Passive versus active asset portfolio management: trends, drivers, risks

Session 1: Future trends in asset management – a products and tools perspective
PASSIVE GROWTH PUTS ACTIVE UNDER PRESSURE

EU EQUITY UCITS MARKET SIZE

INSTITUTIONAL ASSETS / GDP

% Independent Financial Advisors: 0.3%

Source: Assogestioni, OECD, ESMA
OTHER SOURCES OF PRESSURE ON ACTIVE MANAGEMENT

**POLITICAL PRESSURE**
EU – CMU
IT – Finance for growth plan

**PRIVATE MARKETS**
Bigger \( \sigma \) bigger \( \alpha \) (?)

**REGULATORS**
Value for money
(ESMA, FCA, Bank of Italy, Consob...)

\[ \alpha \]
Low performances in this zero interest rates period

\( \alpha \)

PIRS: A FIRST STEP ON THE WAY TO LESS LIQUID SOLUTIONS FOR RETAIL CLIENTS

INVESTMENT LIMITS

70% Securities issued by Italian companies

25% €30K per year

5% €150K in a lifetime

INVESTOR LIMITS

5 yrs holding period

TAX EXEMPTION

Financial Income

Capital Gains

Inheritance

∉ FTSE MIB

∉ FTSE MIB & MID CAP
PIR: NET FLOWS & AUM

- 1,071 €bn Tot Open-end Funds
- 1.7% 19 €bn AuM PIR funds

Net Flows
- PIR funds
- Net Flows other Opened-end funds

€bn. Source: Assogestioni
## ITALIAN EQUITY MKT: AN AM PERSPECTIVE

### Source: Assogestioni, Banca d'Italia, FTSE Russell, Cerved. SME EU definition (Employees <250 & Revenue <50mln€ or Assets ≤43 mln)

<table>
<thead>
<tr>
<th>Index</th>
<th>#</th>
<th>Mcap (€bn, f.f.)</th>
<th>PIR funds</th>
<th>Closed-end (PE &amp; VC)</th>
<th>ELTIF EUVECA AIF for retail investors</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTSE MIB</td>
<td>40</td>
<td>329</td>
<td>3.8 €bn</td>
<td>1%</td>
<td></td>
</tr>
<tr>
<td>FTSE Italia Mid Cap</td>
<td>61</td>
<td>40</td>
<td>4.0 €bn</td>
<td>10%</td>
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<td>FTSE Italia Small Cap</td>
<td>128</td>
<td>16</td>
<td>0.4 €bn</td>
<td>8%</td>
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<td>FTSE AIM Italia</td>
<td>112</td>
<td>3</td>
<td>0.3 €bn</td>
<td>10%</td>
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<td>SME (PE pot. target)</td>
<td>5,000</td>
<td></td>
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<tr>
<td>SME (total)</td>
<td>148,000</td>
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</table>

- Tax Sistem
- Liquidity
- Investors

*..let them grow..*