

VIII Annual Report

Institutional Investors in Italy: membership, resources and managers in 2020

Curated by the Itinerari Previdenziali Study and Research Center

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In memory of Andrea Girardelli,

*Our enthusiastic, competent and
dependable colleague and friend, with
whom we had the pleasure to share an
important part of our personal and
professional path*

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It is possible to subscribe to the reserved area of the Itinerari Previdenziali website (www.itinerariprevidenziali.it) to access the database related to the investments of each individual institutional investor by asset class, their number and rankings, products and different types of investments, number of mandates, market shares and assets under management; here are some examples of the data that can be obtained from this database:

- List of managers for each occupational fund
- List of occupational funds by mandate
- List of managers for each pre-existing fund
- List of pre-existing funds by mandate
- List of managers for each scheme
- List of schemes for liberal professionals by mandate
- Comprehensive rankings of mandated managers
- Comprehensive rankings of managers for UCITs, AIFs, ETFs
- Complete rankings of institutional investors by number of members and by assets
- List of service providers (financial advisors, custodian banks, administrative services)
- Asset portfolio for each individual investor

Moreover, the Itinerari Previdenziali website provides a "**fund comparative tool**", a monthly updated instrument designed to look into different types of funds, their yields, volatility (in simple terms, the regular results obtained), risk profiles, costs and useful information by comparing disclosures, regulations and information notes (periodically updated). This is a unique tool in Italy since it allows for comparing the different investment approaches of **Open-Ended Pension Funds** (FPA), **Occupational Pension Funds** (FPN) and **Individual Pension Plans** (PIPs) in terms of yields, volatility, costs and other useful information.

Finally, this website features a "**Cambi e Bandi**" section that is freely available on the information blog edited by the Research and Study Center of Itinerari Previdenziali, called **ilPunto-Pensioni&Lavoro** (www.ilpuntopensionielavoro.it); it focuses on calls, call results, investments, changes and appointments and it provides stakeholders with updated developments and trends on the market of Italian institutional investors.

Introduction

Institutional investors in Italy are classified as follows: second-pillar complementary *contractual schemes* such as **Occupational Pension Funds (FPN)**, **Pre-existing Pension Funds (FPP)**, and **Supplementary Health Care Funds and Schemes**; private schemes such as **Open-Ended Pension Funds, PIPs** and **Insurance Companies**¹; **Privatized Schemes for Professionals** that belong to the social security first-pillar and **Banking Foundations** that operate at the territorial and proximity welfare level.

This "**Report**", now in its eighth edition, provides a quantitative picture of this industry in terms of number of operators, active and retired members of pension funds and social security schemes, of assets and their composition and diversification as well as of the subjects, managers and companies managing these assets². It also analyses the investments in the real domestic economy for each type of investor with a series of data and rankings of members, assets and managers according to AUM and of easily accessible detailed information often not available in an aggregate manner. The data presented in this Report have been obtained from the financial accounts and reports of these organizations. Some detailed data that could not be obtained from official documents were directly provided by these organizations upon a specific request by the Study and Research Centre of Itinerari Previdenziali.

Given the growing importance of SRI and ESG investments, the ESG focus already features in previous Reports and in other previous publications by Itinerari Previdenziali; as of this edition, this topic is illustrated separately and extensively analysed in a *specific "Quaderno di Approfondimento"* devoted to the *sustainable investment policies* of *Italian institutional investors*³. In this way, it is possible to have an overall picture of the spread of responsible investment principles in the welfare sector in the last few years, on the basis of the data collected during previous annual surveys. This "*Quaderno*" (Notebook) features the *third edition of the survey* carried out by **Itinerari Previdenziali** on sustainability strategies and integration of ESG criteria in the portfolios of occupational and pre-existing pension funds, pension schemes, banking foundations and insurance companies. This survey is accompanied by testimonials, best practices and case histories that gather the direct experience of investors and product manufacturers, with a qualitative as well as quantitative perspective.

¹ Insurance companies are analysed only for the Life sector and in particular for Class C, 1st, 4th and 5th insurance lines; these types of insurance schemes are to all intents and purposes included in the private social security systems, sometimes as a complement to existing public and complementary systems and sometimes even as the only schemes available to certain categories of workers and households. In this particular quality, the Insurance schemes are legitimately included in the list of Institutional Investors.

² The rankings of management companies do not include the resources of open-ended funds and PIPs that are normally managed by the same institutions that created them (asset management companies, banks and insurance companies) and that are mainly invested in their financial instruments, securities, policies and UCITS; instead, they include the resources entrusted by these subjects to third-party managers. The resources of Insurance Companies are not included either.

³ "Il Quaderno", published in June 2021, is freely available on the Itinerari Previdenziali website (www.itinerariprevidenziali.it/site/home/biblioteca/pubblicazioni/quaderno-di-approfondimento-2021-politiche-investimento-sostenibile-istituzionali.html).

1. General framework

Despite the long financial crises from 2008 to 2019 and the last health crisis triggered by the COVID-19 pandemic, **the assets of institutional investors** operating in the contractual welfare system (occupational pension, pre-existing and supplementary health funds), of privatized pension schemes and of banking foundations surged from 142.85 billion euros in 2007 to **269.84 billion in 2020 (260.68 in 2019)**, with a growth rate of 88.9%. This period witnessed, on the one hand, an increase in the assets of these investors and, on the other, a progressive reduction in the number of these investors, especially the very small ones, that merged into larger and more organized entities, as was the case of the pre-existing funds of banking groups and of the occupational pension funds of the transport and cooperative sector; lately, banking foundations too started experiencing a drop, while the number and assets of health funds slightly picked up, despite the lack of a regulatory framework and of a supervisory system notwithstanding their high membership. The assets of these institutional investors, as a percentage of GDP¹, amount to **16.3%**; if we add to this figure the assets of the private welfare system (Class 1, 4 and 6 life insurance companies, prevalently of a social security nature, open-ended funds and PIPs), this ratio goes up to **57.75% (Figure 1.1)**

Figure 1.1 - Assets of institutional investors with respect to GDP



As to **complementary pension schemes**, according to the latest available OECD data², Italy **ranks 14th** in terms of assets out of 36 countries, very close to Israel, just after Germany and before Chile, preceded by the unreachable USA (27.549 billion dollars), UK (2.809), Canada (2.524), Australia (1.921), The Netherlands (1.536), Japan, Switzerland, Denmark, Sweden and Korea; but the ranking also including the major non-OECD economies features Italy in the **17th place** (out of 44) after Brazil (449 billion), South Africa (302.97) and China (215.5). Italy is a long way from Norway's GPFG (Government Pension Fund Global) which, alone, has 850 billion euros' worth of assets; but with over 176 billion euros' worth of assets, the Italian pension funds are beginning to be well capitalized, with an interesting market and substantial annual flows equal to about one point of GDP. If we also take into account the other institutional investors, privatized schemes, supplementary health funds and banking foundations, Italy goes up one position in the OECD and non-OECD rankings thanks to the capitalization of its institutional investors, always behind China which, however, has a market

¹ In 2020, following the pandemic crisis, GDP fell down to 1,651.6 billion euros, compared to 1,787.71 billion in 2019.

² *Pension at a glance* 2019, related to 2018; €/€ exchange rate on 31/12/2019 equal to 1.1234. This is the latest available data.

totally dependent on the party.

Number of actors - At the end of 2020, there were **365 institutional investors** operating in the legal form of associations and foundations, down with respect to the 374 of 2019 and 392 of 2018, -144 vs. 2011 (**Table 1.1**). In detail: **86** banking foundations, **20** privatized schemes³, **33** occupational pension funds, **226** pre-existing funds (vs. 363 in 2011). To these must be added supplementary health care funds and schemes which, according to our latest estimates, amount to **322**, a number that is far too high for Italy, considering that the first 50 funds account for more than 2/3 of the system as a whole. In line with previous years, in 2020 pre-existing funds experienced the most significant reduction (-9 funds) due to mergers and consolidation; instead, the number of foundations and occupational pension funds remained unchanged.

In addition to insurance companies with their high number of products and "separate management areas", the private sector featured 113 open-ended pension funds and PIPs, with an increase by 2 with respect to 111 in 2019 but a major drop with respect to 143 in 2011; moreover, out of the 71 PIPs, over 40% were closed to placement.

Table 1.1 - The evolution of Italian Institutional Investors *

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2011-2020		2019-2020	
															Abs. var.	% var.	Abs. var.	% var.
Banking foundations	88	88	88	88	88	88	88	88	88	88	88	88	86	86	-2	-2.3	0	0,0
Privatized schemes (1)	20	20	20	20	20	20	20	20	20	20	20	20	20	20	0	0,0	0	0,0
Pre-existing funds	433	411	391	375	363	361	330	323	304	294	259	251	235	226	-137	-37.7	-9	-3.8
Occupational funds	42	41	39	38	38	39	39	38	36	36	35	33	33	33	-5	-13.2	0	0,0
Supplementary health-care funds	-	-	-	255	265	276	290	300	305	322	311	320	322	322	57	21.5	0	0,0
Open-ended funds	81	81	76	69	67	59	58	56	50	43	43	43	41	42	-25	-37.3	1	2.4
"New" PIPs	72	75	75	76	76	76	81	78	78	78	77	70	70	71	-5	-6.6	1	1,4
Total	736	716	689	921	917	919	906	903	881	881	833	825	807	800	-117	-12.8	-7	-0.9

(1) the number of privatized schemes is equal to 20 including Onaosi that is not analysed in this report, but the actual number of funds is 23, including the two managed by Enpaia and Inpgi 2* the table does not include the data related to Insurance Companies (Class C - I, IV and V life policies) and to "old" PIPs; The number of health funds for 2020 is estimated on the basis of previous years, since there are no official data available.

Assets – In 2020, the assets of the institutional investors operating in the contractual welfare system (occupational pension funds, pre-existing funds and healthcare funds), in the sector of liberal professions (privatized schemes) and in the local or territorial welfare system (banking foundations) amounted to **269.84 billion euros**, with an annual growth of 9.15 billion (+3.15% vs. 2019); of these, almost 105 were mandated to professional management companies (up from 95 in 2019, but down with respect to 112 in 2018) and about 89 (86 billion in 2019 and 52.9 billion in 2018) directly invested in UCITs, AIFs, ETF and policies (**table 1.2**); so, the total direct and indirect institutional assets under professional management amounted to 194 billion against 181 in 2019 and 164.9 in 2018. Direct or indirect investments mandated to management companies accounted for around 77% of all

³ ONAOSI, the Entity for Orphans' Care, is excluded from the present analysis; the number of schemes is actually 23 considering the INPGI 2 separate scheme managed by INPGI and the funds for Agricultural and Agro technical Experts, both managed by ENPAIA.

the assets analysed in this Report (251 billion for occupational pension funds, pre-existing funds, foundations and privatized schemes), up with respect to previous years. This percentage is calculated out of all the assets of occupational pension funds and of privatized schemes and on the basis of our sample, which shows a percentage equal to 86% for pre-existing funds and about 85% for banking foundations. In 2020, the assets mandated to professional management companies increased with respect to 2019; however, those directly mandated to management companies especially by privatized schemes and banking foundations gradually decreased, in particular for the alternative part of the portfolio since these organizations tend to increasingly use *platforms* or *ad-hoc SICAVs*.

In addition to these investors, there are also the ones operating in the so-called private welfare sector, namely *open-ended pension funds (FPA)*, *individual pension plans (PIP)* and *life insurance companies* (see Chapter 2); in total, the assets of these entities amounted to 683.97 billion euros, with a growth by 27.29 billion euros (compared to 656.67 in 2019 and to 618.4 in 2018; insurance companies grew by over 21 billion euros (+3.59%), PIPs by 3.58 billion (+10.09%) and open-ended funds by 2.53 billion (+11.07%). Adding the contractual welfare system to the private welfare system of privatized schemes and banking foundations, the total amount of assets reached **953.81 billion euros**, compared to 917.36 in 2019 and to 861.6 in 2018, with an increase by 3.97% equal to 36.45 billion (2.21 GDP points) and to 57.75 of **GDP**. Over the years, the assets of institutional investors have steadily grown compared to **404.11 billion euros** in 2007; actually, they have more than doubled, increasing by 136%, despite all the crises, also domestic ones.

Table 1.2 – Evolution of the assets of Institutional Investors (billions of euros)

Year Institutional Investor	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Banking Foundations	57,55	58,48	58,66	59,50	52,81	51,00	49,25	48,60	48,56	46,35	46,10	45,70	46,99	46,15
Privatized Schemes (1)	37,60	40,60	44,10	47,70	51,50	55,90	60,80	65,50	69,94	74,21	78,74	82,99	88,55	92,46
Pre-existing Funds	36,10	35,90	39,80	42,00	43,90	47,97	50,40	54,03	55,30	57,54	58,99	59,70	63,51	66,11
Occupational Pension Funds	11,60	14,10	18,80	22,40	25,30	30,17	34,50	39,64	42,55	45,93	49,46	50,41	56,14	60,37
Supplementary Health Funds (*)	<i>n.d.</i>	<i>n.d.</i>	<i>n.d.</i>	2,42	2,61	2,87	3,17	3,24	3,45	3,59	3,96	4,50	5,50	4,75
Total Contractual Welfare Schemes and Foundations	142,85	149,08	161,36	174,02	176,12	187,91	198,12	211,01	219,80	227,62	237,25	243,30	260,68	269,84
Open-Ended Funds	4,29	4,66	6,27	7,53	8,36	10,08	11,99	13,98	15,43	17,09	19,15	19,62	22,84	25,37
“New” PIPs	1,02	1,95	3,39	5,22	7,19	9,81	13,01	16,36	20,06	23,71	27,64	30,70	35,48	39,06
“Old” PIPs	4,77	4,66	5,56	5,98	5,99	6,27	6,50	6,85	6,78	6,93	6,98	6,63	7,06	7,01
Insurance Companies (**)	251,19	241,23	293,62	330,43	338,44	353,73	387,09	441,09	480,16	517,33	539,40	561,42	591,29	612,53
Total private welfare	261,27	252,50	308,84	349,16	359,98	379,90	418,59	478,28	522,43	565,06	593,17	618,37	656,67	683,97
Total	404,11	401,57	470,20	523,18	536,09	567,81	616,71	689,29	742,23	792,67	830,42	861,67	917,36	953,81

SOURCES used: COVIP, Ministry of Health, ANIA, Acri, IVASS; (1) The amount of total assets for 2018 was updated on the basis of the 2018 financial accounts of ENPAPI made available this year; (*) Estimates by Itinerari Previdenziali based on the data of the Ministry of Health and from financial accounts; (**) Data related to class-C life sector I, IV, V branches; (Source: ANIA, IVASS); (***) Open-ended funds include individual and collective membership; Note: the term “assets” refers to the total assets in the accounts of the banking foundations and of the privatized schemes and to the net assets allocated to benefits for pension funds.

Banking foundations experienced a very slight contraction in their assets compared to the moderate growth in 2019. However, this figure should always be interpreted bearing in mind that the disbursements to support their communities never stopped, despite the market difficulties that had a negative impact on the value of the shares of the transferee banks over the years and the recent pandemic crisis.

Flows - In 2020, the flow of new revenues in the form of capital proceeds, contributions (net of benefits) and dividends (**Table 1.3**), amounted to 9.15 billion for privatized schemes and foundations operating in the field of contractual welfare. The growth experienced by occupational pension funds was over 4 billion euros, slightly less than that of privatized schemes; pre-existing funds stopped at 2.6 billion euros, while banking foundations had a negative balance by -0.84 billion euros.

Table 1.3 - Changes in the assets of Institutional Investors from 2007 to 2020
(% values and absolute values in billions of euros)

	Var 2007-2008		Var 2008-		Var 2009-		Var 2010-		Var 2011-		Var 2012-		Var 2013-		Var 2014-		Var 2015-		Var 2016-		Var 2017-		Var 2018-		Var 2019-2020	
	Var %	Var ass.	Var %	Var ass.	Var %	Var ass.	Var %	Var ass.	Var %	Var ass.	Var %	Var ass.	Var %	Var ass.	Var %	Var ass.	Var %	Var ass.	Var %	Var ass.	Var %	Var ass.	Var %	Var ass.	Var %	Var ass.
Banking Foundations	1,62%	0,9	0,32%	0,19	1,43%	0,84	-11,26%	-7	-3,41%	-1,8	-3,43%	-1,8	-1,33%	-0,7	-0,08%	-0	-4,56%	-2,2	-0,54%	-0,25	-0,87%	-0,4	2,81%	1,29	-1,78%	-0,84
Privatized Schemes	7,98%	3	8,62%	3,5	8,16%	3,6	7,97%	3,8	8,54%	4,4	8,77%	4,9	7,73%	4,7	6,78%	4,44	6,11%	4,27	6,10%	4,53	5,40%	4,3	6,70%	5,56	4,42%	3,91
Pre-existing Funds	-0,55%	-0,2	10,86%	3,9	5,53%	2,2	4,52%	1,9	9,27%	4,07	5,07%	2,43	7,20%	3,63	2,35%	1,27	4,05%	2,24	2,52%	1,45	1,20%	0,7	6,39%	3,81	4,09%	2,60
Occupational Pension Funds	21,55%	2,5	33,33%	4,7	19,15%	3,6	12,95%	2,9	19,26%	4,87	14,34%	4,33	14,90%	5,14	7,34%	2,91	7,95%	3,38	7,69%	3,53	1,92%	0,9	11,36%	5,73	7,54%	4,23
Supplementary Health Funds (*)	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	8,07%	0,2	9,77%	0,26	10,40%	0,3	2,37%	0,08	6,48%	0,21	4,00%	0,14	10,20%	0,37	13,75%	0,5	22,22%	1,00	-13,64%	-0,75
Total Contractual Welfare, Schemes and Foundations	4,36%	6,2	8,24%	12,3	7,84%	12,7	1,21%	2,1	6,70%	11,8	5,43%	10,2	6,51%	12,9	4,17%	8,79	3,56%	7,81	4,20%	9,58	2,55%	6,1	7,15%	17,39	3,51%	9,15
Open-Ended Funds***	8,62%	0,4	34,55%	1,61	20,10%	1,26	11,02%	0,8	20,50%	1,72	18,90%	1,91	16,60%	1,99	10,30%	1,45	10,70%	1,66	12,05%	2,06	2,48%	0,5	16,41%	3,22	11,07%	2,53
"New" PIPs	91,18%	0,9	73,85%	1,44	53,98%	1,83	37,74%	2	36,48%	2,62	32,58%	3,2	25,75%	3,35	22,62%	3,7	18,20%	3,65	16,58%	3,93	11,09%	3,1	15,55%	4,77	10,09%	3,58
"Old" PIPs	-2,31%	-0,1	19,31%	0,9	7,55%	0,42	0,17%	0	4,72%	0,28	3,62%	0,23	5,38%	0,35	-1,02%	-0,1	2,23%	0,15	0,72%	0,05	-5,07%	-0,4	6,61%	0,44	-0,78%	-0,05
Insurance Companies (**)	-3,97%	-10	21,72%	52,4	12,54%	36,8	2,42%	8	4,52%	15,3	9,43%	33,4	13,95%	54	8,86%	39,1	7,74%	37,2	4,27%	22,1	4,08%	22	5,32%	29,87	3,59%	21,24
Total private welfare	-3,36%	-8,8	22,31%	56,3	13,06%	40,3	3,10%	11	5,53%	19,9	10,10%	38,7	14,26%	59,7	9,23%	44,2	8,16%	42,6	4,97%	28,1	4,25%	25	6,19%	38,30	4,16%	27,29
Total	-0,63%	-2,5	17,09%	68,6	11,27%	53	2,47%	13	5,92%	31,7	8,61%	48,9	11,77%	72,6	7,68%	52,9	6,80%	50,4	4,76%	37,8	3,76%	31	6,46%	55,69	3,97%	36,45

Sources and notes as in the previous table. Processed by Itinerari Previdenziali

In terms of new resources to be reinvested, it is important to add to these 9.15 billion euros' worth of new net flows, the expiring assets estimated to be equal to about 20 billion euros for these investors; so, the total to invest is almost 30 billion per year. The private welfare sector too had a significant increase by 27.29 billion euros, with a good performance for life insurance companies, PIPs and open-ended funds. In 2020, the growth for the whole sector reached **36.45 billion euros**, a considerable result even if lower with respect to 55.69 billion in 2019, but higher with the respect to 31.25 billion in 2018; this was certainly due to the outbreak of the pandemic with its very negative impact on the financial markets, especially in the first half of the year, and partly to the contributions by members.

Membership - In order to evaluate future contribution flows, it is important to monitor assets and **membership** for the different types of **complementary welfare schemes**; the overall number of members of pension funds was equal to **8,445, 170**, although, as COVIP appropriately pointed out, the outstanding positions, i.e., the number of open accounts in pension funds, amount to more than 9.3 million (due to duplications of workers simultaneously registered with several funds), with an increase by 181,577 subjects with respect to 2019 (8,263,593) and by 317,378 with respect to 2018 (7,946,215). In detail, as illustrated in the following chapters: open-ended funds featured 1,590,319 members, + 4.9%; new and old PIPs 3,688,130, + 2.6%; a slight decrease in the number of members for pre-existing funds down to 616,640 (-0.1%); an increase for occupational pension funds up to 3,184,463 (+ 2.9%), also thanks to the introduction of the contractual adhesion mechanism. Compared with the number of active workers, amounting to 22.5 million at the end of 2020 (-900,000 vs. 2019), the membership rate went up to about 37.5% also due to the loss of employment, although, as COVIP suggested, this rate falls between 24.1% and 27.1% if only the members paying their contributions are considered. In order to have an exhaustive picture of the number of subjects in the contractual welfare system, it is necessary to add the **1,692,459** members of privatized schemes.

This number of subjects registered with health insurance funds is high, much higher with respect to that of pension funds, even if the data in **Table 1.4** have been collected only since 2017 due to the lack of official information; at the end of 2020, the number of members is estimated to exceed 13.5 million considering pensioners and their dependents also due to new funds and to many collective bargaining agreements.

Table 1.4 - Number of members of supplementary health-care funds

Year	Membership									
	Employed worker	Non-employed workers	Family members of employed workers	Family members on non-employed workers	Pensioners	Family members of pensioners	Total number of workers	Total number of family members of workers	Total number of pensioners	Total number of members
	<i>a</i>	<i>b</i>	<i>c</i>	<i>d</i>	<i>e</i>	<i>f</i>	<i>g=a+b</i>	<i>h=c+d</i>	<i>i=e+f</i>	<i>j=g+h+i</i>
2010	1.647.071	414.904	983.593	266.906	–	–	2.061.975	1.250.499	–	3.312.474
2011	3.209.587	461.424	1.264.534	211.088	–	–	3.671.011	1.475.622	–	5.146.633
2012	3.724.694	506.169	1.290.336	310.744	–	–	4.230.863	1.601.080	–	5.831.943
2013	4.734.798	539.914	1.373.444	266.245	–	–	5.274.712	1.639.689	–	6.914.401
2014	5.141.223	565.199	1.563.015	224.387	–	–	5.706.422	1.787.402	–	7.493.824
2015	6.423.462	535.893	1.862.206	332.931	–	–	6.959.355	2.195.137	–	9.154.492
2016	6.680.504	1.074.038	1.908.962	251.955	527.716	173.672	7.754.542	2.160.917	743.120	10.616.847
2017	8.772.000	1.290.000	2.322.000	258.000			10.062.000	2.580.000	903.000	12.900.000
2018	9.180.000	1.350.000	2.430.000	270.000			10.530.000	2.700.000	945.000	13.500.000
2019	9.316.000	1.370.000	2.466.000	274.000			10.686.000	2.740.000	959.000	13.700.000

1) number of pensioners and their dependents. Source: data from the Registry of Health Funds of the Ministry of Health; provisional data in green

Yields – Despite the black swan that hit the financial markets, all institutional investors achieved good returns in 2020, albeit lower than in 2019. The best performers were banking foundations with +3.6% (+6.5% in 2019), followed by occupational pension funds with an average return of +3.1% (+7.2% last year) (**Tables 1.4 and 1.5**). The returns achieved by institutional investors are even more appreciable when compared to target returns: in fact, in 2020, the adjustment of termination of employment benefits (TFR) was equal to +1.2%, with a negative inflation rate (-0.2%) and a five-year GDP average of 2%. Open-ended pension funds achieved +2.9%, followed by pre-existing funds with +2.6% and separate schemes with +1.4%. Unit-linked funds dropped by 0.2%. The year 2020 started in the wake of the excellent performance recorded the previous year, at least according to financial market trends. The spread of the pandemic halted this positive trend especially for equity markets that contributed to the excellent returns in 2019 and offset the negative ones of 2018.

Table 1.5 - Comparative yield analysis: 2020, 2019, 2018, 2016, 2015, 2014, the last 3, 5 and 10 years (as %)

								Average annual compounded yield			Cumulative yield		
	2020	2019	2018	2017	2016	2015	2014	3 anni	5 anni	10 anni	3 anni	5 anni	10 anni
Banking foundations	3,6	6,5	2,7	5,3	3,4	3,4	5,5	4,3	4,3	4,0	13,3	23,4	48,4
Occupational Pension Funds	3,1	7,2	-2,5	2,6	2,7	2,7	7,3	2,5	2,6	3,6	7,8	13,5	42,8
Pre-existing funds	2,6	5,6	-0,2	3,2	3,3	2,0	5,0	2,6	2,9	3,3	8,1	15,3	38,3
Open-ended funds	2,9	8,3	-4,5	3,3	2,2	3,0	7,5	2,1	2,4	3,7	6,4	12,4	43,2
PIPs - Separate schemes	1,4	1,6	1,7	1,9	2,1	2,5	2,9	1,6	1,7	2,4	4,8	9,0	26,5
PIPs Unit linked	-0,2	12,2	-6,5	2,2	3,6	3,2	6,8	1,5	2,1	3,3	4,7	10,9	38,6
TFR adjustment	1,2	1,5	2,0	2,0	1,5	1,2	1,3	1,5	1,6	1,8	4,7	8,0	20,0
Inflation	-0,2	1,0	1,2	1,1	-0,1	0,1	0,0	0,5	0,5	1,0	1,5	2,5	10,0
GDP five	2,0	1,9	1,3	0,6	0,6	0,6	-0,3	1,7	1,3	0,9	5,2	6,5	9,8

For Pension Funds, these are compounded net annual yields taken from the 2019 COVIP Report, that is net of operating costs and of substitutive taxes (including TFR). For Banking foundations that is the ratio of total receipts, net of this tax, vs the net worth at book value, so net receipts (net worth at the beginning of the fiscal year + net worth at the end of the fiscal year)/2;

at to the 2019 yields, the 3-year average was equal to 4.82% x Bf; 2.36% x Occ.; 2.84% x Pre-ex; 1.70% x TFR;

as to the 2019 yields, the 5-year average was equal to 4.25% x Bf; 2.49% x Occ.; 2.76% x Pre-ex; 1.56% x TFR;

as to the 2019 yields, the 10-year average was equal to 4.06% x Bf; 3.62% x Occ.; 3.35% x Pre-ex; 1.98% x TFR;

However, the sharp declines mainly occurred in the first half of 2020; then the trend reversed into the positive in the wake of news of declining infection rates in the summer. Many troughs were in fact offset in the second half of the year, returning to the levels in January. As shown by the returns achieved by institutional investors, the allocation of invested assets and the diversification boosted

by a private market direct approach and with actively managed investment funds made it possible for them to positively overcome 2020, which made the financial management more complex for all market operators.

Table 1.5.1 - Yields of complementary pension schemes (on 31/12/2020, as %)

Occupational pension funds	3.1	Open-ended funds	2.9	"new"PIPs	1.4	Target returns	
Garanteed	1.0	Garanteed	1.1	Unit Linked	-0.2	TFR adjustment	1.2
Pure bond	0.7	Pure bond	2.2	Bond	0.7	Inflation	-0,2
Mixed bond	3.5	Mixed bond	1.3	Balanced	1.0	GDP five-year average	2.0
Balanced	3.3	Balanced	3.6	Equity	-1.3		
Equity	5.6	Equity	3.9				

* The yields refer to unit-linked policies because the yields of the separate asset management areas are not available in the accounts for the year at issue. Source: COVIP data processed by Itinerari Previdenziali

The **Real Economy** - Investments in the "*real economy*" still have a great potential for growth, except for banking foundations. As already pointed out back in 1974⁴, it is particularly disquieting to see the very limited investments made by contractual funds, largely fed by termination of employment benefits (TFR) that "supply blood " to companies and are therefore **the first and main form of financing of the real economy**; however, as will be discussed in more detail in Chapter 5, several investment approaches have now been adopted, above all by aggregating the assets of several funds. The Guarantee Fund established by Legislative Decree no. 252/05 to more easily finance of enterprises that pay termination of employment benefits to pension funds was abolished by the Prodi Government in 2007; and since then, neither policy makers nor social partners have tackled this issue. However, from 2007 to the end of 2018, pension funds and the fund managed by INPS received almost 155.45 billion euros' worth of termination of employment benefits taken from Italian companies, to which just 36 billion euros have been refunded, 3.5% per year on average; this is a major problem with far reaching negative repercussions on both employment and productivity, thus contributing to the stagnation of the country. An issue on which all should reflect.

Banking foundations confirmed their position as the largest investors in the real domestic economy also in 2020. In fact, considering their exposure to their *transferee bank*, to Cassa Depositi e Prestiti and to Fondazione con il Sud, their investment in the country reached 44.4% of their assets; privatized schemes ranked second with direct investments accounting for 22% of their assets (over 81% of the total), in line with 2019, but much more than 16.31% in 2018 and 14.6% in 2017 (**Table 1.6**). Instead, pre-existing funds experienced a slight decrease in their investments in the real economy equal to 3.98% against 4.08% in 2019 but still more than 3.20% in 2018. Occupational pension funds had a more pronounced reduction in their investments in the real economy which fell to 2.58% from 3.42% in 2019 and 3.00% in 2018. However, these data should probably be read in the light of the management companies' decision in 2020 to reduce their exposure to Italy corporate securities and equities and to increase their investments especially in foreign corporate bonds.

⁴ See the book "*Capire i fondi pensione*", di A. Brambilla, editore Il Sole 24 Ore.

Table 1.6 - Investments in the real economy by Institutional Investors in 2020

Institutional investors	Assets (1)	institutional investments	other items and reserves (2)	direct real-estate investments	Monetary and bonds	Policies	Equity	UCITS and ETF	of which AIFs	investments in the real economy as %
Privatized schemes	92,46	1,57%	12,99%	4,27%	19,35%	0,77%	3,61%	57,44%	22,41%	22,00%
Banking foundations	46,15	28,96%	1,56%	2,87%	7,12%	0,75%	11,27%	46,59%	7,88%	44,40%
Autonomous pre-existing funds	64,17		2,93%	2,17%	25,11%	42,98%	10,47%	16,34%	2,96%	3,98%
Occupational pension funds	60,37		4,99%		64,07%		22,19%	8,74%	0,41%	2,58%
(1) billions of euros. (2) the other items include accruals and deferrals, credits and other assets										
For Privatized Schemes , the figures reported in the Table are only related to direct investments accounting for about 81.5% of the total, for all the schemes except for ONAOSI; indirect investments through management mandates do not allow for a classification of asset classes; a) Institutional investments include those in the Bank of Italy and in Cassa Depositi e Prestiti.										
Banking Foundations , the figures reported in the Table are only related to direct investments (accounting for about 99.12% of total assets) of the 27 Foundations analysed, that account for about 85.3% of their total assets; a) Institutional investments include those in the Transferee bank, in Cassa Depositi e Prestiti and in Fondazione con il Sud; the remaining 0.88% is related to indirect mandated investments, therefore the sum does not correspond to 100% due to the assets under mandated management.										
For Pre-existing Funds , the figures reported are related to the 43 Autonomous Funds analysed in this Report, that is 86% of the total, accounting for 97.8% of the total for pre-existing funds (in fact, the total assets of in-house and autonomous funds are equal to 65.611 billion euros).										
Occupational Pension Funds , the figures reported are related to the total of net assets allocated to benefits, consisting of mandated investments (to be managed) and of 250 million euros' worth of direct investments in AIFs.										
(*) Investments in the real economy mean: Italian stocks, corporate bonds, the estimated Italian securities in UCITs, AIFs for the assets invested in Italy. They do not include treasury bills, income-producing real-estate assets and capital investments.										

Notwithstanding the difficulties of the bond market due to close to zero and often negative rates and the expansive monetary policies of central banks and in particular of the ECB, the share of bond investments, also including the deposit component, is still very high for occupational pension funds (64.07%) and for pre-existing funds; the latter hold a higher percentage of these investments with respect to the former, since policies normally feature a fixed-income component. It will be interesting to see if and how this trend can change in light of the inflationary outlook and the rise in interest rates. The share of bonds held by privatized schemes is smaller, and even more so for banking foundations. **Table 1.6.1** shows the reclassified investments in the real economy in 2019.

Table 1.6.1 - Investments in the real economy by Institutional Investors in 2019

Institutional Investors	Assets (1)	Institutional investments	Other items and reserves (2)	Direct real-estate investments	Monetary and bonds	Policies	Equity	UCITS and ETF	of which AIFs	investments in the real economy as (*) %
Privatized schemes	88,55	1,56%	12,84%	4,83%	20,42%	0,79%	3,63%	55,95%	23,34%	21,36%
Banking foundations	46,99	30,38%	1,66%	3,38%	8,11%	0,80%	10,85%	43,29%	8,68%	44,36%
Autonomous pre-existing pension funds	62,15		2,75%	2,63%	24,69%	44,63%	9,41%	15,88%	2,92%	4,08%
Occupational pension funds	56,14		2,69%		67,17%		21,93%	8,21%	0,37%	3,42%
(1) billions of euros (2) the other items include accruals and deferrals, credits and other assets										
For Privatized Schemes , the figures reported in the Table are only related to direct investments accounting for about 79.5% of the total, for all the schemes except for ONAOSI; indirect investments through management mandates do not allow for a classification of asset classes; a) Institutional investments include those in the Bank of Italy and in Cassa Depositi e Prestiti.										
For Banking Foundations , the figures reported in the Table are only related to direct investments (accounting for about 98.47% of total assets) of the 27 Foundations analysed, that account for about 85.3% of their total assets; a) Institutional investments include those in the Transferee bank, in Cassa Depositi e Prestiti and in Fondazione con il Sud; the remaining 1.53% is related to indirect mandated investments, therefore the sum does not correspond to 100% due to the assets under mandated management.										
For Pre-existing Funds , the figures reported are related to the 45 Autonomous Funds analysed in this Report, that is about 90% of the total, accounting for 97.85% of the total for pre-existing funds (in fact, the total assets of in-house and autonomous funds are equal to 63.513 billion euros).										
Occupational Pension Funds, the figures reported are related to the total of net assets allocated to benefits, consisting of mandated investments (to be managed) and of 280 million euros' worth of direct investments in AIFs.										
(*) Investments in the real economy mean: Italian stocks, corporate bonds, the estimated Italian securities in UCITs, AIFs for the assets invested in Italy. They do not include treasury bills, income-producing real-estate assets and capital investments.										

Management companies - *Table 1.7* shows the top 5 mandated management companies; Eurizon leads the ranking, the same as in 2019, in terms of number of mandates and amount of assets under management (11.2 billion); instead, Amundi is stable in the second place, with a reduction in the number of mandates but an increase in its assets under management up to 9.2 billion from 8.9 in 2019. Blackrock, State Street and Credit Suisse remain in the third, fourth and fifth position, with a growing amount of assets to manage. The top five management companies account for 39.4% of the all the assets mandated by institutional investors⁵.

Table 1.7 - The top 5 mandated management companies in 2020

Management company	Mandates	AUM in millions of euros	Market share
Eurizon Capital	65	11.218	10,69%
Amundi	58	9.221	8,79%
Blackrock	14	8.843	8,43%
State Street GA	15	6.201	5,91%
Credit Suisse AM	18	5.881	5,60%

Table 1.8 identifies the top 5 insurance management companies, collectively managing 93.5% of all the assets invested in policies and in separate management areas by Italian institutional investors. There are no significant changes compared to 2019 except for the fourth place of Aviva in the ranking at the expense of Fideuram Vita. Generali Italia is on top with more than 11 billion euros' worth of assets under management, accounting for 41.5% of the market, followed by UnipolSai with 6.4 billion, with a market share close to 24%, and by Allianz with 6.1 billion. The first three positions alone account for 88.6% of the total. The lowest positions in the ranking are occupied by Aviva (694 million) and by Reale Mutua (615 million), with significantly fewer assets to manage.

Table 1.8 - The top 5 insurance management companies in 2020

Management company	Resources in millions of euros	Market share
Generali Italia	11.085	41,56%
UnipolSai Assicurazioni	6.393	23,97%
Allianz	6.144	23,03%
Aviva	694	2,60%
Reale Mutua Assicurazioni	615	2,31%

⁵ Please note that the ranking has changed compared to previous years due to the shift of policies from management to direct investment.

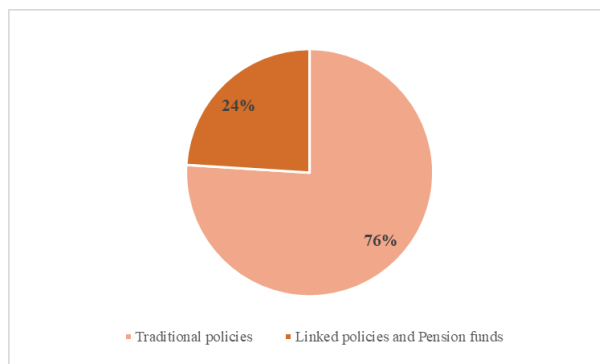
2. Insurance Companies

Insurance Companies are among the most relevant institutional investors in Italy due to their role and the nature of their investments. The following analysis focuses in particular on their social security-related assets, the *so-called C class*¹ **I, IV and V life policies** which are mainly *individual welfare products*. This edition of the Report also features a section on investments related to *linked policies* (Branch III). The insurance companies' role as social-security institutional investors largely depends on the characteristics of their life products and on their medium to long contractual terms (from a minimum of 3-5 years up to 30 years and beyond); this requires insurance companies to invest their assets with a similar time frame, i.e. mainly on government bonds and other products.

In 2020, the total investments by life insurance companies amounted to **809 billion euros**, of which 76% (just over 613 billion) were traditional policies (defined above as class C), while the remaining 24% (about 196 billion) were policies combined to unit/index linked products and pension funds (so-called class D, see **Figure 2.1**)². It should be noted that these amounts are derived from the financial accounts of insurance companies whose items are valued according to national accounting standards (the so-called Local Gaaps).

In order to consistently meet their commitments vis-à-vis their policyholders, insurance companies match their assets and liabilities; this means that they need to have a wide range of assets to match against their liabilities in order to allow their portfolios to be sufficiently diversified. The long contractual terms of their products also allow them to be significantly capitalized to honour their contracts and commitments, thus making the insurance industry one of the largest institutional investor, not only in Italy but also in the rest of the world.

Figure 2.1 - Breakdown of total Life business investments in 2020



¹ Traditional life policies (so-called Class-C policies) cover all types of policies, including profit-sharing capitalisation and pure risk policies linked to risks related to the life of the policyholder; **Branch I** policies are life insurance policies and include protection from premature death and/or survival at a certain date; **Branch IV** policies are related to health insurance and to insurance against the risk of non-self-sufficiency which are guaranteed by long-term, non-terminable contracts against the risk of serious disability due to illness or accident or longevity; **Branch V** policies are related to capitalisation (financial insurance policies not dependent on human life that envisage the payment of a lump sum when the contract expires).

² **Branch III** policies (so-called Linked or Class D policies) are financial life insurance or capitalisation contracts with benefits linked to the performance of a stock index, to a basket of stock indices or to another financial reference index. They are indexed contracts, since they tend to replicate the performance of an economic indicator, typically a stock exchange index through special technical measures.

2.1 Assets managed by Italian Insurance Companies

Table 2.1 shows all the assets of the Italian insurance companies of the class-C and class-D Life sector, which amounted to **848 billion euros** at the end of 2020 (+ 4.6% with respect to late 2019). Investments accounted for almost all the assets of life insurance companies (809 billion, equal to over 95% of the total), of which 196 billion euros' worth of class-D investments and the rest (613 billion) of class-C products. The insurance sector mainly invests on bonds and fixed income securities: over 480 billion largely allocated to Government bonds (over 70%), up by 3.2% vs. 2019; the second main form of investment was mutual funds (95 billion euros) characterised by the most significant growth (+ 9%). Stocks and shares accounted for little less than 31 billion euros, i.e. 3.6% of the total, while real- estate investments were almost negligible.

Table 2.1 - Asset composition of Insurance Companies – LIFE sector (millions of euros)

Type of asset	2019	% distr. 2019	2020	% distr. 2020	% var. 20/19
(1)	(2)	(3)	(4)	(5)	(6)
Credits to members	-	-	-	-	-
Intangible assets	3.299	0,4%	2.982	0,4%	-9,6%
Investments:	770.702	95,0%	809.011	95,4%	5,0%
-Real.estate	410	0,1%	414	0,0%	1,0%
- Stocks and Shares	31.426	3,9%	30.647	3,6%	-2,5%
- Fixed-income bonds*	465.258	57,4%	480.028	56,6%	3,2%
- Mutual funds	87.465	10,8%	95.348	11,2%	9,0%
- Financing and deposits	6.729	0,8%	6.089	0,7%	-9,5%
-Class-D investments (Linked policies and Pension	179.414	22,1%	196.486	23,2%	9,5%
Technical Reserves of Reinsurers	5.870	0,7%	4.171	0,5%	-28,9%
Credits	18.599	2,3%	19.260	2,3%	3,6%
Accrued and deferred assets	12.691	1,6%	12.949	1,5%	2,0%
TOTAL	811.161	100,0%	848.375	100,0%	4,6%
<i>*of which about 340 billion euros' worth of Government bonds</i>					

Source: ANIA

In the last 10 years (2011-2020), (**Table 2.2**), the Class-C life assets increased by over 270 billion euros (from 338 to 613billion), with an average growth of about 30 billion per year. In particular, bond investments went up by more than 75% and by more than 200 billion, accounting for 78.4% of total investments in 2020, followed by mutual fund investments which grew by 432% and by almost 80 billion over the same period; instead, direct real estate investments plummeted. The growth in fund investments also continued between 2019 and 2020 (+9 %); at the end of 2020. these investments accounted for 15.6% of the total.

Table 2.2 – Investments from 2011 to 2020 - LIFE sector, class C

Type of investment	Absolute values (millions)				Variation in millions		Distribution %				Variation %	
	2011	2018	2019	2020	2011-2020	2019-2020	2011	2018	2019	2020	2011-2020	2019-2020
Real-estate	1.015	435	410	414	-601	4	0,3	0,1	0,1	0,1	-59,2	1,0
Stocks	27.752	30.593	31.426	30.647	2.895	-779	8,2	5,4	5,3	5,0	10,4	-2,5
Bonds:	278.871	446.125	465.258	480.028	201.157	14.770	82,4	79,5	78,7	78,4	72,1	3,2
of which Government bonds	201.369	315.520	329.347	339.952	138.583	10.605	59,5	56,2	55,7	55,5	68,8	3,2
Mutual funds./Sicav shares	17.937	75.153	87.465	95.348	77.411	7.883	5,3	13,4	14,8	15,6	431,6	9,0
Other investments	12.861	9.118	6.729	6.089	-6.772	-640	3,8	1,6	1,1	1,0	-52,7	-9,5
Total	338.436	561.424	591.288	612.526	274.090	21.238	100,0	100,0	100,0	100,0	81,0	3,6

Source: ANIA

Table 2.3 provides details of the top **20 Italian life insurance companies** according to their total C-class assets. At the end of 2020, these companies held a stock of assets amounting to 570 billion euros accounting for 87.4% of the entire 652-billion sector: as already indicated, 613 billion euros can be classified as investments, while approximately 40 billion euros as "other assets" (see column 9 and the note). Poste Vita, Intesa Sanpaolo Vita and Generali Italia held more than 10% of all the assets under management and together they accounted for more than 43% of the entire sector. Bonds and fixed-income securities were the main forms of investment, accounting for approximately 74% of the total and equal to over 480 billion euros.

The role played by mutual funds remained significant, with 95 billion euros' worth of investments, reaching 14.6% of all the assets in 2020; this share practically doubled in recent years and increased by almost 8 billion euros compared to 2019. The top twenty companies held approximately 90 billion euros in mutual funds. A more detailed analysis of equity investments (see column 5 in **Table 2.3** and **Table 2.4**) shows that, for these companies, this type of investment accounted for 5.2% of the total (**Table 2.3**) of which about 80% as acquisitions of interests in other companies. Assicurazioni Generali and Generali Italia featured the highest share of equity investments, with almost 20 billion euros allocated to this compartment (or 65% of the total), mainly in the form of listed shares (**Table 2.4**).

Table 2.3 - The top 20 Italian insurance companies for class-C assets (excluding Linked products and Pension funds) - LIFE sector - 2020 (millions of euros)

INSURANCE COMPANY	Total Assets	Market share	% COMP. OF ASSETS					
			CLASS C ASSETS					OTHER ASSETS*
			Real-estate	Equity Investments	Bons and fixed-income security	Mutual funds	Financing and deposits	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
POSTE VITA	136.202	20,9%	-	0,2	72,6	23,6	-	3,6
INTESA SANPAOLO VITA	75.773	11,6%	-	2,4	77,8	14,5	0,1	5,2
GENERALI ITALIA	68.162	10,5%	-	9,1	69,7	14,0	0,2	7,1
ALLEANZA ASSICURAZIONI	38.344	5,9%	-	3,2	53,0	27,6	2,4	13,8
GENERTELLIFE	30.851	4,7%	-	3,1	79,0	11,5	0,0	6,5
UNIPOLSAI ASSICURAZIONI	29.364	4,5%	0,1	4,3	82,3	8,7	0,3	4,4
ASSICURAZIONI GENERALI	23.089	3,5%	-	59,8	4,4	11,1	18,8	5,8
BNP PARIBAS CARDIF VITA	22.092	3,4%	-	0,8	77,4	18,1	0,0	3,7
ALLIANZ S.P.A.	22.003	3,4%	-	2,7	86,2	5,0	1,1	4,9
CREDIT AGRICOLE VITA	17.408	2,7%	0,0	4,0	74,7	16,3	-	5,0
AXA MPS ASSICURAZIONI VIT	16.856	2,6%	0,1	4,0	79,7	12,0	0,1	4,1
AVIVA VITA	14.418	2,2%	-	0,4	89,1	5,5	0,0	5,0
ZURICH INVESTMENTS LIFE	12.322	1,9%	-	4,0	82,7	8,0	0,1	5,1
AVIVA	11.820	1,8%	-	1,0	80,8	13,0	0,2	5,1
EUROVITA	10.440	1,6%	-	0,5	75,5	12,9	1,5	9,7
CREDITRAS VITA	9.664	1,5%	-	0,3	83,2	1,5	0,0	15,1
ARCA VITA	9.379	1,4%	0,4	1,3	92,2	2,5	0,0	3,6
FIDEURAM VITA	7.399	1,1%	-	0,9	73,0	9,7	0,0	16,4
VERA VITA	7.050	1,1%	-	0,9	93,0	2,1	-	4,0
AMISSIMA VITA	6.969	1,1%	1,4	11,0	80,7	3,9	0,0	3,0
Subtotal	569.602	87,4%	175	29.405	412.495	88.122	5.941	33.463
As % of the subtotal			0,0	5,2	72,4	15,5	1,0	5,9
TOTAL	651.889		414	30.647	480.028	95.348	6.089	39.363
As % of the total			0,1	4,7	73,6	14,6	0,9	6,0

* Other assets include: intangible assets, technical reserves born by reinsurers, receivables, accrued and deferred assets and other assets

Source: ANIA

Table 2.4 - The top 20 Italian insurance companies for class-C assets (excluding Linked products and Pension funds) - LIFE sector in 2020 – Detailed equity investments (millions of euros)

INSURANCE COMPANY	Total equity investments	Market share	% COMP. OF STOCK			
			Corporate equity investments	Listed shares	Non-listed shares	Interests
(1)	(2)	(3)	(4)	(5)	(6)	(7)
POSTE VITA	212	0,7%	96,9	3,1	-	-
INTESA SANPAOLO VITA	1.848	6,0%	29,6	68,2	-	2,2
GENERALI ITALIA	6.223	20,3%	87,8	11,7	0,3	0,1
ALLEANZA ASSICURAZIONI	1.217	4,0%	63,3	36,6	0,0	-
GENERTELLIFE	947	3,1%	59,7	40,1	0,2	-
UNIPOLSAI ASSICURAZIONI	1.262	4,1%	78,7	13,4	7,9	-
ASSICURAZIONI GENERALI	13.802	45,0%	99,9	0,0	0,0	0,1
BNP PARIBAS CARDIF VITA	168	0,5%	12,9	70,2	16,9	-
ALLIANZ S.P.A.	594	1,9%	94,1	4,2	-	1,7
CREDIT AGRICOLE VITA	698	2,3%	0,0	94,7	5,3	-
AXA MPS ASSICURAZIONI VIT	670	2,2%	47,9	45,1	6,9	-
AVIVA VITA	63	0,2%	-	86,3	13,7	-
ZURICH INVESTMENTS LIFE	496	1,6%	-	100,0	-	-
AVIVA	113	0,4%	0,0	89,4	10,6	-
EUROVITA	50	0,2%	57,5	-	42,5	-
CREDITRAS VITA	27	0,1%	94,2	5,8	-	-
ARCA VITA	120	0,4%	100,0	-	-	-
FIDEURAM VITA	68	0,2%	0,4	99,4	0,2	-
VERA VITA	64	0,2%	98,0	2,0	-	-
AMISSIMA VITA	763	2,5%	0,9	-	-	99,1
Subtotal	29.405	95,9%	23.479	4.825	278	823
As % of the subtotal			79,8	16,4	0,9	2,8
TOTAL	30.647	100,0%	24.321	5.172	302	851
As % of the total			79,4	16,9	1,0	2,8

Source: ANIA

Table 2.5 provides a detailed picture of bonds and fixed-income investments, most of which (98%) are listed securities. Poste Vita, Intesa Sanpaolo Vita and Generali Italia held more than 200 billion euros' worth of bonds and other securities with a market share of over 43%. For Intesa Sanpaolo Vita, corporate bonds accounted for 3% of fixed-income investments, compared with a market average of around 0.7%.

Table 2.5 - The top 20 Italian Insurance Companies for class-C assets (excluding Linked products and Pension funds), LIFE sector in 2020 - Detailed bonds and fixed-income investments (millions of euros)

INSURANCE COMPANY	Bonds and fixed-income securities	Market share	% COMPOSITION OF BONDS AND FIXED-INCOME SECURITIES			
			Corporate bonds	Listed securities	Non-listed securities	Convertibles
(1)	(2)	(3)	(4)	(5)	(6)	(7)
POSTE VITA	98.937	20,6%	-	100,0	-	-
INTESA SANPAOLO VITA	58.945	12,3%	3,2	96,4	0,4	-
GENERALI ITALIA	47.511	9,9%	1,2	95,9	2,4	0,5
ALLEANZA ASSICURAZIONI	20.323	4,2%	1,4	96,8	1,5	0,3
GENERTELLIFE	24.362	5,1%	0,7	98,7	0,3	0,2
UNIPOLSAI ASSICURAZIONI	24.157	5,0%	0,0	98,3	1,7	0,0
ASSICURAZIONI GENERALI	1.025	0,2%	-	97,3	2,7	-
BNP PARIBAS CARDIF VITA	17.089	3,6%	0,4	98,9	0,7	-
ALLIANZ S.P.A.	18.972	4,0%	0,7	97,2	1,8	0,3
CREDIT AGRICOLE VITA	13.005	2,7%	0,4	99,6	-	-
AXA MPS ASSICURAZIONI VIT	13.441	2,8%	-	94,5	5,5	0,0
AVIVA VITA	12.840	2,7%	-	98,4	1,6	-
ZURICH INVESTMENTS LIFE	10.196	2,1%	-	99,8	0,2	-
AVIVA	9.546	2,0%	-	97,3	2,7	-
EUROVITA	7.877	1,6%	-	93,7	6,3	-
CREDITRAS VITA	8.037	1,7%	0,5	98,7	0,7	0,2
ARCA VITA	8.646	1,8%	0,1	99,4	0,5	-
FIDEURAM VITA	5.405	1,1%	0,2	99,2	0,5	-
VERA VITA	6.559	1,4%	-	99,5	0,5	-
AMISSIMA VITA	5.623	1,2%	-	98,5	1,5	-
Subtotal	412.495	85,9%	3.241	404.226	4.623	405
As % of the subtotal			0,8	98,0	1,1	0,1
TOTAL	480.028	100,0%	3.265	471.045	5.312	405
As % of the Total			0,7	98,1	1,1	0,1

Source: ANIA

The remaining assets were managed directly by these companies, unlike traditional and alternative mutual fund investments; given the interest rates of bonds, UCITS investments, especially alternative ones, as well as those in the real economy and in line with the new European infrastructure and climate change plans, are expected to grow in the coming years in order to ensure adequate returns with respect to liabilities.

Additional information on the types of investment funds can be obtained from the Solvency II financial statements. **Table 2.6** shows, with a good degree of approximation (using data from life and mixed companies), the percentage distribution of mutual fund investments in the life sector by type of fund and limited to the non-linked sector. According to these data, over 30% of the 95 billion euros' worth of mutual fund investments was allocated to debt funds. However, this share gradually decreased compared to 2017 when it was close to 40%. Asset allocation and real estate fund investments went up too, by 26.3% and 16.1% respectively. The same was true for money market funds, with their share rising from 6.4% in 2017 to 9.1% in 2020.

Table 2.6 – Mutual fund investments (excluding Linked contracts) - LIFE sector – in 2020

Type of Mutual Funds	2017	2018	2019	2020	% Var '20/'19	% Var '20/'17
Equity Funds	7,6%	6,8%	6,6%	5,4%	-9,0%	3,4%
Debt Funds	38,0%	35,2%	35,2%	31,2%	-2,3%	18,0%
Money Market Funds	6,4%	7,2%	8,2%	9,1%	22,4%	104,4%
Asset allocation Funds	17,9%	18,1%	17,5%	26,3%	65,2%	110,3%
Real-estate funds	13,0%	14,1%	15,0%	16,1%	18,3%	78,4%
Alternative Funds	3,2%	4,2%	3,4%	3,4%	10,1%	51,3%
Private Equity Funds	2,5%	2,8%	2,7%	2,6%	7,0%	49,6%
Infrastructural Funds	1,5%	2,7%	2,9%	3,4%	26,5%	217,2%
Other	9,9%	8,8%	8,5%	2,4%	-68,7%	-65,1%
Total	66.418	76.153	87.465	95.347	9,0%	43,6%

The total in the table refers to the total UCITS of the life sector (local gaap data); this allocation was estimated on the basis of Solvency II data (life and mixed companies).

Source: ANIA

Investments related to linked policies (class D)

The **linked compartment** investments are detailed below, always on the basis of the data from Solvency II financial statements (local gaaps). At the end of 2020, this type of investment reached over 196 billion euros (+9.5% compared to 2019 and +27.4% compared to only four years earlier). As shown in **Table 2.7**, more than 80% of these assets were allocated to investment funds; the rest was allocated to government bonds (7%), equity (4%) and bonds (3%).

Table 2.7 – Assets by type of investment - D-class Linked products - 2020 (millions of euros)

	2017	2018	2019	2019 (%)	2020	2020 (%)	% Var '20/'19	% Var '20/'17
Linked policies	154.243	152.252	179.414	100,0%	196.483	100,0%	9,5%	27,4%
Investment funds	128.159	125.063	148.804	82,9%	164.100	83,5%	10,3%	28,0%
Government bonds	14.245	15.478	16.784	9,4%	14.355	7,3%	-14,5%	0,8%
Cash and deposits	5.609	3.572	2.852	1,6%	4.138	2,1%	45,1%	-26,2%
Equity	4.240	5.076	6.707	3,7%	7.683	3,9%	14,6%	81,2%
Bonds	1.536	2.971	4.136	2,3%	5.964	3,0%	44,2%	288,3%
Other investments	455	91	131	0,1%	243	0,1%	85,2%	-46,6%

Source: ANIA estimate on the basis of the Solvency – InfoQRT data

Table 2.8 also features the geographical analysis of the issuing country. These data show that there is a strong prevalence of investment funds located in Luxembourg and Ireland, where there are more tax benefits. In Luxembourg and Ireland alone, the sector invested more than 134 billion euros in these funds in 2020 (82% of the total); a smaller share was invested in funds located in Italy (8.6 billion), France (7.9 billion) and in the U.K. (7.2 billion).

Table 2.8 - Assets by type of investment and by issuing Country - Class-D Linked products in 2020
(millions of euros)

	Total	Luxembrug	Ireland	Italy	France	UK	USA	Other countries
Linked policies	196.483	86.975	48.474	23.546	11.540	8.136	4.505	13.307
Investment Funds	164.100	86.663	48.148	8.590	7.911	7.152	995	4.641
Government bonds	14.355	84	136	8.420	1.587	56	561	3.511
Cash and deposits	4.138	9	2	3.168	203	9	1	745
Equity	7.683	26	97	1.360	960	489	2.292	2.459
Bonds	5.964	181	79	1.967	839	406	646	1.845
Other investments	243	10	13	40	41	24	9	106

Source: ANIA estimate on the basis of the Solvency – InfoQRT data

Finally, **Table 2.9** shows the percentage allocation of mutual fund investments of the Life sector, limited to the Linked compartment and by fund type. In 2020, equity and debt funds together accounted for 78% of the 164.1 billion euros invested. The share of equity funds rose from 34.6% in 2017 to 42.4% in 2020, + 56.2%, while that of debt funds rose from 30.6% in 2017 to 35.6% in 2020, + 48.5%. The share invested in asset allocation funds was slightly down but still close to 10%.

Table 2.9 – Investment fund assets by type of fund – Class-D Linked products in 2020

Type of Mutual Fund	2017	2018	2019	2020	% Var. '20/'19	% Var. '20/'17
Equity funds	34.6%	38.4%	41.3%	42.4%	13.0%	56.2%
Debt funds	30.6%	36.2%	35.6%	35.6%	9.9%	48.5%
Money market funds	2.2%	3.9%	2.4%	3.4%	54.7%	91.0%
Asset allocation funds	10.8%	11.2%	10.3%	9.6%	2.5%	13.1%
Real-estate funds	0.0%	0.0%	0.1%	0.0%	-76.6%	49.6%
Alternative funds	1.5%	2.1%	1.7%	1.5%	-5.7%	23.7%
Private equity funds	0.0%	0.0%	0.0%	0.0%	-9.0%	-0.3%
Infrastructural funds	0.0%	0.0%	0.0%	0.1%	955.9%	1552.5%
Other	20.2%	8.0%	8.7%	7.6%	-4.6%	-52.2%
Total	128,159	125,063	148,804	164,100	10.3%	28.0%

The total refers to the total UCITs investments of the life sector (Local gaap data); the allocation was estimated on the basis of Solvency II data.

Source: ANIA

2.2 European comparative analysis

In order to provide a more exhaustive picture, we have compared the different investment policies of life insurance companies in the main European countries. In this case, we have used as a database the investments of insurance companies expressed at current value, as required by the Solvency II

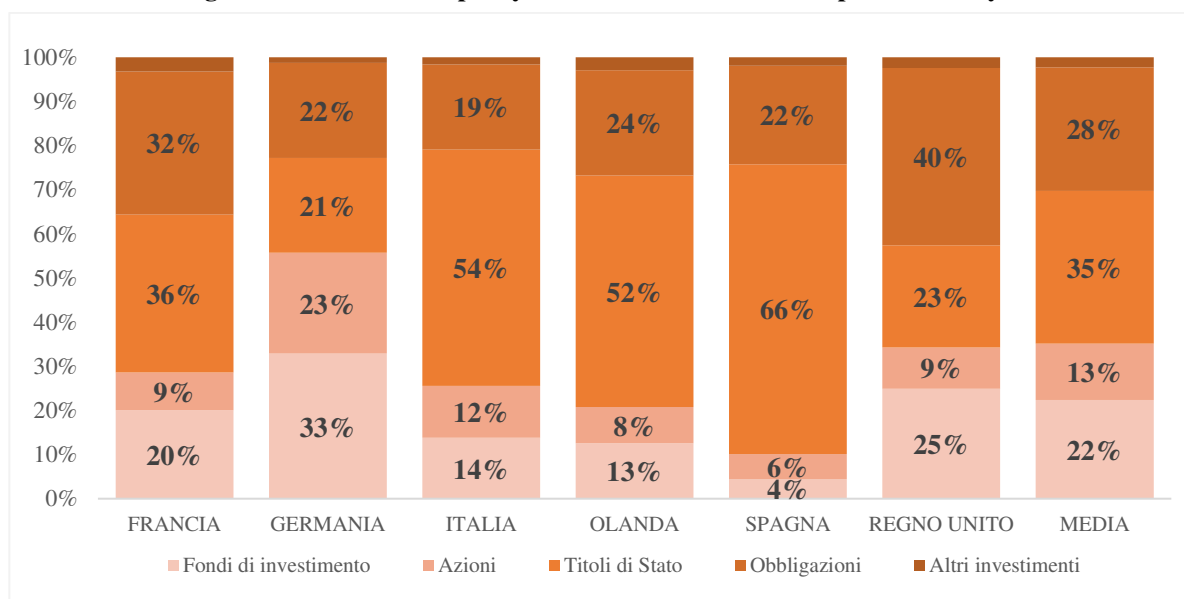
supervisory regulations; then, we have conducted the analysis by processing of the QRT⁽³⁾ data of the fourth quarter of 2020 published by EIOPA, focusing on the investments by life and mixed companies in France, Germany, Spain, the Netherlands and the United Kingdom.

Non-linked policy investments

Fixed-income securities prevail in all markets, although with different levels of corporate and government bonds. The average concentration of domestic and foreign government bonds in the six countries analysed was 35% at the end of 2020. Above-average values were found in Spain (66%), Italy (54%) and the Netherlands (52%), with the latter country mainly holding foreign government bonds. Germany and the United Kingdom featured lower shares with government bonds just over 20%. Instead, corporate bond investments accounted for 28% on average in these countries with British companies at 40%, followed by French (32%), Dutch (24%) and German and Spanish companies (22%). Instead, they accounted for less than 20% in the accounts of Italian insurance companies.

German insurance companies mainly featured investment funds in their portfolios (33%, bond funds in particular), more than the average of the six countries analysed; British companies too allocated a significant share (25%) of their assets to investment funds, followed by French companies (20%), both in the form of money market, bond and equity funds; Italian companies reached 14% followed by Dutch businesses with 13% (**Figure 2.2**). Equity investments accounted for 13% on average, including interests in affiliated companies; the largest share was held by German insurance companies (23%), followed by Italian (12%), French, British (9%), Dutch (8%) and Spanish companies (6%).

Figure 2.2 – Non-linked policy investments in 2020 – Comparative analysis



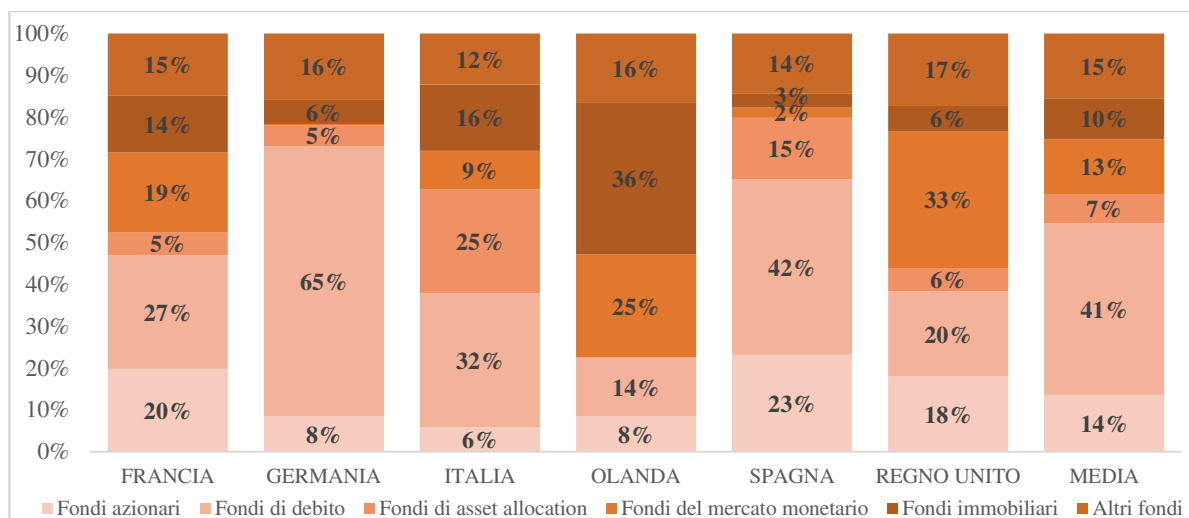
France, Germany, Italy, the Netherlands, Spain, the U.K., Average - Investment funds, Equity, Government bonds, Bonds; Other investments - Source: EIOPA IVQ 2020 data processed by ANIA

Looking at investment funds in more detail, the analysis by type of fund in **Figure 2.3** shows that, overall, European companies predominantly invested in debt funds (41%). In particular, Germany and Spain featured the highest shares, 65% and 42% respectively. Europe featured a lower share of investments in equity funds (14%), money market funds (13%) and real estate funds (10%). In particular: 19% of money market funds in French portfolios, 25% of asset allocation funds in Italian

³ Quantitative Reporting Templates

portfolios, 36% of real estate funds in the Netherlands, 23% of equity funds in Spain and 33% of real-estate funds in the United Kingdom.

Figure 2.3 – Portfolios of Investment Funds – Non-linked policies in 2020 – A European comparative analysis



France, Germany, Italy, the Netherlands, Spain, the U.K., Average;

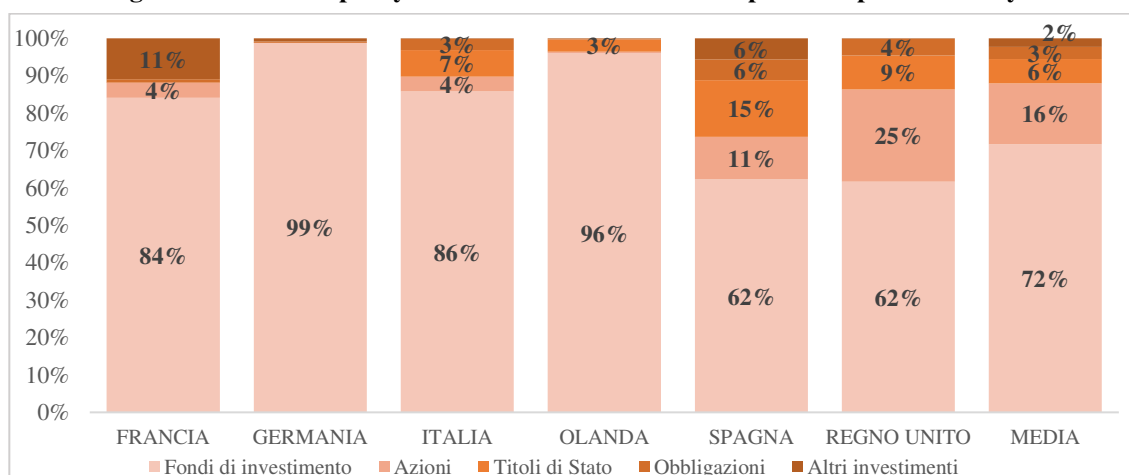
Equity Funds, Debts Funds, Asset Allocation Funds, Money Market Funds, Real-Estate Funds, Other Funds;

Source: EIOPA IVQ 2020 data processed by ANIA

Linked-policy investments

The main investments in linked policies (**Figure 2.4**) were made through investment funds (over 70% on average for European companies). In particular, this share was predominant in France (84%), in Italy (86%), in the Netherlands (96%) and in Germany where it reached 99%. It accounted for 62% in Spain and in the UK, with a significant presence of equity investments (11% in Spain and 25% in the UK) as well as of government bonds (15% in Spain and 9% in the UK).

Figure 2.4 – Linked-policy investments in 2020 – A European comparative analysis



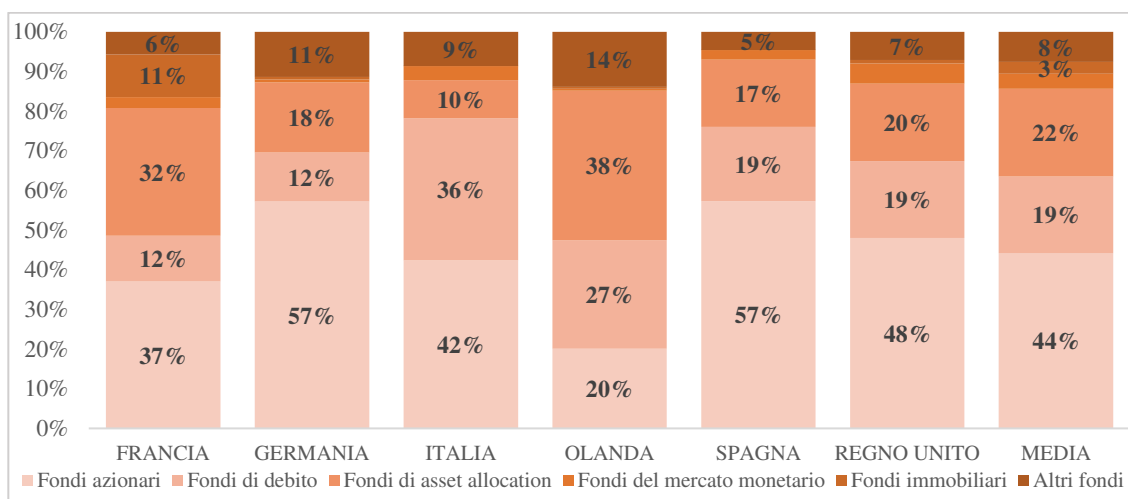
France, Germany, Italy, the Netherlands, Spain, the U.K., Average;

Investment Funds, Equity, Government bonds, Bonds; Other investments;

Source: EIOPA IVQ 2020 data processed by ANIA

Looking at fund investments in more detail, **Figure 2.5** shows that for European companies on average, the three main forms of investment were equity funds (44%), asset allocation funds (22%) and debt funds (19%).

Figure 2.5 –Linked-policy investments by type of fund in 2020 – A European Comparative Analysis



*France, Germany, Italy, the Netherlands, Spain, the U.K., Average;
Equity Funds, Debts Funds, Asset Allocation Funds, Money Market Funds, Real-Estate Funds, Other Funds;*

Source: EIOPA IVQ 2020 data processed by ANIA

Unlike the other countries analysed, debt funds were particularly relevant in Italy, accounting for 36% of the total. The Netherlands featured a significant share of asset allocation funds, with almost 40%, with respect to equity funds, which accounted for only 20%, more than half of the rest of Europe. Finally, Spain had a significant share of equity funds, almost 60% of the total invested.

3. Open-Ended Pension Funds (FPAs): members, assets and managers

The number of **Open-Ended Pension Funds** operating at the end of 2020 reached 42, + 1 compared to 2019, with an increase in the number of compartments up to 191, while the number of companies operating in the sector remained unchanged at 34. The positive upward trend in the number of members continued (+ 4.9% vs. 2019) exceeding 1.6 million. However, the same occurred for the outstanding positions not financed by contributions: in 2020, their number amounted to almost 640,000, compared to 599,000 at the end of 2019, mainly due to 52% of self-employed workers who did not pay their contributions; the share of employed workers not paying their contributions was also up on the previous year, 31% compared to 27% in 2019. This phenomenon is essentially due to economic factors, exacerbated by the pandemic crisis in 2020, although the basic problem still lies in the limited information on the need for complementary pension forms and in the interest of many operators in other solutions.

Table 3.1 shows the top 10 groups that manage and operate open-ended pension funds classified by *number of outstanding positions* and that account for *over 85%* of the total.

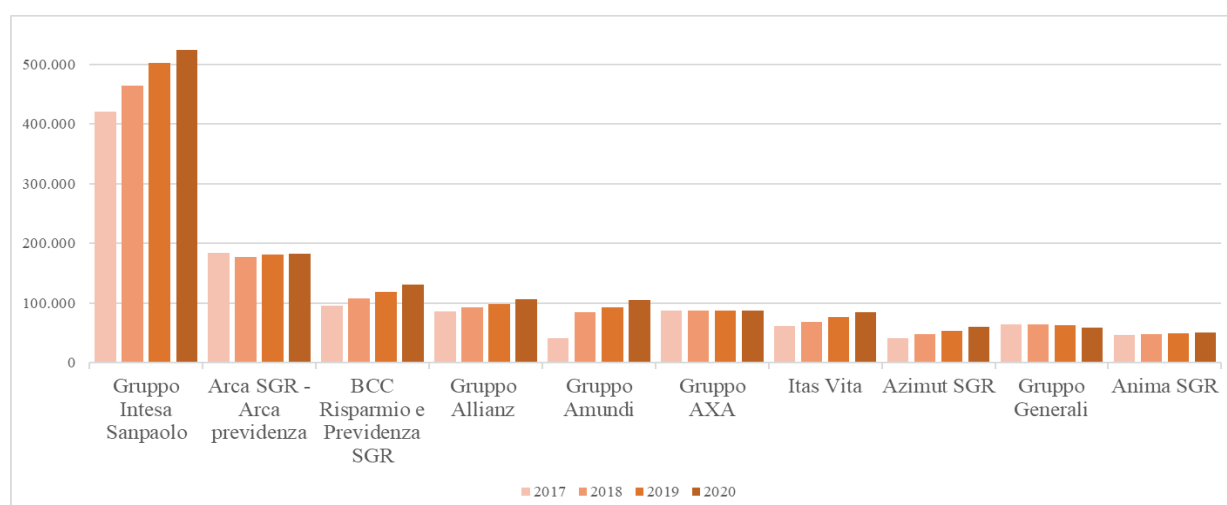
Table 3.1 - The top 10 Open-Ended Fund Management Groups by number of outstanding positions in 2019 -2020

OPEN-ENDED FUND	OUTSTANDING POSITIONS 2019	OUTSTANDING POSITIONS 2020
Gruppo Intesa Sanpaolo	502.921	524.574
Il mio domani	395.636	410.282
Fideuram - Fideuram Vita	73.311	81.156
Previdsystem	30.323	29.211
Giustiniano	3.651	3.925
Arca SGR - Arca previdenza	180.456	183.100
BCC Risparmio e Previdenza SGR	118.744	130.128
Gruppo Allianz	98.276	105.674
Allianz previdenza	73.274	80.029
Insieme	22.799	23.547
Unicredit - Creditras vita	2.203	2.098
Gruppo Amundi	92.592	104.892
Seconda Pensione	78.710	81.244
Core Pension	13.882	23.648
Gruppo AXA	87.391	87.306
Axa-mps previdenza per te	71.512	71.818
Axa-mps previdenza aziende	14.175	13.830
Axa-ass	1.704	1.658
Itas Vita	75.975	84.079
Azimut SGR	53.153	59.375
Azimut Previdenza	53.153	57.364
Azimut Sustainable Future	-	2.011
Gruppo Generali	62.270	58.909
Generali global	51.077	48.077
Almeglio - Alleanza	11.193	10.832
Anima SGR	48.750	50.926
TOTAL	1.320.528	1.388.963

Source: COVIP data processed by the Itinerari Previdenziali Research and Study Center

Figure 3.1 shows the trend of the outstanding positions for each Company from 2017 to 2020.

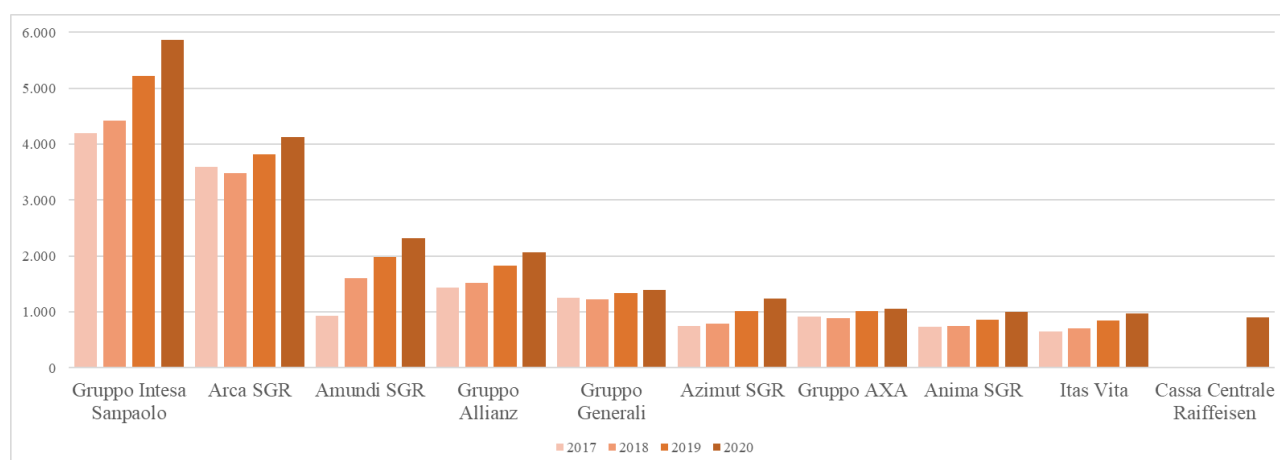
Figure 3.1 - The first 10 Open-End Fund Management Groups by number of outstanding positions in 2017-2018-2019-2020



Source: COVIP data processed by the Itinerari Previdenziali Research and Study Center

Net assets allocated to benefits amounted to **25.4 billion euros** at the end of 2020, significantly up with respect to the previous year (+11.1%), but lower with respect to 2018 (+16.4%). As to the number and composition of members at the end of 2020, the growth in the number of employed workers was equal to 7%, mainly with individual positions, compared to + 2.6% for the self-employed. In 2020, open-ended pension funds collected 2.3 billion euros' worth of contributions, a slight increase compared to 2019 (+131 million); 1.5 billion were provided by employed workers, around 40% of which from termination of employment benefits. The amount of contributions too slightly picked up, thus bringing the average contributions paid by members to 2,390 euros (2,340 in 2019). The contribution gap between self-employed and employed workers narrowed: the former paid 2,560 euros on average (2,540 in 2019), the latter 2,550 euros (2,480 in 2019). **Figure 3.2** and **Table 3.2** show the **assets** of the top 10 Groups that provide open-ended pension funds and that account for about 82% of the total.

Figure 3.2 - The top 10 Open-Ended Fund Management Groups by assets in 2017-2018-2019-2020 (millions of euros)



Source: COVIP data processed by the Itinerari Previdenziali Research and Study Center

There were no particular changes as to how **open-ended funds manage their resources** compared to 2019: **insurance companies** continued to play a significant role, with a market share of almost 56%,

also after the Intesa open-ended funds ended up into the Group's Company, while the rest was managed by asset management funds (40.6%) and by the only bank present in the sector (3.5%). Even in 2020, a particular year with the financial markets significantly affected by the COVID-19 pandemic, the net asset allocation of open-ended funds remained stable compared to 2019: 46% (45.7% in 2019) was allocated to balanced compartments, 21.8% to equity funds (21.3% the previous year), 19.7% (20.2%) to guaranteed funds and 12.4% (13%) to bond compartments. It should be noted that, the difference with respect to 2019 is that Cassa Centrale Raiffeisen joined the top 10 groups in the ranking of amount of resources managed, to the detriment of the Unipol Group. There was no change in the approach to commissioning the management of these assets to the asset management companies of the Group that set up the funds, such as for example, Arca SGR, of the AXA funds managed by AXA IM or of the Intesa Sanpaolo Group funds managed by the group's asset management companies such as Epsilon SGR, Eurizon Capital SGR and Fideuram.

Table 3.2 - The top 10 Open-Ended Fund Management Groups by assets in 2019-2020 (millions of euros)

OPEND-ENDED FUND	ASSETS 2019	ASSETS 2020
Gruppo Intesa Sanpaolo	5.226,7	5.864,23
Il mio domani	2.672,9	3.008,46
Fideuram	1.708,4	2.002,42
Previdsystem	757,0	756,24
Giustiniano	88,4	97,12
Arca SGR	3.825,3	4.121,85
Amundi SGR	1.982,8	2.317,41
Seconda pensione	1.794,9	2.005,90
Core Pension	187,9	311,51
Gruppo Allianz	1.829,3	2.068,68
Allianz previdenza	1.295,7	1.473,53
Insieme	489,7	551,94
Unicredit - Creditas vita	43,9	43,21
Gruppo Generali	1.339,5	1.388,44
Generali global	1.209,7	1.254,54
Almeglio - Alleanza	129,8	133,90
Azimut SGR	1.021,4	1.239,14
Azimut Previdenza	1.021,4	1.232,62
Azimut Sustainable Future	-	6,51
Gruppo AXA	1.012,4	1.058,52
Axa-mps previdenza per te	802,5	841,37
Axa-mps previdenza aziende	183,2	189,60
Axa-ass	26,7	27,54
Anima SGR	861,7	1.001,46
Itas Vita	852,6	968,26
Cassa Centrale Raiffeisen	-	895,41
TOTAL	18.805,2	20.923,39

Source: COVIP data processed by the Itinerari Previdenziali Research and Study Center

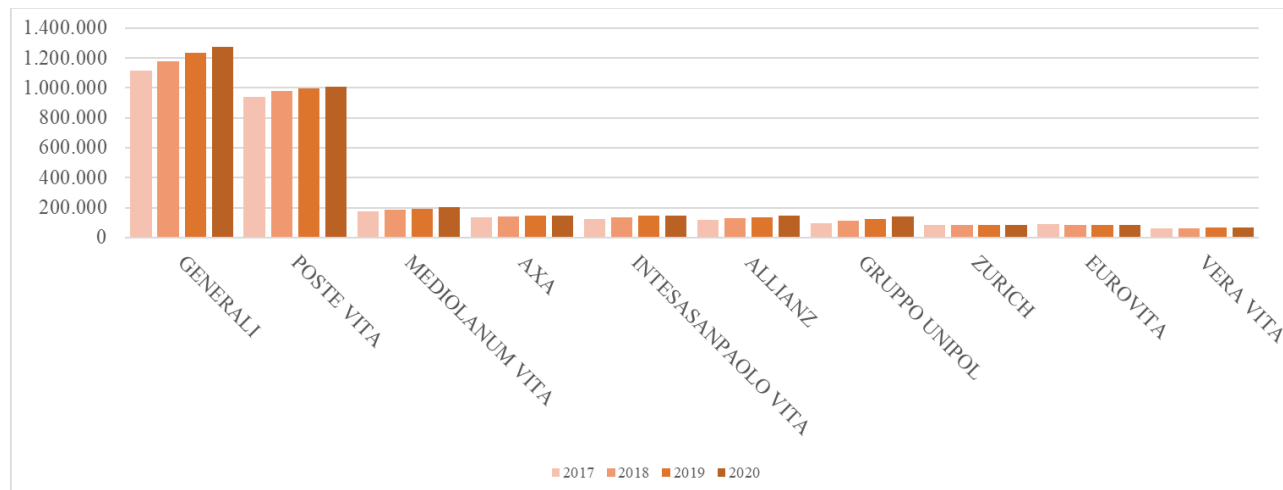
4. Individual Pension Plans (PIPs): members, assets and managers

Members: At the end of 2020, PIPs had a total of **3,849,354** of **outstanding positions**, of whom **3,510,561** in "new" PIPs (i.e. those established under or in line with Legislative Decree 252/2005), accounting for 91% of all individual insurance pension plans. The growth of memberships in "new" PIPs continued to slow down to + 2.7% vs. 2019 compared to + 4.3% in the previous year. The number of members also registered with another pension scheme increased by 4% over 2019 (+ 6.6% with respect to 2018). Like open-ended pension funds, in 2020, PIPs too featured an increase in the number of members not paying contributions (equal to 35% of the total).

Number of active PIPs - The following data only refer to "new" PIPs, also because "old" PIPs are no longer allowed to enrol new members and to allocate termination of employment benefits. At the end of 2020, the number of **"new" PIPs** operating in the sector was equal to **71** (+ 1 with respect to the previous year) with no change in the number of those closed to placement, equal to 30. The concentration of the sector remains particularly high, with around 80% of the investments coming from companies belonging to five insurance groups.

The **first 10 Groups** operating in the "new" PIP sector are listed in **Table 4.1**; they are classified by number of outstanding positions and account for about 94% of the total; **Figure 4.1** graphically shows the distribution of these positions. AXA changed its position to rank 4th, overtaking Intesa Sanpaolo Vita.

Figure 4.1 - The first 10 Groups managing "new" PIPs by number of outstanding positions in 2017-2018-2019-2020



Source: COVIP data processed by the Itinerari Previdenziali Research and Study Center

Table 4.1 - The first 10 Groups managing "new" PIPs by number of outstanding positions in 2019-2020

"NEW" PIPS	OUTSTANDING G POSITIONS 2019	OUTSTANDING G POSITIONS 2020	"NEW" PIPS	OUTSTANDING POSITIONS 2019	OUTSTANDING POSITIONS 2020
GENERALI	1.233.879	1.275.975	GRUPPO UNIPOL	126.702	138.142
Alleata Previdenza - Alleanza	575.953	604.112	Unipol Futuro Presente	85.847	82.946
Generafuturo	230.691	260.589	Previdenza futura	40.855	55.196
Valore Pensione - Generali Italia	174.324	167.718	Fondiaria più pensione	-	-
Ina Assistalia Primo	160.066	150.731	Integrazione pensione	-	-
BG previdenza attiva - Genertellife	29.062	30.138	Più pensione	-	-
Pensioneline - Genertellife	26.879	27.479	Unipolsai	-	-
Futuro Attivo - Genertellife	22.891	21.727	ZURICH	85.451	85.909
Vivipensione - Generali Italia	13.880	13.356	Vivipensione	67.141	67.656
Nuova Pensione - Genertellife	133	125	Programma pensione	9.511	9.646
POSTE VITA	998.827	1.007.098	Futuro pensione	8.799	8.607
MEDIOLANUM VITA	193.145	201.656	EUROVITA	84.732	82.022
AXA	143.789	148.269	PP BayerischeT 4036	31.072	30.176
Axa Mps previdenza attiva	98.525	100.541	PP BayerischeT 4046	24.929	24.213
Mia pensione	21.786	24.790	PP BayerischeT 4026	18.551	17.961
Axa Progetto Pensione	18.337	17.621	NG nuova generazione	7.226	6.879
Axa Mps previdenza personale	5.141	5.317	Pensione domani	1.824	1.782
INTESASANPAOLO VITA	144.910	147.416	Futuro per te	1.130	1.011
Il mio futuro	127.014	130.374	VERA VITA	65.279	64.699
Pip progetto pensione	12.643	11.942	Pensione sicura	52.525	52.419
Vita&previdenza più	5.253	5.100	Vita previdenza	12.754	12.280
ALLIANZ	137.236	144.324			
Orizzonte previdenza	130.806	136.592			
Unicredit Creditras	5.621	5.943			
Moneyfarm	-	1.021			
Elios previdenza	809	768			
TOTAL for the first 10 groups				3.213.950	3.295.510

Source: COVIP data processed by the Itinerari Previdenziali Research and Study Center

The **resources allocated to benefits** grew significantly also in 2020 by 10.1% compared to 2019, although lower than +15.5% reached in 2018, thus exceeding **39 billion euros**; if approximately 7.1 billion euros' worth of the "old" PIPs are added to this figure, their overall value amounted to over **46 billion**. New PIPs received an amount of contributions of about 4.6 billion euros in 2020, similarly to the previous year, of which almost 3 billion paid by employed workers (27% from termination of employment benefits).

As occurred in 2019, members tended to opt for **class I "separate schemes"** accounting for about three quarters of investments, while the rest was allocated to **class III lines**, of which: almost 12% to equity investments (similarly to the previous year and vs 10.4% in 2018), 9.5% to balanced investments (9.2% the previous year) and 4% to bonds (4.2% in 2019). PIPs too featured an increase in the average annual contributions paid by members, equal to 2,050 euros in 2020 with respect to 2,030 in 2019 and 1,990 in 2018. As occurred for open-ended funds and in the previous year, self-employed workers paid higher contributions on average to PIPs, even if less than in the previous year, with respect to employed workers, even if they paid more with respect to the past: for the former, the average contribution was equal to 2,540 euros (2,550 in 2019) compared with 2,000 for the latter (1,970 in 2019).

Management of Resources: for PIPs too, resources are generally managed by the same insurance companies that created them or by companies within the same Group. **Table 4.2** and **Figure 4.2** list the first 10 Groups that manage "new" PIPs, by assets (net assets allocated to benefits) and that account for over **94.78%** of the total.

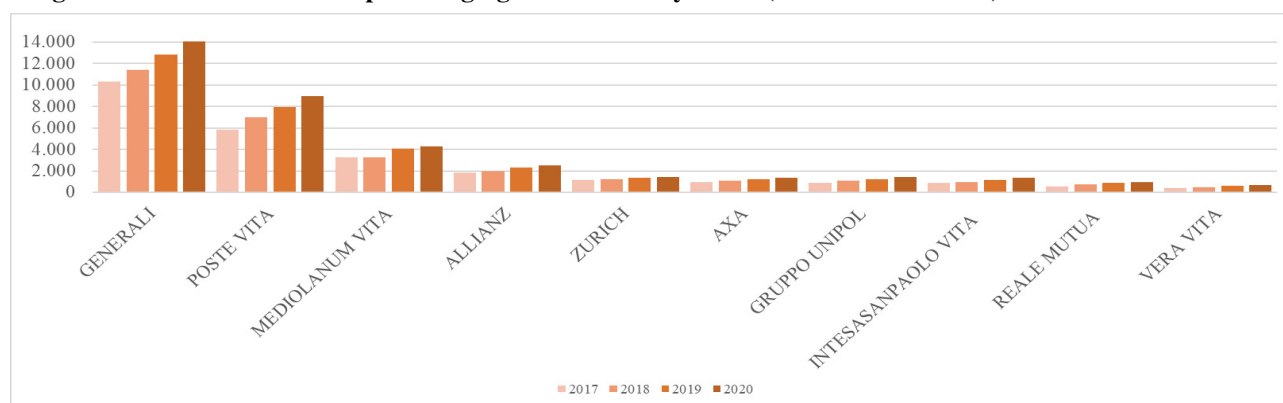
There was no change in the ranking, with the top three positions accounting for almost 70% of all the resources.

Table 4.2 - The first 10 Groups managing "new" PIPs by assets (net assets allocated to benefits in millions of €) in 2019-2020

"NEW" PIPS	ASSETS 2019	ASSETS 2020	"NEW" PIPS	ASSETS 2019	ASSETS 2020
GENERALI	12.818,6	14.079,6	ZURICH	1.341,6	1.420,0
Alleata Previdenza - Alleanza	4.511,4	5.136,1	Vivipensione	976,0	1.035,4
Valore Pensione - Generali Italia	2.829,1	2.908,1	Programma pensione	192,2	203,3
Ina Assitalia Primo - Generali Italia	2.253,9	2.267,4	Futuro pensione	173,4	181,3
Generafuturo - Generali Italia	1.859,3	2.317,1	AXA	1.251,2	1.390,8
BG previdenza attiva - Genertellife	656,1	715,4	Axa Mps previdenza attiva	642,7	712,3
Pensionline - Genertellife	322,1	351,8	Axa progetto pensione	319,1	331,4
Vivi pensione - Generali Italia	194,5	200,1	Mia pensione	194,8	242,9
Futuro attivo - Genertellife	189,5	180,9	Axa Mps previdenza personale	94,6	104,2
Nuova Pensione - Genertellife	2,7	2,7	INTESASANPAOLO VITA	1.179,3	1.335,1
POSTE VITA	7.970,6	9.001,7	Il mio futuro	739,2	890,8
MEDIOLANUM VITA	4.048,3	4.250,0	Pip progetto pensione	336,5	337,4
ALLIANZ	2.301,1	2.491,7	Vita&previdenza più	103,6	106,9
Orizzonte previdenza	2.236,6	2.414,3	REALE MUTUA	870,1	954,9
Unicredit Creditras	54,4	64,6	Cento stelle Reale	367,4	400,3
Elios previdenza	10,1	9,0	Cento stelle tax plan	175,1	202,1
Moneyfarm	-	3,7	Feelgood Italiana assicurazioni	127,5	154,2
GRUPPO UNIPOL	1.248,0	1.449,6	Planner	97,8	97,8
Unipol Futuro Presente	1.058,2	1.127,1	Domani sicuro plus	67,2	71,0
Previdenza futura	189,8	322,5	Progetto pensione sicura	20,1	15,1
Fondiarria più pensione	-	-	Domani sicuro	15,0	14,4
Integrazione pensione	-	-	VERA VITA	582,3	646,0
Più pensione	-	-	Pensione sicura	429,0	487,9
Unipolsai	-	-	Vera Vita previdenza	153,3	158,1
TOTAL for the first 10 groups				33.611,1	37.019,4

Source: COVIP data processed by the Itinerari Previdenziali Research and Study Center

Figure 4.2 - The first 10 Groups managing "new" PIPs by assets (in millions of euros) in 2017-2018-2019-2020



Source: COVIP data processed by the Itinerari Previdenziali Research and Study Center

5. Occupational Pension Funds: activities, members, assets and management companies

Occupational Pension Funds too showed a remarkable degree of resilience to the pandemic crisis; in fact, at the end of 2020, there were 33 occupational funds still operational, the same figure as the previous year, with **3,264,276¹ members**, about one hundred thousand more than in 2019, thus confirming the growth trend in their total membership (**+2.9%**), even if slower with respect to the past (+5%). Again, this growth was mainly boosted by **contractual membership** especially for Prevedi, Eurofer Priamo, Previambiente, Perseo and Sirio funds and for Previdenza Cooperativa, Fondapi, Byblos, Solidarietà Veneto, Astri, Laborfonds and also Concreto since 2020. At the end of the year, the so-called contractual members amounted to just under 1.2 million; of these, 36% paid a low per-capita amount of contributions, equal to 120 euros per year on average. In order to increase the amount of contributions to be paid by contractual members, in 2020, pension funds launched some communication initiatives and organized remote meetings with workers.

Table 5.1 and **Figure 5.1** illustrate the evolution of occupational pension funds from 1999 to 2020, of their number and membership. According to the historical series, as of 2018, the number of these funds went back to 33 as in 1999 and their maximum number was reached in 2002 with 44 funds; except for their significant growth from 33 to 42 in 1999/2000, the number of these funds remained more or less consistent over the years.

Tabella 5.1 - Number of funds and of members from 1999 to 2020

Year	Number of Funds	Members	Year	Number of Funds	Members	year	Number of Funds	Members
1999	33	701,127	2006	42	1,219,372	2013	39	1,950,552
2000	42	877,523	2007	42	1,988,639	2014	38	1,944,276
2001	41	984,567	2008	41	2,043,509	2015	36	2,419,103
2002	44	1,021,186	2009	39	2,040,150	2016	36	2,596,819
2003	42	1,042,381	2010	38	2,010,904	2017	35	2,804,633
2004	41	1,062,907	2011	38	1,994,280	2018	33	3,000,500
2005	43	1,155,168	2012	39	1,969,771	2019	33	3,160,206
						2020	33	3,261,244

Membership - The number of members of these funds had almost doubled already in 2006 compared to 1999. In 2007, there was a further growth in their membership due to the entry into force of Legislative Decree n. 252/2005 in January 2007 and to the start of the registration mechanism designed to transfer termination of employment benefits through **positive silence**. Since then, the number of members has remained more or less the same until early 2015, when the contractual membership mechanism was introduced by the pension funds cited above.

¹ This figure differs by 3,032 members from the total reported by COVIP for 2020, that was equal to 3,261,244 "outstanding positions". The difference is mainly due to the fact that the data reported in this chapter were taken directly from the official financial accounts published on the institutional websites of occupational pension funds.

Figure 5.1 - Number of funds and of members from 1999 to 2020

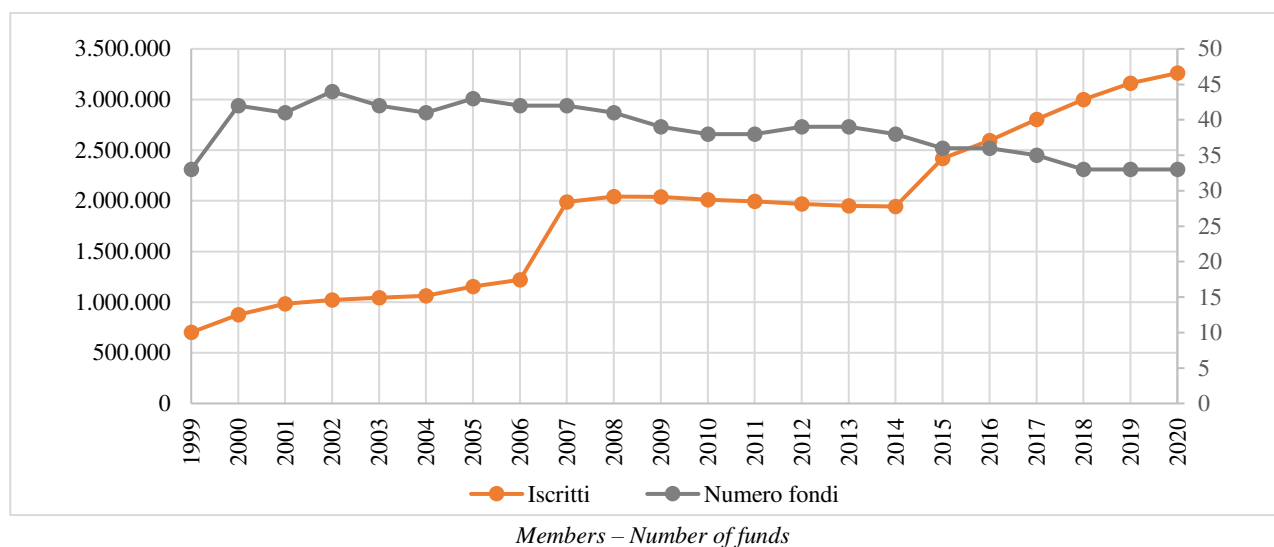
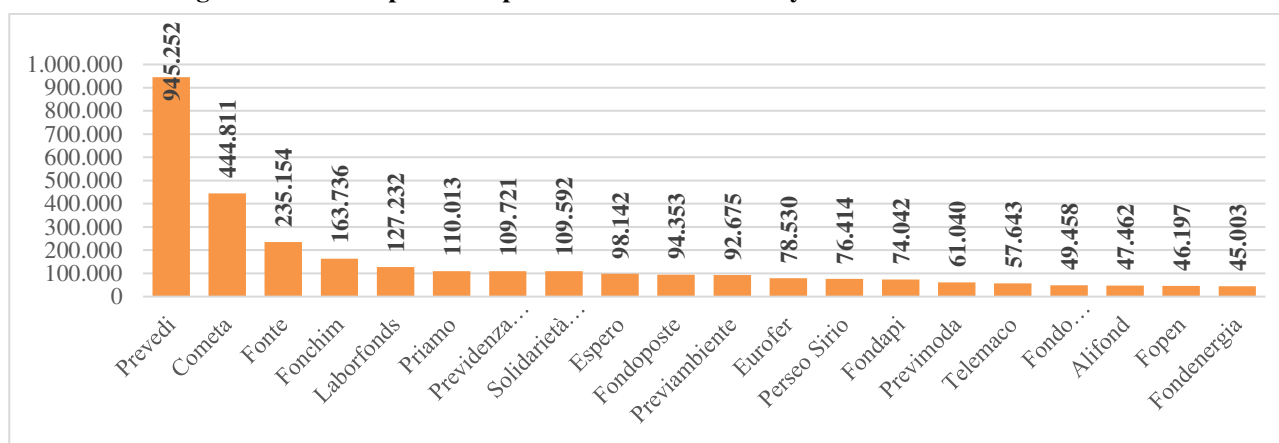


Table 5.2 shows the top 33 occupational pension funds by membership growth while **Figure 5.2** the top **20 occupational pension funds** by number of members, accounting for **about 94%** of the total number of members in the system.

Table 5.2 – Ranking of Occupational Pension Funds by membership growth in 2020

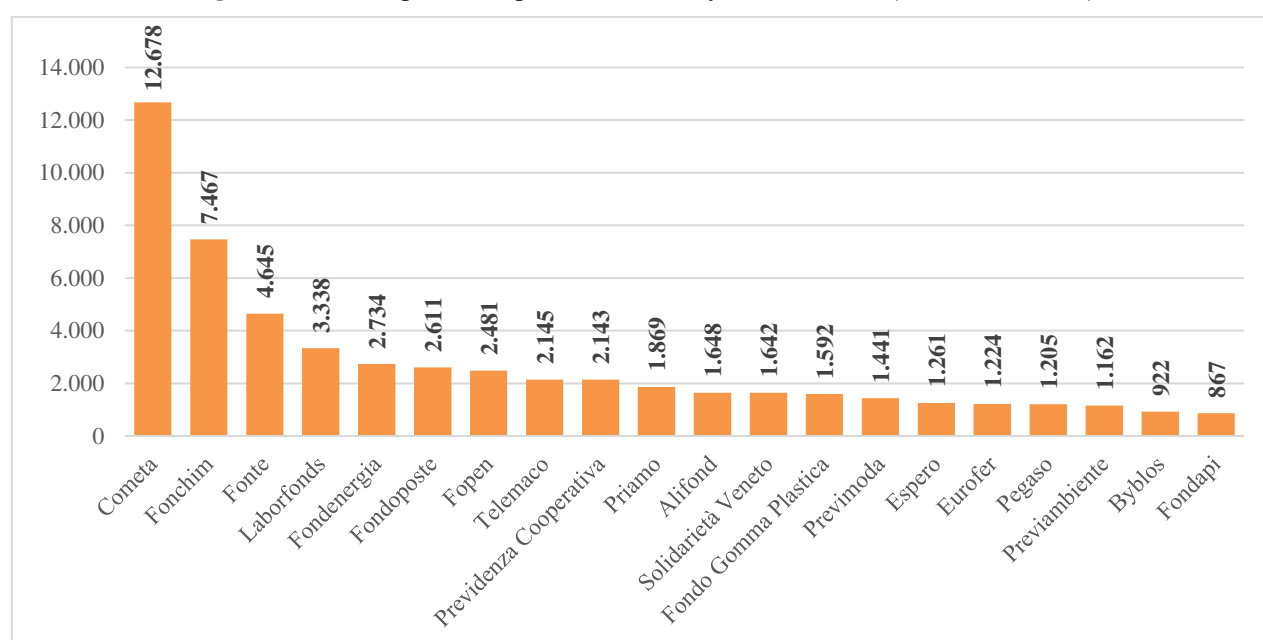
Name of the Fund	Members in 2020	Members in 2019	% Var.	Name of the Fund	Members in 2020	Members in 2019	% Var.
Concreto	7,142	5,646	26.50%	Eurofer	78,530	77,998	0.68%
Perseo Sirio	76,414	62,421	22.42%	Fopen	46,197	45,981	0.47%
Fondaereo	8,152	7,298	11.70%	Alifond	47,462	47,307	0.33%
Fondapi	74,042	67,960	8.95%	Telemaco	57,643	57,749	-0.18%
Cometa	444,811	411,963	7.97%	Previmoda	61,040	61,207	-0.27%
Solidarietà Veneto	109,592	102,968	6.43%	Fondemain (ex Fopadiva)	7,166	7,187	-0.29%
Previambiente	92,675	87,332	6.12%	Fondoposte	94,353	94,694	-0.36%
Fondo Sanità	7,692	7,253	6.05%	Mediafond	2,767	2,781	-0.50%
Byblos	38,455	37,134	3.56%	Previdenza Cooperativa	109,721	110,509	-0.71%
Fondenergia	45,003	43,510	3.43%	Quadri e Capi Fiat	11,823	11,921	-0.82%
Fonte	235,154	228,267	3.02%	Arco	27,445	27,711	-0.96%
Prevaer	14,608	14,241	2.58%	Agrifondo	8,533	8,644	-1.28%
Prevedi	945,252	924,619	2.23%	Fondo Gomma Plastica	49,458	50,209	-1.50%
Laborfonds	127,232	124,516	2.18%	Astri	17,549	17,817	-1.50%
Pegaso	33,024	32,513	1.57%	Espero	98,142	99,663	-1.53%
Fonchim	163,736	161,317	1.50%	Foncer	13,450	13,704	-1.85%
Priamo	110,013	109,008	0.92%	Total	3,264,276	3,163,048	3.20%

Figure 5.2 – The top 20 Occupational Pension Funds by number of members in 2020



Assets – The assets of these funds totalled **60.368 billion euros**, an increase by 7.54%, equal to 4.232 billion euros compared to 2019; this upward trend was less significant with respect to the previous year (11.4%) due to the repercussions of the pandemic crisis on the financial markets and, consequently, on yields. The asset ranking is completely different from that of membership; the top 20 occupational pension funds account for **91.23%** of the total, as illustrated in **Figure 5.3**.

Figure 5.3 - The top 20 Occupational Funds by assets in 2020 (millions of euros)



The historical series in **Table 5.3** shows the evolution of the assets of these funds from 1999 to the present day. The resources allocated to benefits feature a steady growth due to the good performance of these funds, except for 2018, and to the influx of new members. This happened despite the negative impact of the 2008 crisis on employment, which managed to go back to pre-crisis levels in 2019 with an all-time high of 59% for men and of 50% for women, and the impact of the COVID 19 pandemic.

Table 5.3 - Assets of Occupational Pension Funds from 1999 to 2020 (millions of euros)

Year	Assets	Year	Assets	Year	Assets
1999	544	2006	9,257	2013	34,504
2000	1,190	2007	11,599	2014	39,644
2001	2,256	2008	14,092	2015	42,546
2002	3,264	2009	18,757	2016	45,931
2003	4,543	2010	22,384	2017	49,456
2004	5,881	2011	25,272	2018	50,410
2005	7,615	2012	30,174	2019	56,136
				2020	60,368

Flows: In 2020, despite the COVID-19 crisis, the inflow of contributions to funds and of asset management receipts amounted to 4.232 billion euros compared to 5.73 billion in 2019; a good result despite the unfavourable performance of the financial markets in the first part of the year due to the pandemic. All occupational funds feature a positive trend in their available resources. The are the funds with the highest growth (in absolute terms between 100 and 200 million euros): **Cometa**, with an increase in its assets by **770 million euros**, from 11.9 to 12.7 billion (+ 6,47%), **Fonchim** with about **528 million euros** (+7.6%), **Fon.Te** **+352 million** (+8,2%), **Laborfondi** **+309 million** (+10,2%) and **Fondenergia** **+220 million** (+8.76%). *Table 5.4* illustrates the ranking of these funds in terms of their asset growth rate.

Table 5.4 – Changes in the assets of Occupational Pension Funds in 2020

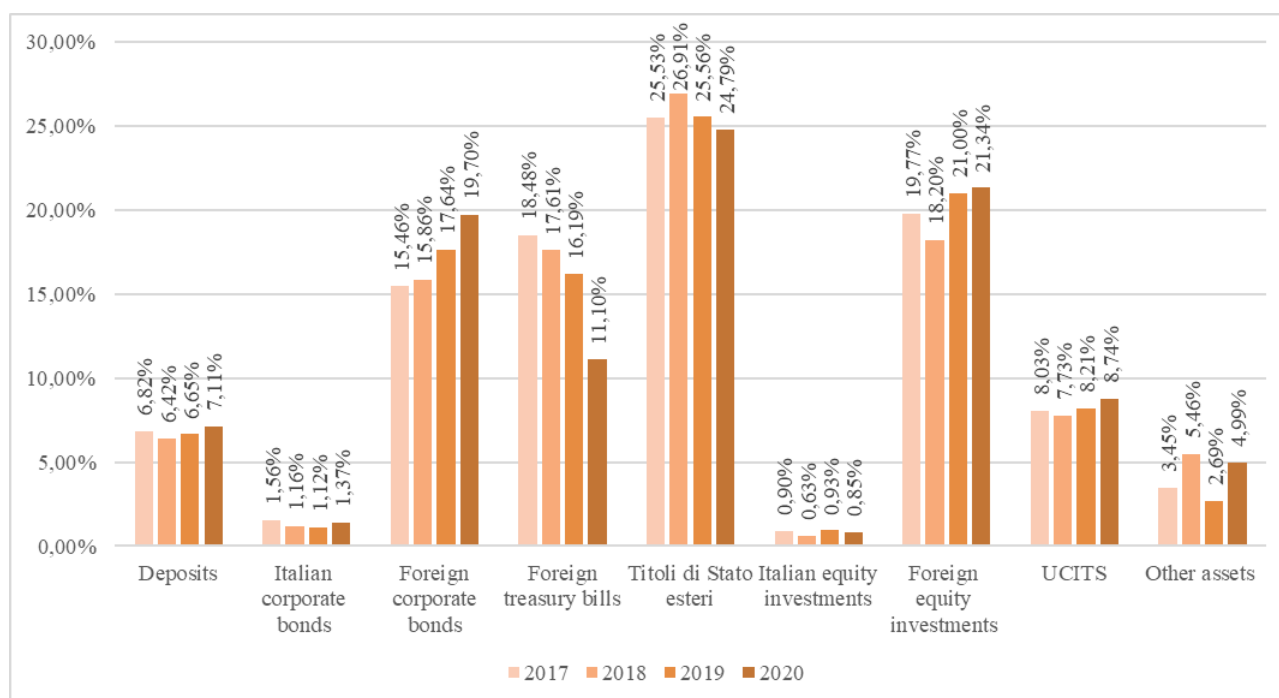
Name of the Fund	Assets in 2020	Assets in 2019	% Var.	Name of the Fund	Assets in 2020	Assets in 2019	% Var.
Perseo Sirio	235,746,972	172,812,978	36.42%	Fondemain (ex Fopadiva)	163,401,130	152,210,771	7.35%
Fondo Sanità	241,794,750	206,255,413	17.23%	Fondoposte	2,611,042,393	2,436,806,788	7.15%
Solidarietà Veneto	1,642,131,746	1,449,126,150	13.32%	Priamo	1,869,276,337	1,748,607,561	6.90%
Prevedi	850,202,551	763,720,742	11.32%	Telemaco	2,145,089,904	2,010,863,730	6.68%
Laborfondi	3,338,304,959	3,029,390,015	10.20%	Cometa	12,677,980,173	11,907,448,282	6.47%
Prevaer	597,823,836	548,597,972	8.97%	Pegaso	1,204,807,355	1,131,787,574	6.45%
Fondenergia	2,734,434,217	2,514,131,812	8.76%	Eurofer	1,224,173,777	1,153,779,296	6.10%
Astri	371,211,632	341,336,193	8.75%	Quadri e Capi Fiat	706,133,278	665,839,010	6.05%
Fondo Gomma Plastica	1,592,142,855	1,466,364,510	8.58%	Alifond	1,648,275,613	1,554,334,356	6.04%
Previmoda	1,440,900,352	1,329,405,598	8.39%	Previdenza Cooperativa	2,142,879,722	2,033,783,630	5.36%
Mediafond	132,428,201	122,215,354	8.36%	Concreto	217,292,439	206,425,784	5.26%
Fondaereo	457,234,820	422,122,919	8.32%	Agrifondo	101,339,346	96,575,188	4.93%
Fonte	4,644,691,972	4,292,922,291	8.19%	Previamambiente	1,162,087,101	1,108,346,949	4.85%
Espero	1,261,488,243	1,171,202,435	7.71%	Arco	695,010,574	663,746,304	4.71%
Fonchim	7,466,914,476	6,938,929,514	7.61%	Foncer	522,148,068	500,292,095	4.37%
Fopen	2,480,997,439	2,305,643,616	7.61%	Byblos	921,611,531	883,898,993	4.27%
Fondapi	866,674,780	807,316,111	7.35%	Total	60,367,672,542	56,136,239,934	7.54%

The COVIP analytical system has made it possible to quantify the outstanding positions for which no payments were made in 2020, which reached 679,411, a steady growth with respect to 615,000 in 2019, 563,000 in 2018, 447,000 in 2017 and 325,000 in 2016; but, as already pointed out, the reduction in the amount of contributions can be ascribed to *contractual members* in particular, and, in 2020, also to the reduction in employment, especially in the number of short-term contracts, and to business discontinuation for self-employed workers.

However, considering an average duration of 5/7 years for investments in term of maturities and new flows of contributions net of benefit payments, the average annual investments/reinvestments can be estimated at around 10 billion euros.

Portfolio and asset management - *Figure 5.4* illustrates the portfolio of assets of occupational pension funds in the last 4 years; the comparative analysis shows that **debt securities** account for the largest share of these assets, equal to 57%, down with respect to 60.5% in 2019 and to 62% in 2018; if deposits (7.1%) are taken into account, the share of liquidity and bonds is close to 64%. In detail: **Government bonds** accounted for about 36% of the assets under management (vs. 42% in 2019 and 44.53% in 2018), 25% of which issued by foreign countries and the rest by Italy (down with respect to the previous year for the foreign as well as for the domestic component); instead, **corporate bonds** amounted to 21%, up with respect to 2019, 19.7% of which issued by foreign companies. The share of equity and UCITs investments increased by **22%** and by **8.8%** respectively.

Figure 5.4 – Asset portfolio of Occupational Pension Funds in 2017, 2018, 2019 and 2020



The **management of occupational pension funds' assets** is almost entirely outsourced to professional asset management companies, such as banks, SIMs (Securities investment companies), investment and insurance companies, in line with the provisions of Legislative Decree 252/2005 and of Ministerial Decree 166/2014. However, in the last few years, a growing number of funds adopted the so- called "**direct management**" approach for part of their assets; as in the previous two years, in 2020 too, six funds capitalized on the provisions of Article 6, paragraph 1, letters d) and e) of the above-mentioned decree, underwriting or directly purchasing interests or shares of real-estate companies, or shares of mutual funds or closed real-estate funds.

Overall, in 2020, the **direct investments** of these funds amounted to approximately 250 million euros and their relative weight on net assets allocated to benefits was around 4%. In detail, Eurofer has held shares in a closed real-estate fund since 2012 and also in an infrastructural fund since 2017. Laborfonds and Solidarietà Veneto continued to invest part of their resources in closed securities funds designed to support growth and development projects for SMEs in their communities. Byblos

and Priamo continued to invest in private debt funds and Prevaer in private debt and infrastructural funds.

In 2020, the mandate entrusted to Neuberger Berman by five pension funds through the *Iride Project* became operational; this was a joint initiative promoted by *Foncer, Fondenergia, Fondo Gomma Plastica, Pegaso and Previmoda Pension Funds* aimed at investing in the *real economy* and, in particular, in the private equity sector for an overall amount of **216 million euros**, mainly in Europe with a significant share in AIFs investing in companies operating in Italy.

In the wake of the Iride Project, some of its funds (*Fondo Gomma Plastica, Fopen, Pegaso and Previmoda*) launched the *Zefiro Project* with the aim of jointly investing around 215 million euros in the private debt sector through an AIF management company. In June 2021, StepStone Group Europe AIL was selected as the Zefiro Project management company with the support of European Investment Consulting. Its main strategic approach is senior, secured or unitranche corporate direct lending with a particular focus on Europe and a specific attention to the domestic market, but it may also be diversified on the North American market.

Again in connection to the real economy, in 2021, *Assofondipensione, Cassa Depositi e Prestiti* and *Fondo Italiano di Investimento SGR* launched the Economia Reale Project which raised the first 68 million euros from the *Arco* (24.4 million), *Laborfonds* (30 million) and *Pegaso* (14.3 million) pension funds. The objective is to raise at least 500 million euros from pension funds, in addition to the resources that CDP will be able to invest in line with its institutional mission alongside these funds on the platform managed by FII SGR. To date, CDP invested 550 million euros in these funds, thus enabling them to start operating. The Project was conceived as a platform of private equity and private debt funds of funds, FOF Private Equity Italia and FOF Private Debt Italia, managed by Fondo Italiano d'Investimento, an asset management company with CDP Equity as majority shareholder.

The real domestic economy – By including among indirect investments **1.37%** of Italian corporate bonds and about **1%** of Italian equity investments (also included in UCITs) and by adding **0.21%** of direct investments in domestic AIFs, it is possible to estimate that occupational pension funds invested about **2.58%** of their assets in the real domestic economy, excluding 11% invested in Government bonds, up with respect to 2.5% in 2016 and slightly down with respect to 3.46% in 2018 and to 3.42% in 2019.

Considering that in 2020, the inflow into these funds of termination of employment benefits alone was equal to 3.297 billion euros and that investments in the real economy amounted to only 1.57 billion, there was clearly a negative balance of around 1.7 billion euros. We can try to estimate the amount of termination of employment benefits that was taken away from the real economy from 2016 to 2020 (the last 5 years); on the basis of the flows in this period, we can calculate an average of 50% of termination of employment benefits channelled to occupational pension funds, reinvested in the real economy for an amount of 8.5 billion euros; so the estimated amount taken away from the real economy is equal to the difference between 37.58 billion and 8.5 billion, that is 29 billion euros, plus at least 50% of the 80.3 billion that flowed into the treasury fund managed by INPS in this 5-year period; this figure doubles if we consider all complementary schemes and this is seriously damaging the Italian economy that is hard pressed in terms of competitiveness and productivity.

Types of securities and their geographical diversification - The COVIP data reported in *Table 5.5* illustrate the debt and equity portfolios with their geographical diversification held by occupational pension funds both directly and through UCITs, with the "look through" principle. Even though debt

securities are the prevalent form of investment for these funds, those issued by euro-zone countries continued to drop from 46% to 42%, mainly due to the lower exposure of these portfolios to Italian debt securities (- 5.3% as compared to 2019). Instead, securities issued by non-euro-zone European countries increased (+ 0.9%) together with the ones issued by the United States and by non-OECD countries (+1.2% and + 0.5% respectively). The share of debt securities issued by Japan and by OECD countries remained virtually unchanged.

Table 5.5 - Assets of Occupational Pension Funds by type and geographical area (as %)

	2019	2020					
	Total	Garanteed	Pure bond	Mixed bond	Balanced	Equity	Total
Debt securities	72.1	95.0	100.0	68.9	69.0	37.8	70.7
Italy	20.1	38.1	36.6	11.9	11.2	7.9	14.8
Other euro-zone countries	25.9	40.6	33.2	30.8	22.6	15.2	27.2
Other EU countries	4.8	7.8	8.1	6.9	4.5	3.6	7.7
United States	14.8	5.1	14.1	14.1	21.0	8.6	16.0
Japan	1.7	0.8	0.4	0.6	2.6	0.3	1.6
Other OECD countries	2.2	1.6	3.7	1.9	2.8	1.0	2.3
Non-OECD countries	2.6	1.1	3.9	2.7	4.2	1.2	3.1
Equity	27.9	5.0	-	31.1	31.0	62.2	29.3
Italy	1.1	0.1	-	1.1	1.2	1.4	1.0
Other euro-zone countries	7.4	1.3	-	8.7	7.5	17.4	7.7
Other EU countries	2.1	0.5	-	1.9	2.6	4.0	2.1
United States	12.0	2.1	-	13.4	13.6	29.1	12.9
Japan	1.7	0.3	-	1.8	1.8	3.2	1.7
Other OECD countries	2.3	0.5	-	2.5	2.6	4.1	2.4
-OECD countries	1.3	0.1	-	1.8	1.7	2.9	1.6
Total portfolio	100	100	100	100	100	100	100

Source: 2020 COVIP Report. The table includes both the directly held securities and those held through UCITs (the so-called "look through principle")



Equity investments show a greater geographical diversification, with 12.9% of the portfolio in U.S. equity (+ 0.9% compared to 2019), followed by EU shares with 10.9% (+ 0.2% compared to 2019). In the EU area, the share of the portfolio invested in equity issued by Italy-based companies dropped by 0.1 %. The share invested in equity issued by other OECD countries and non-OECD countries went up by 0.1% and 0.3% respectively, while that invested in securities issued by Japan remained stable.

Performance – The **average yield** obtained by occupational pension funds (**Table 5.6**), was equal to **3.1%**, a good result considering the COVID 19 pandemic, but always worse with respect to 2019, because of a very negative performance of financial markets, especially in the first part of the year. All asset classes were able to manage the storm and obtain positive results: on average, those that performed best were equity, mixed-bond and balanced funds.

On the other hand, the pure bond and guaranteed compartments had a performance equal to 0.7% and 1% respectively, very good results considering the interest rate trends. If the observation period is extended, it is possible to see that the average annual compounded net yield of occupational pension funds beats all the target parameters already after three years with a value equal to 2.5% compared to 1.5% for the adjustment of termination of employment benefits, to 0.5% for inflation and to 1.7% for the five-year GDP average; at ten years, this yield is equal to 3.6%, two times the adjustment of termination of employment benefits (1.8%).

This trend is confirmed by analysing the cumulative returns equal to 13.5% at 5 years against 8% of termination of employment benefits and to 42.8% at ten years against 20%. Over the ten-year horizon, in particular, yields are positive for all classes and the equity, balanced and mixed bond classes have higher yields than guaranteed and pure bond ones (**Table 5.7**).

Table 5.6 – Net yields of Occupational Pension Funds in 2008-2020 (%)

Type of compartment	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Garanteed	3.1	4.6	0.2	-0.5	7.7	3.1	4.6	1.9	0.8	0.8	-1.1	2.0	1.0
Pure bond	1.6	2.9	0.4	1.7	3	1.2	1.2	0.5	0.2	-0.2	-0.6	0.7	0.7
Mixed bond	-3.9	8.1	3.6	1.1	8.1	5	8.1	2.7	3.2	2.6	-2.4	7.6	3.5
Balanced	-9.4	10.4	3.6	-0.6	9.2	6.6	8.5	3.2	3.2	3.1	-2.8	8.6	3.3
Equity	-24.5	16.1	6.2	-3	11.4	12.8	9.8	5	4.4	5.9	-5.3	12.2	5.6
General yield	-6.3	8.5	3	0.1	8.2	5.4	7.3	2.7	2.7	2.6	-2.5	7.2	3.1
TFR adjustment	2.7	2	2.6	3.5	2.9	1.7	1.3	1.2	1.5	1.7	1.9	1.5	1.2

Source: COVIP data processed by Itinerari Previdenziali

Table 5.7 – Average compounded and cumulative annual yields of Occupational Pension Funds (%)

	Average compounded annual yield			Cumulative yield		
	3 years	5 years	10 years	3 years	5 years	10 years
Occupational funds	2.5	2.6	3.6	7.8	13.5	42.8
TFR adjustment	1.5	1.6	1.8	4.7	8.0	20.0
Inflation	0.5	0.5	1.0	1.5	2.5	10.0
Five-year GDP average	1.7	1.3	0.9	5.2	6.5	9.8

Source: COVIP data processed by Itinerari Previdenziali

Management companies - **Table 5.8** shows the top 10 Management companies of occupational pension funds, classified by amount of **assets under management**, which had no significant change with respect to 2019. Blackrock moved from third to first place, while Eurizon fell to the second place and Amundi ranked third, followed by Credit Suisse which moved up one position and by Allianz GI, Generali IE and Anima; Candriam and UnipolSai lost some positions.

These 6 management companies hold almost 50% of the market of occupational pension funds. **Amundi** and **Eurizon** led the ranking in terms of number of mandates (32 and 27 respectively) followed by Anima with 20 mandates and by **UnipolSai** with 19; as to the ranking by **number of**

mandates, Amundi and Eurizon maintained the first and second place (Eurizon with 27 mandates compared to 23 in 2019), while Anima moved to the third position with 20 mandates compared to 18 in 2019. As can be seen in **Table 5.8**, the **average amounts of mandates** fluctuated significantly with peaks of 634 million euros for Blackrock, 401 for Allianz GI and more than 300 million for Generali and Credit Suisse. The average amount per mandate was around 200 million. Considering all the management companies used by occupational pension funds, at the top of the ranking by average mandate there were Generali Italia and Ostrum AM (ex Natixis) with a single mandate, with 834 and 682 million euros respectively.

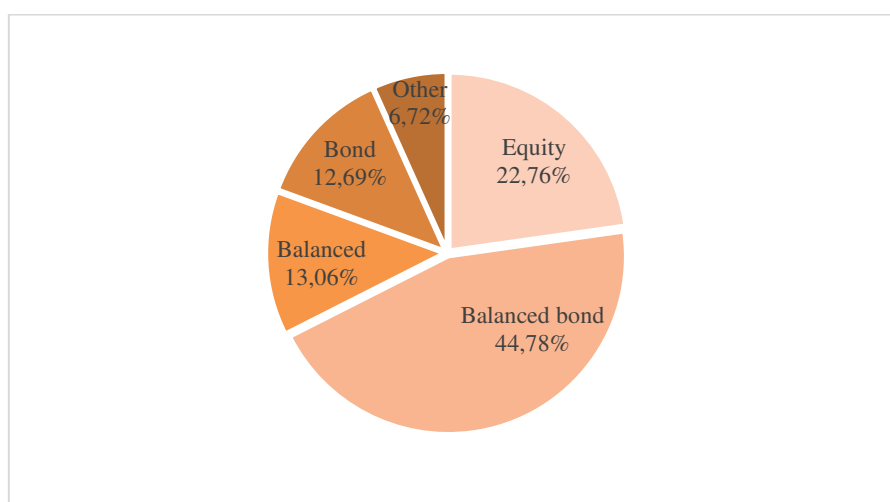
Table 5.8 - The top 10 Management companies of Occupational Pension Funds in 2020

Management company	Number of mandates	AUM (mln of euros)	Average mandate (mln of euros)	Market share
Blackrock	11	6,969	634	11.13%
Eurizon Capital	27	6,446	239	10.30%
Amundi	32	5,389	168	8.61%
Credit suisse am	12	4,313	359	6.89%
Allianz GI	10	4,010	401	6.41%
Generali IE	12	3,886	324	6.21%
Anima Sgr	20	3,747	187	5.99%
UnipolSai	19	3,561	187	5.69%
Candriam AM	18	3,548	197	5.67%
Groupama AM	15	3,504	234	5.60%

Management fees - The average level of management fees increased even further compared to 2019, (+ 0.15% in 2020 versus + 0.12% in 2019 and + 0.11% in 2018); for **guaranteed** mandates, management fees reached 0.41% (+ 0.35 in 2019); for mixed bond and equity mandates, they amounted to 0.12%, for balanced ones to 0.10% and for pure bond mandates to 0.09%.

Types of mandates – As to the types of mandates (**Figure 5.5**), there was still a high concentration on **bonds**, with "pure" and balanced bonds accounting for almost 68% of all mandates.

Figure 5.5 -Types of mandates in 2020



These are followed by balanced (13%), equity (12.7%) and the so-called "other" mandates (6.7%), that is mandates without benchmarks such as, for example, total return and multi-asset mandates and those for alternative asset classes such as private equity and private debt. Compared to 2019, there

was a growth in balanced bond and equity mandates to the detriment of balanced and guaranteed mandates, as well as an increasing role for private asset mandates. In fact, at the end of 2020, there were 11 management agreements for alternative investment funds, signed by eight occupational pension funds; of these, 9 were for private equity funds, six of which were signed under the aforementioned Iride Project, and the remaining two related to a private debt mandate and a multi-asset mandate in the private equity and private debt sector. **Figures 5.6** and **5.7** illustrate the ranking of the top 10 management companies by number of mandates and assets under management.

Figure 5.6 – The top 11 management companies of Occupational Pension Funds by number of mandates in 2020

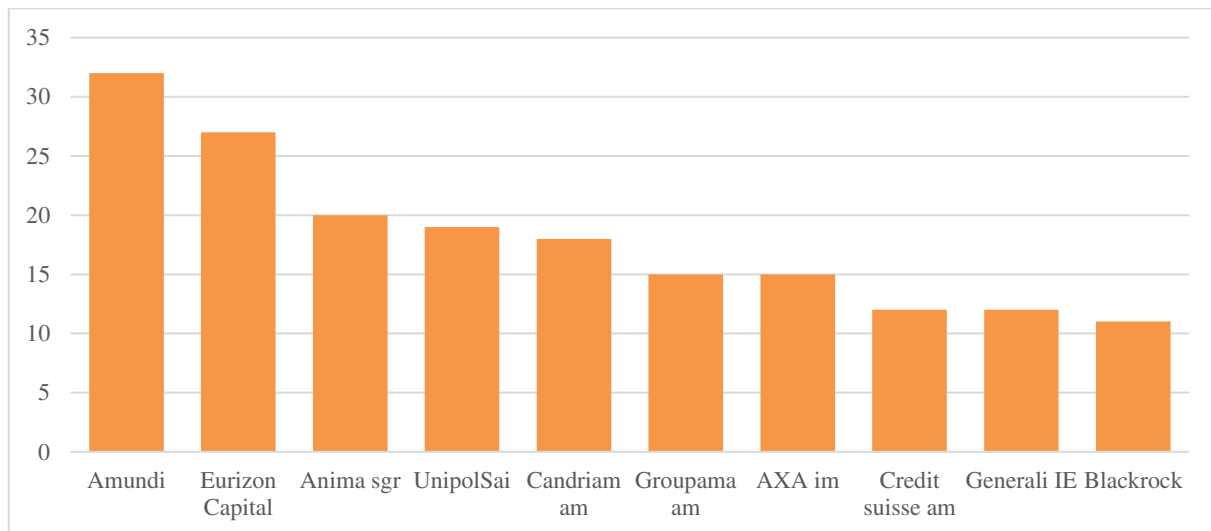
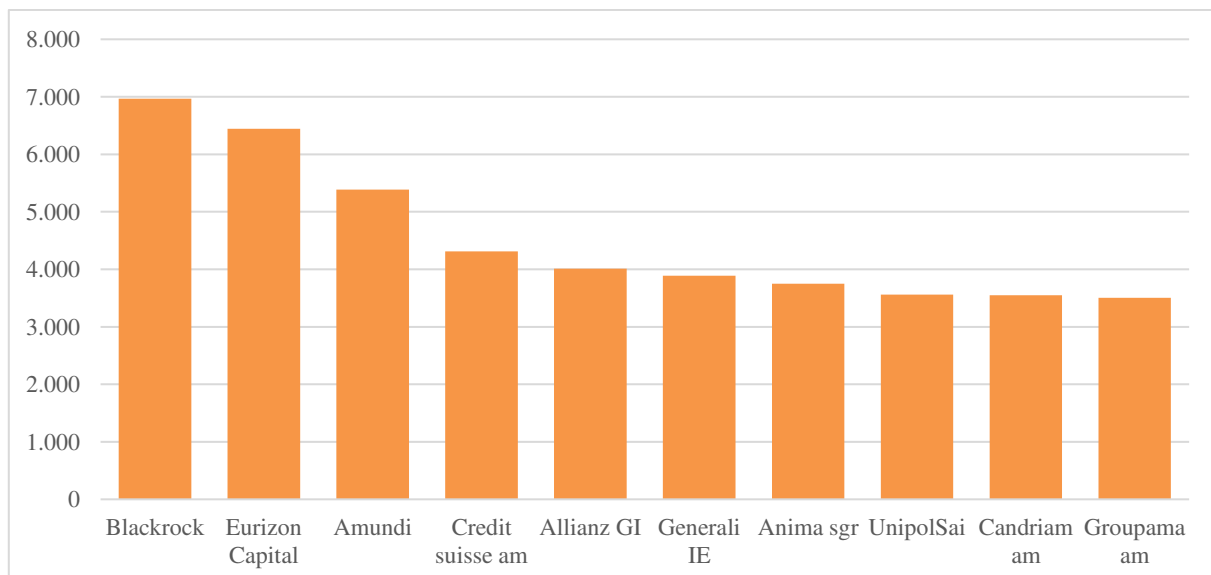


Figure 5.7 – The top 10 management companies of Occupational Pension Funds by assets under management in 2020



Custodian bank – Under Act 252/05, all pension funds must have a **custodian bank**. The first two custodian banks out of four selected by occupational pension funds, Banca, Farmafactoring (former DEPO bank) and BNP Paribas Securities Services, still have a market share of about 75% in terms of net assets allocated to benefits.

Administrative service – Under the law, funds can use an **administrative manager (service)**, a solution adopted by all funds. **Previnet** accounts for 75% of the administrative service market in

terms of membership, followed by Accenture Managed Services with 20%.

Advisors - Not all funds provide references for advisors and the ones provided can be found in their disclosures and financial accounts. For the sake of transparency, members should be informed about the subjects who oversee investment choices and control the risk budget. The advisors with the largest market shares are Prometeia Advisor SIM, Bruni, Marino & Co., European Investment Consulting.

The complete lists of custodian banks, administrative services and financial advisors for each occupational fund are available in the reserved area of the Itinerari Previdenziali website, as well as the rankings of all management companies by AUM and by number of mandates.

6. Pre-Existing Pension Funds (FPP): activities, members, assets and management companies

In 2020, in spite of the above-mentioned pandemic crisis, pre-existing pension funds were characterised by three main steady and almost regular trends: growth in their assets, reduction in their number and substantial stability in their membership.

6.1 General characteristics

Number of active pre-existing funds - Despite the difficulties created by the Covid-19 pandemic, the consolidation of pre-existing funds continued in 2020 with a reduction in their number down by 9 funds (16 in 2019/18, 8 in 2018/17 and 35 in 2017/16) to **226** funds: **154 autonomous funds** with a legal status (- 7 vs. 2019) and **72** created *internally* by banks (54 funds), insurance companies (6) and non-financial companies (12). More precisely, in 2020, 10 pre-existing pension funds were cancelled from the Register, of which 7 autonomous and 3 internal funds; instead, a new complementary pension fund was registered, which features in the financial accounts of a foundation but which was never before reported to COVIP. The reduction in the number of these funds is due to the winding up process of corporate funds initiated in previous years and concluded in 2020, in addition to the rationalization within the banking and insurance sector; the members of the three internal funds cancelled were moved to autonomous funds within the same group. So, in the last ten years, the number of pre-existing funds dropped by 149 compared to 355 in 2010 (-40%), mainly due to mergers and acquisitions in the banking and insurance sector; these were the first sectors to promote social-security initiatives for their employees, by pooling their existing schemes into one or two defined-contribution or defined-benefit funds, the latter providing all the pension benefits calculated with the system in force before the reforms of the 1990s and Legislative Decree no. 252/2005. The concentration of these funds resulted in economies of scale with lower operating costs and a better quality of management and services offered to members, also thanks to the adoption of Labour Ministerial Decree no.108/2020, which transposed the EU Directive 2016/2341 (the so-called IORP II) and introduced higher internal organizational standards. Despite this consolidation process, the number of pre-existing funds is still high; it will suffice to think that 122 of these funds (53.9% of the total) have a total amount of assets lower than 25 million euros, 99 (44%) have less than 100 members and 57 between 100 and 1000. Finally, it is important to stress that most of these small funds were set up internally: 50 up to 100 members and 19 between 100 and 1000, i.e. 69 funds out of a total of 72.

Membership - At the end of 2020, the number of members registered with these funds amounted to **647,574** (of which 4,548 in internal funds), slightly down by 2,480 subjects with respect to 2019 due to 17,600 new registrations (3,000 from transfers from other funds); however, this did not manage to offset the reduction in the 8,100 benefits paid in the form of capital and the 12,000 redemptions and transfers to other funds. The membership rate reached over 98.1% against a pool of about 660,000 members estimated by COVIP, with an increasing number of funds accepting members' dependants, which was the only way to stimulate membership growth. The percentage of *members not paying their contributions* was *much lower* than that of the system as a whole, equal to 18.1% against 27% even if more with respect to 2019 (14.63%). The non-paying subjects are often the so-called *deferred* members, i.e. those included in bank "solidarity funds" with pending pension requirements under the mandatory scheme, those who retain all or part of their position in guaranteed compartments as a form of "capitalization and partly guaranteed return" investment and

“dependent family members”, often minors, with occasional payments. After the different rationalisation efforts, internal funds suffered a further reduction in their membership down to 4,548, about 0.70% of the total, while autonomous funds featured 643,026 members, accounting for slightly more than 99% of the total. Internal funds mainly operate with a defined-benefit system (66 funds out of 72) and their members are almost exclusively pensioners. **Table 6.1** shows the historical evolution, from 1999 to 2020, of pre-existing pension funds and their membership; it highlights the steep reduction by more than 63% in the number of these funds over this period and the limited decrease in the number of their members compared to the peaks reached in 2001 and 2007.

Table 6.1 – Number of funds and members from 1999 to 2020

Year	Number of funds	Members	Year	Number of funds	Members	Year	Number of funds	Members
1999	618	573.256	2007	433	680.746	2015	304	645.612
2000	578	591.555	2008	411	676.994	2016	294	653.971
2001	575	687.482	2009	391	673.039	2017	259	643.341
2002	554	679.603	2010	375	668.625	2018	251	646.873
2003	510	671.474	2011	363	664.731	2019	235	650.566
2004	494	666.841	2012	361	662.162	2020	226	647.574
2005	455	657.117	2013	330	654.537			
2006	448	643.986	2014	323	645.371			

Since the resources of internal funds are part of the assets of their sponsoring companies, they do not have an independent management structure and their net assets allocated to benefits are really negligible (2.2%), this Report only focuses on autonomous funds.

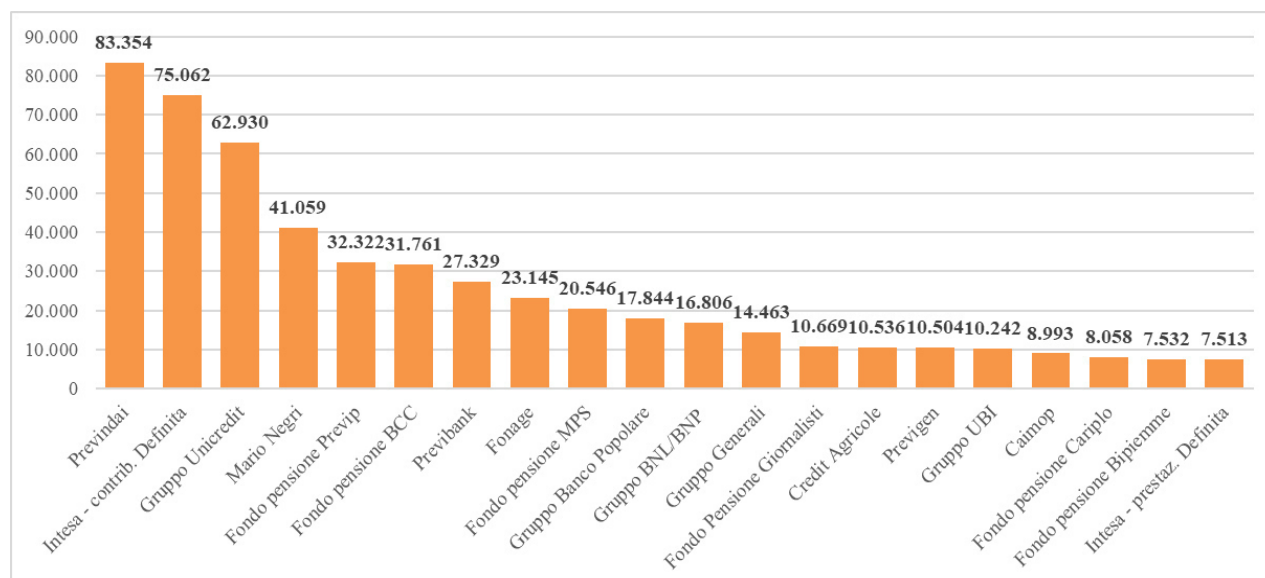
Table 6.2 – The top 20 Pre-existing Funds by membership growth

N	Name of the fund	Members in 2020	Members in 2019	% variation	N	Name of the fund	Members in 2019	Members in 2018	% variation
1	Fondo pensione Previp	32.322	28.945	11,67%	11	Fondo pensione Ubi	4.694	4.564	2,85%
2	Fondo pensioni del Gruppo BNL/BNP	16.806	15.646	7,41%	12	FONDO AGGIUNTIVO PENSIONI PER IL PERSONALE DEL BANCO DI SARDEGNA	3.511	3.435	2,21%
3	Fondo pensione del gruppo Unicredit	62.930	59.187	6,32%	13	Fondo pensione Fipdaf	2.658	2.609	1,88%
4	Fondo Pensione per il Personale della Banca Popolare di Ancona	2.989	2.818	6,07%	14	Fondo pensione Previndai	83.354	82.042	1,60%
5	Fondo pensione Credem	6.295	5.984	5,20%	15	Fondo pensione del Gruppo Unipol	5.949	5.876	1,24%
6	Fondo pensione Prev.int	3.352	3.199	4,78%	16	Fondo pensione Telecom	1.190	1.177	1,10%
7	Fondo pensione Credit Agricole	10.536	10.113	4,18%	17	Fondo pensione del gruppo UBI	10.242	10.144	0,97%
8	Fondo pensione Previbank	27.329	26.307	3,88%	18	Fondo Pensione dipendenti BREBANCA	2.539	2.521	0,71%
9	Fondo pensione del gruppo Generali	14.463	14.009	3,24%	19	Fondo pensione BCC	31.761	31.540	0,70%
10	Fondo pensione Craipi	7.508	7.284	3,08%	20	Fondo pensione Caimop	8.993	8.947	0,51%
					Totale		349.925	336.830	3,89%

Therefore, the analysis is related to 43 autonomous pre-existing pension funds, accounting for **85.29%** of total assets and for **94.93%** of the *membership* of these funds.

The **top 20 funds** by number of members of the sample analysed are shown in **Table 6.2** with their ranking by membership growth, while **Figure 6.1** lists the top 20 funds by number of members, accounting for **80.5%** of all the members in these funds.

Figure 6.1 - The top 20 Pre-existing Funds by number of members in 2020



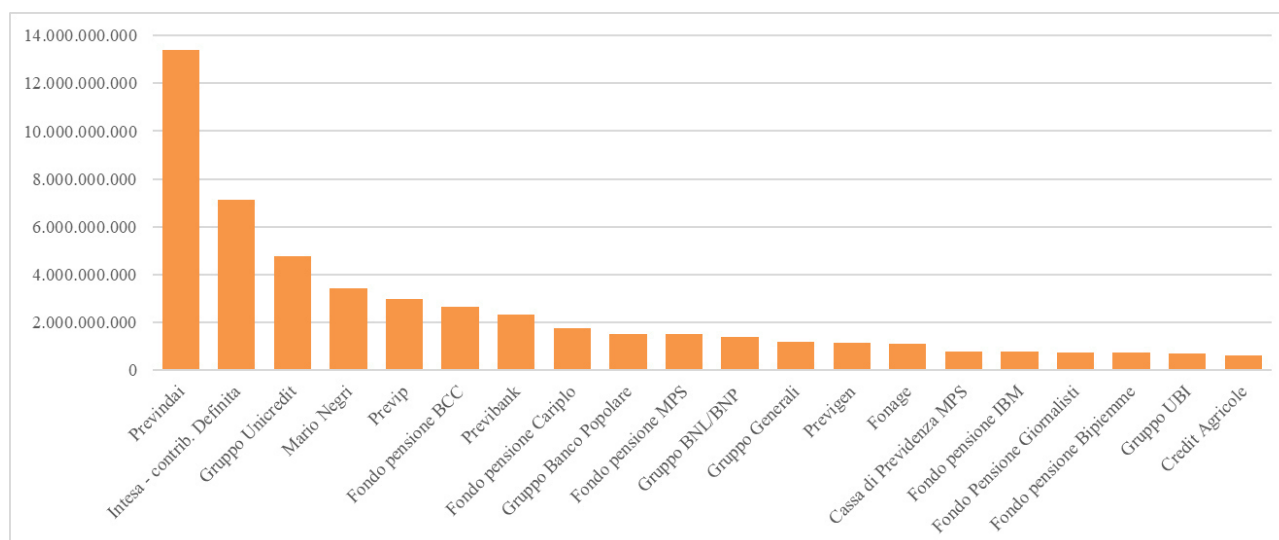
Assets – In 2020, the net assets allocated to benefits of **internal funds** only totalled 1.445 billion euros (down with respect to 1.581 in 2019 and the previous years), following the closure of 8 funds (3 in 2020 partially offset by the registration of a new fund); instead, the resources of **autonomous funds** amounted to 64,666 million euros (up by 3.9% with respect to 62,250 million in 2019), equal to 97.8% of the total for pre-existing funds. **Table 6.3** ranks these funds by their asset growth, while **Figure 6.2** shows the top 20 pre-existing funds by total assets amounting to 50.6 billion euros, equal to **79.65%** of the total amount of assets (66.1 billion) of all these funds (internal plus autonomous). The sample of the 43 funds surveyed in this Report, with 59 billion euros' worth of assets, accounts for **85.7%** of the total.

Table 6.3 - The top 20 Pre-existing Funds by asset growth

N	Name of the fund	Assets in 2020	Assets in 2019	% variation	N	Name of the fund	Assets in 2020	Assets in 2019	% variation
1	Fondo pensione Credit Agricole	616.514.848	462.839.217	33,20%	11	Fondo pensione Craipi	339.868.955	317.884.817	6,92%
2	Fondo pensione Credem	445.548.918	365.823.884	21,79%	12	Fondo pensione Ubi	375.743.028	351.555.715	6,88%
3	Fondo pensione del gruppo Unicredit	4.766.750.989	4.077.342.577	16,91%	13	Fondo pensione Previtbank	2.339.583.327	2.189.128.975	6,87%
4	Fondo pensione BCC	2.638.207.774	2.280.480.706	15,69%	14	Fondo pensione Fondenel	390.998.112	366.246.293	6,76%
5	Fondo pensione Bipiemme	725.948.330	639.054.686	13,60%	15	Fondo pensione Fonseca	253.858.557	238.082.731	6,63%
6	Fondo pensione Previp	2.969.237.022	2.620.060.377	13,33%	16	Fondo pensione Previdai	13.393.833.600	12.571.632.171	6,54%
7	Fondo pensione Prev.int	404.332.067	361.277.344	11,92%	17	Fondo pensione del Gruppo Unipol	423.585.363	397.726.451	6,50%
8	Fondo pensione MPS	1.519.644.127	1.360.475.561	11,70%	18	Fondo pensione del gruppo Generali	1.199.099.415	1.126.542.450	6,44%
9	Fondo Pensione Giornalisti	737.718.224	660.526.800	11,69%	19	Fondo pensioni del Gruppo BNL/BNP	1.394.822.523	1.316.469.281	5,95%
10	Fondo pensione Fopdire	493.436.112	456.524.532	8,09%	20	Fondo pensioni del Gruppo Banco Popolare 1	1.521.522.043	1.447.609.604	5,11%
Note (1) group incorporation						Totale	36.950.253.334	33.607.284.172	9,95%

The growth in the assets of these funds is due to the high contributions paid by their members and by the good financial market performance. The funds with the highest growth are the ones with a higher number of members choosing high-risk compartments. In 2020, the significant share of separated management portfolios did not have particularly high yields, thus partly reducing the asset growth.

Figure 6.2 – The top 20 Pre-existing Funds by assets (millions of euros)



In 2020, the assets allocated to benefits of pre-existing pension funds increased by about 2.598 billion with respect to 2019, reaching **66.1 billion euros (Table 6.3)**; these resources more than tripled compared to 1999 and were still higher than those of occupational funds by about 5.7 billion euros, despite their significant membership reduction compared to the 3.26 million members registered with occupational funds thanks to collective contractual arrangements. This persistent gap (by around 7.4 billion in 2017) can be ascribed both to the longevity of these funds (already operating after the second world war and often derived from the transformation of "substitutive" funds into "complementary" funds) and to the with higher than average wages of their members (mainly working for banks, insurance companies and multinationals). It is interesting to look at the comparative analysis of *average per capita contributions*: **7,540 euros** for members of pre-existing funds and **2,190 euros** for those of occupational pension funds (**3,080** for members of contractual ones).

Table 6.3 – Net assets allocated to benefits of Pre-Existing Funds from 1999 to 2020

Year	Assets Millions of euros	Year	Assets Millions of euros	Year	Assets Millions of euros
1999	19,859	2007	36,054	2015	55,299
2000	21,269	2008	35,906	2016	57,538
2001	29,578	2009	39,813	2017	58,996
2002	29,531	2010	42,007	2018	59,790
2003	30,057	2011	43,818	2019	63,513
2004	30,617	2012	47,972	2020	66,111
2005	33,400	2013	50,398		
2006	34,246	2014	54,033		

Over the period 1999-2020, the total assets of pre-existing pension funds (ANDP) had an average annual growth of **3.94%**, while in the last year they increased by **4.1%**. The increase by 2.6 billion, down from 3.7 billion in 2019, is the result of approximately 3.9 billion euros' worth of contributions against 3.49 billion euros' worth of net transfers. The positive balance is the result of the positive financial performance with an average annual rate of return of 2.6% compared to 5.6% in 2019. This rate of return refers to all the resources including those allocated to benefits such as

the reserves of insurance companies with an average yield (1.4%) lower than that of termination of employment benefits (1.85%).

As to **benefits**, there was a steady reduction in advance benefits down to 26,000 (by 597 million euros), that is – 9,000 with respect to 2019 (770 million euros); in just 3 years, the reduction was as much as 58% with respect to 45,000 in 2017 (761 million euros). This drop was substantially due to the decline in advances for "further requirements" even if they still accounted for 80% of the total. **Redemptions** continued with their downward trend from about 13,860 in 2019 to 10,319. These disbursements consisted of redemptions for "different causes" (60%) designed to allow members to obtain benefits when losing their fund membership requirements, even if with higher taxes. It is important to mention the considerable growth in the use of Advanced Temporary Supplementary Pension" benefits" (the so-called R.I.T.A.) with over 12,500 beneficiaries against 7,000 in 2019 and 2,000 in 2018. In nearly 80% of cases, members managed to get their entire accrued amount equal to more than 784 million euros (approximately 433 million in 2019), thus showing that they prefer to take the whole capital with them thanks to highly favourable tax rates and to avoid annuities.

Yields - Over the last six years, the average compounded annual return on assets was equal to **3.13%**, compared with a 1.52% average annual adjustment for termination of employment benefits (**Table 6.4**).

Table 6.4 - Yields of Pre-existing Pension Funds as %

Year	Yield	TFR adjustment
2013	3.90%	1.70%
2014	5.00%	1.30%
2015	2.00%	1.20%
2016	3.30%	1.50%
2017	3.20%	1.70%
2018	-0.20%	1.90%
2019	5.60%	1.50%
2020	2.60%	1.85%

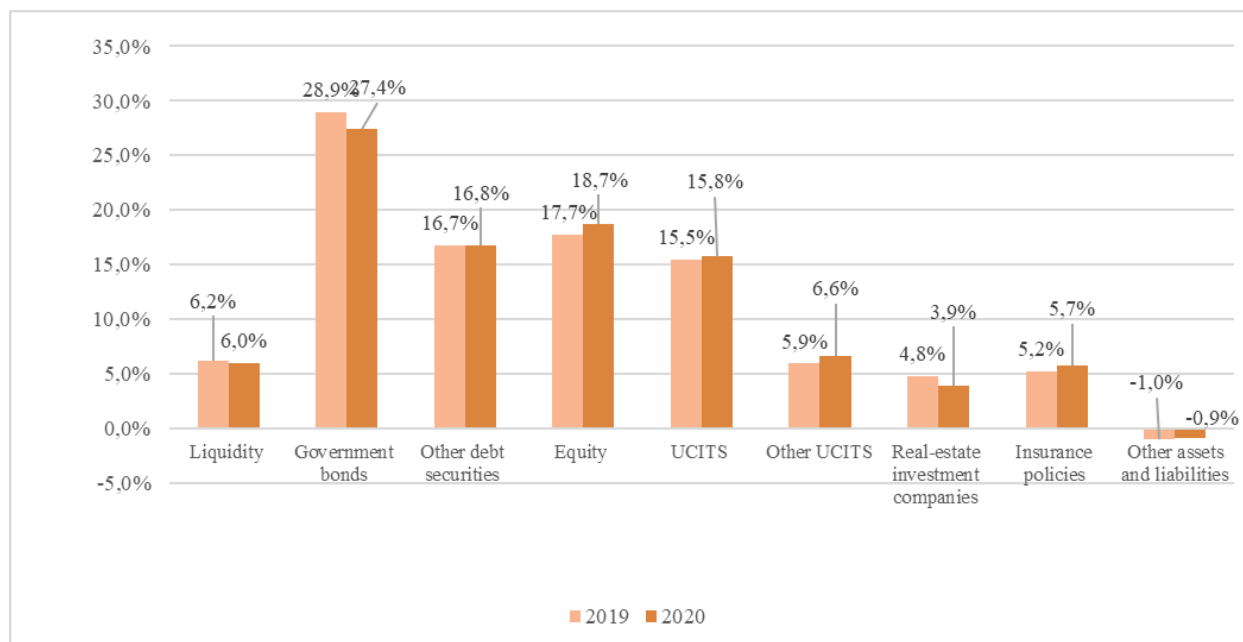
In 2020, the yield was 2.60%, down with respect to 3.1% obtained by occupational pension funds due to high share of investments in "separate insurance portfolios".

6.2 Asset management

Approaches and management companies - The resources of autonomous pre-existing funds are divided as follows: **43.41%** (43.60% in 2019) of **reserves with insurance companies** equal to 28.71 billion euros; **40.69%** (vs. 40.72% in 2019) managed by **professional financial managers**; the remaining **15.90%** (vs. 15.68% in 2019) **managed directly**. Compared to 2019, there was a slight decrease in the reserves with insurance companies and an increase in the directly managed share of resources due to fewer Government bond investments. Excluding the reserves with insurance companies, the **portfolio of investments (Figure 6.3)** is divided as follows: 44,2% allocated to debt securities (of which 27.4% to Government bonds), 18.7% to equity, 22.4% to UCITs (of which 4% to real-estate funds), 3.9% to real estate and equity investments in real estate companies, 5.7% to financial insurance policies and 6% to liquidity. Again 2020 was characterised by a significant growth in equity investments (+1%) and by a reduction in debt securities (in particular treasury bills), down by 1.5%, while corporate bonds remained stable. Real estate investments experienced a

slight drop (- 0.5%), whilst liquidity, insurance policies and UCITS a slight growth.

Figure 6.3 - Investments of Pre-Existing Funds as% in 2019 and 2020



Considering the 43 funds examined in this Report, the average increase in their assets was 2.96%, (58 billion compared to 56 in 2019) or 1.1% less than that of all pre-existing funds. **Figures 6.4 and 6.5** show that the share of *directly managed investments* amounts to **36.41 billion euros**, of which **25.869 billion** in *insurance policies*, mainly *class I* or *class V (separate management lines)*, equal to **62%** of the total allocated to benefits; that the share of mandated investments to professional management companies is equal to **24.095 billion** (38%) and that 2020 was not characterised by any particular changes in the different types of investment.

As to AIFs (**Figure 6.6**), the largest share of investments is still allocated to real estate funds (56.3% in 2020, down with respect to 70.8% in 2019) followed by private debt (17% vs. 7.1% in 2019), and private equity which increased from 9.3% in 2019 to 12.2% in 2020; the other types of investments remained essentially stable but without hedge instruments.

As to resources mandated to management companies (indirect investments), in 2020, there was a sharp decline in the amount of assets allocated to Italian financial instruments (government securities, bonds and equity) from 20.4% to 12.6% and a switch to foreign securities. This negative trend equally affected the different types of Italian securities: -2.5% for treasury bills and bonds and -2.9% for equity, probably due to the lack of confidence in the country due to the sharp fall in GDP caused by COVID-19.

Figure 6.4 – Investments of Pre-existing Pension Funds in 2019 and 2020

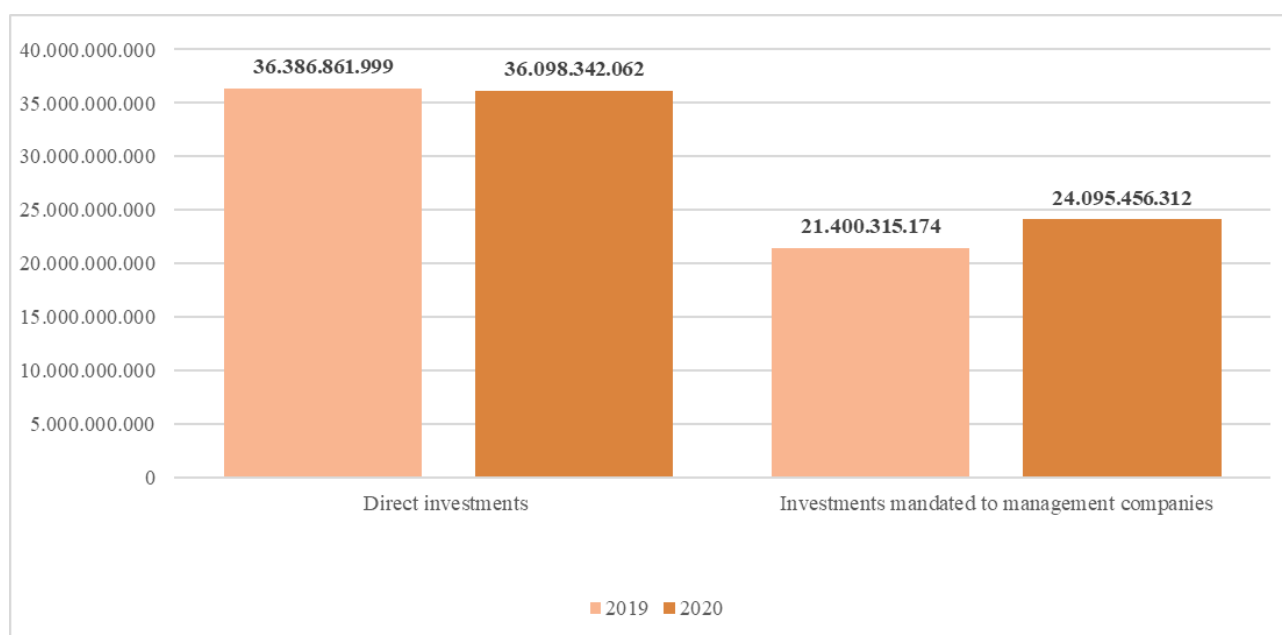


Figure 6.5 – Direct investments of Pre-existing Pension Funds in 2019 and 2020

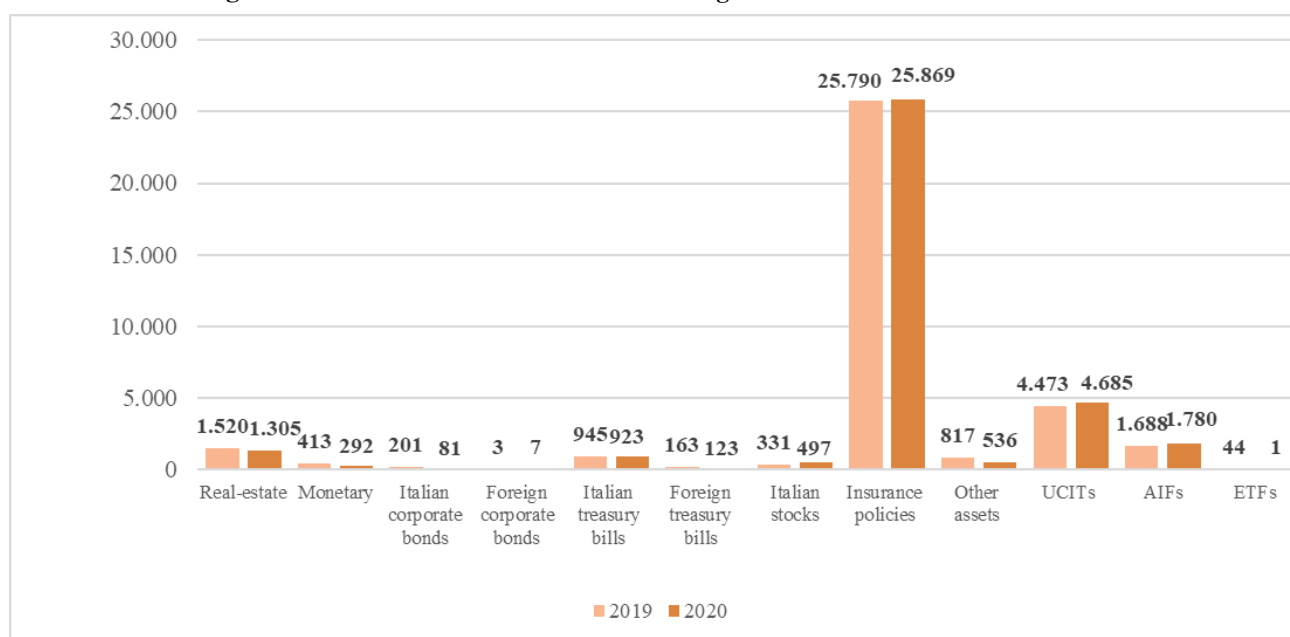


Figure 6.6 – AIFs acquired by Pre-existing Pension Funds in 2019 and 2020

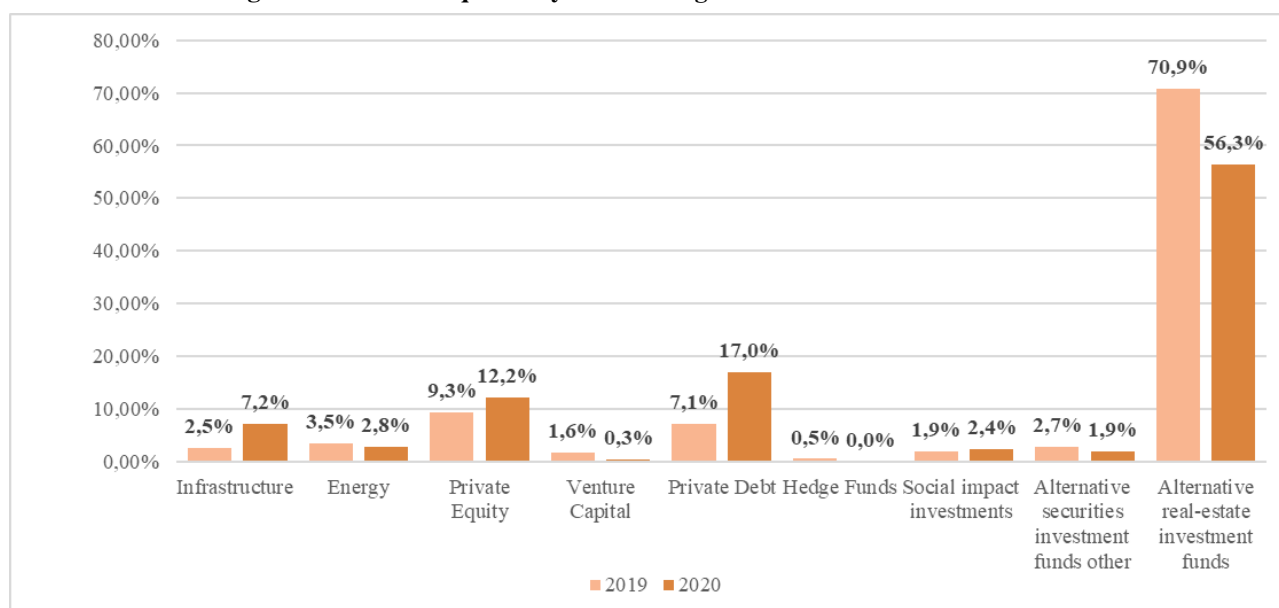
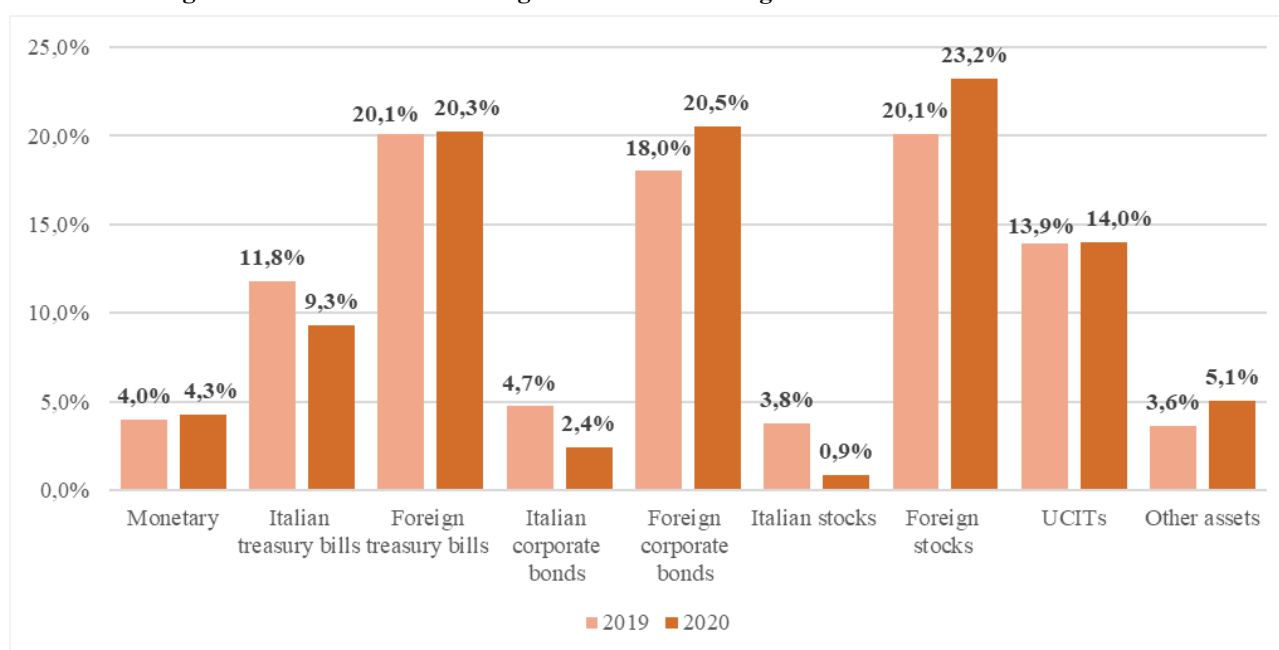


Figure 6.7 – Assets under management of Pre-existing Pension Funds in 2019 and 2020



The **domestic real economy**- In 2020, the investments in the domestic real economy accounted for **3.98%** of assets (vs. 4.08% in 2019), equal to about 2.4 billion euros, similarly to the previous year and to occupational pension funds; on the basis of the definition adopted in this Report, government bonds, that account for a large part of the funds' assets, and directly-held real estate assets are not considered as investments in the real economy. This already modest share of investments experienced a slight drop compared to 2019 with 1.10% of corporate bonds for a value of 663 million euros, 1.918% of equity for a total of 708 million and 1.70% of AIFs for approximately 1 billion in the form of managed and direct investments, 3.29% and 4.44% respectively. These data clearly indicate that the limited investments in the Italian real economy are closely related to the internationally diversified benchmarks assigned to management companies, which feature a marginal share for Italian securities; in addition, for private equity and debt investments, many

institutional investors and their advisors prefer managers who are more capitalized and with longer track records, thus hampering the growth of these markets in the country; the problem is compounded by the difficulties in valuing and selling unlisted instruments. The few tax incentives introduced to encourage long-term investments have not produced appreciable effects and the inclusion of EU companies among the “qualified” roster has not improved the situation. In fact, in looking at the amounts rather than the percentages of assets under management, it is possible to see that 793 million euros are invested in Italy against 10.5 billion abroad but that funds directly invested 578 million in Italy against 3 million abroad.

The percentages triple up to 7.4% if investments in the real domestic economy also include government securities, which account for 12.61% of assets under management and for 4.16% of direct investments; in turn, direct investments feature a significant share of separate insurance management schemes equal to 25.87 billion out of a total of 36.098 billion (72%), the details of which are not known. In absolute values, management companies invested 2.2 billion in Italian government securities and 4.9 billion in foreign securities, while pre-existing pension funds directly invested 923 million euros’ worth of their assets in Italian government securities and 123 million in foreign securities.

Management companies

Direct management – A large share of the *directly managed* assets of pre-existing funds is invested in instruments such as UCITS and AIFs. **Table 6.6** shows the ranking of the top 5 UCITS management companies in which these funds invested *directly*.

Table 6.6 - The top 5 UCITS management companies by direct investments for Pre-existing Funds in 2020

Management company	TOTAL
Fondaco Sgr	979.012.602
Effepilux Sicav	975.909.157
Credit Suisse AM	440.523.496
Amundi	392.084.883
BlackRock	295.077.016

Effepilux, a Luxembourg-based company, manages the resources of the UniCredit Group's Pension Funds through six regulated-market sub-funds and fully owns a SIF-SICAV AIF focusing on alternative investments through three sub-funds. Part of the financial resources managed by the fund through the two SICAVs are mandated to professional management companies that invest in different asset classes (AIFs, UCITS...). In January 2019, the BNL/BNP Paribas Group Pension Fund too set up a Luxembourg-based UCITS SICAV called "Fondaco Previdenza", with a multi-compartment structure and four sub-funds solely dedicated to its investments. In this case, it was not possible to find the data on the professional companies actually managing these resources. Both funds have set up a strategic committee to take decisions on the investments to be made through these SICAVs.

Table 6.7 shows the ranking of the top 5 companies that manage AIFs (alternative investment funds) *directly acquired* by pre-existing pension funds, which remained almost unchanged with respect to 2019 in particular in terms of the amount of assets under management.

Table 6.7 - The top 5 AIF management companies by direct investments for Pre-existing Funds in 2020

Management company	Total
Generali Real Estate Sgr	332.516.313
BNP Paribas Real Estate	234.560.952
Dea Capital Real Estate Sgr	205.426.026
Investire Sgr	146.903.635
Partners Group	118.298.730

Indirect management – As to investments mandated to management companies, these funds have maintained a consistent approach, by resorting to external qualified organizations specialized in increasingly complex and innovative financial management solutions, encouraged by the new IORP II regulations which came into force in 2020. **Table 6.8** and **Figures 6.8** and **6.9** show the ranking of the top 10 management companies by number of mandates and by amount of assets under management. As to the number of mandates, the situation remained fairly stable in the top positions compared to 2019, with Eurizon, Amundi, Azimut and Anima with double-digit results. As to assets under management, the 2020 ranking shows a substantial stability only with slight switches in the positions for Anima, AXA and Pictet; the top positions are held by the management companies Eurizon, Amundi, Monte dei Paschi di Siena, PIMCO, Pictet and Anima with assets under management exceeding 1 billion euros, plus AXA with 1.4 billion and Azimut with 1.3 billion.

Table 6.8 - The top 10 management companies by AUM and number of mandates chosen by Pre-existing Funds in 2020

Management company	Number of mandates	AUM	Average mandate	Market share
Eurizon Capital	31	3.816.590.864	123.115.834	15,33%
Amundi	23	2.944.736.910	128.032.040	11,83%
Monte dei Paschi di Siena	9	2.155.230.181	239.470.020	8,66%
Pimco europe	4	1.428.597.143	357.149.286	5,74%
AXA IM	7	1.375.761.755	196.537.394	5,53%
Anima Sgr	11	1.367.223.675	124.293.061	5,49%
Pictet & cie	6	1.360.172.925	226.695.488	5,46%
Azimut	16	1.283.008.578	80.188.036	5,15%
Aberdeen	4	757.515.983	189.378.996	3,04%
Candriam AM	5	749.416.036	149.883.207	3,01%

Figure 6.8 - The 10 top management companies by number of mandates for Pre-existing Funds in 2020

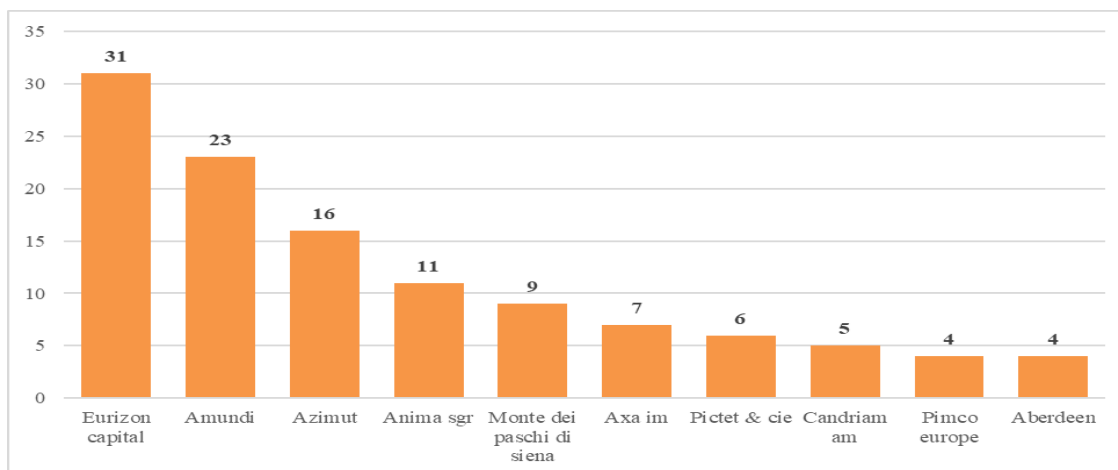
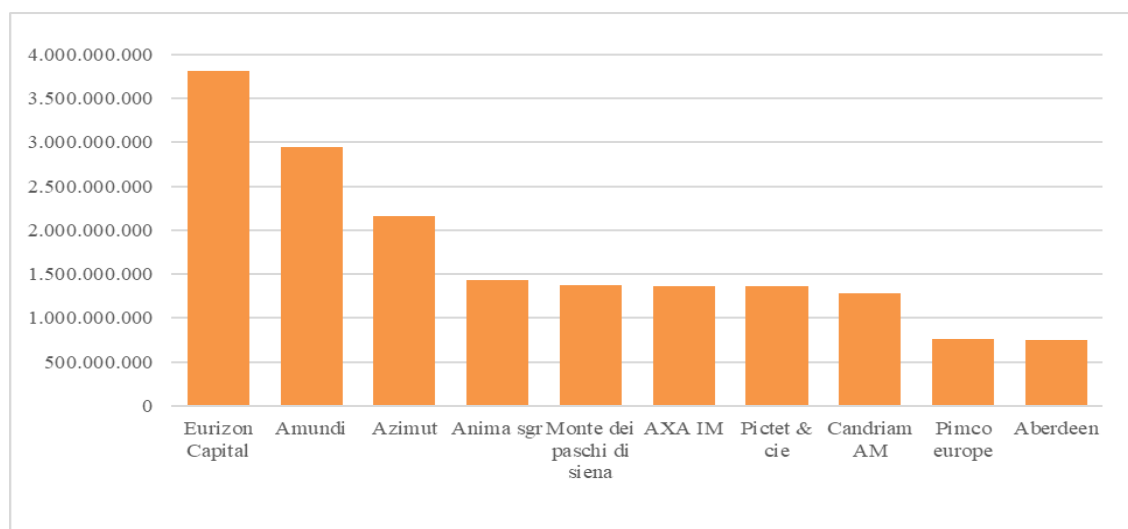


Figure 6.9 - The 10 top management companies by AUM for Pre-existing Funds in 2020



Eurizon leads the ranking by AUM market share with 15.33%, followed by *Amundi* with 11.83% and *Monte Paschi* with 8.66%. The *average mandate* is worth around **141 million euros**, with peaks of 375 million for Deutsche Bank, 357 for Pimco and 243 million for Seb; it should be noted that these companies have very few mandates (1 Deutsche, 2 Seb and 4 Pimco).

As to I and V branch insurance management companies, always massively present in pre-existing funds often since their inception, the market was practically monopolised by the three main companies: Generali, UnipolSai and Allianz; out of a total of 25.8 billion euros' worth of assets managed, as much as 23.3 (90.18%) are in the hands of these three companies, also thanks to the long-term instruments that they use, still envisaging capital guarantees and minimum returns for the reserves set aside up to a few years ago. Insurance management companies are listed in **Table 6.9**

Table 6.9 - Managers of insurance policies in 2020

Management company	AUM	Market share
Generali Italia Spa	10.764.785.621	41,72%
UnipolSai Assicurazioni Spa	6.378.734.317	24,72%
Allianz società per azioni	6.124.856.368	23,74%
Aviva Spa	600.064.373	2,33%
Reale Mutua Assicurazioni	582.465.614	2,26%
Fideuram Vita Spa	521.323.840	2,02%
Creditras Vita Spa	222.771.758	0,86%
Crédit Agricole Assicurazioni Spa	193.828.035	0,75%
Credemassicurazioni Spa	141.426.413	0,55%
BNP Paribas Cardif Vita	118.944.000	0,46%
Zurich Investments Life Spa	80.535.034	0,31%
Cattolica previdenza Spa	53.527.639	0,21%
Helvetia Italia Assicurazioni Spa	11.298.579	0,04%
Axa assicurazioni Spa	7.428.079	0,03%
Total	25.801.989.669	100,00%

In conclusion, the increasingly difficult search for yields, but with conservative risk profiles, resulted into more flexible mandates. However, the members with these funds remained very keen on low-risk investments. In 2020, there were **2 *guaranteed mandates*** (through financial and non-insurance management mandates) equal to 733 million euros, **56 *balanced mandates*** for 10.3

billion euros, **74** specialized and balanced ***bond mandates*** for 9.1 billion, **37 *equity mandates*** for 4.4 billion (growing) and **7 *flexible*** ones (down by 606 million euros). The general reduction in the number of mandates is mainly due to the already-mentioned change in the classification of insurance policies from indirect to direct investments.

Custodian bank - All the funds considered in this Report have a custodian bank under the IORP II legislation. Obviously, they do not include funds with a total insurance management approach, i.e. with securities held by their companies' custodian bank or under receivership or liquidation, hence without any real financial management.

Administrative service – The very few funds analysed in the Report that do not use this service are mainly the ones entirely managed by insurance companies or in a winding-up process or featuring, since their establishment, adequate administrative service providers such as Previndai and Mario Negri. The number of these providers is extremely small with Previnet alone serving 50% of funds, followed by Accenture Managed Service, OneWelf and Parametrica Pension Fund, each with few funds. The remaining providers are often the companies belonging to the Group to which the fund is related.

Advisors – An increasing number of funds is making use of advisors, each specialized in specific types of investments: real estate, ESG products, risk analysis, etc. The demand for greater specialization is clearly promoting the growth of this market.

The complete list of custodian banks, administrative services and financial advisors for each pre-existing fund is available in the reserved area of the Itinerari Previdenziali website, together with the rankings of all management companies by assets under management and by number of mandates.

7. Banking Foundations: activities, investments, assets and management companies

Banking Foundations are among the most important institutional investors in Italy; this is due not only to their capitalization – heavily affected by their support to the banking system at the height of the crisis - but also to their instrumental role in terms of "territorial welfare" policies designed to provide welfare support and development to their communities as well as to the Italian economy. In spite of the unconvincing arguments against these institutions, banking foundations are among the few and the most relevant institutional investors in Italy, which should be also credited for the sustainability of the Italian banking system¹.

The number of banking foundations operating in Italy is **86**; this *eighth edition* of the Report analyses the *top 27 Foundations* by "*total assets*", 18 of which are classified by ACRI as large and 9 as medium-large; they account for over **85%** of the *all the assets* managed by these entities also in terms of *net accounting worth*. Their ranking is illustrated in *Table 7.1*.

According to the accounting data of these organizations and to those provided by ACRI, in **2020** the *net accounting worth* of the **86 Foundations** decreased from **40.8 billion euros** in 2019 to **39.7 billion**. *Total assets* declined between 2010-2020 from 59.5 billion in 2010 to 46.1 today. However, it is important to take into consideration the significant amount of their disbursements, equal to **25 billion euros** between the year 2000 and 2020; this mainly occurred during a long period of crisis in which transferee banks experienced a drastic fall in their value prices, greater volatility and zero dividends, exceeding 70 billion euros if added to their worth; at the same time, these foundations made great efforts to capitalize their transferee banks, thus supporting and strengthening the Italian banking system.

2020 was a dramatic year due to the raging of the COVID-19 pandemic, with its very heavy impact on the financial markets and on the assets of these foundations due to plummeting stock prices and extreme volatility. They were also seriously exposed in terms of disbursements since they were required to support their communities, particularly affected by the pandemic, and their dividends were frozen by the ECB; this resulted in a drastic cut in the receipts of their transferee banks and in the use of their capital reserves to meet the needs of their communities, especially to support health facilities and civil society organizations to ensure their survival, also through innovative tools. At the end of the year, the recovery of the stock market prices made it possible to limit the damage.

Their *average return* on equity was **3.6%** (vs. 6.5% of 2019, a very positive year, but above 2.7% of 2018).

¹ Banking Foundations pursue their institutional mission by directly allocating part of their assets to welfare policies for their communities and also support the real economy by investing part of their assets in financial instruments related to development projects for infrastructures, small and medium enterprises or for other activities considered important for the community. These investments include their participation in **Cassa Depositi e Prestiti** and the creation of **Fondazione con il Sud**. Seven sectors have mainly benefited from their support: Art and Culture, Volunteers' organizations, Philanthropy and Charity, Social Assistance, Research and Development, Educational Poverty Fund, Local Development, Education, Education and Training (accounting for 90% of the allocations).

Table 7.1 - The top 27 Banking Foundations by total assets

Foundation	Total Assets 2020	Total Assets 2019
Fondazione Cariplo	7,892,947,992	7,927,201,220
Compagnia di San Paolo	6,957,115,242	6,992,475,690
Fondazione C.R. Torino	2,769,176,392	2,781,806,018
Fondazione C.R. Padova e Rovigo	2,623,873,631	2,632,982,296
Fondazione Roma	1,913,418,447	1,866,419,995
Fondazione C.R. Firenze	1,879,509,114	1,918,312,602
Fond. C.R. Verona Vicenza Belluno Ancona	1,600,692,986	2,199,521,731
Fondazione C.R. Cuneo	1,555,681,757	1,562,039,146
Fondazione C.R. Lucca	1,315,354,960	1,301,086,238
Fondazione C.R. Bologna	1,184,504,347	1,197,805,443
Fondazione Cariparma	1,133,798,037	1,194,650,155
Fondazione Sardegna	1,081,177,933	1,053,453,185
Fondazione C.R. Modena	963,203,035	961,191,336
Fondazione Pisa	657,586,680	647,457,706
Fondazione C.R. Bolzano	643,003,629	658,826,729
Fondazione C.R. Pistoia e Pescia	549,350,202	559,183,881
Fondazione Monte Paschi di Siena	543,836,006	518,009,944
Fondazione C.R. Forlì	534,379,866	526,266,280
Fondazione C.R. Perugia	500,426,463	578,705,951
Fondazione Banca Monte Lombardia	489,494,016	532,523,862
Fondazione C.R. Trento e Rovereto	458,601,874	459,847,213
Fondazione di Piacenza e Vigevano	420,347,179	415,824,874
Fondazione Venezia	382,333,062	384,449,607
Fondazione Friuli	351,268,478	352,393,856
Fondazione C.R. Ascoli Piceno	312,812,721	310,164,228
Fondazione C.R. Carpi	300,717,239	295,130,983
Fondazione Cassamarca (*)	254,100,740	254,100,740
Total assets	39,268,712,028	40,081,830,909
Total assets of the 86 foundations – Acri	46,149,600,000	46,985,110,739
% sample of 27 Foundation out of 86	85.09%	85.31%
Net worth of the 86 Foundations	39,718,200,000	40,771,587,905

** The data refer to 2019 due to the absence of the official financial statements when this Report was drafted*

Management approaches and management companies

The analysis of the accounts of these foundations shows that a significant portion of their assets is directly invested in their *transferee banks*, i.e. the banks to which they belonged before the Ciampi Law of 2000. The Memorandum signed between the banking foundations and the Ministry of Economy and Finance in April 2015 envisaged that, by the spring of 2018 (or 2020 depending on whether the bank was listed or not), these entities would be entitled to reduce the assets invested in their transferee banks by no more than **33%** of all their resources invested directly or indirectly (all calculated at market value). At the end of 2020, there were only three institutions that exceeded 33% (calculated at fair value) (one of which is included in the exemptions for the foundations based in special-statute regions). In addition to institutional investments, these foundations directly invest part of their assets in the real estate market, works of art, financial instruments (shares, bonds, UCITS) and other forms of investments. The breakdown by investment macroareas is illustrated in **Table 7.1.1** and in **Figure 7.1**, showing that institutional investments accounted for 28.96% (compared to 34% in 2016), while direct and indirect investments for 71.04%%.

Table 7.1.1 Investments by the top 27 Foundations

	Amount	%
Institutional investments	11,371,082,559	28.96%
Direct Investments	27,550,121,080	70.16%
Investments under management	347,508,389	0.88%
Total Investments	39,268,712,028	100%

Figure 7.1 – Asset breakdown of the 27 Foundations examined out of a total of 86 (2020)
39.3 billion euros equal to 85% of the total of 46.1 billion euros

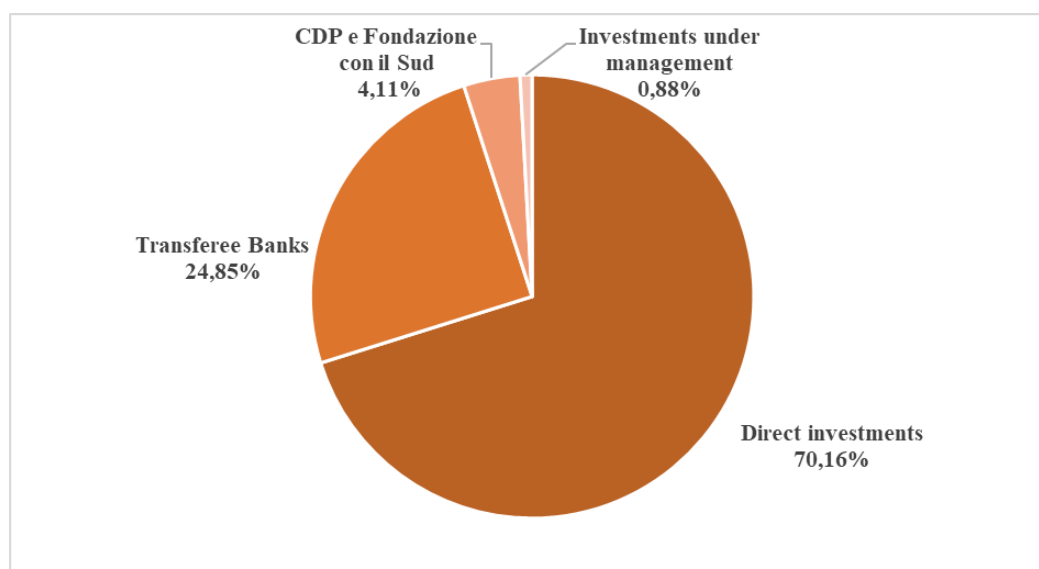


Table 7.2 lists the foundations in terms of percentage of their assets invested in their transferee banks, in Cassa Depositi e Prestiti and in Fondazione con il Sud (so-called institutional investments). The share of transferee banks on total assets decreased in *seven* years from 36% in 2014 to 24.85% in **2020** as a result of disposals and of the adjustment of their carrying value to market values. The investments in Cassa Depositi e Prestiti and in Fondazione con il Sud had a slight change, due to equity exchanges among these foundations. The investments in transferee banks and in Cassa

Depositi e Prestiti are the core strategic investments for these foundations.

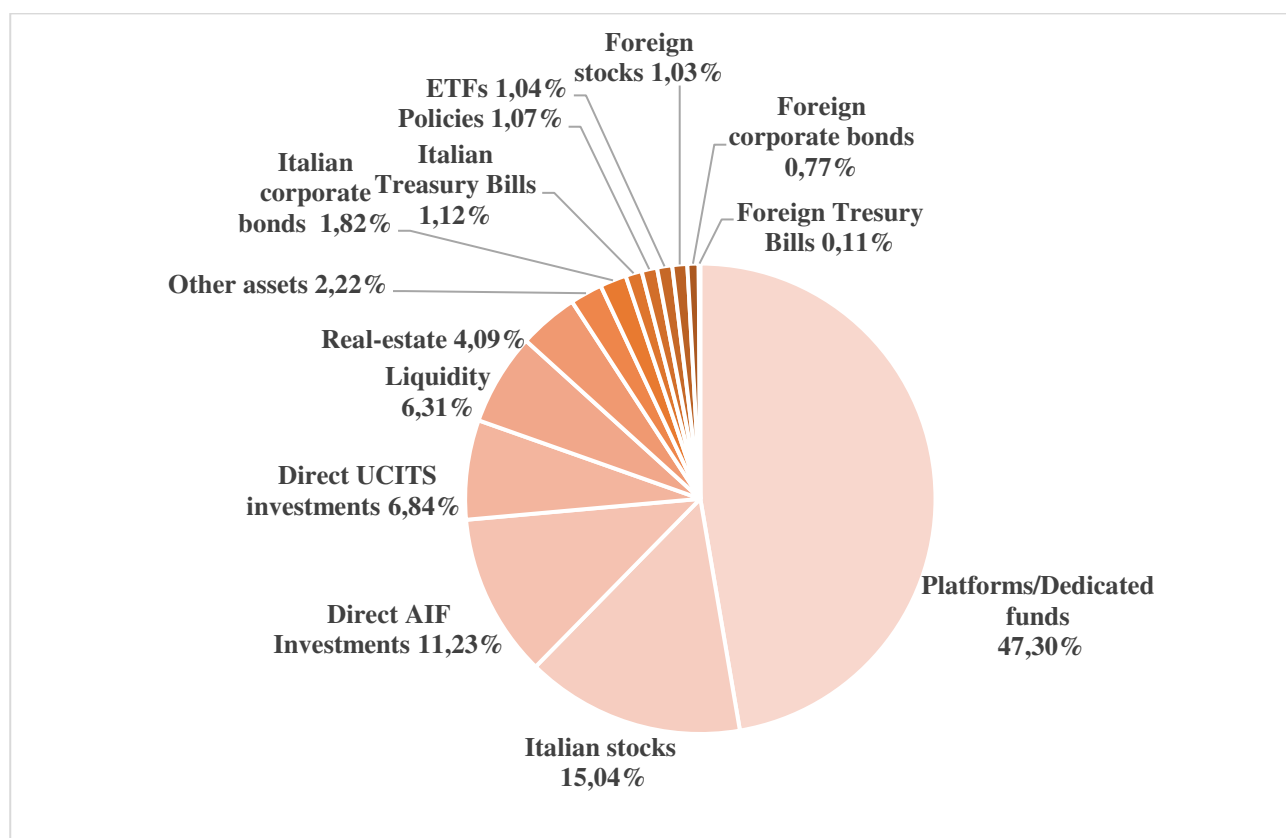
Table 7.2 – Direct and indirect investments

Foundation	Total Assets 2020	Transferee Bank	Transferee bank as % of total assets	Surplus over 33% (theoretical) Acri/MEF memorandum	Institutional investments in CDP	% of total assets	Institutional investments in Fondazione con il Sud	% of total assets	Total institutional investments	Institutional investments as % of total assets
Fondazione Cariplo	7.892.947.992	1.777.973.841	22,53%		169.570.312	2,15%	34.406.811	0,44%	1.981.950.964	25,11%
Compagnia di San Paolo	6.957.115.242	2.700.119.249	38,81%	5,81%	176.797.249	2,54%	29.395.556	0,42%	2.906.312.054	41,77%
Fondazione CR Torino	2.769.176.392	650.606.847	23,49%		156.564.790	5,65%	0	0,00%	807.171.637	29,15%
Fondazione CR Padova e Rovigo	2.623.873.631	672.015.672	25,61%		62.620.539	2,39%	11.355.290	0,43%	745.991.501	28,43%
Fondazione Roma	1.913.418.447	83.916.902	4,39%		0	0,00%	5.523.002	0,29%	89.439.904	4,67%
Fondazione CR Firenze	1.879.509.114	576.400.723	30,67%		62.853.778	3,34%	0	0,00%	639.254.501	34,01%
Fondazione CR Verona Vicenza Belluno Ancona	1.600.692.986	321.974.454	20,11%		0	0,00%	0	0,00%	321.974.454	20,11%
Fondazione CR Cuneo	1.555.681.757	218.857.811	14,07%		78.237.178	5,03%	6.424.571	0,41%	303.519.560	19,51%
Fondazione CR Lucca	1.315.354.960	111.383.487	8,47%		87.449.100	6,65%	4.436.682	0,34%	203.269.269	15,45%
Fondazione CR Bologna	1.184.504.347	324.531.725	27,40%		0	0,00%	6.656.666	0,56%	331.188.391	27,96%
Fondazione Cariparma	1.133.798.037	669.775.033	59,07%	26,07%	72.495.474	6,39%	0	0,00%	742.270.507	65,47%
Fondazione di Sardegna	1.081.177.933	554.056.677	51,25%	18,25%	161.950.335	14,98%	1.840.409	0,17%	717.847.421	66,39%
Fondazione CR Modena	963.203.035	147.633.819	15,33%		40.737.629	4,23%	6.117.757	0,64%	194.489.205	20,19%
Fondazione Pisa	657.586.680	0	0,00%		0	0,00%	0	0,00%	0	0,00%
Fondazione CR Bolzano	643.003.629	378.513.345	58,87%	25,87%	13.017.994	2,02%	2.125.190	0,33%	393.656.529	61,22%
Fondazione CR Pistoia e Pescia	549.350.202	10.437.982	1,90%		39.426.929	7,18%	1.705.158	0,31%	51.570.069	9,39%
Fondazione Monte dei Paschi di Siena	543.836.006	39.524	0,01%		7.102.473	1,31%	34.694.721	6,38%	41.836.718	7,69%
Fondazione CI Forlì	534.379.866	88.538.117	16,57%		56.611.931	10,59%	2.021.650	0,38%	147.171.698	27,54%
Fondazione CR Perugia	500.426.463	30.537.384	6,10%		62.788.855	12,55%	1.018.201	0,20%	94.344.440	18,85%
Fondazione Banca Monte di Lombardia	489.494.016	140.993.424	28,80%		43.649.657	8,92%	0	0,00%	184.643.081	37,72%
Fondazione CR Trento e Rovereto	458.601.874	0	0,00%		40.288.405	8,79%	1.112.336	0,24%	41.400.741	9,03%
Fondazione di Piacenza e Vigevano	420.347.179	72.382.316	17,22%		64.169.589	15,27%	1.688.913	0,40%	138.240.818	32,89%
Fondazione di Venezia	382.333.062	64.424.036	16,85%		43.568.646	11,40%	1.426.659	0,37%	109.419.341	28,62%
Fondazione Friuli	351.268.478	102.299.708	29,12%		12.731.868	3,62%	406.879	0,12%	115.438.455	32,86%
Fondazione CR Ascoli Piceno	312.812.721	0	0,00%		0	0,00%	695.824	0,22%	695.824	0,22%
Fondazione CR Carpi	300.717.239	11.171.107	3,71%		8.721.550	2,90%	0	0,00%	19.892.657	6,62%
Fondazione Cassamarca	254.100.740	48.092.820	18,93%		0	0,00%	0	0,00%	48.092.820	18,93%
Total for the 27 top foundations	39.268.712.028	9.756.676.003	24,85%	2,71%	1.461.354.281	3,72%	153.052.275	0,39%	11.371.082.559	28,96%

With regard to direct investments accounting for **70.16%** of the banking foundations' total assets, it is necessary to emphasize that the management of these key assets changed in the years following the 2008 crisis. In fact, unlike other institutional investors, banking foundations do not have new deposits, members and membership fees; they can only capitalize on their own assets (which have remained unchanged for years), whose preservation and growth depends on the income generated by managing their assets; this is how they fulfil their mission. i.e. promoting the well-being of their communities and their economic and social development. Therefore, their primary objective is to protect the real value of their portfolio by optimizing its profitability and risk profile in order to ensure real returns and lasting inflows to match their expenses so as to fulfil their "mission" especially in a period of low or zero dividends from bank shareholdings and bond interests. The complexity of operating in a long period of low bond investment returns was exacerbated by market uncertainties and volatility, which became more pronounced in 2019 and even worse in 2020 due to the consequences of the pandemic. So, the largest foundations started to reduce their overall risk exposure not only through a geographical diversification but also through the diversification of sectors, markets and instruments; they adopted a more flexible and dynamic approach to the management of their resources in order to rapidly adapt to changes, choosing specialized management companies, monitoring risk management, with an overall vision of their portfolio and specific hedging strategies; moreover, they worked to streamline their administrative procedures, reduce their operating costs and optimize their tax profile. The market provided various solutions to meet the needs of foundations and of other subjects. Over the years, an increasing number of foundations have been using *dedicated platforms* and *compartments* with an acceleration in 2018 and 2019 which is still ongoing. These are SICAV UCITS funds or sub-funds, but more often SIFs, qualified as Alternative Funds under Luxembourg law, independent containers with dedicated investment objectives even for individual foundations, where to allocate part or all of the foundations' financial portfolio not invested in strategic investments (transferee banks, CDP, Italian equities) or investments in specialized closed funds. Of the **27 foundations**, **17 use dedicated vehicles** that now account for **47%** of direct investments, as shown in **Figure 7.2**.

In analysing of their 2020 financial statements, we have tried to better highlight this current situation by separating alternative investments in the strict sense, i.e., specialized private equity, venture capital and private debt funds, infrastructural funds (mainly closed funds), real estate funds, renewable energy funds, hedge funds and social impact investments, from dedicated platforms and compartments that use alternative instruments and strategies on a broader scale and where alternative investments have a limited role. **Figure 7.2** and **Table 7.3** below show the high degree of diversification of direct investments especially those in the *real economy*. The direct investments of banking foundations (excluding those in their transferee banks, CDP and Fondazione con il Sud) amount to **27.5 billion euros**, of which 1.128 billion euros' worth of real estate assets and 26.4 billion of financial investments (not mandated to an asset management company). Of these investments, 18.3 billion euros are allocated to collective management products (UCITS, ETFs and alternative UCITS). *Real-estate* investments as a whole account for 2.9% of total assets.

Figure 7.2 – The diversification of the Foundations' direct investments
(excluding 28.96% of investments in their transferee banks and of other institutional investments)



Government bonds account for 0.87% of total investments, **0.79%** of which are Italian Government bonds and 0.08% foreign Government securities.

According to the survey of the top 27 foundations, there are over **150 investment companies** which provide financial instruments for the banking foundations' direct investments. This analysis has also highlighted not only the considerable amount of alternative investments (compared to other institutional investors), but the significant number of management companies; the real estate funds, that account for **0.99%** of total assets, are managed by **14** companies, some of which also manage other types of alternatives. Different types of policies account for **0.75%** of assets and are managed by 15 companies, while there are 109 companies for alternative UCITs. Alternative instruments decreased from 3.5 billion euros in 2019 to 3.1 billion in 2020 due to the expiry of some investments

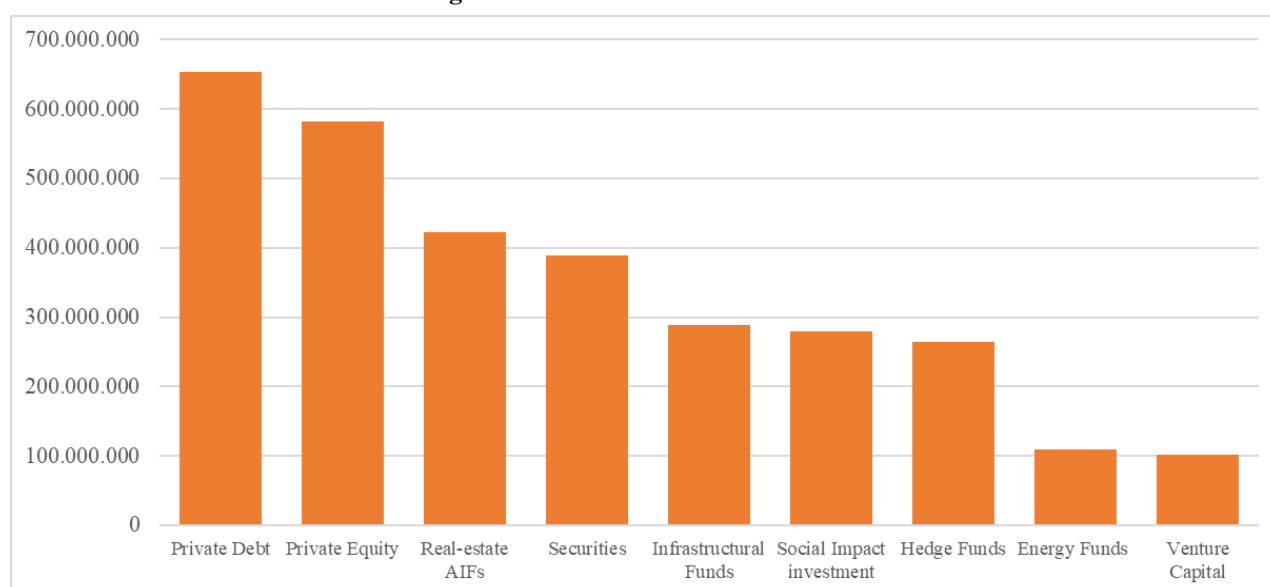
and also to a sluggish market, but also to the growing contribution of AIFs to **SIF** platforms. In fact, this type of investment allows for higher returns with a yield premium for not being liquid and with a diversified risk profile for long-term investments. Social impact investments (residential health, social housing, regeneration programs, etc.) show an upward trend.

Platforms - This is a new and increasingly popular approach to the management of the foundations' resources since they allow for economies of scale and for accounting and operational advantages. **Tables 7.4** and **7.4 bis** illustrate these platforms and their funds, and 7.4 bis lists the foundations that have adopted this method. It is possible to see that *indirect investments* through individual asset management mandates are being reduced to zero for these foundations. In 2007, according to the Acri Report, this individual asset management approach amounted to 14.2 billion euros, or 25% of the foundations' total assets; in 2014, it accounted for 8.75% with 4.2 billion (-10 million).

Table 7.3 - Direct and indirect investments (through management mandates)

Foundation	Real-estate	Liquidity	Bonds	Equity	Policies	Direct UCITS investments	Direct AIF investments	Other assets	ETF	AUM
Fondazione Cariplo	36.228.775	9.316.596	7.199.604	381.216.729	0	4.642.859.579	796.686.234	37.489.511	0	0
Compagnia di San Paolo	35.445.100	152.780.435	0	313.238.267	0	3.343.613.120	70.764.488	86.142.142	0	48.819.636
Fondazione CR Torino	1.339.557	178.304.991	177.504.531	1.286.311.360	0	100.344.206	189.523.943	28.676.167	0	0
Fondazione CR Padova e Rovigo	0	165.587.081	0	83.099.167	0	886.700.000	717.979.379	21.562.201	0	2.954.302
Fondazione Roma	137.243.780	167.267.865	0	2.631.371	0	1.310.933.378	162.904.346	42.997.803	0	0
Fondazione CR Firenze	131.267.212	82.880.727	62.690.748	18.518.695	5.274.350	707.253.633	91.840.026	67.197.728	878.724	72.452.770
Fondazione CR Verona Vicenza Belluno Ancona	173.080.090	323.635.677	3.591.591	33.081.872	0	615.915.466	122.017.329	7.396.507	0	0
Fondazione CR Cuneo	20.716.282	147.500.641	166.889.347	376.759.339	96.143.273	236.259.838	157.648.817	43.330.976	6.913.684	0
Fondazione CR Lucca	82.831.782	22.086.441	58.046.798	254.402.916	2.033.706	254.903.419	331.143.195	11.367.752	35.609.862	59.659.820
Fondazione CR Bologna	22.926.571	9.561.349	0	211.665.735	0	511.000.000	54.442.249	43.720.052	0	0
Fondazione Cariparma	22.660.414	19.571.145	76.497.366	73.574.291	46.081.502	65.000.000	44.070.930	38.067.658	6.004.224	0
Fondazione di Sardegna	18.815.962	17.157.508	20.802.106	17.106.359	0	140.227.215	133.007.467	16.213.895	0	0
Fondazione CR Modena	36.807.609	62.854.516	1.250.000	236.210.668	0	335.000.000	44.011.252	28.194.946	12.499.983	11.884.856
Fondazione Pisa	25.945.784	27.592.271	131.945.973	71.854.298	0	253.267.131	8.480.151	21.501.072	117.000.000	0
Fondazione CR Bolzano	81.403.570	8.915.007	49.500.000	12.197.006	39.389.963	36.585.093	18.614.715	2.741.746	0	0
Fondazione CR Pistoia e Pescia	29.534.365	87.229.201	161.716.595	101.380.198	5.373.569	999.850	23.026.502	12.351.600	76.319.549	-151.296
Fondazione Monte dei Paschi di Siena	27.234.435	55.064.210	1.825.358	82.788.322	0	310.549.315	15.176.254	9.361.394	0	0
Fondazione CR Forlì	15.898.108	1.472.697	5.689.267	73.971.644	5.000.000	236.954.872	35.658.361	8.061.662	4.501.557	0
Fondazione CR Perugia	26.967.062	4.851.613	101.539	18.767.762	249.747	309.921.957	7.069.410	21.175.370	0	16.977.563
Fondazione Banca Monte di Lombardia	25.775.883	17.423.263	10.000.000	179.565.703	0	40.999.559	2.722.520	4.448.550	0	23.915.457
Fondazione CR Trento e Rovereto	15.148.778	33.015.645	24.429.246	91.742.146	25.008.503	163.402.711	25.138.759	13.322.990	25.992.355	0
Fondazione di Piacenza e Vigevano	20.870.734	16.356.918	41.731.661	22.935.823	30.956.290	140.565.929	4.027.939	2.688.937	0	1.972.130
Fondazione di Venezia	21.925.934	2.939.163	0	102.827.835	0	130.000.000	2.507.210	12.713.579	0	0
Fondazione Friuli	781.495	36.982.969	5.159.862	29.340.195	11.805.575	131.208.495	15.105.929	5.445.503	0	0
Fondazione CR Ascoli Piceno	24.365.897	1.557.465	0	172.938.025	0	0	10.401.431	4.046.905	0	98.807.174
Fondazione CR Carpi	19.579.494	81.785.657	39.139.042	98.683.806	19.054.545	3.341.655	7.353.758	1.670.648	0	10.215.977
Fondazione Cassamarca	73.005.892	4.474.594	9.381.400	80.486.366	7.212.279	7.891.858	2.150.000	20.173.617	1.231.914	0
Total	1.127.800.565	1.738.165.645	1.055.092.034	4.427.295.898	293.583.302	14.915.698.279	3.093.472.594	612.060.911	286.951.852	347.508.389
% of total assets	2,87%	4,43%	2,69%	11,27%	0,75%	37,98%	7,88%	1,56%	0,73%	0,88%

Figure 7.3 – Breakdown of AIFs in 2020



Type of Fund	in Euros	in %
Private Debt	653,702,553	21.13%
Private Equity	582,813,563	18.84%
Real-estate AIFs	423,175,266	13.68%
Securities	388,865,527	12.57%
Infrastructural funds	288,153,724	9.32%
Social impact investments	279,923,281	9.05%
Hedge Funds	264,614,189	8.55%
Energy	110,032,801	3.56%
Venture Capital	101,968,827	3.30%
TOTAL	3,093,249,731	100.00%

In the last Acri report in 2019, these managed investments accounted for 2.5%, equal to 1.1 billion euros. In 2020, they only accounted for **0.88%** of *all the assets* of the top 27 foundations.

There is a very blurred boundary between *indirect* investments with a specific *management mandate* and its guidelines, benchmark, target and risk budget, and *direct* investments through dedicated funds/platforms. The first management companies that created dedicated funds/platforms began operating in the early 2000s (the GEO fund which then became Polaris Fund, then Quaestio and Fondaco) with the major foundations; since 2016, there has been a growing number of foundations using these dedicated instruments and of new platform promoters. This new approach is able to meet the needs of these foundations, since their already complex business has been made even more difficult by low bond yields and high equity volatility. These instruments allow for a *unified vision of the portfolio*, with centralized and simplified administrative and tax solutions, greater flexibility (also thanks to foreign legal frameworks with a wide range of instruments), rapid change of strategies, overlay policies, cost reduction, risk control, etc.). They also allow for a very high degree of *customization*, for example the creation of subfunds for *limited investments* (30 million euros for Global Diversified V managed by Quaestio for Fondazione CR Gorizia), the possibility to use the *name of the foundation* (for example, Fondaco Lux Carigo again for Gorizia, Fondo Caript, Caritro for Fondazione CTrento and so on) and the participation of the foundations' advisors to the *advisory committees*; moreover, SIFs enable these foundations to allocate their illiquid investments and their AIFs and to invest in a broader universe of instruments (commodities, hedge, currencies).

7.4 - Investment platforms of Banking Foundations

Platform/Fund	Subfund	Foundation
Quaestio Capital SGR		
Quaestio Alternative Funds SICAv FIS	QAF Fund One	Fond Cariplo
	QAF Fund Four	Fond Piacenza e Vigevano
	QAF Fund Six	Fond Friuli
	QAF Fund Seven	Fond MPS
	QAF Fund Nine	Fond CR Trento&Rovereto
	Diversified Bond yield	Fond CR Forlì
Quaestio Solutions Funds - UCITS	Global DIVERSIFIED I	Fond MPS
	Global DIVERSIFIED III	Fond Piacenza e Vigevano
	Global DIVERSIFIED V	Fond Friuli
	Global DIVERSIFIED VIII	Fond CR Forlì
	Global Enhanced Cash	Fond Friuli
Quaestio Italian Growth Fund		
Quaestio Private markets Funds	Quaestio European Private debt Fund	Fond CR Forlì
Eurizon Capital SGR		
Institutional Solutions FCP-SIF	<i>Diversified Allocation Fund 3</i>	Fond CR Modena
	<i>Diversified Allocation Fund 4</i>	Fond Piacenza e Vigevano
	<i>Montecuccoli Diversified Multiasset Fund</i>	Fond CR Modena
	<i>Diversified Allocation Fund 2- IMOLA</i>	Fond CR Imola
Eurizon Alternative Sicav-SIF	<i>Global Asset Allocation Fund</i>	Fond CR Bologna
	<i>Global Asset Allocation Fund 2</i>	Fond Firenze
Institutional Solutions byEpsilon	<i>Equity Alpha Strategy</i>	Fondazione Pisa
Fondaco SGR		
Fondaco Multiasset Income		Compagnia SanPaolo
Fondaco Multiasset Income		Fond Lucca
Fondaco Euro Cash		Compagnia San Paolo
Fondaco Growth		Compagnia SanPaolo
Fondaco Active Investment Return		Fond CR Forlì
Fondaco Lux Diversified Balanced SIF		Fond CR Torino
Fondazione Caritro SIF		Fond CR Trento&Rovereto
Fondaco Private Market		Fond Lucca
Fondaco Mosaic Diversified		Fond Lucca
Pinturicchio	<i>4 sottofondi</i>	Fondazione Perugia
Fondazione Roma SIF	<i>11 sottofondi</i>	Fondazione Roma
Indaco SCA SIF		
Indaco SCA SIF	Atlantide	Fond di Sardegna
GAM Multilabel Sicav	<i>DogalMultimanager Diversified Fund</i>	Fond di Venezia
Piattaforma Fondazioni SA		
Piattaforma Fondazioni SCA SICAV SIF	Sardegna	Fond di Sardegna
	Spezia (*)	Fond Carispezia
	Livorno(*)	Fond Livorno
	Fondazione Caript Alternative Investments	Fond CR Pistoia e Pescia
Dedicated Funds		
AZ MultiAsset Romeo	AZ MultiAsset Rome0	Fond Cariverona
Amundi Multi Asset Teodorico	Amundi Multi Asset Teodorico	Fond Cariverona
Dea Endowment Fund	Dea Endowment Fund	Fond Cariverona
Fund Rock	Fondo Target	Fondazione Pisa
Fund Rock	Fondo Galileo Multiasset Premia	Fondazione Pisa
Lyxor	Fondo Access Tower PC	Fondazione Pisa
Lyxor	Fondo Asip	Fondazione Pisa
<i>*not included among the 27 Foundations examined</i>		

All this simplifies the management of investments for these foundations; in fact, their boards of directors are able to focus more on their *strategic interests* (transferee banks, CDP, multiutilities, banking and insurance allies), on *MRIs* (Mission Related Investments, i.e. investments designed to support their communities with innovative scientific, social and infrastructural initiatives) and on their *financing policies*.

Table 7.4 bis – Investment platforms of Banking Foundations

Foundation	Total platforms/Dedicated funds	Total assets	Total platforms/Total assets	Management Company	Advisory
Fondazione Roma	1.456.592.642	1.913.418.447	76,13%	Fondaco SGR	Prometeia
Fond Cariplo	5.314.915.000	7.892.947.992	67,34%	Quaestio SGR	
Fondazione Perugia	309.921.957	500.426.463	61,93%	Fondaco SGR	
Fond MPS	310.549.315	543.836.006	57,10%	Quaestio SGR	
Compagnia SanPaolo	3.602.000.000	6.957.115.242	51,77%	Fondaco SGR	
Fond CR Forlì	241.589.346	534.379.866	45,21%	Quaestio SGR, Fondaco SGR	
Fond CR Bologna	521.563.516	1.184.504.347	44,03%	Eurizon SA (Lux)	
Fond Firenze	681.826.755	1.879.509.114	36,28%	Eurizon SA (Lux)	
Fond CR Trento&Rovereto	166.262.575	458.601.874	36,25%	Fondaco SGR, Quaestio SGR	
Fond CR Modena	335.000.000	963.203.035	34,78%	Eurizon SA (Lux)	
Fond Friuli	120.680.114	351.268.478	34,36%	Quaestio SGR	
Fond di Venezia	130.000.000	382.333.062	34,00%	GAM Lux	
Fond Piacenza e Vigevano	140.565.929	420.347.179	33,44%	Quaestio SGR, Eurizon	
Fond di Sardegna	197.981.286	1.081.177.933	18,31%	Valeur Capital Ltd, Alter Domus	
Fond CR Torino	100.000.000	2.769.176.392	3,61%	Fondaco SGR	
Totale Piattaforme	13.629.448.435	27.832.245.430	48,97%		
Fondazione PISA	272.000.000	657.586.680	41,36%	Fund Rock, Lyxor, Eurizon	
Fond Cariverona	628.335.487	1.600.692.986	39,25%	Amundi SGR, Azimut, DeA Alternative	
Tot Fondi dedicati	900.335.487	2.258.279.666	39,87%		
Totale Piattaforme / fondi dedicati	14.529.783.922	30.090.525.096	48,29%		
Fond Gorizia (*)	77.199.950	202.898.325	38,05%	Fondaco SGR, Quaestio SGR	Prometeia
Fond Livorno (*)	55.060.000	227.138.052	24,24%	Piattaforma Fondazioni SCA SIF	
Fond Carispezia (*)	61.989.042	266.120.148	23,29%	Piattaforma Fondazioni SCA SIF	
Fondazione CR Imola (*)	88.119.008	192.925.180	45,68%	Eurizon SGR	
Fond CR Pistoia e Pescia	0	549.350.202	0,00%	Piattaforma Fondazioni SCA SIF	
Total	282.368.000	1.438.431.907			
Grand total	14.812.151.922				

*foundations in addition to the 27 examined;
** since 2021

In this way, they can play their most characteristic, identifiable and recognizable role in their communities, as occurred during the COVID-19 epidemic. Foundations have the task of defining their strategic allocation approach, often with the support of advisors, based on the characteristics of their assets; they can set benchmarks, medium-long term return objectives, risk levels and monitor the implementation of their decisions by platform managers. The GPM instruments are mainly used by small and medium-sized foundations and account for 15% of total assets, even though the ones in the 200-million-euro range are moving to dedicated platform funds.

After this part on platform and dedicated sub-fund investments, we now examine direct UCITS investments (**Table 7.5**), which increased from 3 billion in 2019 to 1.9 billion in 2020. The data show a drastic reduction in balanced funds (from 7.56% in 2019 to 0.36% in 2020) and the replacement of balanced bond assets by stocks (from 25.61% to 38.45% in 2020) but above all they point to the adoption of multi-asset investments (from 27.61% to 40.88%). The whole UCITS compartment is worth **1.88 billion euros** and is run by **60** different management companies with a high degree of differentiation and specialization.

Table 7.5 – Types and amounts of UCITS investments

Direct UCITS investments	2020	%	2019	%
Bond	382,316,236	20.30%	973,458,258	31.41%
Balanced bond	0	0.00%	242,000,000	7.81%
Balanced	6,830,725	0.36%	234,193,594	7.56%
Equity	724,227,334	38.45%	793,519,364	25.61%
Other	770,009,974	40.88%	855,733,330	27.61%
TOTAL	1,883,384,269	100.00%	3,098,904,546	100.00%

Table 7.6 lists the top 5 management companies by Assets Under Management (out of **169** managers of traditional and alternative UCITS) which account on the whole for 71% of the total. The top three are the managers of the main platforms: Quaestio Capital Management, Fondaco and Eurizon followed at a distance by Amundi in the fourth place and by **Valeur Capital** in the fifth.

Table 7.6 – The top 5 management companies by Assets Under Management (UCITS and AIFs)

Management company	TOTAL	% of the total
Fondaco Sgr	5,466,257,643	30.35%
Quaestio Capital Management Sgr	5,370,662,740	29.82%
Eurizon capital Sgr	1,220,826,755	6.78%
Amundi	407,000,000	2.26%
Valeur Capital ltd	355,673,500	1.97%
TOTAL	12,820,420,638	71.19%

Table 7.7 shows the figures under the heading "*financial instruments mandated to individual asset management companies*" as provided for by the industry regulations. The role of asset management continued to shrink from 1.5% in 2019 to 0.88% of all the resources of the 27 foundations examined in 2020; 11 foundations entrusted their assets to **19** management companies (3 foundations opting for a yield enhancement management approach for a single security) with 34 mandates; below is the list of the top five management companies by mandates.

Table 7.7 – List of mandates to specialized investment management companies

Management company	AUM	%	n° of mandates
Fondaco Sgr	63,658,794	18.32%	3
Credit Suisse AM	56,567,777	16.28%	2
Eurizon Capital	55,175,347	15.88%	3
Fideuram AM	33,422,191	9.62%	3
Azimut	25,689,696	7.39%	2

Banking Foundations and the real economy

Banking foundations have always attached great attention to the "**real economy**" given their origin and their parent banks' strong link with their communities. In this Report, "real economy" means investments in Italy or in Italian companies; Government securities, capital and non-capital real estate investments, liquidity and other assets (credits, accruals, etc.) are excluded. Even though the use of

segregated vehicles and platforms makes it increasingly difficult to identify investments in the Italian real economy, we have found some interesting figures.

Overall, the 27 Foundations examined allocated 17.4 billion euros, or 44.4% of their assets, to the Italian real economy out of a total of 39 billion euros' worth of assets (**Table 7.8**). The **340 billion euros**' worth of their investments in Government bonds excluded from our calculation are considered not significant, since they only account for 0.87% of all of their assets. In greater detail, 9.7 billion euros (55.2%) were invested by these foundations in their transferee banks out of approximately 17.4 billion euros.

Table 7.8 – Investments in the Italian real economy

Investment	2020	% of total assets of the 27 Foundations
Transferee bank	9,756,676,003	24.85%
CDP	1,461,354,281	3.72%
F. Sud	353,052,275	0.90%
Italian corporate bonds	502,042,122	1.28%
Italian equity	4,144,553,186	10.55%
Direct UCITS investments		0.00%
Direct AIF investments		0.00%
- <i>Infrastrutture</i>	279,031,723	0.71%
- <i>Renewable Energies</i>	82,187,354	0.21%
- <i>Private equity</i>	85,981,023	0.22%
- <i>Venture Capital</i>	54,584,611	0.14%
- <i>Private Debt</i>	90,822,181	0.23%
- <i>Social Impact Investments</i>	223,601,077	0.57%
- <i>Real-estate AIFs</i>	400,889,660	1.02%
TOTAL	17,434,775,496	44.40%

8. Privatized Schemes for Liberal Professions: activities, members, assets and management companies

On December 31, 2020, the number of Privatized Schemes of Liberal Professions established under Legislative Decrees n. 509/1994 and 103/1996 was equal to **20**. This survey does not include ONAOSI, because it does not manage any social-security savings but only provides benefits to the orphans of health-care professionals¹. The 19 privatized funds analysed in this Report manage **22** different pension schemes, also including the INPGI separate scheme (INPGI 2 for non-employed journalists) and ENPAIA, which separately manages the pensions of agricultural and agro-technical experts.

Number of members and pensioners: At the end of 2020, the total number of members registered with privatized scheme was 1,692,459, equal to about 7.4% of the total workforce in Italy, up by **0.53%** with respect to 2019 (*Table 8.1* and *Figure 8.1*). The pandemic has not apparently undermined the steady growth in the number of professionals enrolled in these schemes.

According to AdePP, the *gender ratio* shows that the number of working *women* grew up to **41%** in 2020, **54%** in the group under 40 years of age, but not homogeneously throughout the Country. In the legal profession, the number of women went up to 48% from 7% in 1981.

The schemes with the highest percentage membership growth are the ones for psychologists, ENPAP (+5.70%), professional nurses (ENPAPI +5.59%), and Agro-Technicians (ENPAIA + 5.37%). The schemes experiencing a membership reduction are the ones for notaries, for commercial agents (ENASARCO -2.27%) and for surveyors (CIPAG -2.90%).

Except for FASC (the scheme for shipping agents and haulers) that only provides capital benefits and not annuities, the number of *pensioners* who received benefits from the 19 Schemes reached **460,805**, with a **4.23%** increase with respect to 2019 and to 3.79% in 2018. So, the *ratio of members vs. pensioners* was equal to **3.67 active workers per each pensioner**, down with respect to 3.80 in 2019. It should be noted that, as in previous years, the total number of members (including active pensioners, that is, those who continue to work even after retiring) is compared to the total number of recipients of social security benefits.

Contributions and Benefits: In 2020, the contribution revenues of privatized schemes for professionals amounted to **11.11 billion euros**, while pension and welfare benefit expenditure to **6.97 billion euros**; *the ratio of new contributions to pension benefits* was equal to 1.59, slightly down with respect to 1.62 in 2019, due to the higher growth of benefits with respect to that of contributions and to the drop in the ratio of members vs. pensioners.

In 2020, the gap between contributions and benefits for the journalists' fund, *INPGI*, got worse to **170 million euros** (with contribution revenues amounting to 375 million euros and pension benefit expenditure to 545 million euros) compared to 133 million in 2019 and the ratio of active workers to pensioners continued to be negative. The deadline by which this scheme was required to find a technical solution to this difficult situation so as to avoid receivership, was again extended to

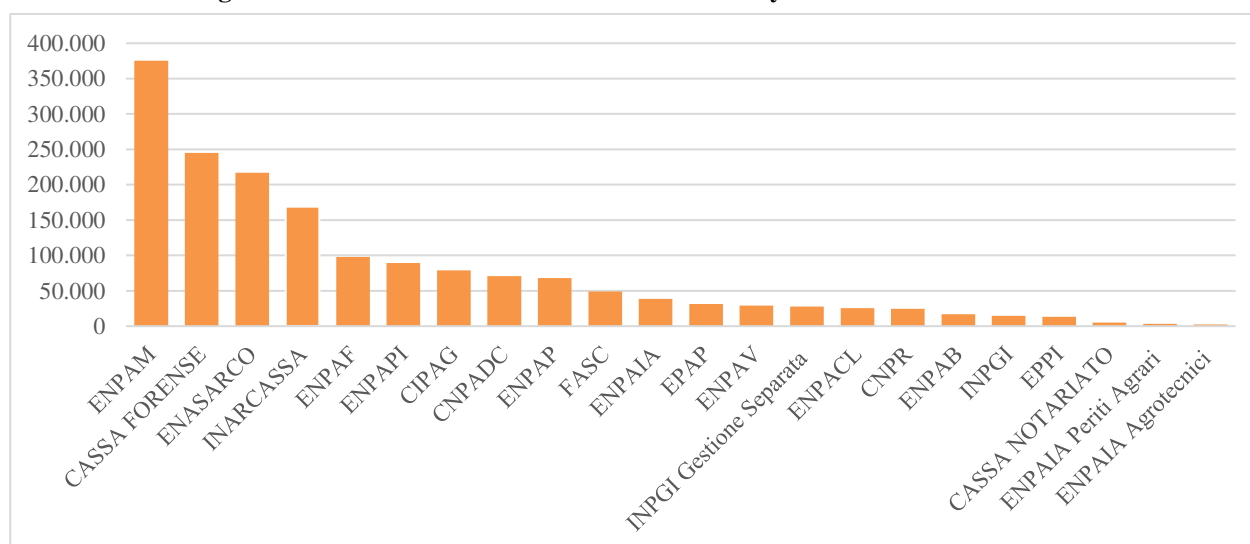
¹ It is the scheme for orphans of health-care professionals registered with ENPAM (doctors), ENPAPI (Nurses) and veterinary doctors; it does not manage social security funds but it provides educational benefits to these subjects until they come of age.

December 31, 2021 by an amendment to Decreto Sostegni Bis (L.D. no. 73/2021, transposed into Act no. 106/2021).

Table 8.1 - The Schemes for Liberal Professions by number of members in 2020

	Scheme	No. of members	% var.		Scheme	No. of members	% var.		Scheme	No. of members	% var.
1	ENPAM	375,380	1.05%	9	ENPAP	68,037	5.70%	17	ENPAB	17,077	3.61%
2	CASSA FORENSE	245,030	0.03%	10	FASC	49,221	-0.20%	18	INPGI	14,719	-0.05%
3	ENASARCO	216,937	-2.27%	11	ENPAIA	38,698	0.98%	19	EPPI	13,431	-0.36%
4	INARCASSA	168,981	0.28%	12	EPAP	31,318	1.32%	20	CASSA NOTARIATO	5,133	-0.29%
5	ENPAF	97,748	0.95%	13	ENPAV	29,117	0.25%	21	ENPAIA Periti	3,281	-0.06%
6	ENPAPI	89,137	5.59%	14	INPGI Gest. Separata	27,573	2.71%	22	ENPAIA Agrotecnici	2,178	5.37%
7	CIPAG	78,967	-2.90%	15	ENPACL	25,240	-0.52%				
8	CNPADC	70,597	1.26%	16	CNPR	24,659	-1.02%		Total	1,692,459	0.53%

Figure 8.1 - The Schemes for Liberal Professions by number of members in 2020



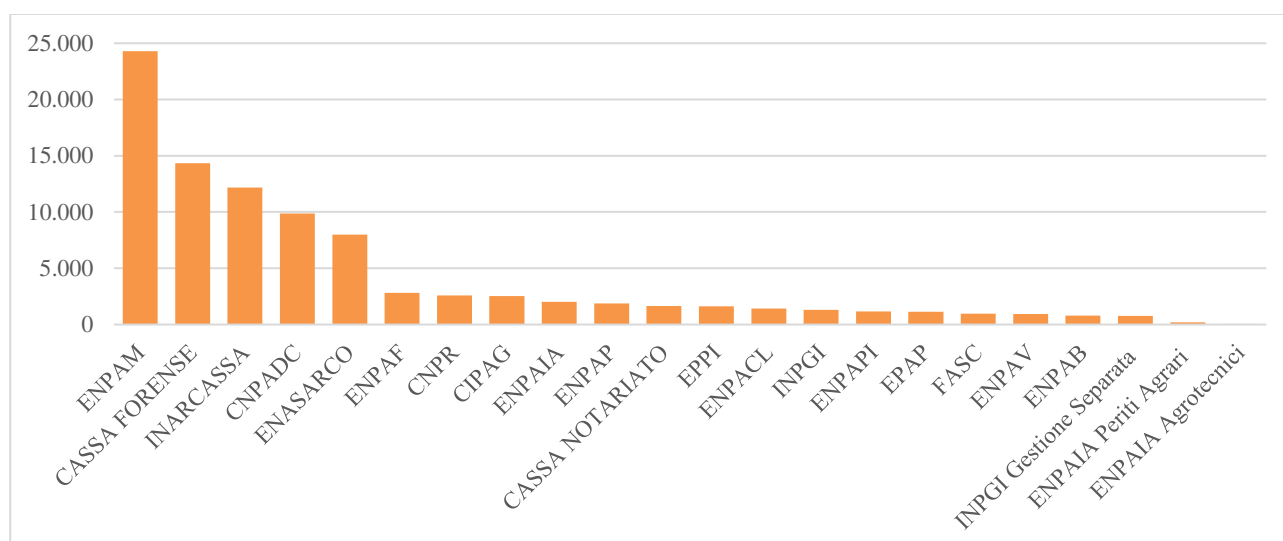
Assets – In 2020, the 19 privatized schemes totalled **92.46 billion euros'** worth of assets. The resources available to these institutional investors therefore continued to grow by **4.41%**, a little bit less than in previous years (+ 6.70% in 2019 vs. 2018 and + 5.3% in 2018 vs. 2017). The fund with the largest amount of assets was ENPAPI (+ 10.72% vs. + 9.69% in 2019), followed by ENPAP (+10.11% vs. +11.48% in 2019) and by ENPAIA – Agro-technicians (+10.03% vs. +10.50% in 2019).

Table 8.2 and **Figure 8.2** show the ranking of these schemes by amount of assets and by percentage growth with respect to the previous year. Instead, INPGI, similarly to 2019, and CIPAG experienced a drop in their assets, -14.35% and -0.06% respectively.

Table 8.2 - The Schemes for Liberal Professions by total assets in 2020 (millions of euros)

	Scheme	Assets	% var		Scheme	Assets	% var.		Scheme	Assets	% var.
1	ENPAM	24,286	5.54%	9	ENPAIA	2,030	1.39%	17	FASC	957	2.00%
2	CASSA FORENSE	14,343	4.35%	10	ENPAP	1,888	10.11%	18	ENPAV	944	8.53%
3	INARCASSA	12,171	5.49%	11	CASSA NOTARIATO	1,636	1.99%	19	ENPAB	789	7.50%
4	CNPADC	9,884	6.15%	12	EPPI	1,622	5.17%	20	INPGI G. Separata	754	4.53%
5	ENASARCO	7,985	1.85%	13	ENPACL	1,416	4.46%	21	ENPAIA Periti Agrari	192	4.77%
6	ENPAF	2,815	4.43%	14	INPGI	1,308	-14.35%	22	ENPAIA Agrotecnici	46	10.03%
7	CNPR	2,585	1.92%	15	ENPAPI	1,151	10.72%				
8	CIPAG	2,523	-0.06%	16	EPAP	1,136	5.71%		Total	92,459	4.41%

Figure 8.2 - The Schemes for Liberal Professions by total assets in 2020 (millions of euros)



The **net worth** of the privatized schemes reached **88.41 billion euros** in 2020, an increase by 4.61%, with respect to 2019, down with respect to +7.18% in 2018. **Table 8.3** shows the schemes with a net worth growth by more than **6%**. In line with previous observations, INPGI experienced a reduction in its net worth by 17.26%, ENPAPI -1.64%.

Table 8.3 – Variation in the assets of Schemes for Liberal Professions in 2020 vs. 2019

Schemes with a net worth growth by over 6%			
Scheme	Assets in 2019	Assets in 2020	% var.
ENPAIA	137,036,186	154,650,863	12.85%
ENPAIA Agrotecnici	4,148,573	4,549,381	9.66%
ENPAV	713,915,871	770,241,580	7.89%
CASSA FORENSE	12,831,994,991	13,832,072,947	7.79%
ENPAB	111,817,385	117,433,368	6.98%

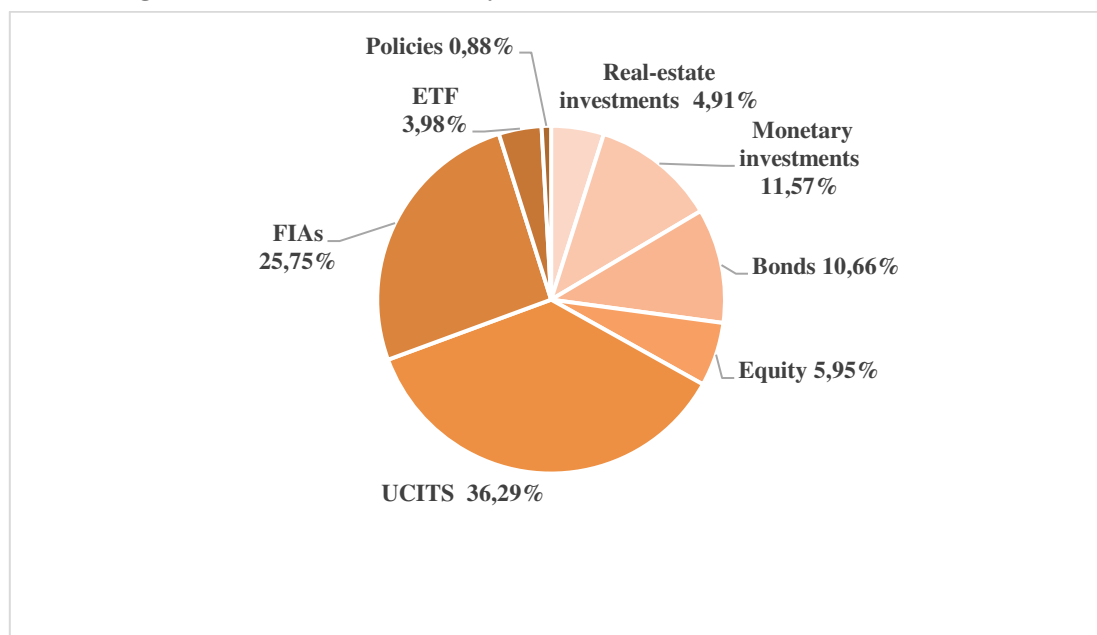
Investments: The data related to the asset investments of the 19 privatized schemes show, in line with previous years, a growing preference for **direct investments**, accounting for **81.49%** out of **92.46**

billion euros' worth of *assets*; **direct investments** are equal to **75,344,610,566 euros** while **indirect investments**, through mandates, amount to **17,114,237,064 euros**. A significant share of direct investments, about **55%**, is allocated to policies and UCITS or to AIF funds that are directly underwritten by these schemes, but that are actually asset management instruments, even if in a collective form.

Direct investments: The **75.34 billion euros**' worth of direct investments illustrated in **Figure 8.4**, are allocated to the following asset classes: **a)** real estate investments (4.27%); **b)** monetary investments (10.07%); **c)** bonds (9.28%); **d)** equity (5.18%); **e)** policies (0.77%); **f)** UCITS (31.57%); **g)** AIFs (22.41%); **h)** ETFs (3.46%); **i)** other assets (12.99%).

The analysis shows that investments in UCITS and AIF funds is the preferred form of investment for these schemes with over 40 billion euros out of the 92 billion euros' worth of assets and of the 75.3 billion euros' worth of direct investments. Compared to 2019 (**Figure 8.4.1**), UCITS investments (+ 2.08% of total direct investments) had an upward trend and the same for ETFs (+ 3.46% vs. 3.12% in 2019) and for monetary investments (up by 10.07% of the total vs. 7.99% in 2019). Instead, AIF investments dropped by about 1% and bond investments by about 20% (about 7 billion euros in 2020 compared to 8.7 billion in 2019), mainly due to the reduction in Italian government bond and Italian corporate bond investments.

Figure 8.4 - Direct investments by the Schemes for Liberal Professions in 2020



Equity and bond investments - Traditional financial instruments (stocks and bonds) still account for **14.46%** of total direct investments, similarly to the previous years, even if slightly diminishing with respect to 17.62% in 2019. **Figure 8.5** shows these investments in detail. **Italian government bonds** remain the leading investment instrument and Italy is still the country of choice for equity and bond investments. Even if Italian corporate bond investments went down, the amount of direct Italian **equity** and **bond** investments was equal to **6.86%** (**5.17 billion euros**) of **total** direct investments.

Figure 8.4.1 – Detailed comparative analysis of direct investments in 2019 and 2020

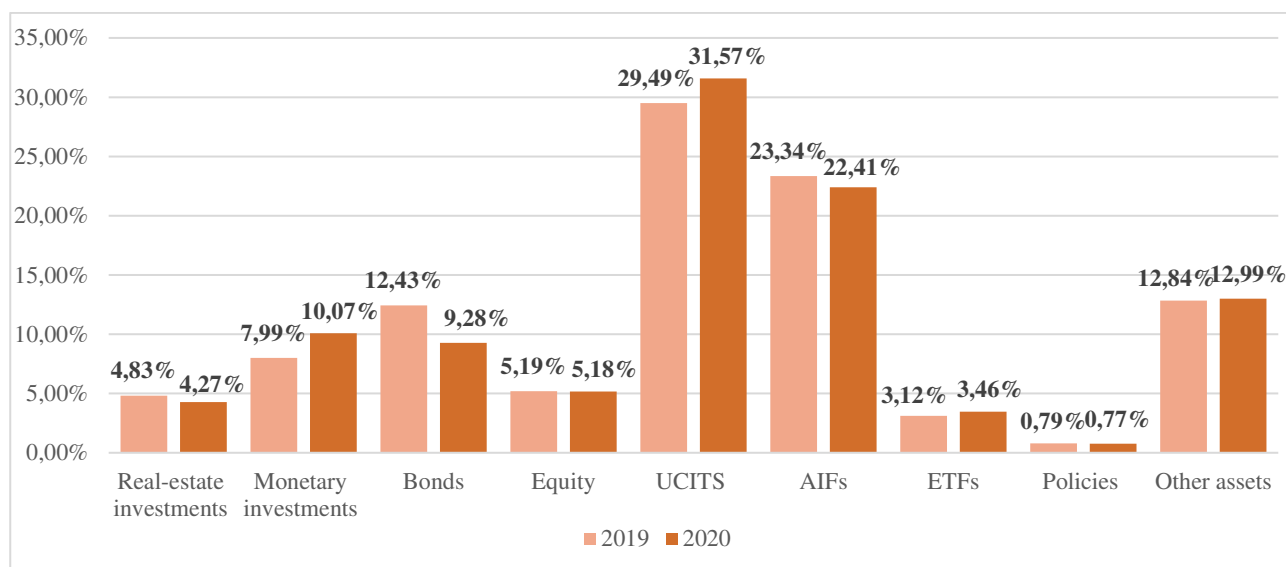
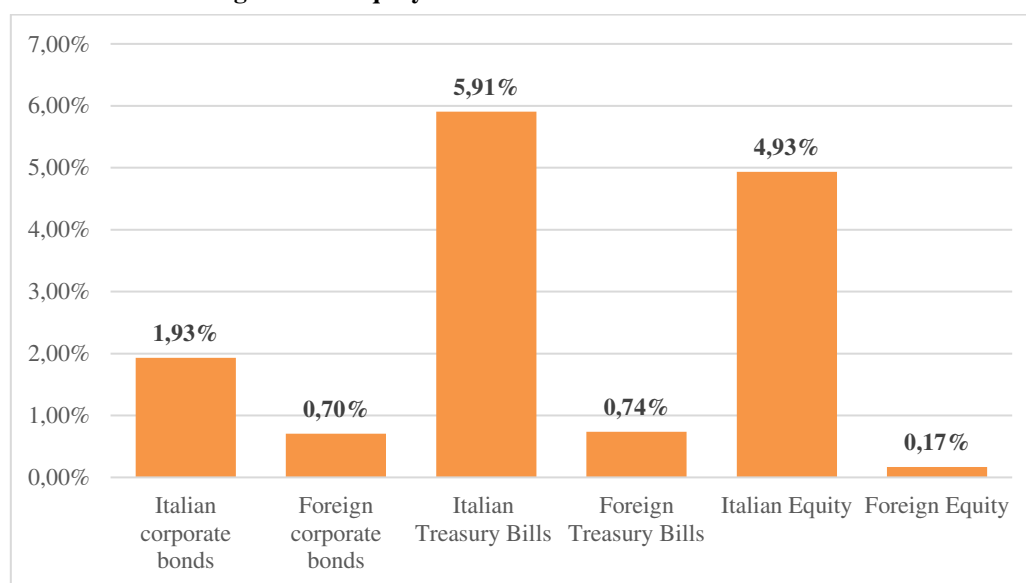


Figure 8.5 - Equity and bond direct investments in 2020



Italian equity investments account for 96.7% of the overall equity portfolio, also including the "shares" invested in the Bank of Italy, while Italian corporate bond investments account for 20.8% of the overall bond portfolio. If Italian government bonds are taken into consideration, the share of bond investments in Italy reach 84.49%. The total Italian equity and bond investments amount to almost 90% of all these asset classes.

Investments in the Bank of Italy and Cassa Depositi e Prestiti - This Report classifies the "shares" of the Bank of Italy held by these schemes as equity investments, even though they are not exactly so. The comparison between the amount of these "shares" and the total number of shares acquired by these schemes shows that the overall amount of *their 1.31 billion euros' worth of interests in the Bank of Italy is equal to 34.1% of their equity portfolios and accounts for 35.3% of their overall Italian equity investments* (also including their shares in the Bank of Italy, as already mentioned). Each scheme holds a different equity profile (*Table 8.4*). The only scheme investing in *Cassa Depositi e Prestiti* is *Cassa Forense* (together with ENPAIA in 2019) for an amount of 140 million euros.

Table 8.4 - Interests in the Bank of Italy and CDP

Scheme	Investments in the Bank of Italy
INARCASSA	€ 225.018.000
CASSA FORENSE	€ 225.000.000
CNPADC	€ 225.000.000
ENPAM	€ 225.000.000
ENPAIA	€ 188.500.000
ENPACL	€ 90.000.000
FASC	€ 50.000.000
CNPR	€ 37.500.000
ENPAPI	€ 20.000.000
ENPAIA PERITI	€ 15.000.000
ENPAP	€ 10.000.000
ENPAIA AGROTECNICI	€ 3.500.000
Totale	€ 1.314.518.000

Scheme	Investments in CDP
CASSA FORENSE	€ 140.000.000
Totale	€ 140.000.000

Direct UCIT investments – In 2020, investments in traditional UCITs (bond, equity or balanced) amounted to **23.788 billion euros** (vs. 20.76 in 2019, so up by 14.58%), even if only 18 billion euros featured in the accounts of these schemes; so, there was no information about 24.4% of the UCITS funds in which these schemes invested their contributions. A huge sum (more than 5 billion euros) which does not the members of these schemes to know their investment policies and the funds in which they invest; of course, supervisory authorities should shed light on this growing number of opaque data that are seriously hampering transparency. The most popular UCITS were in the form of bonds with over 8 billion (45.29%), followed by equity equal to 5.032 billion (27.94%) and by "other types and mixed" forms for over 4.6 billion euros equal to 25.72% (total/absolute return without benchmark) (**Figure 8.6**). **Figure 8.6.1** features a comparison between 2020 and 2019 and shows that balanced bond UCITS investments definitively went down to zero in 2020.

Figure 8.6 - Traditional UCITs by type of underlying investment

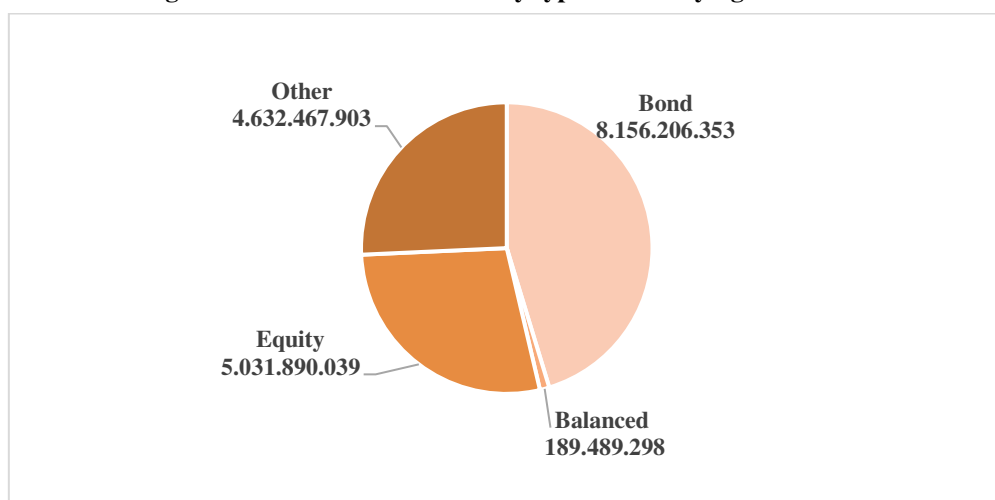


Figure 8.6.1 - Traditional UCITs by type of underlying investment in 2019 vs. 2020

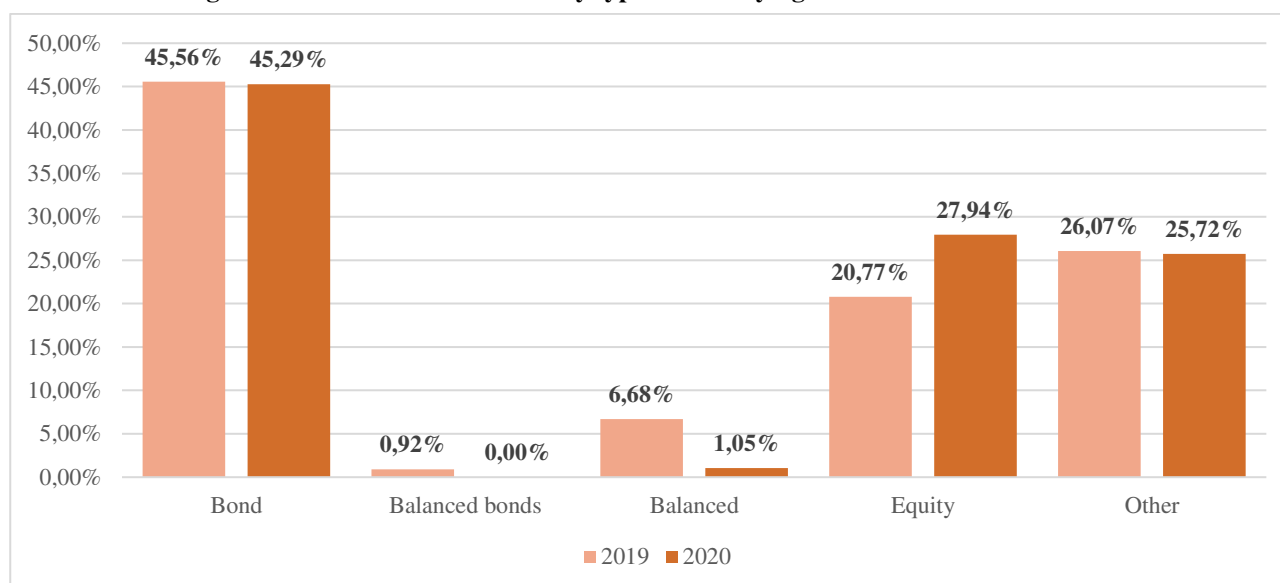


Table 8.5 shows the top 5 management companies of ***traditional UCITS*** by AUM and by type of instrument. The above-mentioned lack of transparency of some financial accounts does not make it possible to assign these investments to any management company, otherwise the ranking may change considerably. The top position was conquered by UBS Global AM over Eurizon (in 2019 UBS Global AM ranked second), followed by Vontobel Europe. Compared to 2019, Queastio Capital, Amundi and BNP Paribas Investment Partners Sgr no longer feature at the top.

Table 8.5 - Ranking of the top 5 management companies of traditional UCITs direct investments in 2020

Management company	Bond	Equity	Other	TOTAL
UBS Global AM	73,704,589	86,906,165	1,058,849,418	1,219,460,172
Eurizon Capital	188,776,312	0	789,626,767	978,403,079
Vontobel	335,754,429	610,120,855	5,640,520	951,515,804
Blackrock	486,181,678	157,718,215	75,919,606	719,819,500
Pictet	508,732,001,35	55,237,242	139,378,201	703,347,444

Direct investments in Alternative Investment Funds - AIFs - The AIF investments by the privatized schemes amount to **16.88 billion euros** (up from 16.42 billion in 2019), more than **1/5** of direct investments, **22.40%** of direct investments (23.34% in 2019) and 18.26% of total assets. **Figure 8.7** shows the alternative real estate and securities investments by type, as a percentage of the total. AIF investments are mainly concentrated on the real estate sector with over 12.7 billion euros (**75.65%**), although the figure has been steadily decreasing since 2017 (78.63% in 2019 and 81.48% in 2018), followed by private equity with almost 1.5 billion (**8.67%**) (similarly to 2019), mainly SMEs and large companies (classic private equity); then on “securities and other” instruments, including all the alternative investments that do not fall into the categories indicated, for an amount of over 850 million (**5.06%**). Finally, investments in infrastructures for around 735 million (**4.36%**) and private debt for over 640 million (**3.80%**). The share of other investments is modest. The scheme with the highest share of AIF investments is still ENPAM, with a total of **4,607,763,683 euros**. Some schemes tend to make ESG investments in this area (e.g., Cassa Forense). **Figure 8.7.1** shows a comparative analysis between 2020 and 2019 which substantially illustrates no major differences between these two years except for the decrease in real-estate AIF investments.

Figure 8.7 - Types of AIFs purchased by the Schemes for Liberal Professions

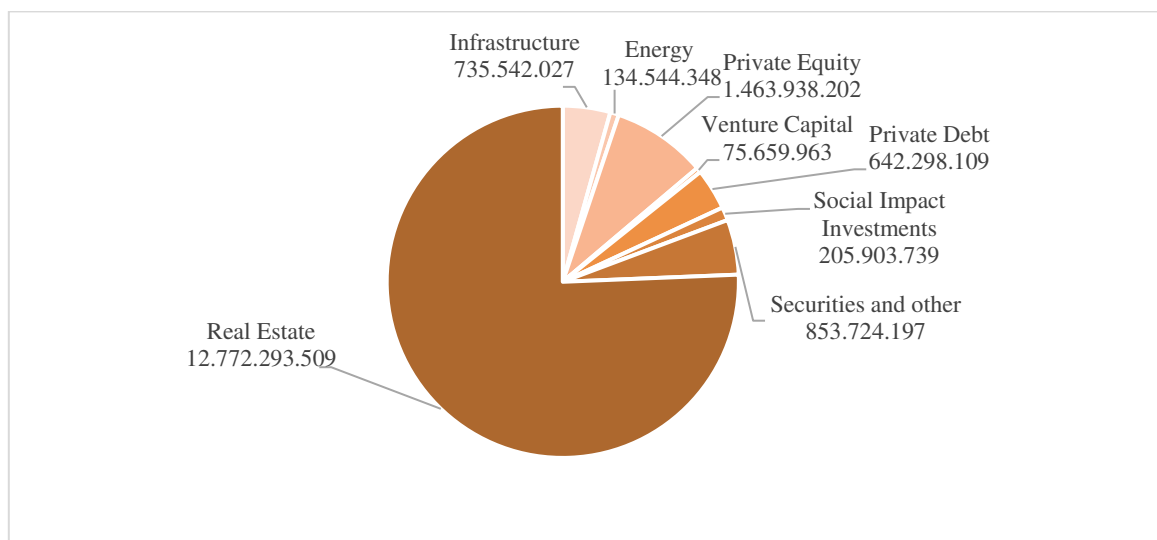


Figure 8.7.1 - Types of AIFs purchased by the Schemes for Liberal Professions in 2019 vs. 2020

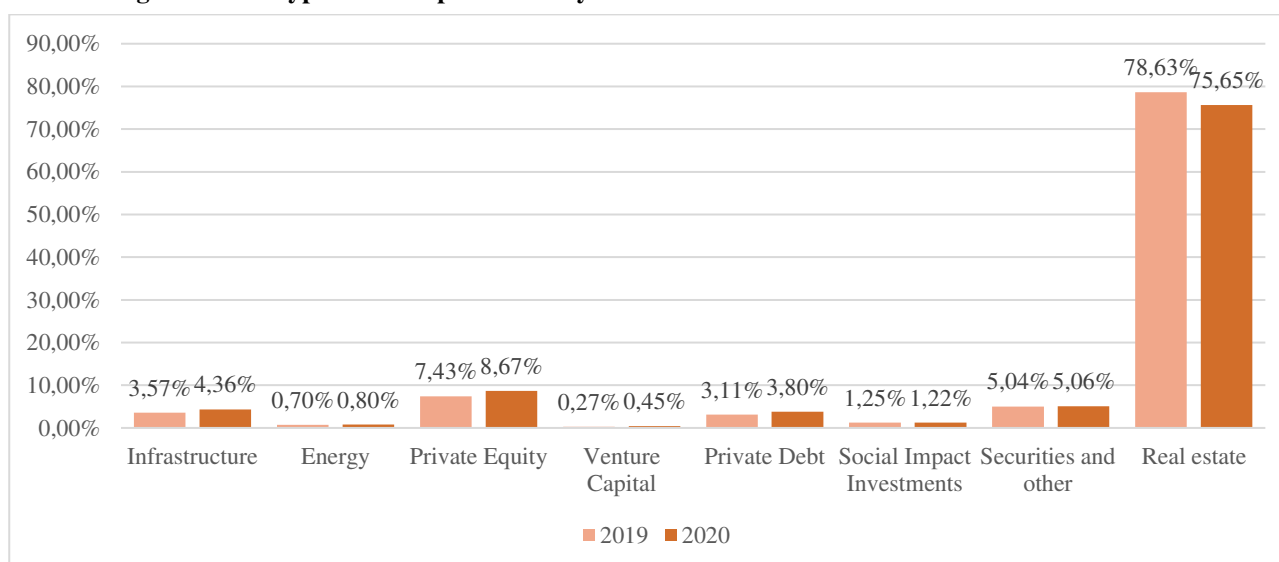


Table 8.6 lists the top 5 alternative investment management companies by assets under management in which the privatized schemes invested. The ranking is unchanged with respect to the previous two years with real estate AIFs remaining in the top 5 positions.

Table 8.6 – The top 5 AIF management companies by AUM

Management company	Infrastructures	Social impact Investments	Securities and other AIFs	Real-estate AIFs	TOTAL
Fabrica Immobiliare Sgr Spa	0	0	0	2,725,604,618	2,725,604,618
Dea Capital Real Estate Sgr	0	0	0	2,589,968,479	2,589,968,479
Antirion Sgr Spa	0	0	0	2,088,580,200	2,088,580,200
Investire Sgr	0	91,489,283	0	1,723,268,090	1,814,757,373
Prelios	0	0	0	1,323,488,511	1,323,488,511

Exchange Traded Funds – ETF: ETF investments account for **3.46%** of total direct investments, up with respect to 2019 (3.12%). **Table 8.7** lists the top 5 ETF management companies; the ranking is similar to the 2019 one with UBS replacing State Street GA in the last position.

Table 8.7 – The top 5 ETF management companies

Management company	Bonds	Equity	Other	Total
Ishares	659,890,905	406,873,954	9,747,870	1,076,512,729
Vanguard	-	471,542,955	-	471,542,955
Lyxor	5,212,108	250,915,662	10,424,081	266,551,851
Invesco	-	-	263,091,952	263,091,952
UBS Global AM	95,042,475	146,667,317	7,315,260	249,025,052

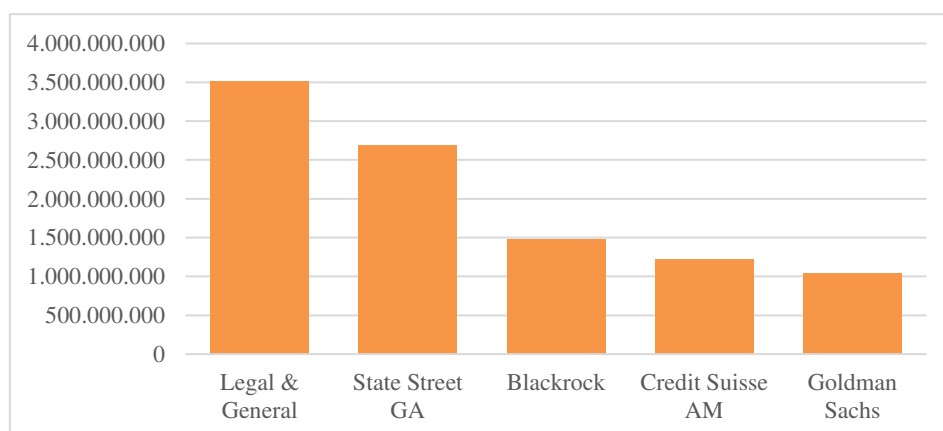
Indirect investments - Management mandates - The assets mandated to management companies amount to **17,114,237,064**, down from 18.14 billion euros in 2019 (the result in 2019 was better than in 2018). **Table 8.8** lists the top management companies in terms of number of mandates, assets mandated by the schemes, the AUM percentage for each company out of total assets under management and the average value of the mandate.

Table 8.8 - The top 5 management companies of the Schemes for Liberal Professions by AUM in 2020

Management company	No. of Mandates	AUM	% Resources	Average Mandate
Legal & General	1	3,514,439,364	20.55%	3,514,439,364
State Street GA	2	2,690,769,584	15.74%	1,345,384,792
Blackrock	1	1,479,418,909	8.65%	1,479,418,909
Credit Suisse AM	2	1,214,904,305	7.11%	607,452,153
Goldman Sachs	1	1,038,607,428	6.07%	1,038,607,428

The **2020 ranking by AUM (figure 8.8)** is similar to that of 2019 and is again led by Legal & General, with some swaps of positions and with Goldman Sachs reaching the fifth place, which was previously occupied by Amundi.

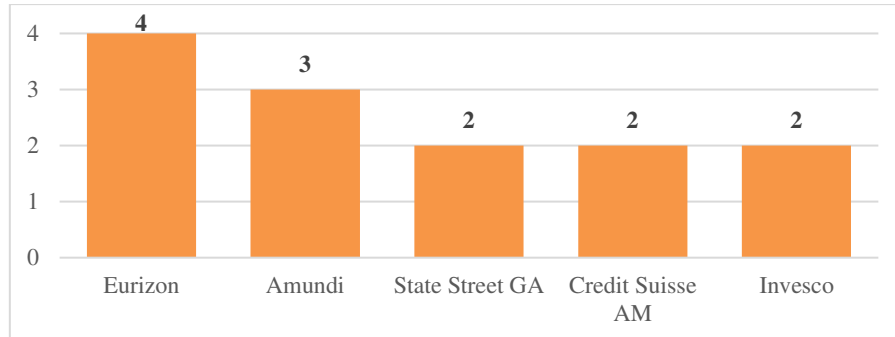
Figure 8.8 - The top 5 management companies of the Schemes for Liberal Professions by AUM in 2020



As to the **number of mandates (Figure 8.9)**, Eurizon Capital leads the ranking with 4 mandates followed by Amundi with 3 (5 in 2019) and then by three companies with 2 mandates. By dividing the total number of mandates by the total amount of assets under management, it is possible to

calculate the average mandate that is equal to **462 million euros** (336 million in 2019). The average mandate growth, despite the diminishing share of total indirect investments, is due to the significant reduction in the number of mandates: from 55 to 37.

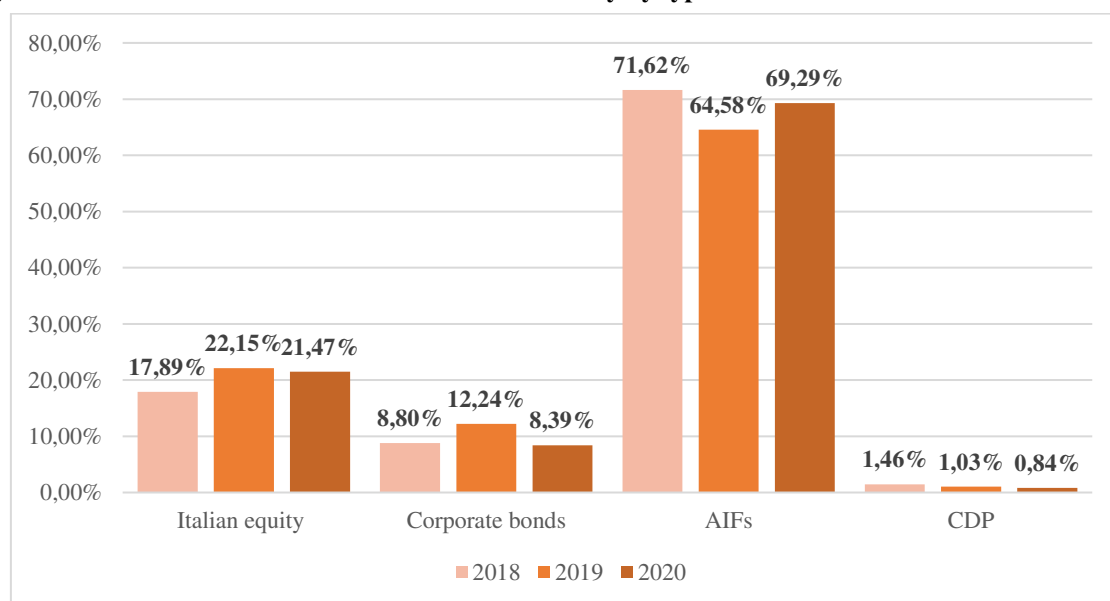
Figure 8.9 - The top 5 management companies of the Schemes for Liberal Professions by number of mandates in 2020



Direct investments in the real domestic economy: The data related to the investments in the "*real domestic economy*" allow us to understand to what extent pension and welfare savings are used to directly support the Italian economy, employment and the income of members of the privatized schemes. Investments in the "real economy" mean: alternative funds with a domestic component, institutional investments in Cassa Depositi e Prestiti, shares of listed and unlisted Italian companies including those in the Bank of Italy, Italian corporate bonds, excluding government bonds. In 2020, the total share of these investments reached **16.63 billion euros**, + **1.6 billion euros** compared to 2019, equal to + 10.57% and **22%** of *all direct investments by these schemes*. The investments allocated to government bonds should be added to the total (since they also finance the national economy with 4.5 billion).

Figure 8.10 illustrates the percentage breakdown of the items out of all the domestic "real economy" investments made by the privatized schemes with a comparison with respect to 2019 and 2018. These investments primarily consist of AIFs (69.29%), followed by Italian equity (21.47%) and Italian corporate bonds (8.39%).

Figure 8.13 - Investments in the "real" domestic economy by type of instrument in 2020 vs. 2019 and 2018



Below is a brief comment on the subjects that contribute to the management of the assets of these schemes that is, custodian banks and advisors (for more details please visit the website reserved area). As far as the **administrative service** is concerned, unlike pension funds, privatized schemes carry out their activities vis-à-vis their members internally, directly through their departments.

Custodian Bank - Fifteen privatized schemes use a Custodian Bank even without any regulatory requirements. The main ones are BNP Securities Services, Societe Generale Securities Service and Caceis².

Advisors – Most privatized schemes have an advisor mainly for investment consulting and asset allocation requirements. The main ones are: Link Consulting Partners, Prometeia Advisor and Real Estate Advisory Group. There is a growing demand for asset liability management (ALM) support. In some cases, privatized schemes use two advisors, one usually and exclusively devoted to risk budgeting.

The complete list of custodian banks and financial advisors for each scheme is available in the reserved area of the Itinerari Previdenziali website, as well as the rankings of all management companies by AUM and by number of mandates.

² Following notification and subsequent verification, the classification of the main Custodian Banks has been amended as of the 15th October 2021.

9. Supplementary Health-Care Funds and Schemes

The SarsCov-2 pandemic has clearly revealed the many shortcomings of the Italian national health service and the need to develop a truly supplementary health-care system, possibly less dependent on the public one. In spite of all this, supplementary health care funds and schemes do not have yet a regulatory and supervisory framework; there is no serious monitoring and control activity as shown by the lack of information for 2020 from the Registry of the Ministry of Health; the latest data date back to 2017 and refer to 2016; therefore, the only official information is reported in **Tables 9.1** and **9.1.1**. In the following years, the growth of collective agreements paved the way to many sectoral health funds and extended the provision of supplementary health-care services to many categories of workers, but also to their families and to pensioners; so, the number of these funds and of their membership was estimated to increase between 2018 and 2020. Unfortunately, politicians and trade union members are still vaguely hostile towards supplementary health care, thus limiting its development. And yet, according to our estimates, these institutional investors feature 13.7 million members, more than the complementary social security sector; but, they do not have yet a reference framework law or a supervisory authority; even today, they are not obliged to publish their accounts and their characteristic statistical data and, except in some excellent cases, there is still no transparency even with regard to their membership. Consequently, this survey has suffered because of the few and poorly transparent data published so far, the non-availability of official financial accounts and the practically non-existent communications from the Ministry of Health.

Number of registered funds - The latest data provided by the Registry of the Ministry of Health¹ show that, in 2017, the number of ***certified funds*** (this is the definition, because the funds were not audited but they were certified as “existing” based on a series of documents) was equal to **311**, - 24 with respect to 2016; of these, **302** are schemes under ex art. 51 of the Income Tax Framework Law (TUIR) and mutual aid societies, and 9 established under art. 9 of Legislative Decree no. 502/1992 (those that many would like to take as a model even if this approach is a failure). Since new funds were established in the 2016/2019 period, the number of operational funds is estimated to be **322** for 2019 and 2020, of which 313 funds under former Article 51 of TUIR (almost all the new ones have a contractual nature) and mutual-aid societies (**Table 9.1**).

Number of members: For the year 2016, the latest available data provided by the Ministry of Health, the number of members registered with these funds (workers and pensioners) amounted to about **8.3 million**, while the number of dependent family members was about **2.3 million**, for a total of over **10.6 million**. For 2017 up to 2020, considering the lack of data and the new initiatives, it is possible to estimate a total number of members equal to **13.7 million**, including dependent family members and pensioners (**Table 9.1.1**) broken down as follows: 9.3 million employed workers, 1.3 million self-employed workers, 2.7 million dependent family members and 950,000 pensioners.

¹ In general, the Ministry of Health processes the aggregated data with a delay of about two years.

Table 9.1 – Health-care funds registered with the Ministry of Health: number of funds, members and total amount of benefits

Year **	Registered funds	Type A	Type B	Total number of members	employed workers	dependent family members	Total amount	Partial amount (20%) *	Partial amount Total amount
2010	255	47	208	3.312.474	1.647.071	1.250.499	1.614.346.536	491.930.591	30,47%
2011	265	43	222	5.146.633	3.209.587	1.475.622	1.740.979.656	536.486.403	30,82%
2012	276	3	273	5.831.943	3.724.694	1.601.080	1.913.519.375	603.220.611	31,52%
2013	290	4	286	6.914.401	4.734.798	1.639.689	2.111.781.242	690.892.884	32,72%
2014	300	7	293	7.493.824	5.141.223	1.787.402	2.159.885.997	682.448.936	31,60%
2015	305	8	297	9.154.492	6.423.462	2.195.137	2.243.458.570	694.099.200	30,94%
2016	322	9	313	10.616.847	6.680.504	2.160.917	2.329.791.397	753.775.116	32,35%
2017	311	9	302	12.900.000	8.772.000	2.322.000	2.400.000.000	780.000.000	32,50%
2018	320	9	311	13.500.000	9.180.000	2.430.000	2.520.000.000	819.000.000	32,50%
2019	322	9	313	13.700.000	9.316.000	2.466.000	2.646.000.000	926.100.000	32,50%

Source: since 2017, the estimates have been made on the basis of the 2016 data the Registry of Healthcare Funds, the last year in which these were made available by the Ministry of Health and considering the significant number of contractual funds

* The amount of benefits beyond the essential levels of care that must be at least equal to 20% of total benefits under the law; **It means the reference fiscal year actually related to the data that are generally made available in the financial statements the following year (so, for example, the 2016 data were made available by the Ministry at the end of 2017). The figures in green are provisional and to be confirmed by the Ministry of Health.

Table 9.1.1 - Registry of the Health Funds of the Ministry of Health: membership details

Year	Membership									
	Employed workers	Non-employed workers	number of family members of employed workers	number of family members of non-employed workers funds	Pensioners	Family members of pensioners	Total number of workers	Total number of workers' family members	Total number of pensioners (1)	Total number of members
	a	b	c	d	e	f	g=a+b	h=c+d	i=e+f	j=g+h+i
2010	1.647.071	414.904	983.593	266.906	-	-	2.061.975	1.250.499	-	3.312.474
2011	3.209.587	461.424	1.264.534	211.088	-	-	3.671.011	1.475.622	-	5.146.633
2012	3.724.694	506.169	1.290.336	310.744	-	-	4.230.863	1.601.080	-	5.831.943
2013	4.734.798	539.914	1.373.444	266.245	-	-	5.274.712	1.639.689	-	6.914.401
2014	5.141.223	565.199	1.563.015	224.387	-	-	5.706.422	1.787.402	-	7.493.824
2015	6.423.462	535.893	1.862.206	332.931	-	-	6.959.355	2.195.137	-	9.154.492
2016	6.680.504	1.074.038	1.908.962	251.955	527.716	173.672	7.754.542	2.160.917	743.120	10.616.847
2017	8.772.000	1.290.000	2.322.000	258.000			10.062.000	2.580.000	903.000	12.900.000
2018	9.180.000	1.350.000	2.430.000	270.000			10.530.000	2.700.000	945.000	13.500.000
2019	9.316.000	1.370.000	2.466.000	274.000			10.686.000	2.740.000	959.000	13.700.000

(1) Source: number of pensioners and their dependent family members; Data from the Registry of Healthcare Funds of the Ministry of Health processed by the Study and Research Center of Itinerari Previdenziali

Table 9.2 shows the list of the main **50** health-care funds and schemes operating as single organizations or as a group, by category of workers or by contractual sectors, and the major mutual-aid societies; according to our estimates, they account for **around 66% of the entire supplementary health system** with its 322 supplementary health-care funds.

Table 9.2 - Main health funds and mutual aid societies in Italy

ANIA - Dipendenti Settore Assicurativo - LTC	FASDA - Dipendenti dei Servizi Ambientali
ASDEP - Dipendenti degli Enti Pubblici (INPS, INAIL, ex INPDAP, ACI)	FASDAC - Dirigenti Aziende Commerciali
ASEM - Dirigenti Energia e Multiservizi	FASDAPI - Dirigenti e Quadri Superiori Della Piccola e Media Industria
ASIM - Esercenti servizi di pulizia, servizi integrati/multiservizi	FASI - Dirigenti di Aziende Produttrici di Beni e Servizi
ASSIDA - Dirigenti Aziende Gruppo Telecom	FASIE - Dipendenti Energia e Petrolio
ASSIDAI - Dirigenti e Quadri Aziende Industriali	FASIF - Dipendenti dei Gruppi FCA e CNH Industrial
ASSILT - Lavoratori Aziende Gruppo Telecom	FISDE - Dipendenti Gruppo ENEL
CADGI - Dipendenti Gruppo IBM	Fondo Altea - Dipendenti Lapidei, Legno, Laterizi e Manufatti, Cemento e Maniglie
CADIPROF - Lavoratori Studi Professionali	Fondo Assistenza Sanitaria Integrativa Dirigenti ExxonMobil
CAMPA - Società Mutuo Soccorso Professionisti, Artisti e Lavoratori Autonomi	Fondo Est - Dipendenti Commercio, Turismo e Servizi
CASAGIT - Giornalisti	Fondo FIA - Impiegati Agricoli
CASDIC - Dipendenti Settore Credito - LTC	Fondo Sanitario Integrativo Dipendenti Intesa Sanpaolo
CASPIE - Dipendenti Enti Bancari e Finanziari, Industria, Commercio e Istituzioni Pubbliche	Insieme Salute - Società Mutuo Soccorso
Caspop e CMA - Casse sanitarie Banco Popolare e Banca Popolare di Milano	Luxottica Cassa Silidarietà
Cassa Galeno - Medici e Odontoiatri	MBA Mutua
Cassa Mutua Nazionale - Personale Banche di Credito Cooperativo	MetaSalute - Dipendenti Settore Metalmeccanico
Cassa Sanitaria BNL - Personale Società Gruppi BNL e BNP Paribas	Poste Vita Fondo
Coopersalute - Dipendenti Imprese Distribuzione Cooperativa	QuAS - Quadri
EBM Salute - Settore metalmeccanico PMI	Sanimoda - Lavoratori industria Moda
EMAPI - Ente Mutua Assistenza Professionisti Italiani	San.Arti. - Lavoratori Artigianato
ENFEA - Tessile, Chimico, Unimatica	Sanimpresa - Lavoratori Dipendenti ed Autonomi e/o i Titolari di Piccole Imprese Regione Lazio
Ente Mutuo Regionale - Imprenditori e Professionisti iscritti Confcommercio della Lombardia	Società Nazionale di Mutuo Soccorso Cesare Pozzo
FAS - Fondo sanitario Banco Popolare	Ubi Fondo Asi di Gruppo
FACI	UNL.C.A. - Cassa assistenza sanitaria personale UniCredit
FASCHIM - Lavoratori Chimica, Lubrificanti e gpl, Minerario e Coibenti	WILA - Dipendenti Artigianato Regione Lombardia

Contributions and benefits - The Registry of the Ministry of Health does not provide information on contribution revenues, but it does provide some data on **benefit** expenditure. In 2016, according to the Registry, benefit expenditure amounted to **2.3 billion euros**, an increase by 3.9% compared to 2015. It is possible to speculate that this level of expenditure reached slightly more than **2.6 billion euros** in 2020, due to the fully operational launch of large health funds such as Fondo Est, MetaSalute, Sanimoda and others as well as of new contractual initiatives or unilateral agreements. Using the

same estimation criteria and on the basis of the partial data available, it is possible to make an assumption about the contributions collected by these funds, that is around **3 billion euros** in 2020.

Table 9.3 shows the data on the *number of members, contribution revenues and benefit expenditure* for the main 50 health-care funds, schemes and mutual-aid societies accounting for about 2/3 of all the funds in terms of *membership* and *benefits*; the data in green and red are estimates, while the other data are derived from the financial statements that these funds publish on their websites or at least from their characteristic statistical data². The analysis of the available financial statements of these 50 entities reveals the following findings:

The benefit/contribution ratio - The average contribution is estimated to be equal to 234 euros in 2020, even though there are some health funds, especially the older ones, with average contributions even close to 1,000 euros. In reality, the annual rate greatly depends on the age of the members and ranges significantly from 100 to over 1,000 euros, on the type of benefit, on the nomenclature, as well as on the type of membership (voluntary or collective). The average benefit for the 50 estimated or analysed funds is equal to 150 euros, with enormous differences among the funds according to the type of benefits and to the nomenclature. Still considering the estimates, the average contribution is higher for self-insured funds (435 euros) with respect to insured ones³ (178 euros) since they have different nomenclatures and are more likely to have contractual collective members. Therefore, the average benefits are equal to 304 euros for self-insured funds and to 100 euros for those insured. The *ratio of contribution revenues vs. benefit expenditures* reaches **70%**, a high figure even if not very significant. In any case, this result shows that these funds are highly attractive, even if this is not yet completely true for all the funds, especially for the recently established ones. This ratio is around 60% for insured funds, since they are younger and manage insurance premiums well. The *balance between contributions and benefits* of these 50 funds is equal to over 700 million (**Table 9.3**). It is important to consider that the pandemic has significantly reduced the use of the benefits provided by health-care funds and schemes that are largely modelled on the basis of the National Health Service; in fact, the state of emergency as of March 2020 effectively blocked most specialised visits, laboratory analyses, treatments for serious illnesses and non-essential procedures. Moreover, in 2020, both self-insured and insured funds adopted several measures to support their members with specific COVID-19 benefits replacing ordinary ones, such as reimbursements for tests or swabs, per diems and allowances.

Assets - Since neither the Registry nor supplementary health funds generally provide information on the amount of their assets and reserves or on the criteria to use them, estimating the net assets of these funds is quite complex. However, considering the average amount of contributions, the number of members and benefit expenditure, the total net worth of these **322 operators** is estimated to reach about **4.75 billion**⁴ in 2020, of which around 3.2 billion assets to be invested in securities and in real estate instruments and 1.3 billion in tangible and intangible fixed assets (computer programs, office buildings, equipment and devices). The *assets* of the **50 funds** considered in **Table 9.3** amount to **2.3 billion euros** and account for **66%** of all the assets of these funds.

² There are very few health-care funds and other supplementary health care organizations that publish their financial statements, and the situation has become even more complicated due the pandemic also for the accounts normally made available.

³ Funds that cover the health risk of their members in whole or in part through insurance contracts.

⁴ Of which 2.3 billion for the 50 funds analysed, 1.15 billion for the other 272 funds and 1.3 billion of fixed assets.

Table 9.3 - Healthcare Funds and Schemes: members, contributions and benefits in 2020

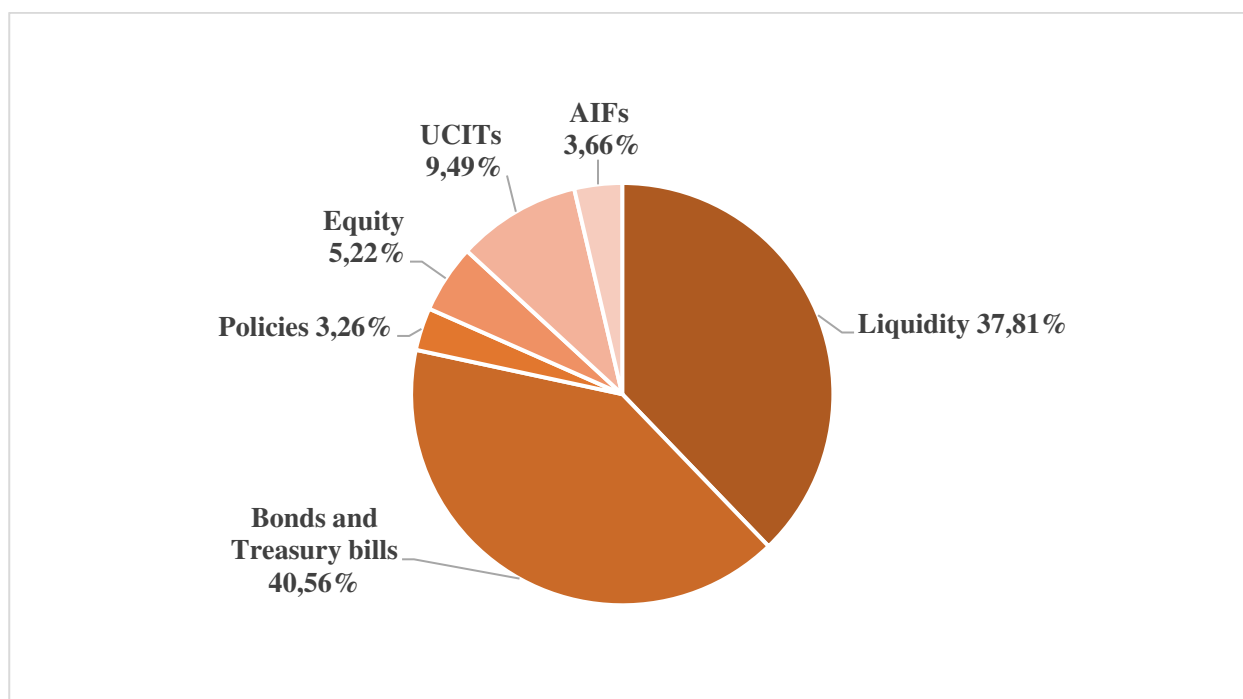
Dati 2020 (stima)					
Name of the fund, scheme and Mutual aid society	Management approach	Type of funds	Number of members	Contributions (millions of euros)	Benefits (millions of euros)
Ania	2	D	62.500	€ 7,910	€ 2,210
A.S.D.E.P sanità Inps, Inail, Aci					
Asem					
ASIM servizi pulizia e integrati (b)	2	B	237.500	€ 47,500	€ 33,250
Assida					
Assidai					
Assilt	1	A	0	€ 54,400	€ 52,340
Cadgi					
Cadiprof	2	B	209.200	€ 38,200	€ 34,450
CAMPA	1	C	51.187	€ 17,583	€ 12,530
Casagit			15.000		
Casdic (a)			200.000	€ 40,000	€ 28,000
Caspie					
CASPOP	1	A	30.531	€ 19,070	€ 18,850
Cassa Galeno					
Cassa Mutua Naz BCC (a)			22.000		
Cassa Sanitaria BNL (a)			8.000		
Coopersalute (b)			109.000	€ 21,800	€ 15,260
EBM salute metalm PMI					
Emapi	2	B	937.663	€ 29,462	€ 29,222
ENFEA tessile chimico unimatica	2	B	0	€ 5,701	€ 4,714
Ente Mutuo Regionale	1	C	19.693	€ 15,950	€ 10,236
FAS Banco BPM			13.276	12,153	€ 11,926
FACI	2	B	522	€ 0,160	€ 0,120
FASCHIM	1	B	220.877	€ 0,000	€ 0,000
Fasda					
FASDAC	1	B	99.943	€ 127,570	€ 90,012
Fasdapi					
FASI	1	B	293.453	€ 390,271	€ 245,472
FASIE	1	B	61.953	€ 21,620	€ 18,650
FASIF dip FCA e CNH industrial			40.000		
FISDE ENEL	1	A	117.954	€ 37,272	€ 28,887
FONDO Altea settore legno e costruzioni (b)			24.000	€ 4,800	€ 3,360
Fondo ASI dirigenti ExxonM					
Fondo Est (b)	2	B	1.874.054	€ 375,000	€ 0,000
Fondo FIA agricoli					
Insieme salute; intero Gruppo (b)	1	C	380.000	€ 76,000	€ 53,200
Intesa Fondo Sanitario	2	A	212.849	€ 157,217	€ 143,678
Luxottica Cassa solidarietà	2	A	4.070	€ 0,330	€ 0,200
MBA Mutua (b)			400.000	€ 80,000	€ 56,000
Metasalute	2	B	1.871.033	€ 201,000	€ 179,690
Poste vita Fondo	2	C	162.448	€ 26,472	€ 26,221
QUAS	1	B	95.711	€ 38,280	€ 26,800
Sanarti	2	B	557.831	€ 72,264	€ 74,829
Sanimoda	2	B	184.907	€ 31,069	€ 28,772
Sanimpresa					
Società Cesare Pozzo SMS			170.000	€ 27,913	€ 17,344
Ubi Fondo ASI di Gruppo	1	A	10.042	€ 7,701	€ 7,221
Unicredit (Unica)	2	A	119.517	€ 73,097	€ 66,677
WILA					
Total			8.816.714	€ 2.057,765	€ 1.320,121
NOTE: the amount of benefits is not available for all the funds, but often it does not correspond to their benefit expenditure; (2) For funds exclusively targeted to LTC, the significant difference between contributions and benefits is linked to the characteristics of the insurance, which presupposes annual provisions for the entire life of the member in view of future benefits					
Type of Funds: A = Corporate; B = Sectoral, contractual; C = Open-ended funds and Mutual-aid societies; D = LTC funds					
Management approach: 1 = Self-management; 2 = Insured: (1) = in the insured funds benefits correspond to (a) estimated membership out of 2/3 of employed workers; (b) data obtained from the websites of Mutual-aid societies; (a) and (b) 200 euros' worth of average contributions per year and 140 euros' worth of average benefits; QUAS = 400 euros' worth of contributions and 280 euros' worth of benefits.					

Asset management: Most of the 322 registered funds do not have any reserves; frequently, they cover health risks totally through insurance contracts, often without providing any additional services, but capitalising on tax incentives. Instead, the established self-insured health-care funds and those

with a large number of members have a fair amount of assets and a minimum of internal financial and investment expertise (Fasi, Fasdac and Casagit and some large contractual funds such as Fondo Est, Sanarti and Faschim); in general, many of these funds prefer **direct management** solutions through UCITs, SICAVs, ETFs and insurance policies; in some cases, they prefer an **indirect management** approach by outsourcing this function to third parties. Wherever possible, assets have been broken down into investment categories.

Figure 9.1 shows the investment mix of health-care funds broken down into: 1) **liquidity** (bank accounts, short-term investments and postal securities) accounting for **37.81%**; 2) **bonds** and **government securities** accounting for **40.5%**; in 2020, these Funds invested a total of over **78%** in liquidity, monetary instruments, and bonds.

Figure 9.1 – Breakdown of assets by type of management in 2020



3) **insurance policies**, generally class I or V, that account for 3.26%. As already mentioned, the funds that are more established and have more assets invest like other institutional investors, by diversifying their assets also to improve the returns that could not be obtained with previous management solutions due to fixed-income zero rates; 4) **Equity** accounting for **5.2%** and **UCITS** for **9.5%**. The share of investments in **alternative funds** is significant and accounts for **3.7%**⁵, according to our analysis.

These investments are in line with the specific activities of health-care funds that have commitments vis-à-vis their members during the year and slightly beyond; so, at least the main reserves must be available and liquidated in a very short time, above all for the many funds with modest assets; instead, medium and large funds feature a more diversified management approach with medium-long term investments of their reserves not only in equity but also in alternative funds, especially residential homes for the elderly (RSA).

⁵ Some financial statements, even of large, new-generation contractual funds, only report the percentages of the various asset classes without indicating the size of the amount of the investment. In other cases, investments are described as bond or alternative investments, but the classification of investments varies greatly from fund to fund and is not homogeneous. As far as alternative investments are concerned, all direct investments, there are no specifications as to whether they are allocated to securities or real estate instruments.

However, in spite of the great development of health-care funds in terms of membership, the analysis of the 2020 financial accounts points to their modest capitalization that should instead be equal to at least 1 or 2 years of benefits in order to be able to face unforeseen health situations such as the recent Covid-19 pandemic. Furthermore, taking into account the ageing of the population, it is crucial to analyse the effect of this phenomenon on the health funds, especially if they accept new pensioners, in particular the effect of different levels of long-term care they may need.

Methodological note

Sample - The Report analyses all occupational pension funds (33 in 2020) and all privatized schemes for professionals (excluding ONAOSI), the main pre-existing pension funds (43 funds out accounting for 94.93% of the total number of members and 85.29% of total assets) and the major banking foundations (the first 27 out of 86, accounting for 85% of total assets).

Data - The main data fed into the database of institutional investors used to draft this Report come from the financial accounts and from the disclosures published on the websites, if available. The detailed data that cannot be obtained from official documents are provided directly by these entities at the specific request of the Itinerari Previdenziali Study and Research Centre. However, the data related to UCITS, SICAVs and AIFs and other directly purchased investment instruments may be not complete since not all organizations provide these details.

Classification of investments – This Report reclassifies the investments made by the sampled Italian institutional investors on the basis of their different management approaches (*direct* or *indirect*). The methodology applied consists in dividing the main asset items, as shown in the accounts, between direct investments and *managed investments* (mandated to professional management companies).

The reclassification principle used to distinguish an indirect investment under management from a direct investment is the different legal approach to the management of individual or collective resources: an investment is defined as *indirect* if the management approach has an "individual" character, targeted to the client; therefore, the relationship between the fund or the scheme and the asset management company is based on a specific *management mandate* that defines the investment guidelines and, if necessary, the benchmark, the target and the risk budget; on the contrary, an investment is defined as *direct* if the management approach has a "collective" nature, in the sense that the management company does not operate directly on the basis of the indications provided by a single organization in making its own investment choices (this is the case, for example, of direct investments in UCITS and AIFs and so on). However, there may be "*hybrid*" cases of *ad hoc collective investment instruments* (mutual funds or SICAVs) *set up for one or more entities* which, from a legal point of view, can be undoubtedly classified as direct investments but which, from a substantial point of view, could be considered as indirect investments due to the individual nature of their financial proposal. In this Report, these are qualified as *indirect investments*, because there is no real management mandate and also because of the different application of the accounting principles that are related to these investments; in fact, in this case, only the acquisition and final data of the dedicated UCIT investments are reported; instead in case of a mandate, the organization or the institutional investor is required, under the accounting principles, to illustrate in the management report all the transactions finalized by the management company (acquisitions, sales, coupons, dividends, etc.). Cases in point are Effepilux for the Unicredito Group funds and Fondaco which operates for the BNL pension fund and for some foundations including Compagnia San Paolo.

For the above reasons, the same classification of direct investment is also applied to the *separate management schemes* offered by insurance companies which are not always unequivocally classified in the financial statements of these investors; in some cases, they are included among managed investments and in other cases among direct investments.

Platforms: In recent years, investment platforms have been created for one or more institutions. These entities often choose management companies on the basis of their specialization. If the management companies of these "platforms" delegate (in whole or in part) the management of assets to other professional managers, the procedure is as follows: the assets under management are attributed to the company that set up the "platform"; if details of sub-managers are available, this will be indicated in the text and, in particular, in the notes to the rankings of "direct" managers.

Real economy: in the Report the term "*real domestic economy*" refers to all debt or equity investments made directly (purchased directly or through collective investment organizations as specified above) or indirectly via management mandates or platforms created for a single entity or several entities. The 2020 version excludes investments in Italian government bonds and real estate used by the individual entity (for example, for its headquarters). It includes direct and indirect real estate investments (through real estate funds) made in Italy.