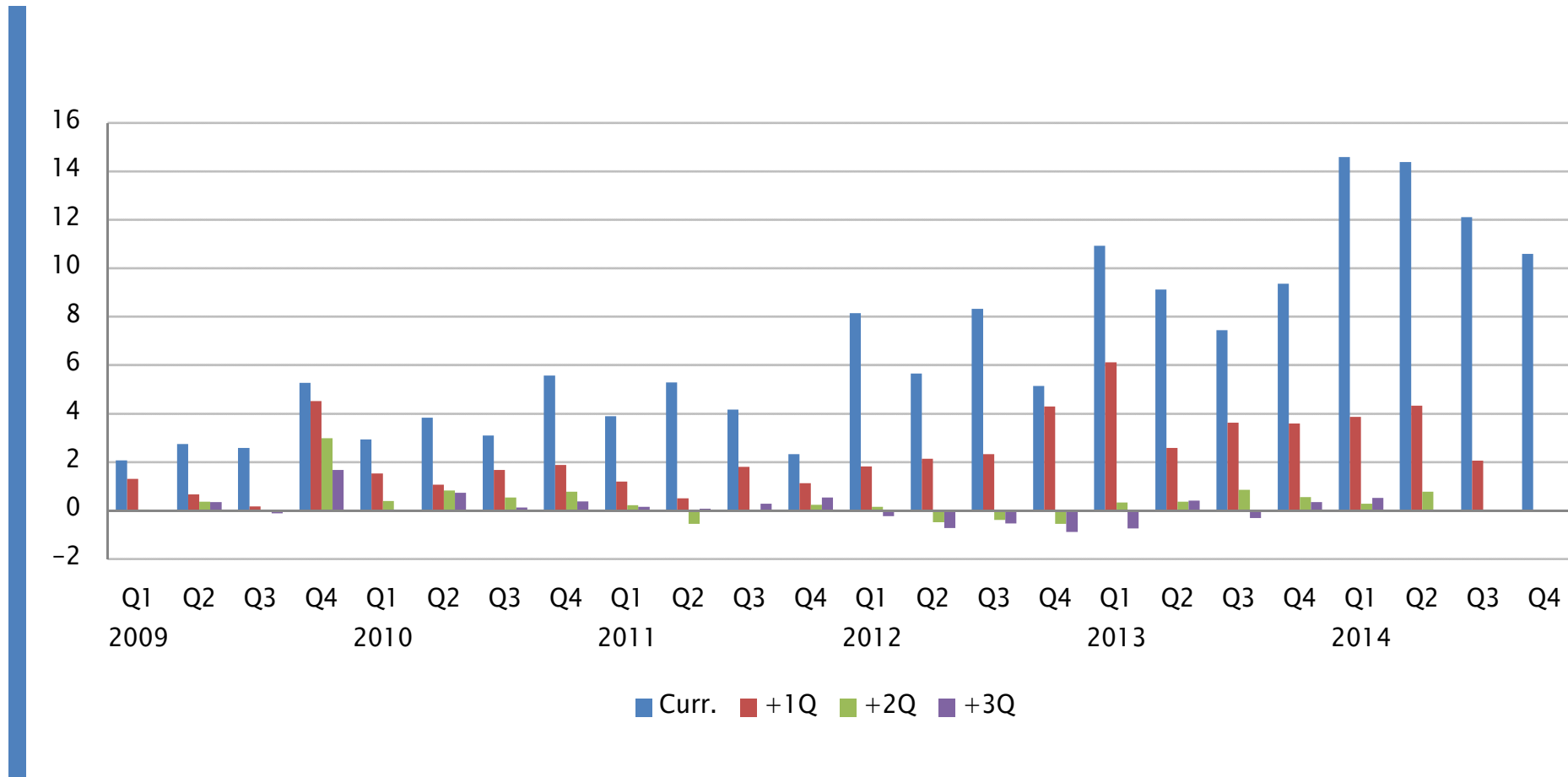
Net & gross flows



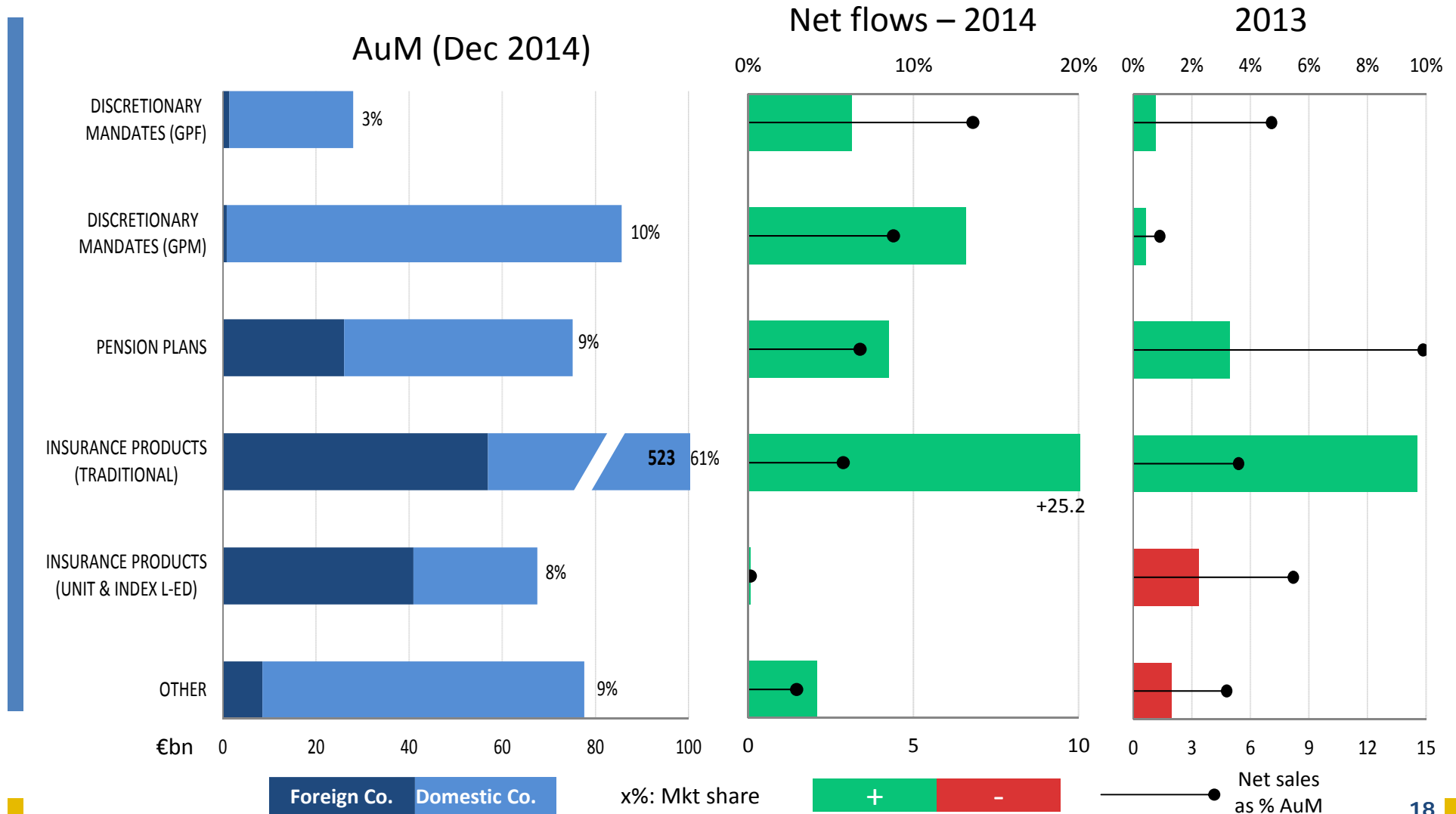
The *blockbuster effect*: top quartile funds take all



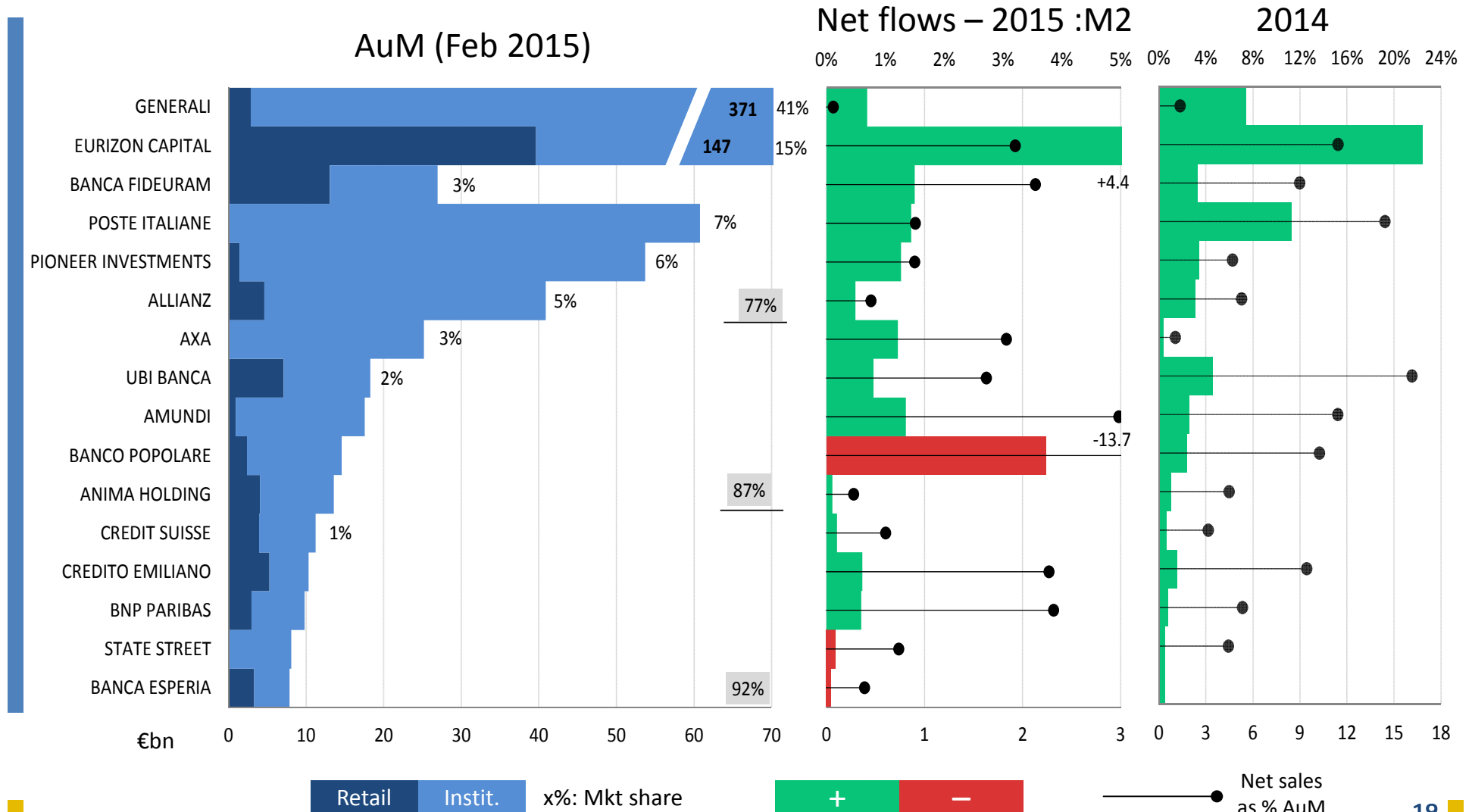
New stories: they sell well... but how long?



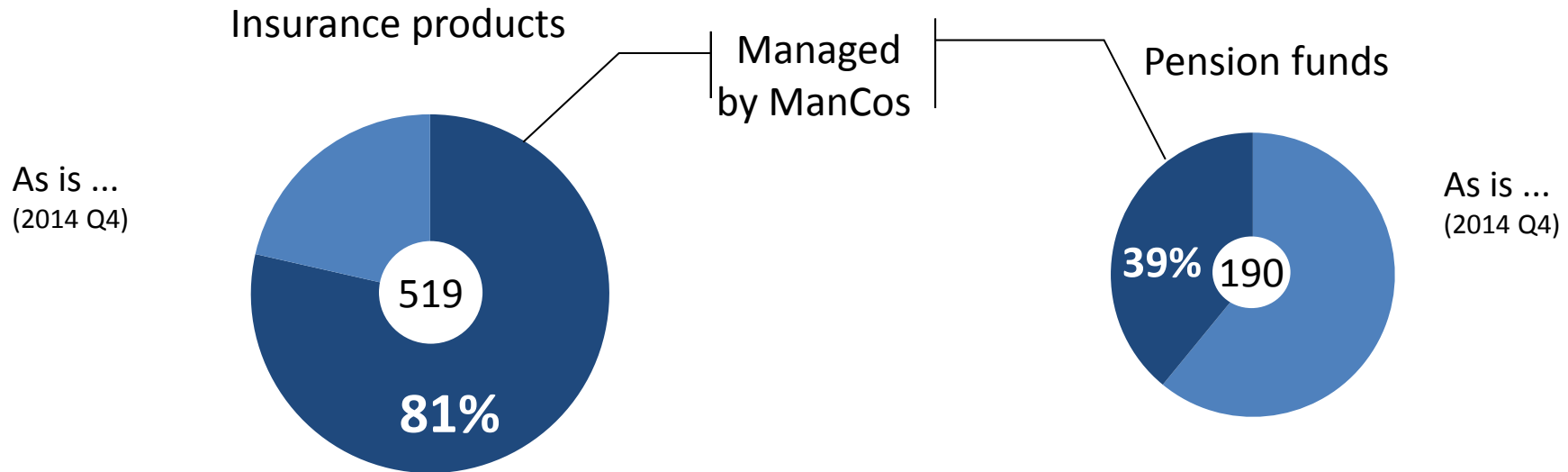
Mandates: AuM & Net Sales trends



Top 15 Groups (mandates only)



The market for Institutional Mandates



... and as could become:

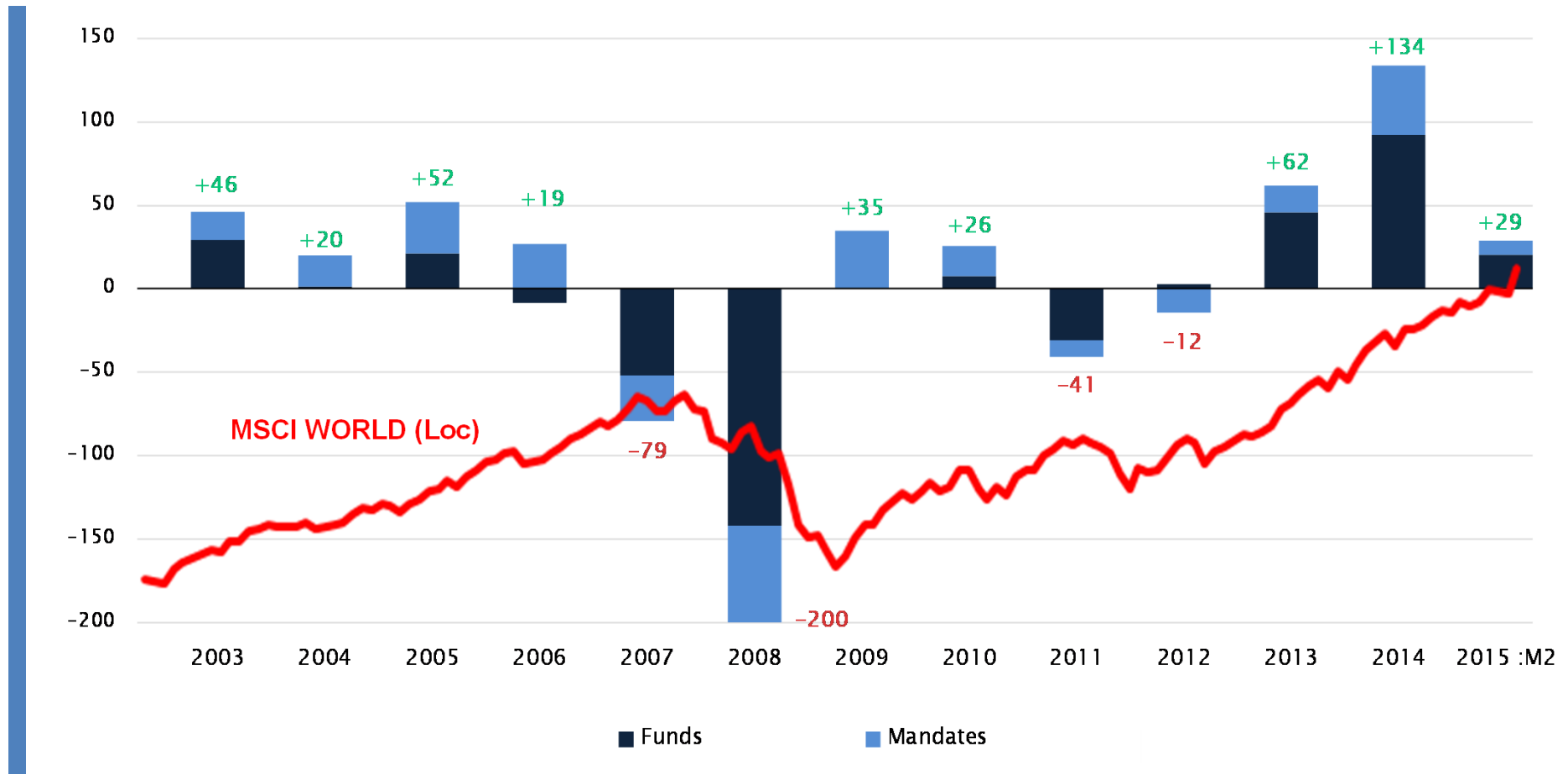
Household portfolio: share of insurance products & pension funds (2014Q3)

IT	FRA	GER	UK	USA
18.5%	33.5%	30.9%	57.4%	33.4%

Despite the economic crisis which is still affecting heavily our country, and despite the fall in the household saving rate, net flows into funds and mandates are rebounding. Why?

- **Some tentative explanations that can be drawn looking at the general features of the market (1), savers (2 & 3), distributors (banks, 4 & 5) and management companies (6).**

1. A pro-cyclical market



2. Wealth is concentrated

top tier investors hold most of the money pot (*italian funds, 2013*)

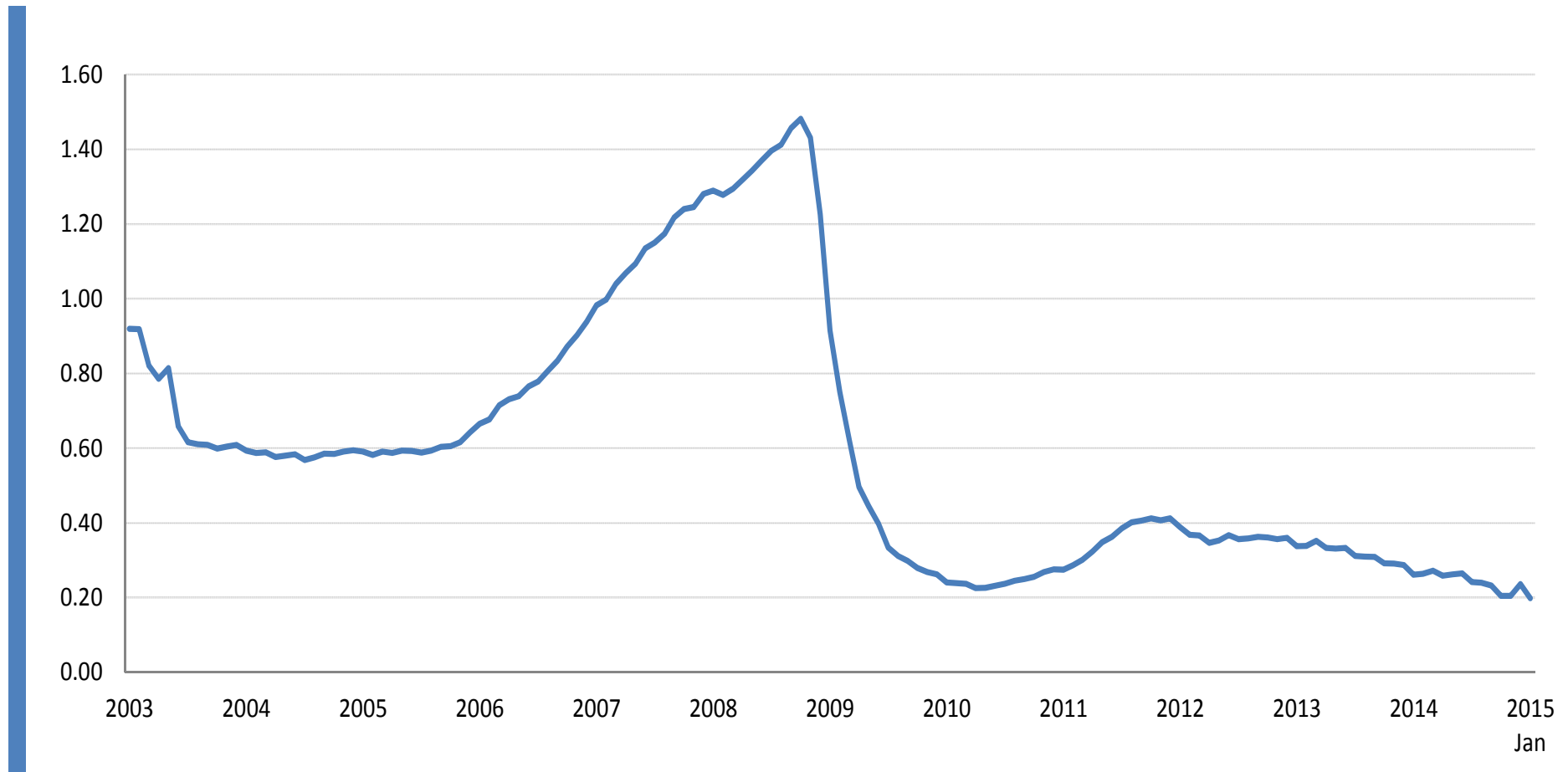
Average investment	26.156	} Average ≈ Median x 2.5
Median investment	10.867	

Quartile	% of assets	Limit (€)
I	1,4	3.868
II	6,9	10.867
III	17,3	27.932
IV	74,4	

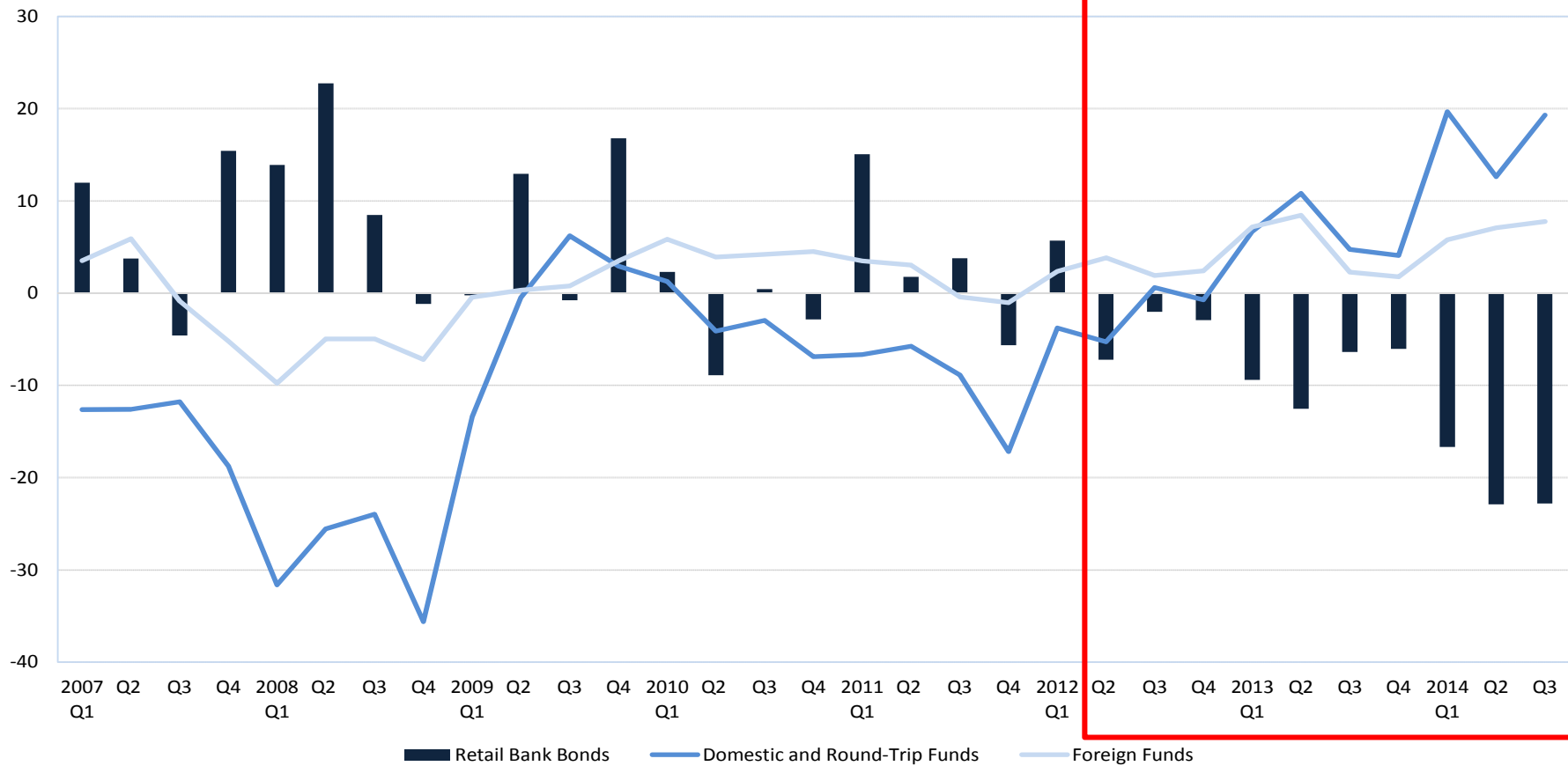
25% of shareholders control 75% of assets

75% of shareholders invest less than 27k€

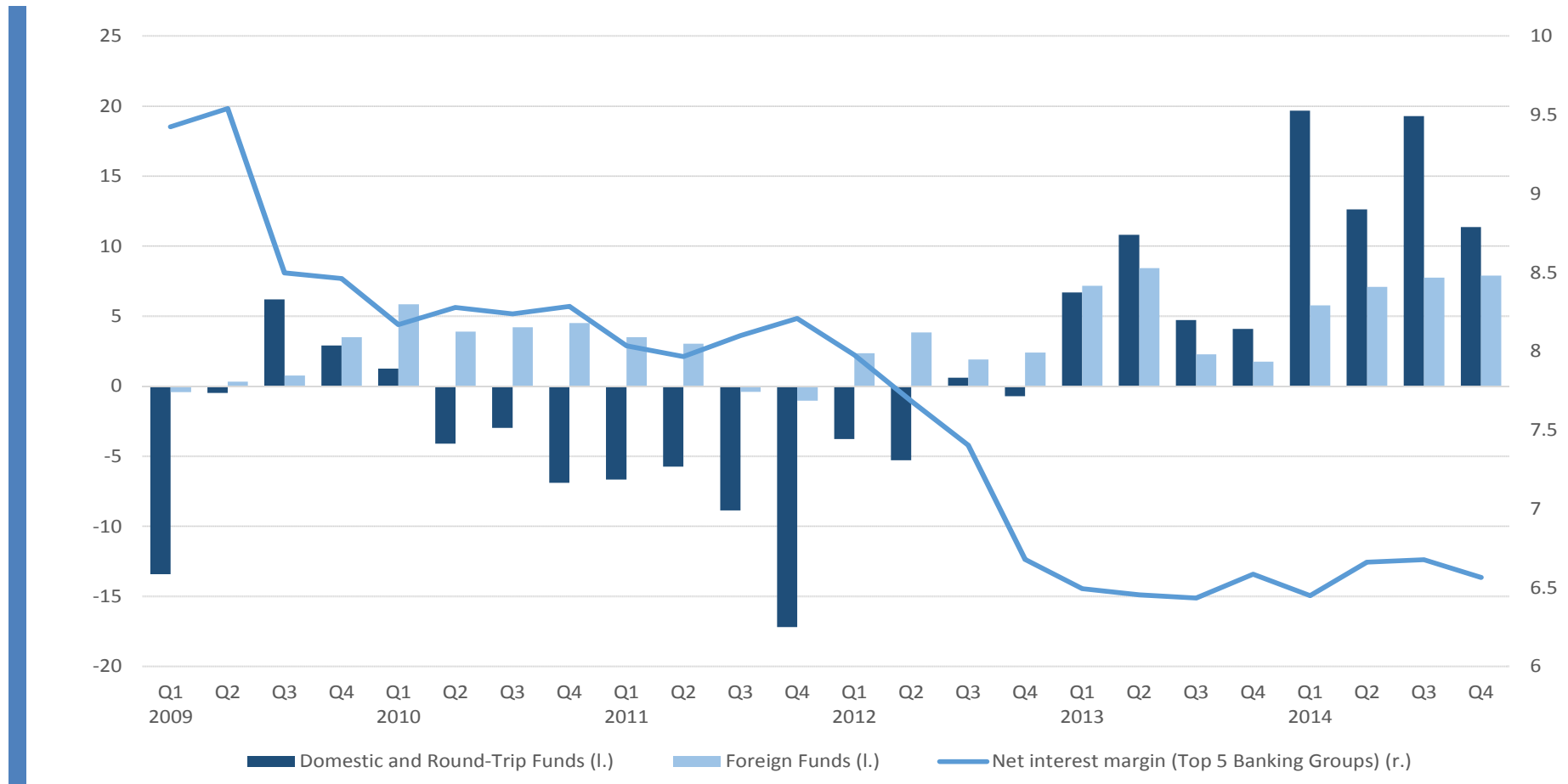
3. Bank deposits pay low interests



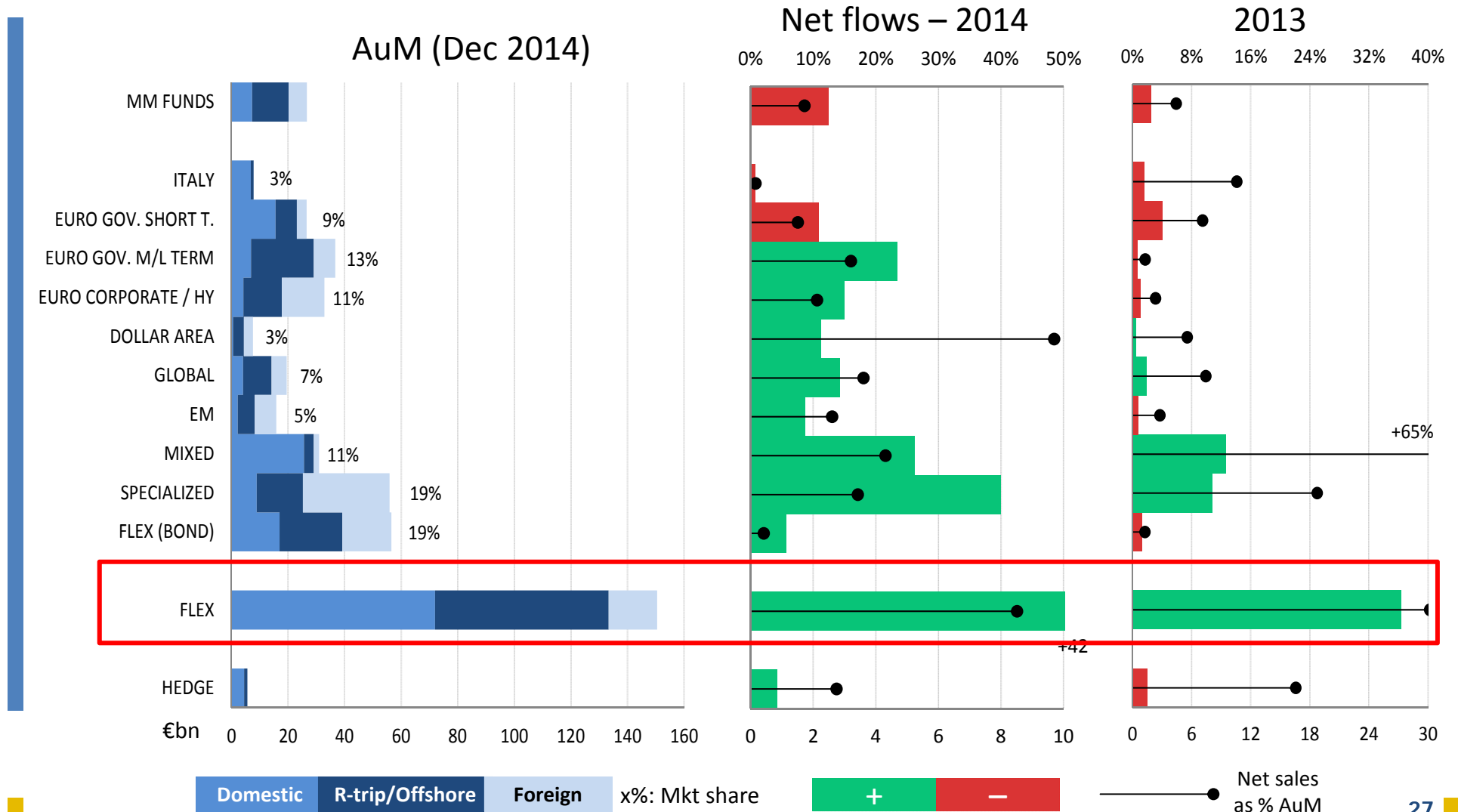
4. Banks are becoming less dependent on funding from retail



5. Decrease in net interest margin



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





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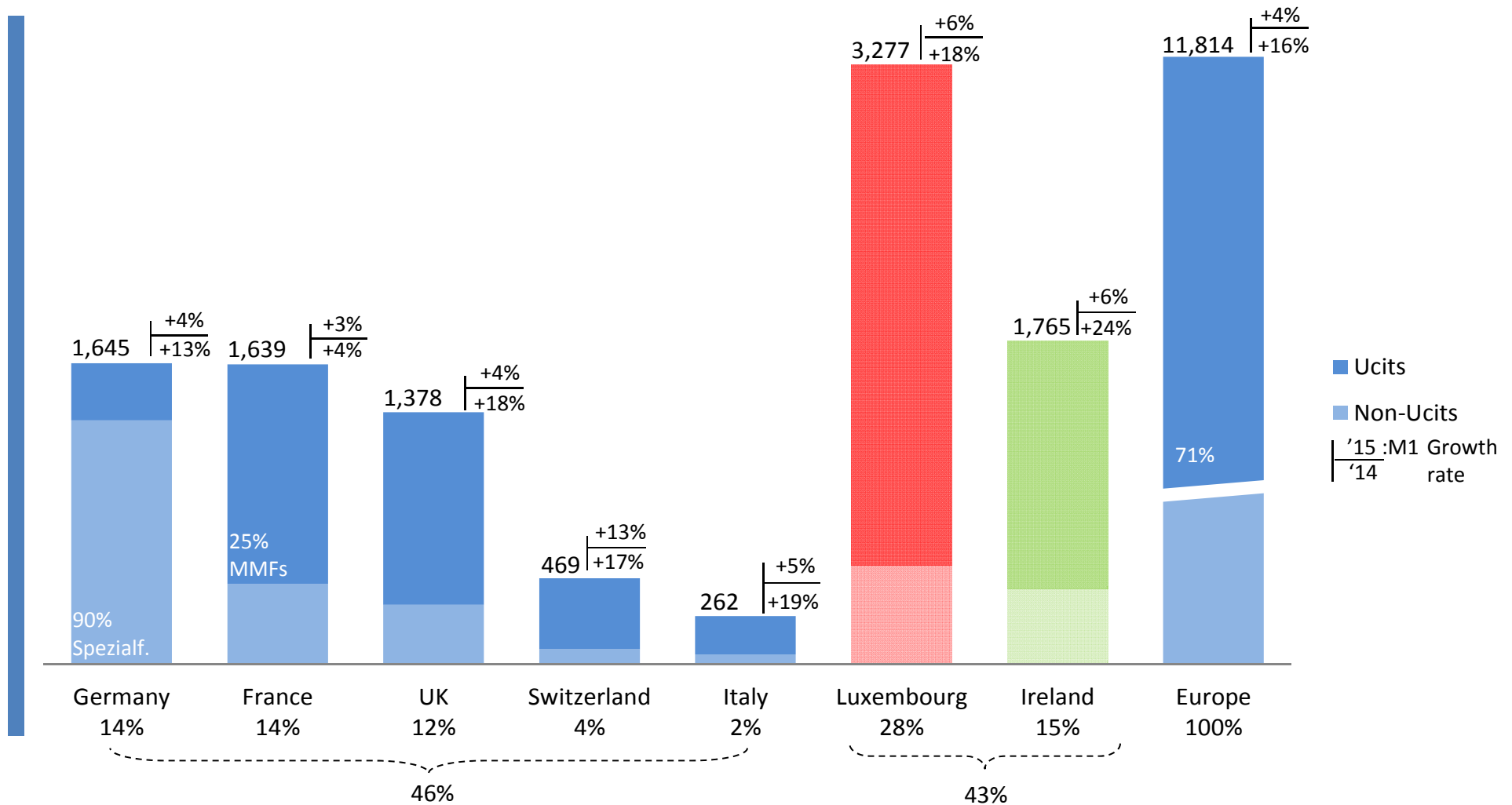
2. The European Investment Fund Industry

- Net assets & sales by fund / fund group domicile

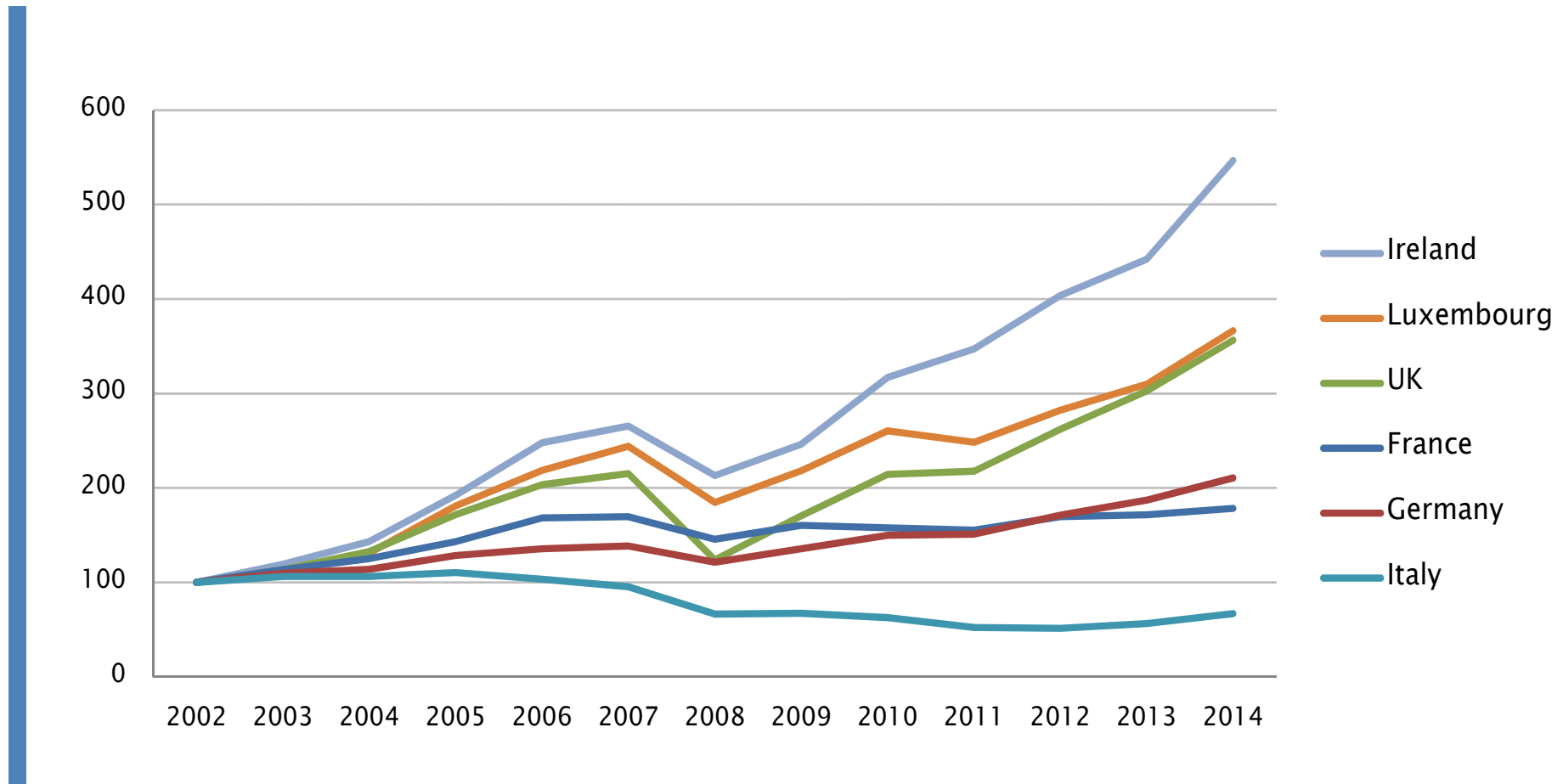
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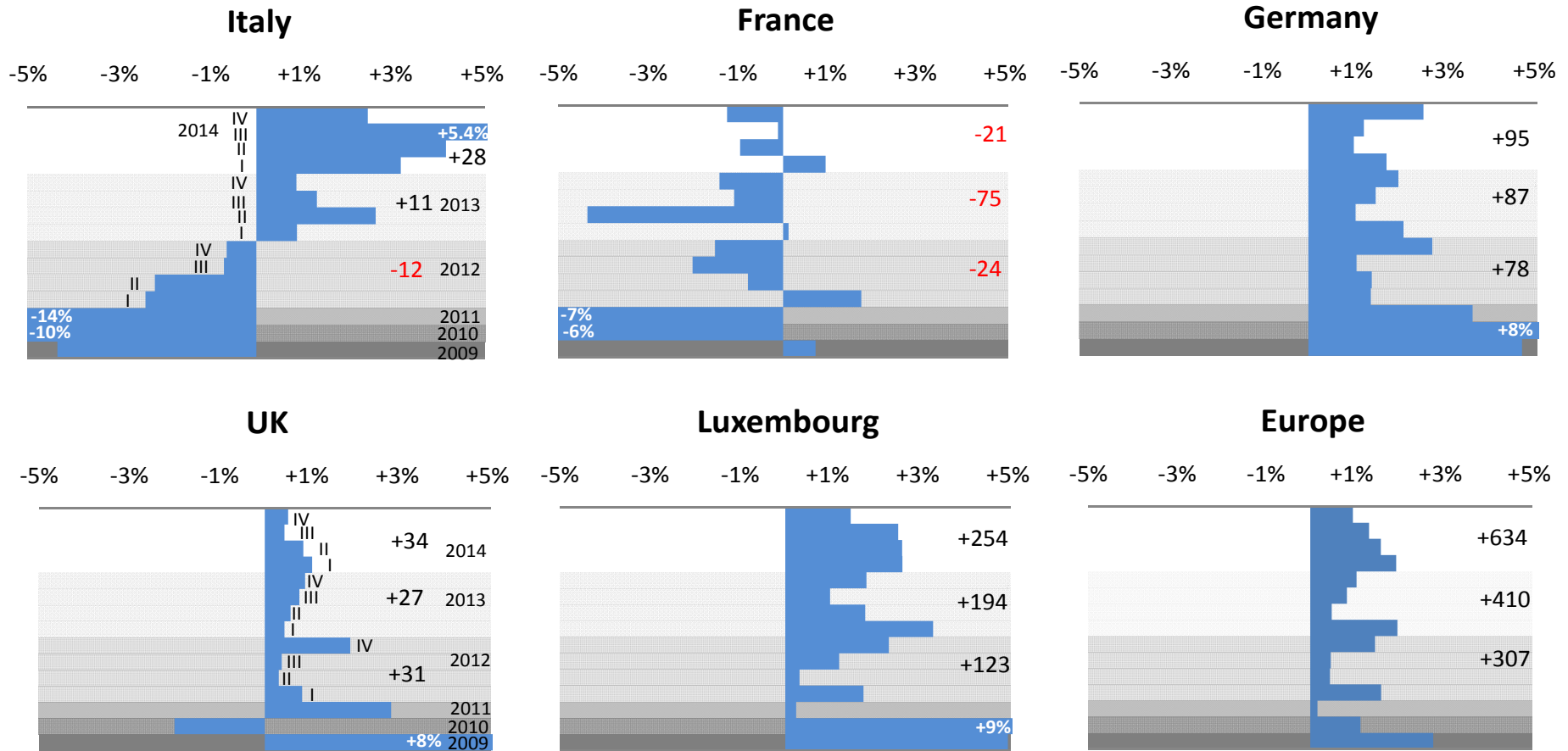
Net Assets by fund domicile



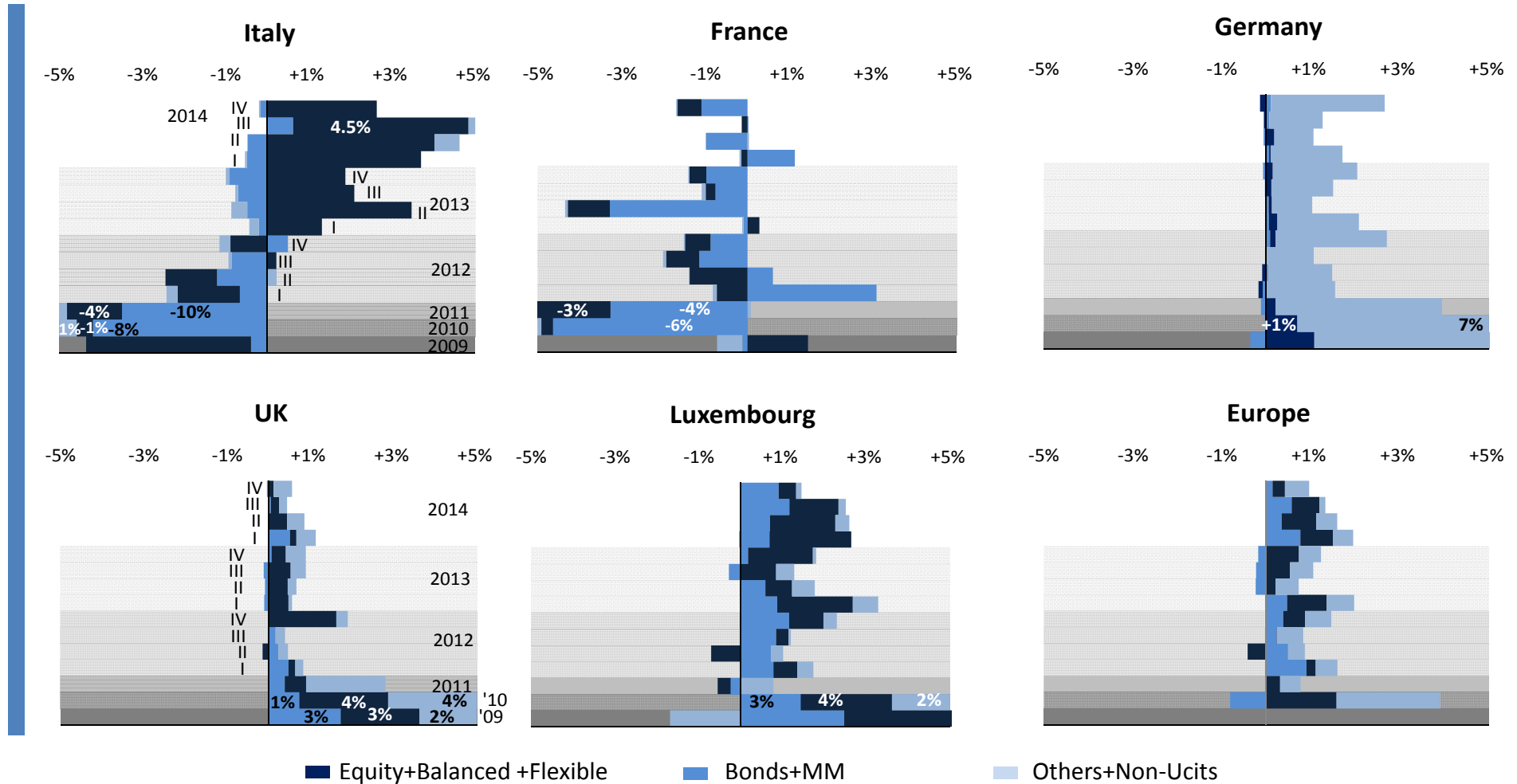
Net Assets by fund domicile – Long-term growth



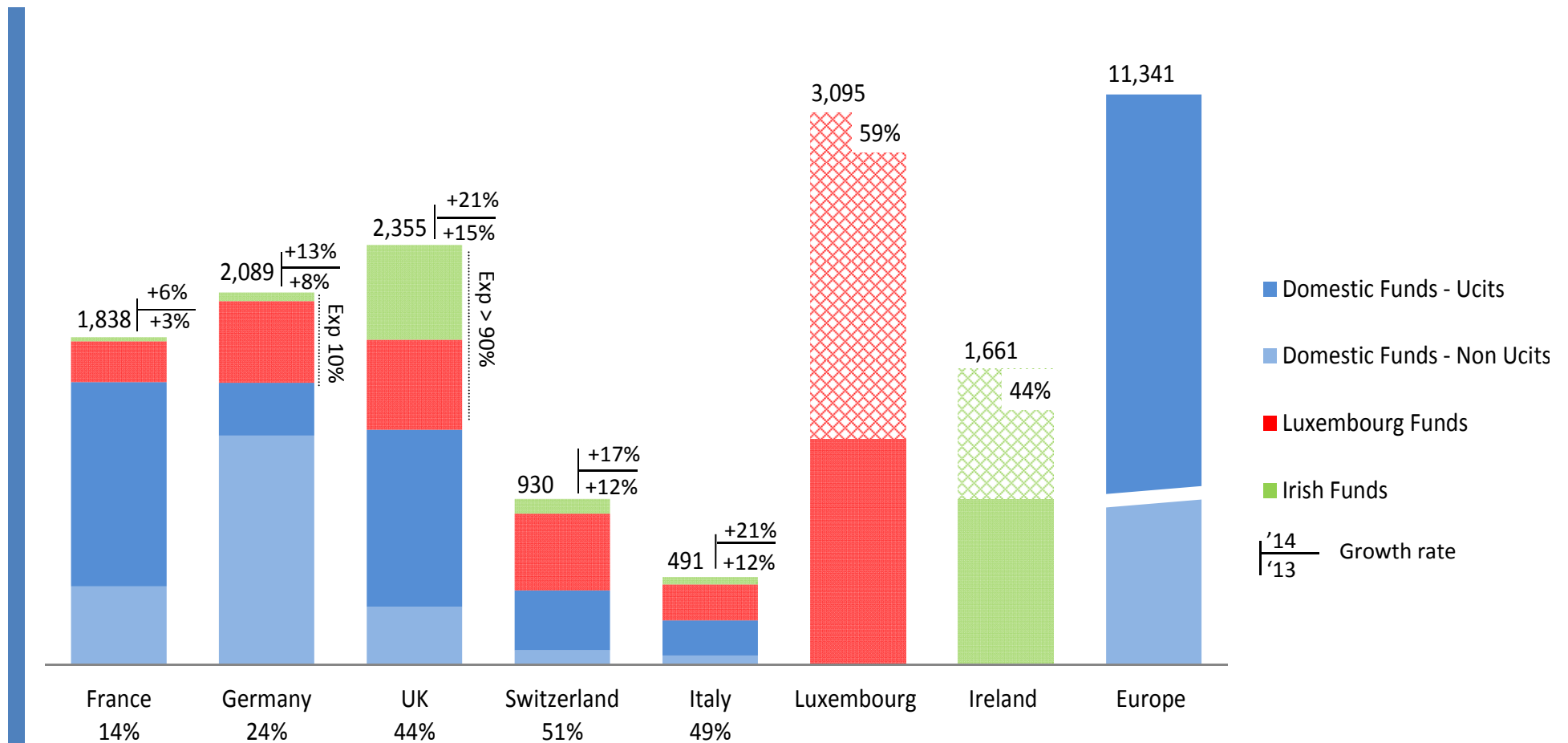
Net sales by fund domicile



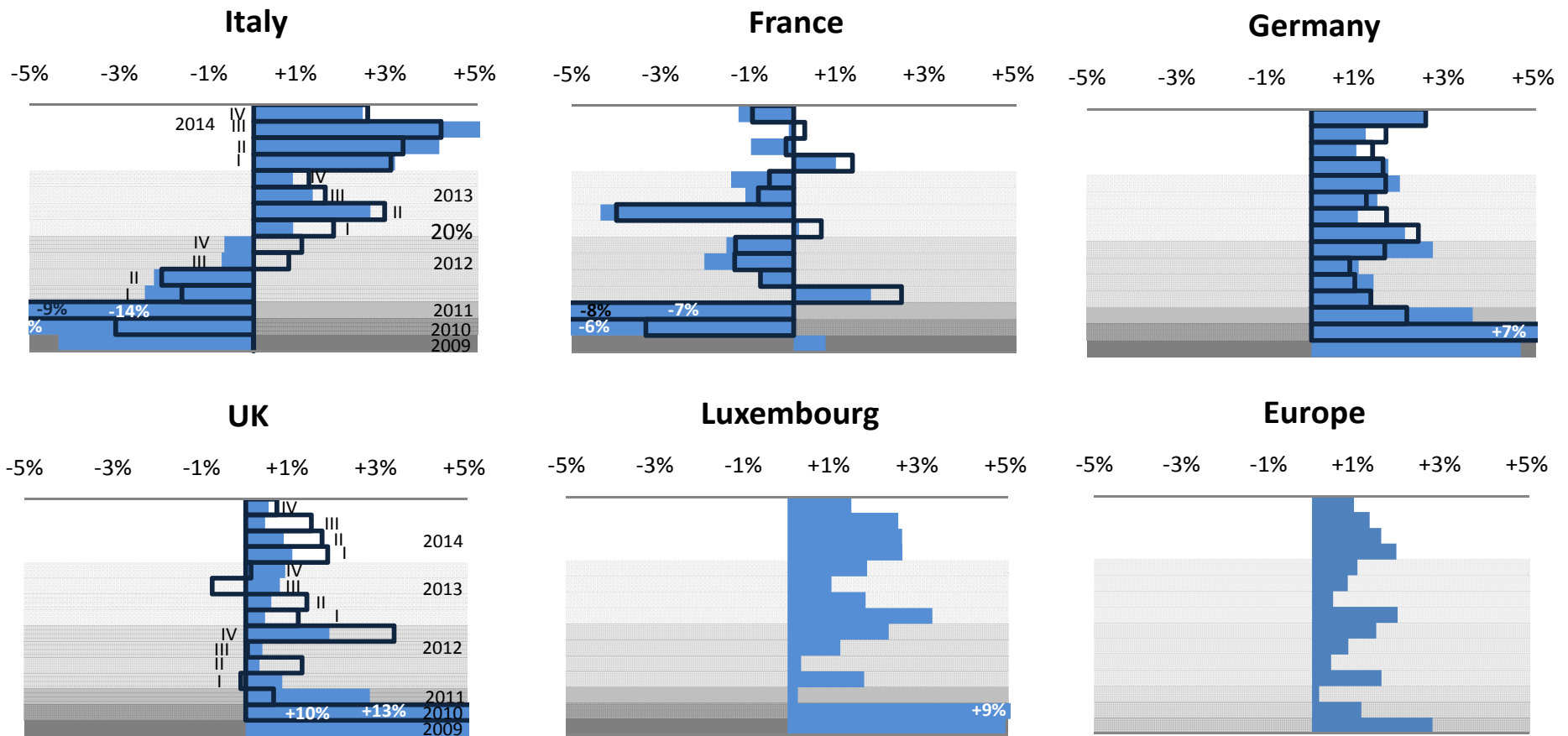
Net sales by fund domicile & asset class



Net Assets by fund group domicile



Net sales: fund domicile vs. fund group domicile





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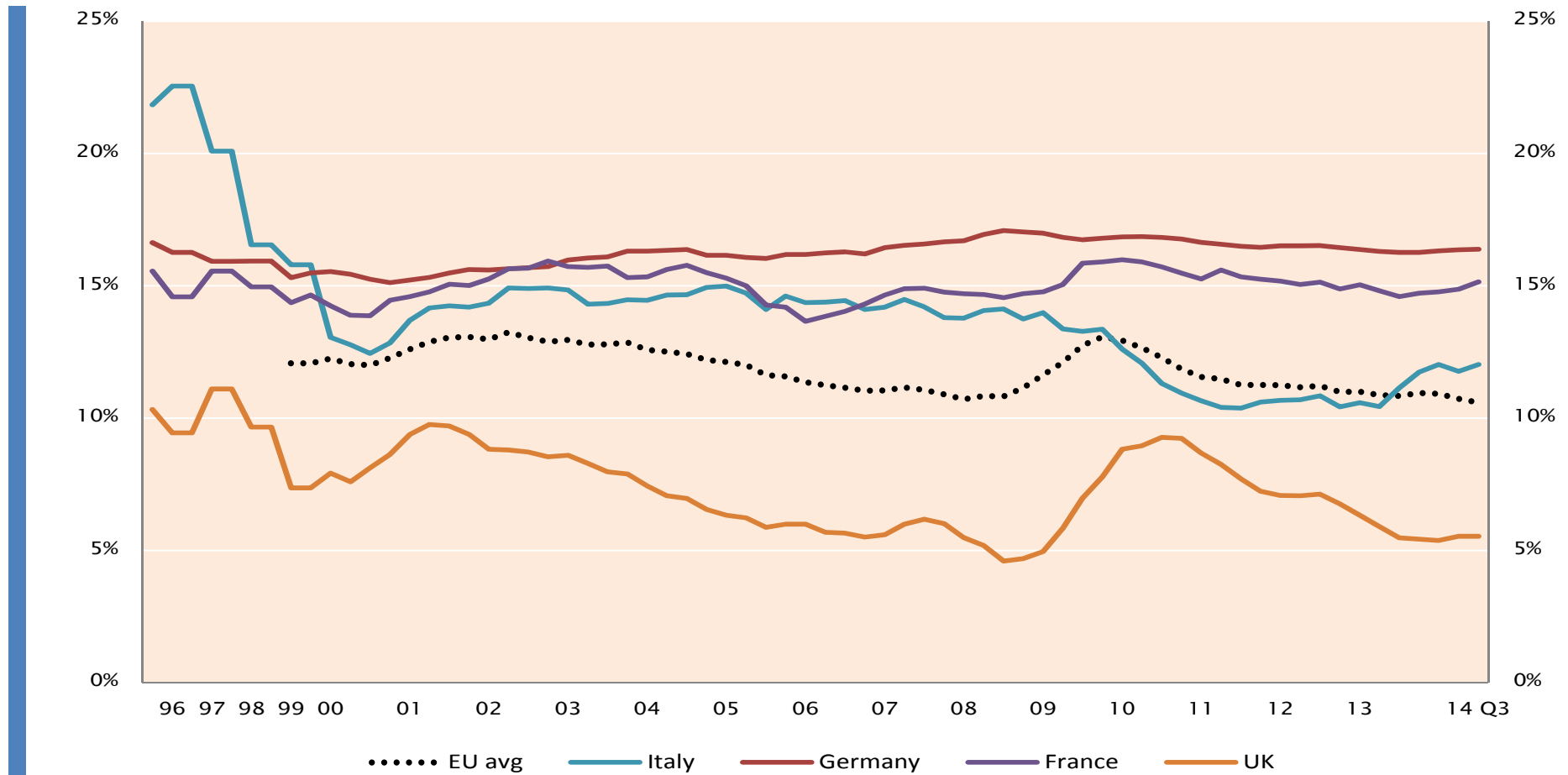
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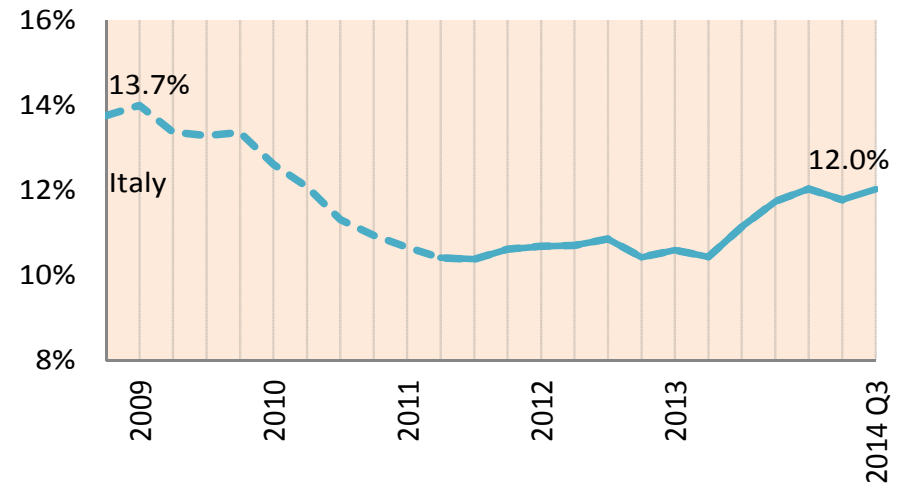
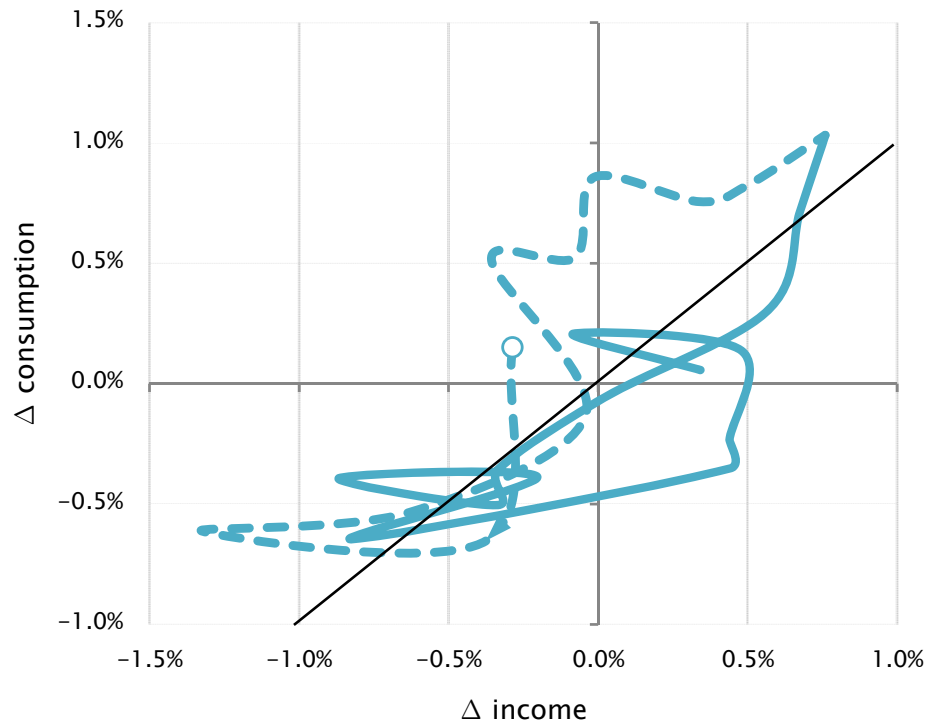
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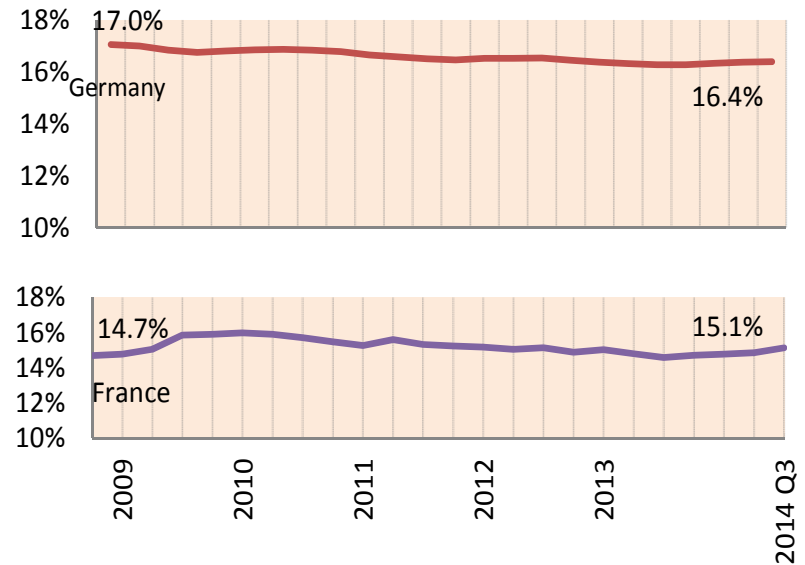
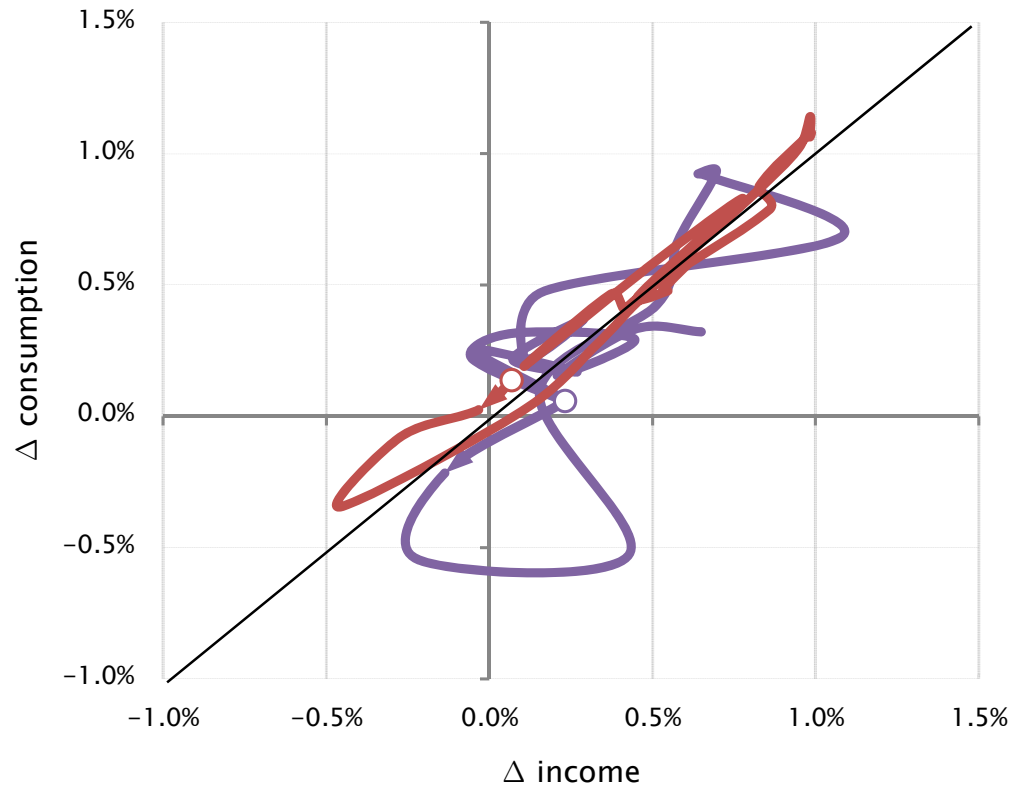
Household saving rates in Europe



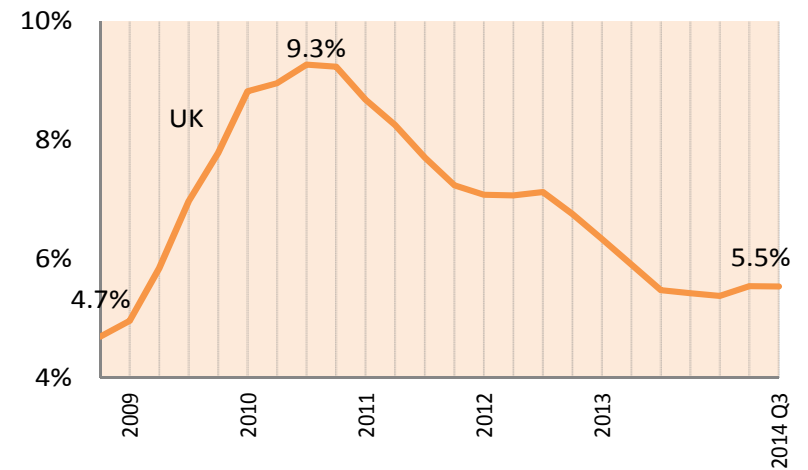
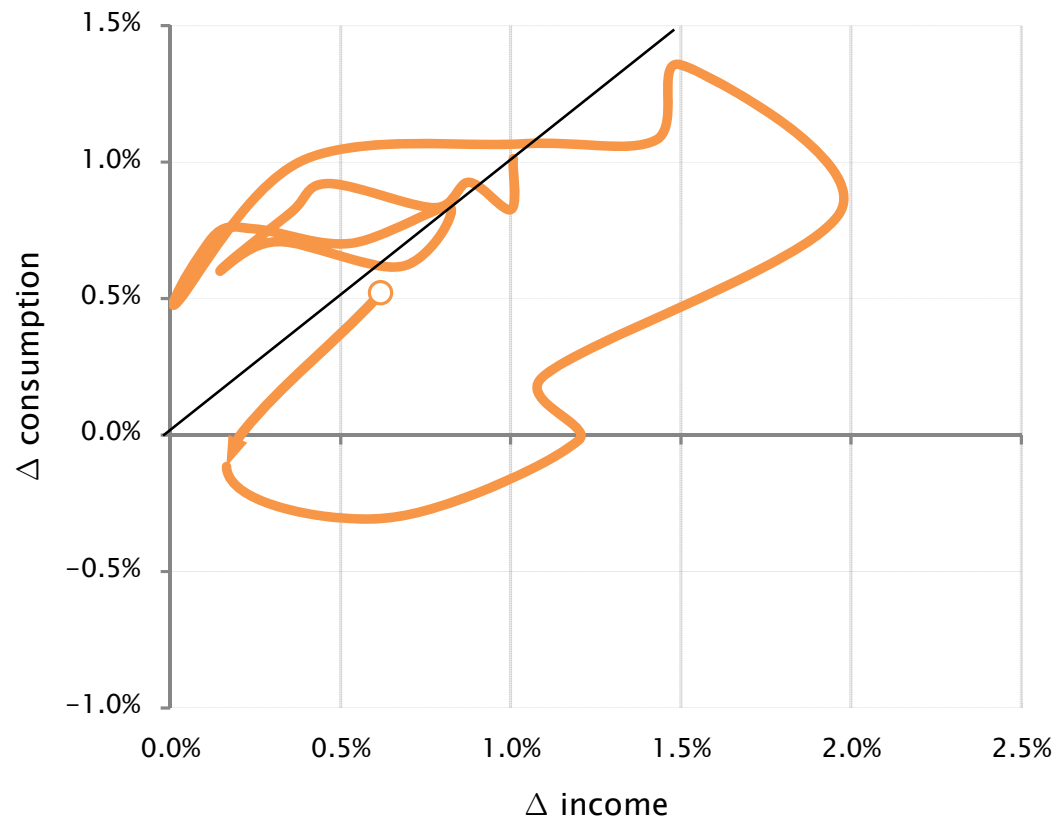
How income & consumption $\Delta\%$ affect saving rates



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



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





Household financial portfolio breakdown

	Total Asset € bn	Currency & deposits	Bonds		Stocks		Investment funds	Pension funds & life pr
			Total	Issued by banks	Total	Listed		
Italy								
1995	1,797	38.3	22.7	1.9	19.3	2.8	5.8	8.8
2000	3,042	22.9	16.5	6.4	29.5	5.4	17.0	10.0
2005	3,713	24.6	19.8	7.4	25.3	2.5	11.5	14.7
2010	3,732	29.9	19.1	10.0	22.4	1.9	7.2	17.1
2012	3,775	31.2	18.7	9.9	21.2	1.5	7.2	17.6
2013	3,873	31.1	16.1	8.4	23.1	1.6	7.8	18.0
2014 Q3	4,016	30.4	14.8	6.3	23.3	1.7	9.2	18.5
France	4,713	28.2	1.7	n.a	21.5	3.9	6.5	33.5
Germany	5,175	39.1	4.0	n.a	9.8	4.6	9.4	30.9
UK	7,328	24.5	0.7	n.a	9.1	7.1	4.0	57.4
USA	53,053	13.5	4.8	n.a	33.1	n.a	13.1	33.4

High level of *direct investment* (~ 40%)

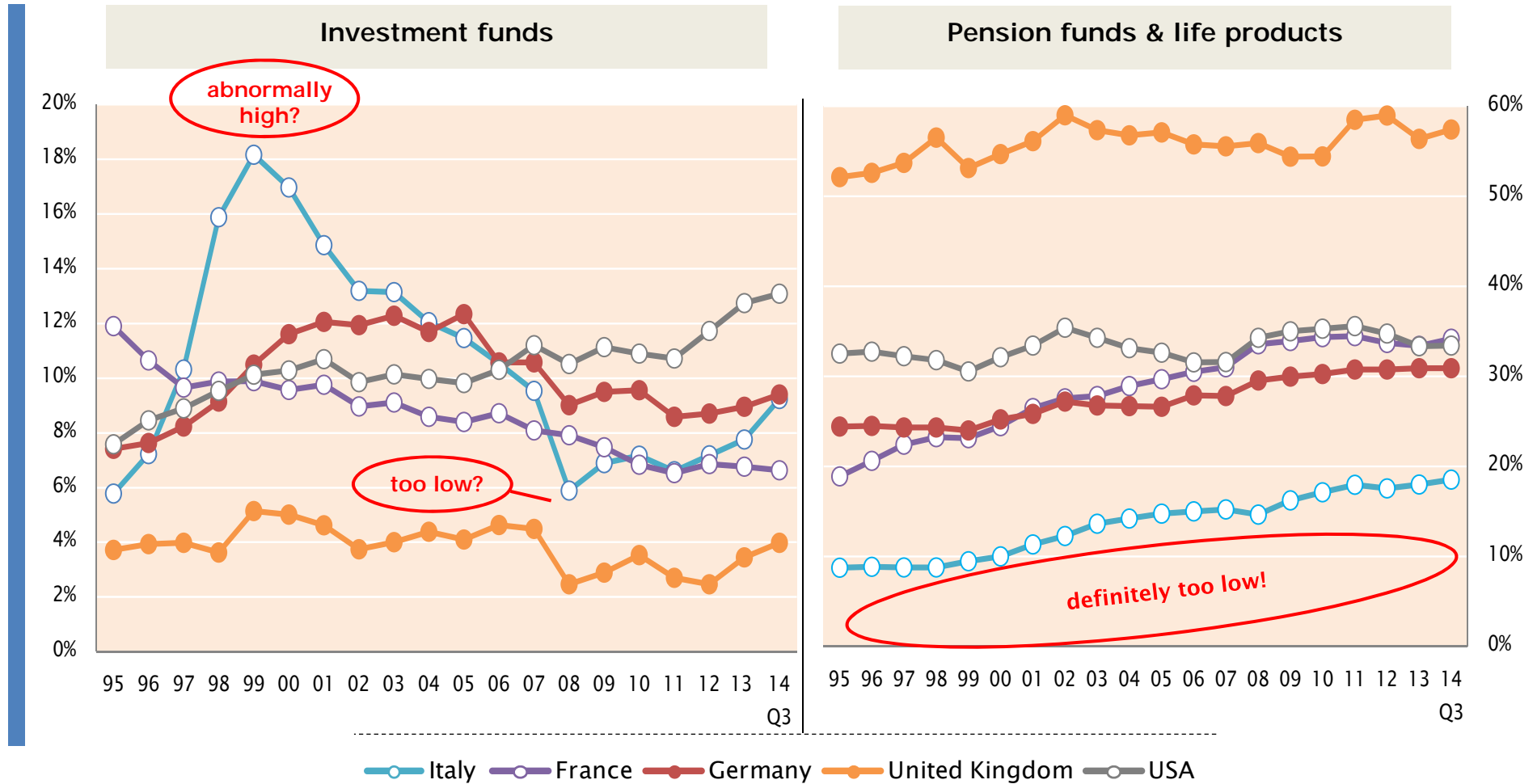
Significant amounts of *bank issued bonds* (7.5%)

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

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

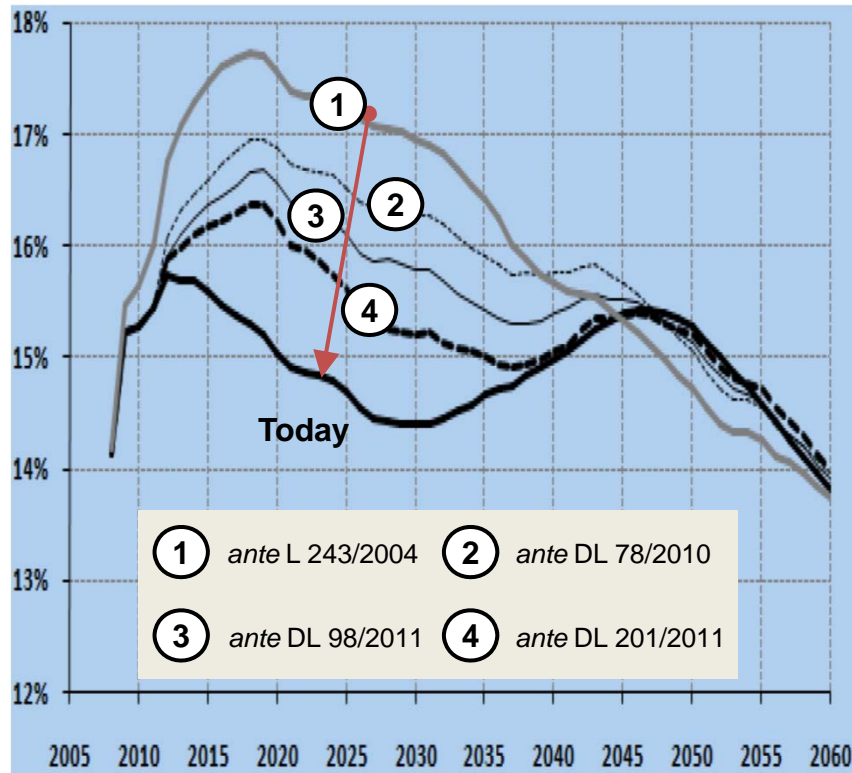
Pensions/life product: up but still too modest.

Managed products in household portfolios

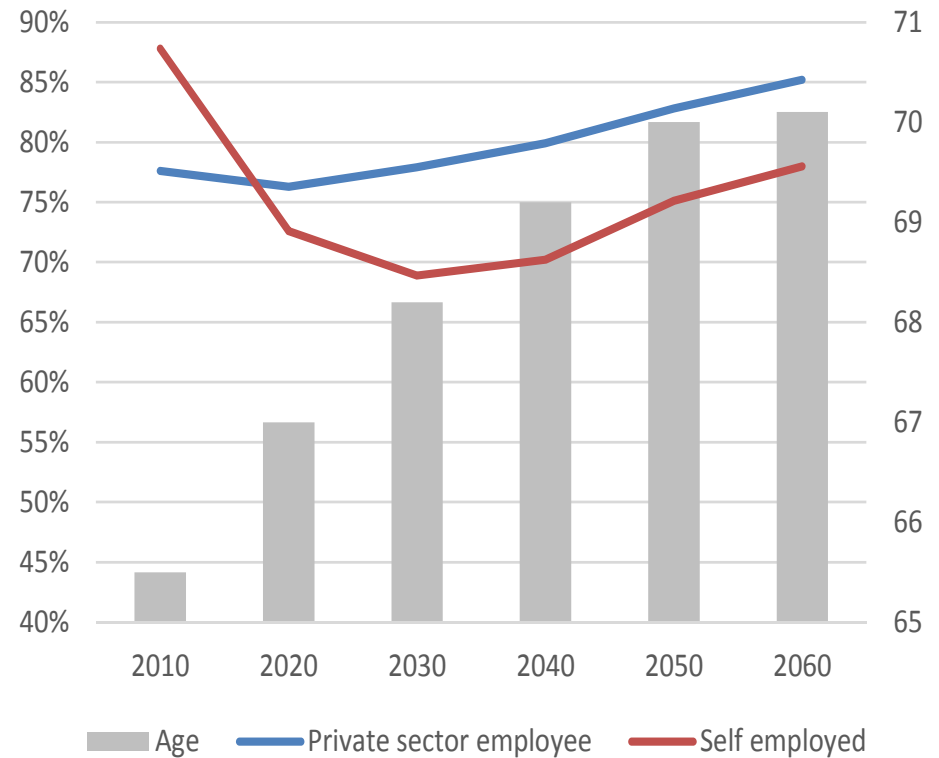


Public Pensions (1st pillar)

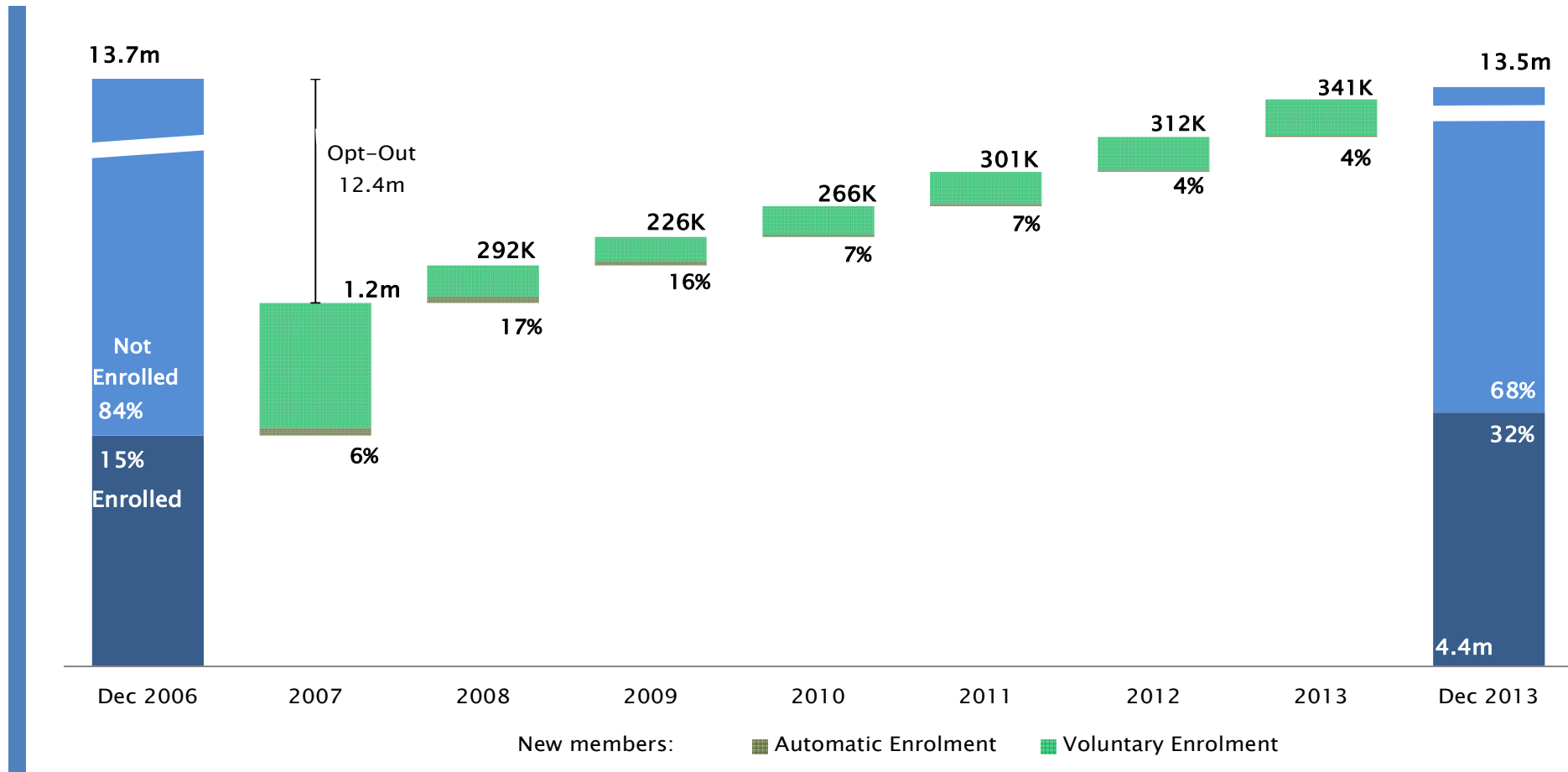
Cost (% GDP)



Future substitution rates
Old-age pensions



Private sector employees: failure of automatic enrolment



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

	2013		2008			
	Working pop. (,000)	Membership (est.) rate	Membership rate	Membership rate		
Member breakdown	6,204	22,420	28%	21%		
Private sector employees	4,356	13,543	32%	26%		
Public sector employees	160	3,335	5%	4%		
Self-employed	1,688	5,542	30%	19%		
	2013 Members				Assets	
	(,000)	%	'13 Δ %	5y Δ %	(€ m)	% GDP
Vehicle breakdown	6,204	100%	+6%	+28%	116,443	7.5%
Contractual p.f.	1,951	31%	-1%	-5%	34,504	
Open p.f.	985	16%	+8%	+24%	11,990	
Ind. Insurance Plans (PIP)	2,639	42%	+14%	+92%	19,513	
Ante 1993 p.f. ('pre-existing')	655	11%	-1%	-3%	50,376	



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