



Ninth Annual Report

# Institutional Investors in Italy: membership, resources and managers in 2021

*Curated by the Itinerari Previdenziali Study and Research Center*

year 2022



# Institutional Investors in Italy: membership, resources and managers in 2021

*Curated by the Itinerari Previdenziali Study and Research Center*

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## 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)*, *Schemes* and *Supplementary Health Care Funds*; private schemes such as *Open-Ended Pension Funds*, *PIPs* and *Insurance Companies*<sup>1</sup>; *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**" 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 assets<sup>2</sup>. 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.

Therefore, this ninth edition of the Report provides a *detailed snapshot of the institutional investor market* and *its trends*: the development over time of a large database that feeds, enriches and, at the same time, completes the contents of the publication, allows for qualitative analyses and comparisons on historical series (up to 2014), for the most in-depth mapping of the universe in which social security and foundations, insurance companies and forms of supplementary health care operate. Available for consultation by subscription<sup>3</sup>, the relational database in fact aggregates into files for each investor and into customizable predefined queries all the asset data of each individual institution broken down by asset classes, numbers and rankings related to institutional investors, product factories and the various types of managed investments, number of mandates, market shares and assets under management.

In addition, it is also possible to access the relational database to use the other Itinerari Previdenziali tools aimed at institutional players. In detail, the ilPunto blog section "*Cambi e Bandi*" features daily news on appointments and governance changes, calls and tenders, investment activities, mergers or other forms of aggregation; the "*Comparatore dei Fondi*"<sup>4</sup> section provides monthly updates to compare the main investment approaches of Open-Ended Pension Funds (FPA), Occupational Pension Funds (FPN) and Individual Pension Plans (PIP), investigating their returns, volatility, risk profiles and costs.

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<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> Access to the Itinerari Previdenziali relational database is through a special area of the Itinerari Previdenziali website ([www.itinerariprevidenziali.it](http://www.itinerariprevidenziali.it)), which only subscribers are allowed to navigate.

<sup>4</sup> <https://www.pensionielavoro.it/site/home/il-comparatore-dei-fondi.html>

Finally, the Report focuses on the *sustainable investment policies* of *Italian institutional investors* and, given the growing importance of SRI and ESG investments, as of 2020, this topic is illustrated in an ad-hoc "*Quaderno di Approfondimento*"<sup>5</sup>. This Quaderno (Notebook) features the *fourth 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 features testimonials, best practices and case histories that gather the direct experience of investors and product manufacturers, with a qualitative as well as quantitative perspective. Moreover, by using the data collected from the annual surveys contained in the previous editions of the Report, it is possible to have a comprehensive overview of the spread of responsible investment principles in the welfare sector.

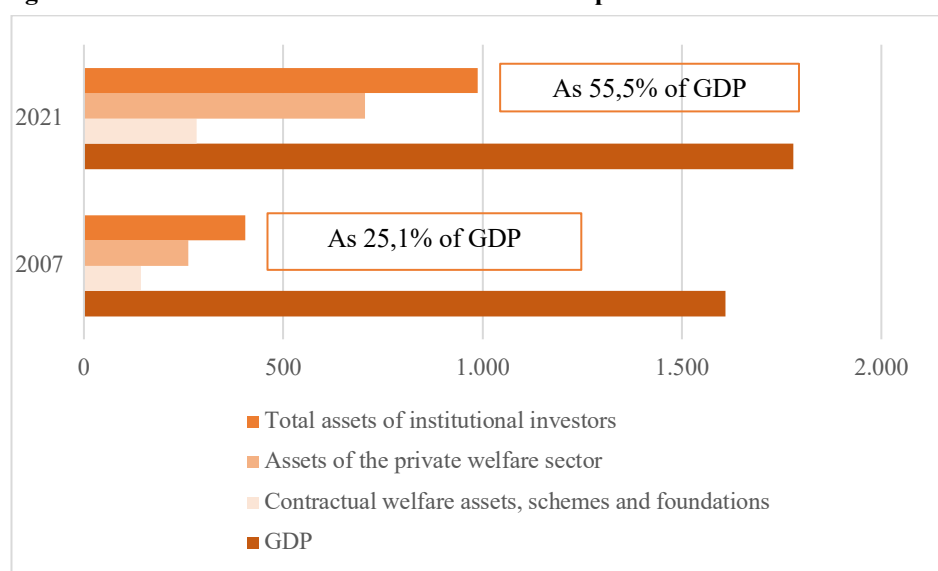
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<sup>5</sup> "Il Quaderno", published in June 2021, is freely available on the Itinerari Previdenziali website ([www.itinerariprevidenziali.it](http://www.itinerariprevidenziali.it)).

# 1. General framework

Despite the economic and financial crises of the last 15 years, since the 2008 subprime mortgage meltdown to the COVID-19 pandemic of 2020, the assets of the institutional investors operating in the contractual welfare system (occupational pension, pre-existing and supplementary health funds), of privatized pension schemes and of banking foundations experienced a consistent growth from 142.85 billion euros in 2007 to **282,97 billion euros** in 2021 (**269.84 billion in 2020**), at a rate of 98.1%. This period witnessed, on the one hand, an increase in the assets of these investors and, on the other, a progressive reduction in their number, especially the very small ones, that merged into larger and more organized entities; as for example, the pre-existing funds of banking groups and the occupational pension funds of the transport and cooperative sector; instead, health funds increased slightly in terms of number, membership and assets despite the lack of a regulatory framework and an appropriate supervisory system. The assets of these institutional investors amounted to **15.9%** with respect to GDP<sup>1</sup>, but this ratio reaches **55.5%** (*figure 1.1*) if we also consider the assets of private welfare organizations (Life Insurance Companies, classes 1, 4 and 6, mainly of a pension nature, open-ended funds and PIPs).

**Figure 1.1 – Assets of institutional investors with respect to GDP in 2007 and in 2021**



**Position at the international level** – The *complementary pension system* is the most comparable at the international level; according to the latest available OECD data<sup>2</sup>, Italy ranks 12th in terms of assets (14<sup>th</sup> in 2020) out of 38 countries, preceded by the unreachable USA, UK, Australia, The Netherlands, Canada, Japan, Switzerland, just above Denmark; as compared to the other 30 non-OECD economies Italy in the **15th place** (out of 44) preceded by Hong Kong and just before Brazil (186 billion); the analysis shows major changes with respect to 2019 since South Africa and China are not included notwithstanding their much higher amount of assets. Italy is a long way from Norway's GPFG (Government Pension Fund Global) which, alone, has 1.117 billion euros' worth of assets; but with over 194 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 1 % of GDP. If we also take into account other institutional investors, privatized schemes, supplementary health

<sup>1</sup> In 2021, the GDP experienced a significant rebound after the major drop suffered because of the pandemic, reaching 1,779.3 billion euros with respect to 1,653,6 billion in 2020.

<sup>2</sup> Preliminary 2021 Data on Pension Funds - June 2022, Pension Markets in Focus OECD.

funds and banking foundations, Italy ranks in the 8<sup>th</sup>/9<sup>th</sup> position in the OECD and non-OECD rankings thanks to the capitalization of its institutional investors; so, a very interesting, growing and highly potential market considering the low ratio of their assets vs. GDP, equal to 9.7%, while other countries are already beyond 50%.

**Table 1.1 – OECD and non-OECD ranking of pension funds' assets**

OECD and Non-OECD Countries	Pension Funds' Assets	
	Millions of \$	as % of GDP
USA	22,599,191	98.3
UK	3,572,623	117
Australia	2,272,767	146.2
The Netherlands	2,042,637	209.5
Canada	1,712,806	90.1
Japan	1,483,416	31.3
Switzerland	1,164,503	143.1
Israel	360,569	72.1
Germany	313,807	7.8
Mexico	254,373	20
Southe Korea	249,115	14.4
<b>ITALY</b>	<b>194,592</b>	<b>9.7</b>
Denmark	190,403	50
Finland	173,962	60.7
Chile	167,556	60.3
Ireland	164,227	34.4
Spain	142,940	10.5
Hong Kong (China)	198,039	54

**Number of actors** - At the end of 2021, there were **343 institutional investors** operating in the legal form of associations and foundations, down with respect to 365 in 2020, 374 in 2019 and 392 of 2018; in ten years, their number dropped by 166 (*table 1.1*). In detail: **86** banking foundations, **20** privatized schemes<sup>3</sup>, **33** occupational pension funds, **204** pre-existing funds (vs. 363 in 2011). To these must be added supplementary health care funds and schemes which, according to the latest estimates, amounted to **321**, 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 2021 too, pre-existing funds experienced the most significant reduction (-22 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 schemes", the private sector featured 112 open-ended pension funds and PIPs, - 1 with respect to 113 in 2020 and markedly down compared to 143 in 2011; moreover, out of the 72 PIPs, slightly less than 40% were closed to placement.

<sup>3</sup> Actually, the number of schemes is 23 considering the INPGI 2 separate scheme, managed by INPGI and those for agricultural workers and experts, both managed by Enpaia.

**Table 1.2 - The evolution of Italian Institutional Investors \***

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2011-2021		2020-2021	
																var. ass.	var. %	var. ass.	var. %
Fondazioni Bancarie	88	88	88	88	88	88	88	88	88	88	88	88	86	86	86	-2	-2,3	0	0,0
Casse Privatizzate (1)	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	0	0,0	0	0,0
Fondi Preesistenti	433	411	391	375	363	361	330	323	304	294	259	251	235	226	204	-159	-43,8	-22	-9,7
Fondi Negoziati	42	41	39	38	38	39	39	38	36	36	35	33	33	33	33	-5	-13,2	0	0,0
Enti di assistenza sanitaria integrativa	-	-	-	255	265	276	290	300	305	322	311	313	318	318	321	56	21,1	3	0,9
Fondi Aperti	81	81	76	69	67	59	58	56	50	43	43	43	41	42	40	-27	-40,3	-2	-4,8
PIP "Nuovi"	72	75	75	76	76	76	81	78	78	78	77	70	70	71	72	-4	-5,3	1	1,4
<b>Totale</b>	<b>736</b>	<b>716</b>	<b>689</b>	<b>921</b>	<b>917</b>	<b>919</b>	<b>906</b>	<b>903</b>	<b>881</b>	<b>881</b>	<b>833</b>	<b>818</b>	<b>803</b>	<b>796</b>	<b>776</b>	<b>-141</b>	<b>-15,4</b>	<b>-20</b>	<b>-2,5</b>
(1) Le casse privatizzate sono 20, al netto delle due gestioni Enpaia e la gestione separata Inpgi																			
* La tabella non comprende i dati riferiti alle compagnie di assicurazione (polizze vita di classe C - ramo I, IV e V) e ai PIP "vecchi"																			
Il numero dei fondi sanitari per il 2020 e per il 2021, in mancanza di dati ufficiali, è stimato sulla base degli andamenti degli anni precedenti																			

*Banking foundations, Privatized schemes(1), Pre-existing funds, Occupational pension funds, Supplementary health-care funds, Open-ended funds, "New" PIPs, Total; (1) The number of privatized schemes is equal to 20, net of the two Enpaia schemes and the Inpgi separate scheme; \* 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 and for 2021 is estimated on the basis of previous years, since there are no official data available.*

**Assets** – In 2021, 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 **282.97 billion euros**, with an annual growth of 13.13 billion (+4.87% vs. 2020); of these, almost **115** were mandated to professional management companies (up from 105 in 2020 and from 95 in 2019) and about **96 billion** (89 in 2020, 86 billion in 2019 and 52.9 billion in 2018) directly invested in UCITs, AIFs, ETFs and policies (**Table 1.3**); so, the total direct and indirect institutional assets under professional management amounted to **211 billion** against 196 in 2020, 181 in 2019 and 164.9 in 2018. The direct or indirect investments mandated to management companies accounted for around 80% of all the assets analysed in this Report (265 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 90% for pre-existing funds and about 85% for banking foundations. In 2021 too, the assets outsourced to professional management companies increased, but those mandated by privatized schemes and banking foundations featured a downward trend, 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 704.64 billion euros, with a growth by 20.67 billion euros (compared to 683.97 billion in 2020, 656.67 in 2019 and 618.4 in 2018); insurance companies grew by 11.8 billion euros (+1.9%), PIPs by 5.26 billion (+17.35%) and open-ended funds by 3.6 billion (+14.18%).

Adding the contractual welfare system to the private welfare system of privatized schemes and banking foundations, the total amount of assets reached **987.61 billion euros**, compared to 953.81 in

2020, 917.36 in 2019 and to 861.6 in 2018, with an increase by 3.54% equal to 33.8 billion (almost 2% of GDP) and to **55.5% of GDP**. Over the years, the assets of institutional investors have steadily grown compared to **404.11 billion euros** in 2007; indeed, they have more than doubled, increasing by **144%**, despite all the crises. Unlike 2020 featuring a slight reduction for banking foundations, in 2021 all institutional investors had positive results for their assets.

**Table 1.3 – Evolution of the assets of Institutional Investors** (billions of euros)

Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Institutional Investor</b>															
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	47,37
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	97,83
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	67,60
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	65,32
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	4,85
<b>Total Contractual Welfare Schemes and Foundations</b>	<b>142,85</b>	<b>149,08</b>	<b>161,36</b>	<b>174,02</b>	<b>176,12</b>	<b>187,91</b>	<b>198,12</b>	<b>211,01</b>	<b>219,80</b>	<b>227,62</b>	<b>237,25</b>	<b>243,30</b>	<b>260,68</b>	<b>269,84</b>	<b>282,97</b>
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	28,97
“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	43,99
“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	7,34
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	624,34
<b>Total private welfare</b>	<b>261,27</b>	<b>252,50</b>	<b>308,84</b>	<b>349,16</b>	<b>359,98</b>	<b>379,90</b>	<b>418,59</b>	<b>478,28</b>	<b>522,43</b>	<b>565,06</b>	<b>593,17</b>	<b>618,37</b>	<b>656,67</b>	<b>683,97</b>	<b>704,64</b>
<b>Total</b>	<b>404,11</b>	<b>401,57</b>	<b>470,20</b>	<b>523,18</b>	<b>536,09</b>	<b>567,81</b>	<b>616,71</b>	<b>689,29</b>	<b>742,23</b>	<b>792,67</b>	<b>830,42</b>	<b>861,67</b>	<b>917,36</b>	<b>953,81</b>	<b>987,61</b>

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. (Sources: ANIA, IVASS)

(\*\*\*) Open-ended funds include individual and collective membership; Note: the term "assets" refers to the total assets in the accounts of banking foundations and of privatized schemes and to the net assets allocated to benefits for pension funds.

**Flows** - In 2021, the flow of new revenues in the form of capital proceeds, contributions (net of benefits) and dividends (**Table 1.4**), amounted to **13.13 billion** for privatized schemes and foundations operating in the field of contractual welfare. The growth experienced by occupational pension funds was about 5 billion, slightly less than the 5.37 billion euros of privatized schemes; pre-existing funds stopped at + 1.49 billion, followed by banking foundations with + 1.2 billion. In terms of market potential, that is new resources to be reinvested, it is important to add to these 13.13 billion euros' worth of new net flows the expiring assets (8-year duration) of the investors analysed estimated to be equal to about **20 billion euros**; so, the total to invest is almost 30 billion per year. The private welfare sector too had a significant increase by 20.76 billion euros, with a good performance for all investors (life insurance companies, PIPs and open-ended funds). In 2021, the growth for the whole sector reached **33.8 billion euros**, more than in the year of the pandemic but not yet at the level of 2019 when it reached 55.69 billion, but higher with the respect to 31.25 billion in 2018.

**Membership** - In addition to assets, it is important to monitor *membership* trends for the different types of *complementary welfare schemes* in order to evaluate future contribution flows. The total number of members of pension funds was equal to **8,771, 149**, although, as COVIP appropriately pointed out, the outstanding positions, i.e., the number of open accounts in pension funds, amounted to more than 9.7 million (due to duplications of workers simultaneously registered with several funds), with a steady increase over the years (+ 392,810 vs 2020). In detail, as illustrated in the following chapters: open-ended funds featured 1,1694,029 members, + 6.5%; new PIPs 3,445,073, + 2.9%; a slight increase also in the number of members for pre-existing funds up to 622,036 (+ 0.9%); a significant membership growth for occupational pension funds up to 3,368,703 (+ 5.8%), also

thanks to the introduction of the contractual mechanism adopted by other funds. Compared with the number of active workers, amounting to 22.9 million at the end of 2021 (+ 600,000 vs. 2020), the membership rate went up to about 37.76%, although, as COVIP suggested, this rate falls down to 27.6% if only the members paying their contributions in 2021 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 **1,705,087** members of privatized schemes. Instead health funds featured over 14 million members, including pensioners and dependent family members due to the new funds created and to the many collective contracts signed in this sector. It is important to stress that most of the subjects registered with these funds are also members of pension funds and privatized schemes.

**Table 1.4 - Changes in the assets of Institutional Investors from 2007 to 2021**  
(% values and absolute values in billions of euros)

	Var 2007-2008		Var 2008-2009		Var 2009-2010		Var 2010-2011		Var 2011-2012		Var 2012-2013		Var 2013-2014	
	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%	0,93	0,32%	0,19	1,43%	0,84	-11,26%	-6,7	-3,41%	-1,8	-3,43%	-1,75	-1,33%	-0,65
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
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
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
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
<b>Total Contractual Welfare, Schemes and Foundations</b>	<b>4,36%</b>	<b>6,23</b>	<b>8,24%</b>	<b>12,3</b>	<b>7,84%</b>	<b>12,7</b>	<b>1,21%</b>	<b>2,1</b>	<b>6,70%</b>	<b>11,8</b>	<b>5,43%</b>	<b>10,2</b>	<b>6,51%</b>	<b>12,9</b>
Open-Ended Funds***	8,62%	0,37	34,55%	1,61	20,10%	1,26	11,02%	0,8	20,50%	1,72	18,90%	1,91	16,60%	1,99
“New” PIPS	91,18%	0,93	73,85%	1,44	53,98%	1,83	37,74%	2	36,48%	2,62	32,58%	3,2	25,75%	3,35
“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
Insurance Companies (**)	-3,97%	-10,1	21,72%	52,4	12,54%	36,8	2,42%	8	4,52%	15,3	9,43%	33,4	13,95%	54
<b>Total private welfare</b>	<b>-3,36%</b>	<b>-8,8</b>	<b>22,31%</b>	<b>56,3</b>	<b>13,06%</b>	<b>40,3</b>	<b>3,10%</b>	<b>11</b>	<b>5,53%</b>	<b>19,9</b>	<b>10,10%</b>	<b>38,7</b>	<b>14,26%</b>	<b>59,7</b>
<b>Total</b>	<b>-0,63%</b>	<b>-2,5</b>	<b>17,09%</b>	<b>68,6</b>	<b>11,27%</b>	<b>53</b>	<b>2,47%</b>	<b>13</b>	<b>5,92%</b>	<b>31,7</b>	<b>8,61%</b>	<b>48,9</b>	<b>11,77%</b>	<b>72,6</b>
	Var 2014-2015		Var 2015-2016		Var 2016-2017		Var 2017-2018		Var 2018-2019		Var 2019-2020		Var 2021-2020	
	Var %	Var ass.	Var %	Var ass.	Var %	Var ass.	Var %	Var ass.	Var %	Var ass.	Var %	Var ass.	Var %	Var ass.
Banking Foundations	-0,08%	-0	-4,56%	-2,21	-0,54%	-0,25	-0,87%	-0,4	2,81%	1,29	-1,78%	-0,84	2,65%	1,22
Privatized Schemes	6,78%	4,44	6,11%	4,27	6,10%	4,53	5,40%	4,3	6,70%	5,56	4,42%	3,91	5,81%	5,37
Pre-existing Funds	2,35%	1,27	4,05%	2,24	2,52%	1,45	1,20%	0,7	6,39%	3,81	4,09%	2,60	2,25%	1,49
Occupational Pension Funds	7,34%	2,91	7,95%	3,38	7,69%	3,53	1,92%	0,9	11,36%	5,73	7,54%	4,23	8,20%	4,95
Supplementary Health Funds (*)	6,48%	0,21	4,00%	0,14	10,20%	0,37	13,75%	0,5	22,22%	1,00	-13,64%	-0,75	2,11%	0,10
<b>Total Contractual Welfare, Schemes and Foundations</b>	<b>4,17%</b>	<b>8,79</b>	<b>3,56%</b>	<b>7,81</b>	<b>4,20%</b>	<b>9,58</b>	<b>2,55%</b>	<b>6,1</b>	<b>7,15%</b>	<b>17,39</b>	<b>3,51%</b>	<b>9,15</b>	<b>4,87%</b>	<b>13,13</b>
Open-Ended Funds***	10,30%	1,45	10,70%	1,66	12,05%	2,06	2,48%	0,5	16,41%	3,22	11,07%	2,53	14,18%	3,60
“New” PIPS	22,62%	3,7	18,20%	3,65	16,58%	3,93	11,09%	3,1	15,55%	4,77	10,09%	3,58	12,62%	4,93
“Old” PIPS	-1,02%	-0,1	2,23%	0,15	0,72%	0,05	-5,07%	-0,4	6,61%	0,44	-0,78%	-0,05	4,72%	0,33
Insurance Companies (**)	8,86%	39,1	7,74%	37,2	4,27%	22,1	4,08%	22	5,32%	29,87	3,59%	21,24	1,93%	11,81
<b>Total private welfare</b>	<b>9,23%</b>	<b>44,2</b>	<b>8,16%</b>	<b>42,6</b>	<b>4,97%</b>	<b>28,1</b>	<b>4,25%</b>	<b>25</b>	<b>6,19%</b>	<b>38,30</b>	<b>4,16%</b>	<b>27,29</b>	<b>3,02%</b>	<b>20,67</b>
<b>Total</b>	<b>7,68%</b>	<b>52,9</b>	<b>6,80%</b>	<b>50,4</b>	<b>4,76%</b>	<b>37,8</b>	<b>3,76%</b>	<b>31</b>	<b>6,46%</b>	<b>55,69</b>	<b>3,97%</b>	<b>36,45</b>	<b>3,54%</b>	<b>33,81</b>

*Sources and notes as in the previous Table, processed by Itinerari Previdenziali.*

**Yields** – In 2021, as happened in 2019 with respect to 2018, all institutional investors experienced a rebound after the slump caused by the pandemic; so, notwithstanding the extremely volatile stock markets, this was a positive year; the major difficulties were encountered on the bond market due to the policies of central banks. The vaccination campaigns helped contain the effects of the pandemic and support demand globally. The trends observed on the markets were reflected in the performance of institutional investors, which featured good returns in 2021, recovering the ground lost during the pandemic and going almost back to 2019 levels. The best performers were PIPs - Unit Linked with 11% compared to -0.2% in 2020, open-ended funds with +6.4% (2.9% in 2020) and banking foundations with 5.7% (3.6% in 2020), the best result among all investors (**Table 1.5**). The returns achieved by pension funds are even more appreciable when compared to the benchmark, that is the



termination of employment benefits (TFR) with + 3.6%, as against 4.9% of occupational pension funds, 4.1% for pre-existing funds and + 6.4% for open-ended pension fund. Banking foundations largely beat the inflation target like privatized schemes, even if they do not publish returns, which is the benchmark for the share of assets allocated to benefits, and the 0.1% GDP five-year average for the contribution management portion.

**Table 1.5 - Comparative yield analysis: annual yields from 2014 to 2021, average compounded yields at 3, 5 and 10 years and cumulative yields (as %)**

									Average Annual Compounded Yield			Cumulative yield		
	2021	2020	2019	2018	2017	2016	2015	2014	3 years	5 years	10 years	3 years	5 years	10 years
Banking Foundations	5.7	3.6	6.5	2.7	5.3	3.4	3.4	5.5	5.3	4.8	4.3	16.6	26.1	52.7
Occupational pension funds	4.9	3.1	7.2	-2.5	2.6	2.7	2.7	7.3	5.1	3.0	4.1	15.9	16.0	49.7
Pre-existing funds	4.1	2.6	5.6	-0.2	3.2	3.3	2.0	5.0	4.1	3.0	3.5	12.8	16.2	41.5
Open-ended funds	6.4	2.9	8.3	-4.5	3.3	2.2	3.0	7.5	5.8	3.2	4.6	18.6	17.0	56.1
PIPs – Separate schemes	1.3	1.4	1.6	1.7	1.9	2.1	2.5	2.9	1.4	1.6	2.2	4.4	8.2	24.2
PIPs - Unit Linked	11	-0.2	12.2	-6.5	2.2	3.6	3.2	6.8	7.5	3.5	5.0	24.3	18.8	62.3
TFR adjustment	3.6	1.2	1.5	2.0	2.0	1.5	1.2	1.3	2.1	2.0	1.8	6.4	10.3	20.1
Inflation	1.9	-0.2	1.0	1.2	1.1	-0.1	0.1	0.0	0.7	0.9	0.9	2.2	4.6	9.0
GDP five-year average	0.1	2.0	1.9	1.3	0.6	0.6	0.6	-0.3	1.3	1.2	0.8	3.9	6.0	8.3
*For pension funds, these are the net annual compounded yields taken from the 2021 Covip report, that is net of operating costs and of substitutive taxes /including TFR). For banking foundations, this is the ratio of total receipts, net of taxes, 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.														
For the 2019 returns, the 3-year average was equal to 4.82% x Bf; 2.36% x Occ.; 2.84% x Pre-ex; 1.70% x TFR														
For the 2019 returns, the 5-year average was equal to 4.25% x Bf; 2.49% x Occ; 2.76% x Pre-ex; 1.56% x TFR														
For the 2019 returns, the 10-year average was equal to 4.06% x Bf; 3.62% x Occ; 3.35% x Pre-ex; 1.98% x TFR														

The marked investment diversification especially through specialised and multi-asset funds, AIFs and sustainable investments allowed for a considerable increase in the 3, 5 and 10-year averages and in their cumulative returns with respect to the three target yields; this is the proof of the advantage of transferring termination of employment benefits to pension funds, that will also have tax incentives once they pay out these benefits. **Table 1.5.1** shows the performance of pension funds broken down into the traditional investment lines; as in recent years, guaranteed and bond investments performed significantly below their target yields (TFR and inflation), while mixed and balanced investments performed better than benchmarks thanks to the equity and private market component.

**Table 1.5.1 - Yields of complementary pension schemes (on 31/12/2021, as %)**

Occupational pension funds	4,9	Open-ended pension funds	6,4	“New” PIPs	1,3	Target yield	
Guaranteed	0.3	Guaranteed	0	Unit Linked	11.1	TFR adjustment	3.6
Pure bond	-0.3	Pure bond	-1.5	Bond	-0.8	Inflation	1.9
Mixed bond	5.3	Mixed bond	0.9	Balanced	7.5	GDP five-year average	0.1
Balanced	5.3	Balanced	6.9	Equity	18.8		
Equity	11.1	Equity	14.8				

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

The **Real Economy** - **Table 1.6** compares the institutional investors' assets broken down into asset

classes, highlighting the share invested in the real economy of the country. Banking foundations are still the largest institutional investors in terms of resources allocated to the real economy: domestic investments account for 42.22% of assets, of which 27.72% is related to the investments in transferee banks, Cassa Depositi e Prestiti and Fondazione con il Sud; the privatised schemes for the liberal professions rank second, with investments equal to 17.88% of total assets, followed by pre-existing and occupational pension funds with real economy investments equal to 4.7% and 3.11% respectively.

**Table 1.6 - Investments in the real economy by Institutional Investors in 2021**

Institutional investors	Assets (1)	Direct real-estate	Monetary and bond investments i	Policies	Equity investments	Investment funds (UCITs, AIFs ETFs)	Of which AIFs	Other assets (2)	Of which Investments in the real economy (*) as %
Privatized schemes	97.83	3.08%	13.88%	0.61%	4.15%	50.35%	18.54%	10.14%	17.88%
Banking Foundations	47.37	2.58%	6.83%	0.63%	11.31%	48.06%	9.94%	1.79%	42.22%
Autonomous Pre-existing funds	66.30	1.51%	23.34%	42.08%	12.19%	17.57%	4.07%	3.31%	4.70%
Occupational pension funds	65.32		60.65%		24.40%	8.94%	0.43%	6.01%	3.11%

(1) billions of euros related to all the assets of all the privatized schemes and of all the foundations and to the net assets allocated to benefits of all the autonomous pre-existing funds and of all the occupational pension funds; (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 82.21% of the total**, for all the schemes except for ONAOSI; The data on indirect investments through management mandates taken from the financial accounts do not allow for a reclassification into asset classes.

For **Banking Foundations**, the figures reported in the Table are only related to **direct investments** (accounting for **about 98.93% of total assets**) of the 27 Foundations analysed, that account for **about 85% of all the foundations' assets**; the remaining 1.07% is related to indirect mandated investments, therefore the sum does not correspond to 100% due to the mandated assets under management.

For **Pre-existing Funds**, the figures reported are related to the 42 Autonomous Funds analysed in this Report, that is 91.87% of the total of all pre-existing funds; autonomous funds account for 98.02% of all the assets of the autonomous and in-house. The percentage figures are calculated on the basis of total assets.

For **Occupational Pension Funds**, the figures reported are related to all the assets.

(\*) **Investments in the real economy** mean: Italian stocks, Italian 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. They include the institutional investments in transferee banks and Fondazione Con il Sud (for banking foundations), in CDP and in the Bank of Italy.

As indicated by these data, investments in the "**real economy**" still have a great potential for growth, except for banking foundations. As already pointed out back in 1997<sup>4</sup>, 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 later, several shared investment approaches have now been adopted, above all by aggregating the assets of several funds. The simplest solution is certainly to relaunch the **Guarantee Fund**; this fund was established under Legislative Decree no. 252/05 in order to more easily finance small and medium-sized enterprises that pay termination of employment benefits to pension funds, but then abolished by the Prodi

<sup>4</sup> See the book *Capire i fondi pensione*, by A. Brambilla, published by Il Sole 24 Ore.

Government in 2007; it should be combined to a series of private debt financial products, securitisation and advances, realised by the market and facilitated by the guarantee fund. Moreover, these new 'guarantees' would also allow 7.489 million workers (about 44% of the total workforce) who work in 4.21 million companies (95% of the total) with up to 9 employees to benefit from complementary pensions; and the same holds true for 3.37 million workers in 187,674 enterprises with a number of employees from 10 and 49. Due to credit difficulties especially for companies of this size, most of these workers can hardly use their TFR and thus to have a pension fund. In addition, according to Covip, from 2007 to the end of 2021 the flow of termination of employment benefits to pension funds amounted to 82.12 billion and, considering an average investment in the real economy of 4%, the share of TFR reinvested was about 25 billion; to 57 billion euros subtracted from the real economy must be added 86.2 billion ended up in the INPS treasury fund, which invests nothing in the real economy. For Italy's weak economy, the fact that many micro and SME workers cannot to join pension funds and that the huge amount of resources taken from companies are not reinvested in the domestic economy (as much as 143 billion) is extremely worrying and has a far-reaching impact on employment and productivity, thus contributing to Italy's stagnation.

Given the difficulties of the bond market caused by the ongoing expansive monetary policies of central banks and of the ECB in particular, the percentage of bond investments, also including the deposit component, was still very high for occupational pension funds (60.65%) and for pre-existing funds, even more than the former considering their policies that normally feature a high fixed income component. It will be interesting to see if and how this trend changes in light of the inflationary and rising interest rate outlook. The bond share of the privatized schemes was more contained, and even more so that of the foundations.

**Management companies** - *Table 1.7* shows the top 5 management companies by number of mandates; Eurizon Capital is still leading the ranking in terms of number of mandates (63) and amount of assets under management (12.978 billion); instead, Amundi goes down to the third place (52 mandates and 9 billion euros' worth of resources to be managed) and Blackrock moves up to the second position with 15 mandates and 10 billion euros' worth of assets under management; State Street and Credit Suisse are stable in the fourth and fifth position, with a growing amount of assets to manage. The top five management companies account for 40% of the all the assets mandated by institutional investors.

**Table 1.7 - The top 5 management companies by number of mandates in 2021**

Management company	Resources in millions of euros	Market share
Quaestio Capital Management Sgr Spa	6,709	16.49%
Fondaco Sgr	5,792	14.24%
Eurizon Capital	2,933	7.21%
BlackRock	1,405	3.45%
Amundi	1,350	3.32%

*Table 1.8* identifies the top 5 insurance management companies, collectively managing 95% of all the assets invested in policies and in separate management schemes by Italian institutional investors. There are no significant changes compared to 2020 except for the exit of Aviva to the benefit of Fideuram Vita. Generali Italia is again on top with more than 11 billion euros' worth of assets under management, accounting for 41.56% of the market, followed with exchanged positions by Allianz with 6.7 billion and a market share of almost 25% and Unipol with 6.4 billion and a market share close to 24%. The first three positions alone account for 90% of the total. The lowest positions in the

ranking with significantly fewer assets to manage are occupied by Reale Mutua (641 million) and Fideuram (520 million).

**Table 1.8 - The top 5 insurance management companies in 2021**

Management company	Resources in millions of euros	Market share
Generali Italia	11,162	41.56%
Allianz	6,737	25.08%
UnipolSai Assicurazioni	6,444	23.99%
Reale Mutua Assicurazioni	641	2.39%
Fideuram vita s.p.a.	520	1.94%

**Tables 1.8a, 1.8b and 1.8c** show the rankings of the top 5 management companies of AIFs, UCITS and ETFs respectively. It should be noted that in the ranking of AIF managers, the resources invested in real estate funds by pension funds are very significant: the top five companies are in fact real estate operators with about 40% of the total invested in AIFs. On the other hand, in the OICR ranking, the first two management companies, Quaestio and Fondaco, have a significant market share (together over 30%) thanks to the resources entrusted to them by some large foundations, as will be discussed in more detail in the dedicated chapter. Instead, the ETF market is highly concentrated with the top five companies managing around 88% of the total invested and iShares leading the ranking with 1.28 billion under management and a market share of just under 40%.

**Table 1.8a – The top 5 AIF management companies in 2021**

Management company	Resources in millions of euros	Market share
Dea Capital Real Estate Sgr	2,667	10.66%
Antirion Sgr Spa	2,250	8.99%
Investire Sgr	2,125	8.50%
Prelios	1,508	6.03%
Fabrica immobiliare Sgr Spa	1,486	5.94%

**Table 1.8b - The top 5 UCIT management companies in 2021**

Management company	Resources in millions of euros	Market share
Quaestio Capital Management	6,709	16.49%
Fondaco Sgr	5,792	14.24%
Eurizon Capital	2,933	7.21%
BlackRock	1,405	3.45%
Amundi	1,350	3.32%

**Table 1.8c - The top 5 ETF management companies in 2021**

Management company	Resources in millions of euros	Market share
iShares	1,280	39.63%
Vanguard	472	14.63%
Lyxor	435	13.48%
Invesco	369	11.43%
DWS Investments	292	9.03%

**Trends in 2022** - In the first six months of 2022, the results obtained by institutional investors continued to be positive in terms of the number of members and contribution flows, notwithstanding the negative market consequences triggered by the war in Ukraine, the high inflation rate and

geopolitical and pandemic uncertainties. In particular, according to the latest Covip updates, in this period **pension funds** experienced an increase in the number of their existing positions by 280,000 (+2.9%), with over 9 million members, 7.3 million of them as employed workers; occupational pension funds featured a growth by 194,000 (+5.6%), reaching the number of 3.651 million members thanks to the contractual automatic membership arrangements; open-ended funds by 53,000 (+3% and 1.788 million members) and new PIPs by 24,000 (+0.7% and 3.637 million members). The **assets of pension funds** (the resources allocated to benefits) decreased by 5.6 billion euros, from 213.25 billion at the end of 2021 to 207 billion in June 2022 as a result of the losses caused by the negative performance of financial markets, (63 million for occupational pension funds, 27 billion for open-ended funds and to 43.7 billion for PIPs); this occurred despite the growing flows of contributions for all of these funds, amounting to 6.2 billion euros, 266 million more (+4.5%) than in the same period in 2021. Moreover, the first six months of 2022 were characterized by negative **returns** (-8.3% for occupational pension funds and for pre-existing funds), -9.7% for open-ended funds and -10.3% for class III PIPs, while class I segregated funds featured a growth by 0.5%. All types of investments had negative returns: between 4% and 5% for guaranteed and bond investments, between 8% and 10% for mixed and balanced ones, and between - 11 and - 13.2% for equity. In the period observed, termination of employment benefits rose by 4%, with an inflation rate of about 6/7%, and the five-year GDP average around 1.1%; therefor, 2022 appears to be complicated for all institutional investors. In the first three months of the year, investments in alternative funds increased by around 2.3 billion, as reported by Assogestioni, and so did those in closed real estate funds; the same happened to assets directly and indirectly managed by management and insurance companies.

## 2. Insurance Companies

Insurance Companies are among the most relevant **institutional investors** in Italy due to their “social role”, even if related to the private sector, and to the nature their investments. The investment analysis carried out in this Report refers to their pension-related assets, the *so-called C class*<sup>1</sup> I, IV and V *life policies* which are mainly **individual welfare** products. The insurance companies' role as institutional investors largely depends on the characteristics of their business model and on their life products which have particularly long contractual terms (from a minimum of 3-5 years up to 30 years and beyond); so, this requires insurance companies to invest their assets with a similar time frame, i.e. mainly on government bonds.

In addition to class C investments, this Report briefly analyses investments on *Unit/Index Linked* policies (Branch III) and Pension Funds (the so-called class D), as shown in **figure 2.3**<sup>2</sup>.

These investment amounts have been taken from their financial statements drafted in line with the national accounting standards (the so-called *Local Gaaps*).

### 2.1 Inflows: premiums and investment proceeds

#### *Premiums*

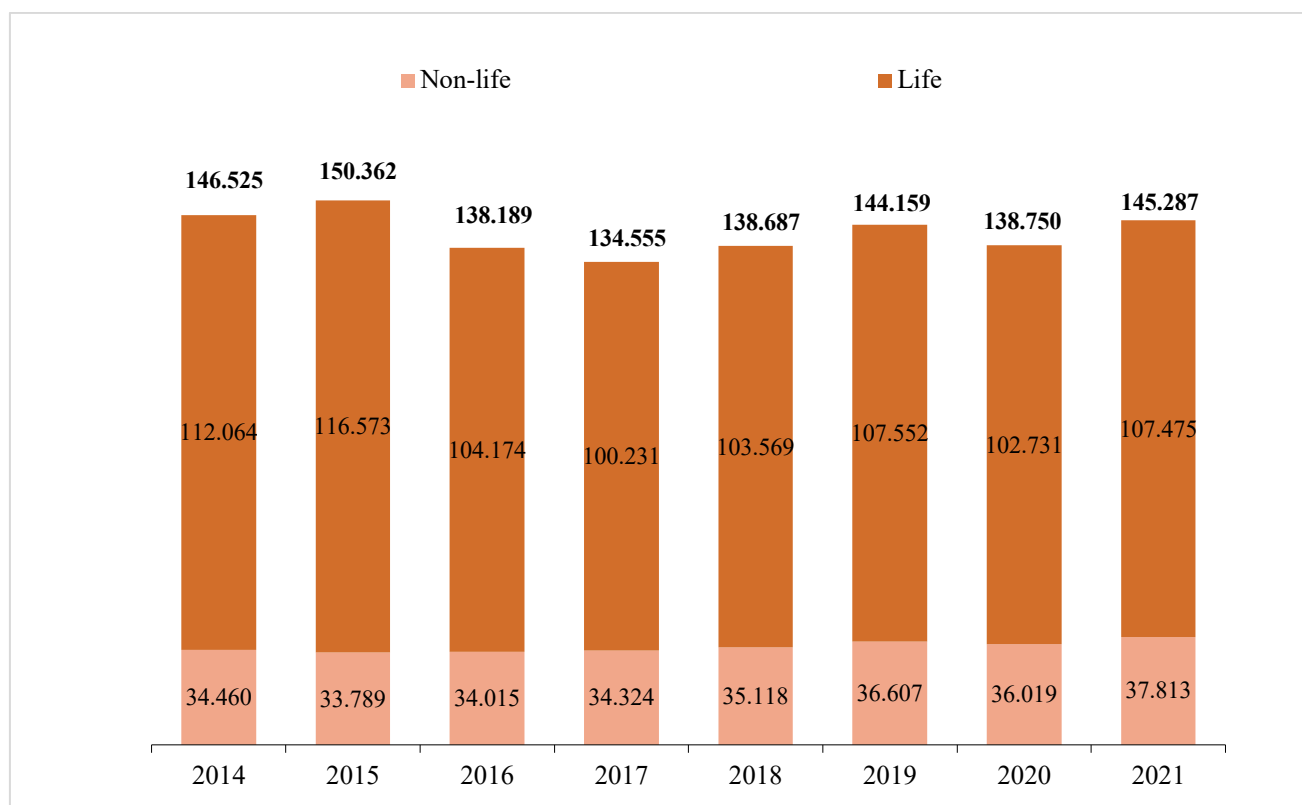
In 2021, the total direct and indirect premiums, gross of reinsurance, in the Italian and foreign portfolios of Italy-based companies and of their non-EU representative offices abroad amounted to **145.3 billion euros**. In particular, 37.8 billion is related to the non-Life business and **107.5 billion** to the **Life business**. In fact, Life premium income in a given year is the most important item to understand the additional inflows into this business segment in the form of savings from individuals and Italian households. Premiums increased by **4.7%**, thus offsetting the approximately 4% decline of the previous year, which was strongly affected by the pandemic. Growth in 2021 was driven by a general economic and financial recovery both in the life segment, whose premiums increased by 4.6% (-4.5% in 2020), and in the non-life segment, whose premiums rose by 5.0% (-1.6% in 2020). As a result, the share of life (74%) and non-life (26%) premiums out of the total remained unchanged (**Figure 2.1**).

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<sup>1</sup> Traditional life policies (the so-called Class-C policies) cover all types of policies, including profit-sharing, capitalization and pure risk policies linked to risks related to the life of policyholders; 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 capitalization (financial insurance policies not dependent on human life with a lump-sum payment when the contract expires).

<sup>2</sup> **Branch III** (so-called Linked or Class D) policies are life insurance or capitalization contracts with a financial content with benefits linked to the performance of a share index, a basket of share indices or another reference financial index. They have an index-linked nature which tends to replicate the performance of an economic quantity, typically a stock market index, by means of particular technical solutions.

**Figure 2.1 - Portfolio gross premiums**



### *Investment proceeds*

Insurance companies generate their investments proceeds in a given year from investments that are also heterogeneous. For example, in the last fiscal year (2021), their total investment proceeds amounted to **47.2 billion euros**, up almost by 15% from 41.2 billion in 2020, all generated through Class D policies. In particular:

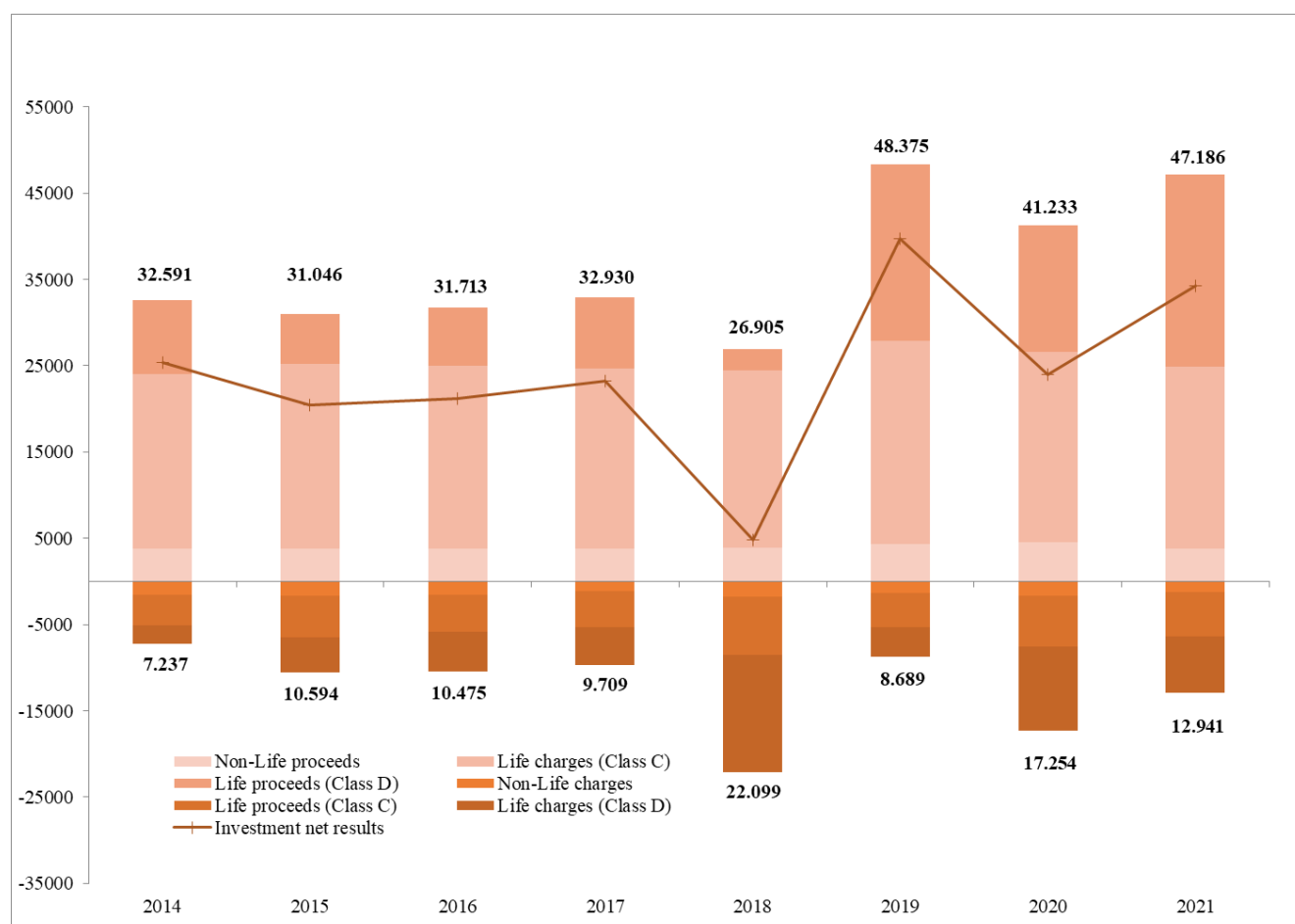
- **Non-Life proceeds**, equal to 3.8 billion euros, down by 16.1%;
- **Life (Class C) proceeds** equal to 21.1 billion, down by 4.3%;
- **Life (Class D) proceeds** equal to 22.3 billion, up by than 50% (approximately 7.6 billion euros).

**Figure 2.2** shows in greater detail the ordinary Life and non-Life gross proceeds broken down as follows:

- securities, bonds and other investments amounted to 17.2 billion euros (-0.9% compared to 2020) and accounted for 36.4% of the total;
- investment proceeds for policyholders and those coming from pension fund asset management (Class D) amounted to 22.3 billion euros and accounted for 47.2% of the total;
- value adjustments and returns on investments totalled 3.3 billion euros (-9.0% compared to 2020) and accounted for 7.1% of the total;
- shares and interests amounted to 4.3 billion (-21.7% compared to 2020) and accounted for 9.1% of the total.
- land and buildings, amounting to 141 million (-9.2% compared to 2020), represent 0.3% of the total

This growth was also accompanied by a decrease in investment expenditure from 17.3 billion euros in 2020 to 12.9 billion in 2021.

Figure 2.2 – Investment charges and proceeds



In particular, the **non-Life insurance charges** amounted to 1.2 billion euros, down by over 25%; this resulted in a positive net investment result of 2.6 billion, in line with 2020; the **Life insurance charges (Class C)** amounted to 5.2 billion euros, down by 14%, still with a positive net investment result of 16 billion, stable compared to 2020; **Life (Class D) charges** totalled 6.6 billion, down by more than 30% compared to 2020 with a positive net investment result of 15.6 billion, a sharp increase (more than 10 billion) compared to 2020 (4.9 billion).

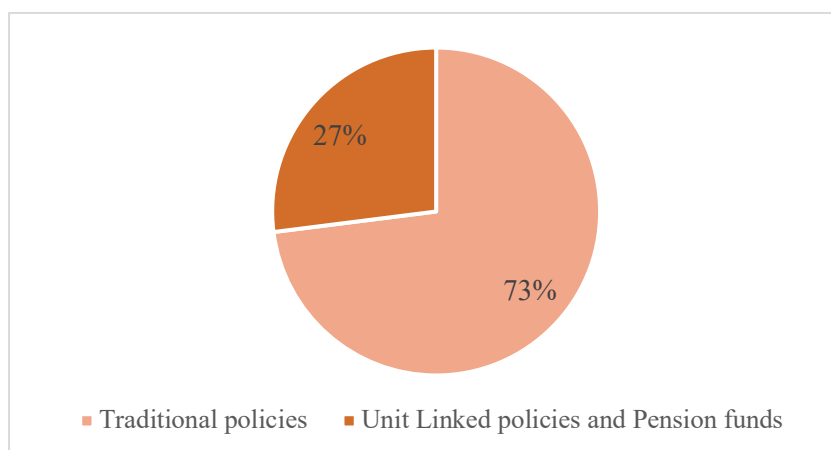
The overall net investment result for the entire insurance sector was positive and amounted to 34.2 billion euros (also positive in 2020 with 24.0 billion): 30.7 billion (90%) are related to the technical account (19.5 billion in 2020) and 3.5 billion (10%) to the non-technical account (4.5 billion in 2020). The extraordinary income, before expenses, amounted to 0.7 billion, down from 1.3 billion in 2020. The related charges were equal to 318 million (378 in 2020).

## 2.2 Investments in the Life insurance business

In 2021, the total investments by life insurance companies amounted to **857 billion euros**, of which 73% (just less than **625 billion**) were traditional policies (class C), while the remaining 27% (about 233 billion) were policies combined to Unit Linked products and pension funds (so-called class D, see **figure 2.3**). 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. In fact, they are 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 2.3 - Breakdown of investments by line of business in the Life sector in 2021**



Total investments in the Life insurance business: 857 billion

### *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 insurance business, which almost reached **900 billion euros** at the end of 2021 (+ 5.9% with respect to late 2020). *Investments* accounted for almost all the assets of life insurance companies equal to **857 billion** (95% of the total), of which **233 billion euros**’ worth of *class-D* investments and the rest (**624 billion euros**) of *class-C* products.

**Table 2.1 - Breakdown of insurance companies’ assets in the Life insurance business (millions of euros)**

Type of business	2020	% Distrib. 2020	2021	% Distrib. 2021	% Var. 21/20
(1)	(2)	(3)	(4)	(5)	(6)
Receivables from shareholders	-	-	-	-	-
Intangible Assets	2,982	0.4%	2,704	0.3%	-9.3%
Investments:	809,011	95.4%	857,254	95.4%	6.0%
- Land and buildings	414	0.0%	450	0.1%	8.8%
- Shares and interests	30,647	3.6%	31,229	3.5%	1.9%
- Bonds and fixed-income securities*	480,028	56.6%	487,670	54.3%	1.6%
- <b>Mutual fund shares</b>	<b>95,348</b>	<b>11.2%</b>	<b>99,259</b>	<b>11.0%</b>	<b>4.1%</b>
- Financing and Deposits	6,089	0.7%	5,731	0.6%	-5.9%
- <b>Class D investments (Unit Linked Policies and Pension Funds)</b>	<b>196,486</b>	<b>23.2%</b>	<b>232,914</b>	<b>25.9%</b>	<b>18.5%</b>
Technical reserves from reinsurers	4,171	0.5%	3,656	0.4%	-12.3%
Credits	19,260	2.3%	19,142	2.1%	-0.6%
Accruals and other assets	12,949	1.5%	15,867	1.8%	22.5%
<b>TOTAL</b>	<b>848,375</b>	<b>100.0%</b>	<b>898,624</b>	<b>100.0%</b>	<b>5.9%</b>
<i>*of which approximately 350 billion in government bonds</i>					

Source: ANIA

The insurance sector mainly invested on bonds and fixed income securities: over **487 billion** largely allocated to Government bonds (over 70%), up by 1.6% vs. 2020; the second main form of investment was *mutual funds* (**99 billion euros**) up by 4.1% with respect to 2020). Stocks and shares accounted for little over 31 billion euros, i.e. 3.5% of the total, while real- estate investments were almost

negligible.

*Investments related to traditional Life insurance policies (class C)*

In the last 10 years (2012-2021), (*table 2.1 bis*), the Class-C Life assets increased by over 270 billion euros, from 354 to 624 billion), with an average growth of about **30 billion per year** (that is 6%). In particular, bond investments went up by more than 65% and by more than 190 billion, accounting for 78.1% of total investments in 2021, followed by mutual fund investments which grew by 420%, by almost 80 billion over the same period; instead, direct real estate investments plummeted (from 707 million in 2012 to 450 million in 2021). The growth in fund investments also continued between 2020 and 2021 (+4.1 %) and, at the end of 2021, they accounted for almost **16%** of the total.

**Table 2.1 bis – Investments from 2012 to 2021 - LIFE insurance business, class C**

Type of investment	Absolute values (millions)				Variationn (millions)		% distribution				% variation	
	2012	2019	2020	2021	2012-2021	2020-2021	2012	2019	2020	2021	2012/2021	2020/21
Real-estate	707	410	414	450	-257	36	0,2	0,1	0,1	0,1	-36,4	8,7
Stocks	25.469	31.426	30.647	31.229	5.760	582	7,2	5,3	5,0	5,0	22,6	1,9
Bonds	296.075	465.258	480.028	487.670	191.595	7.642	83,7	78,7	78,4	78,1	64,7	1,6
<i>of which Government bonds</i>	<i>217.900</i>	<i>329.347</i>	<i>339.952</i>	<i>349.000</i>	<i>131.100</i>	<i>9.048</i>	<i>61,6</i>	<i>55,7</i>	<i>55,5</i>	<i>55,9</i>	<i>60,2</i>	<i>2,7</i>
<b>Mutual Funds /Sicav shares</b>	<b>19.102</b>	<b>87.465</b>	<b>95.348</b>	<b>99.259</b>	<b>80.157</b>	<b>3.911</b>	<b>5,4</b>	<b>14,8</b>	<b>15,6</b>	<b>15,9</b>	<b>419,6</b>	<b>4,1</b>
Other investments	12.381	6.729	6.089	5.732	-6.649	-357	3,5	1,1	1,0	0,9	-53,7	-5,9
<b>Total</b>	<b>353.734</b>	<b>591.288</b>	<b>612.526</b>	<b>624.340</b>	<b>270.606</b>	<b>11.814</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>76,5</b>	<b>1,9</b>

Source: ANIA

*Table 2.2* provides details of the top **20 Italian life insurance companies** according to their total **C-class assets**. At the end of 2021, these companies held a stock of assets amounting to 596 billion euros accounting for almost **90%** of the entire **666-billion** sector: as already indicated, 625 billion euros can be classified as investments, while slightly over 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 46% of the entire sector. Bonds and fixed-income securities were the main forms of investment, accounting for approximately 73% of the total and equal to over 487 billion euros. The role played by mutual funds remained significant, with **99 billion euros**' worth of investments, reaching 14.9% of all the assets in 2021; this share practically doubled in recent years and increased by almost 4 billion euros compared to 2020. At the end of 2021, the top twenty companies held approximately 91 billion euros in mutual funds.

A more detailed analysis of shares and equity interest investments (see column 5 *Tables 2.2* and *2.3*) shows that for the top 20 companies, this type of investment accounted for 5.0% of the total (*Table 2.2*). For most of these companies, these are stake interests in other companies (about 76%).

**Table 2.2 - The top 20 Italian insurance companies for class-C assets under management (excluding Unit Linked products and Pension funds) - LIFE insurance business in 2021**

Insurance Company	Total assets	Market share	% composition of assets					
			Investments (class C)					Other assets
			Real-estate	Equity investments	Bonds and fixed-income securities	Mutual funds	Financing and deposits	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
POSTE VITA	144.087	21,6%	-	0,1	71,1	22,9	-	5,9
INTESA SANPAOLO VITA	95.297	14,3%	0,0	2,9	78,9	12,8	0,1	5,3
GENERALI ITALIA	68.993	10,4%	-	8,6	71,5	13,5	0,2	6,3
ALLEANZA ASSICURAZIONI	38.556	5,8%	-	4,2	53,7	27,9	2,6	11,6
GENERTELLIFE	31.458	4,7%	-	3,6	77,5	13,1	0,0	5,7
UNIPOLSAI ASSICURAZIONI	29.498	4,4%	0,1	5,6	80,0	8,7	0,4	5,2
BNP PARIBAS CARDIF VITA	22.539	3,4%	-	0,7	76,7	19,2	0,0	3,4
ASSICURAZIONI GENERALI	22.328	3,4%	-	57,5	5,1	13,8	18,0	5,6
ALLIANZ	21.360	3,2%	-	3,0	86,5	5,4	1,1	4,0
CREDIT AGRICOLE VITA	18.461	2,8%	0,3	3,9	74,3	16,5	-	5,0
AXA MPS ASSICURAZIONI VITA	17.174	2,6%	0,1	3,7	82,8	9,8	0,1	3,6
AVIVA VITA	14.304	2,1%	-	1,2	81,6	12,1	0,0	5,2
ZURICH INVESTMENTS LIFE	12.422	1,9%	-	4,1	82,6	8,4	0,1	4,9
EUROVITA	11.452	1,7%	-	0,2	79,1	11,8	0,9	8,0
ARCA VITA	10.654	1,6%	0,3	1,2	89,6	4,1	0,0	4,8
CREDITRAS VITA	9.146	1,4%	-	0,5	82,4	1,9	0,0	15,2
FIDEURAM VITA	7.259	1,1%	-	1,0	72,7	10,5	0,0	15,9
AMISSIMA VITA	7.248	1,1%	1,3	9,1	86,6	-	0,0	2,9
VERA VITA	6.997	1,1%	-	0,9	89,4	6,1	-	3,5
ITALIANA ASSICURAZIONI	6.742	1,0%	-	1,1	90,1	1,8	0,0	6,9
Subtotal	595.975	89,5%	234	30.058	432.431	91.220	5.663	36.368
as % of the subtotal			0,0	5,0	72,6	15,3	1,0	6,1
TOTAL	665.709		450	31.229	487.670	99.259	5.731	41.370
as % of the total			0,1	4,7	73,3	14,9	0,9	6,2
values in millions *Other assets include: intangible assets, technical reserves from reinsurers, receivables, accrued and deferred assets and other assets								

values in millions \*Other assets include: intangible assets, technical reserves from reinsurers, receivables, accrued and deferred assets and other assets

Source: ANIA

Assicurazioni Generali and Generali Italia featured the highest share of equity investments, with almost 19 billion euros allocated to this compartment (60% of the total), mainly in the form of listed shares (**Table 2.3**).

**Table 2.3 - The top 20 Italian insurance companies for class-C assets under management (excluding Unit Linked products and Pension funds) LIFE insurance business in 2021 Detailed equity and stake investments (millions)**

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	213	0,7%	96,5	3,5	-	-
INTESA SANPAOLO VITA	2.794	8,9%	47,0	50,2	1,3	1,5
GENERALI ITALIA	5.905	18,9%	82,5	17,0	0,4	0,2
ALLEANZA ASSICURAZIONI	1.632	5,2%	57,9	42,1	0,0	-
GENERTELLIFE	1.142	3,7%	52,0	46,7	0,2	1,2
UNIPOLSAI ASSICURAZIONI	1.652	5,3%	63,5	30,4	6,1	-
BNP PARIBAS CARDIF VITA	152	0,5%	14,3	67,0	18,8	-
ASSICURAZIONI GENERALI	12.833	41,1%	99,9	0,1	0,0	0,1
ALLIANZ	640	2,0%	88,7	9,8	-	1,5
CREDIT AGRICOLE VITA	725	2,3%	6,6	88,0	5,4	-
AXA MPS ASSICURAZIONI VITA	627	2,0%	51,4	41,0	7,6	-
AVIVA VITA	166	0,5%	0,0	92,8	7,2	-
ZURICH INVESTMENTS LIFE	508	1,6%	-	100,0	-	-
EUROVITA	22	0,1%	2,4	-	97,6	-
ARCA VITA	124	0,4%	96,9	3,1	-	-
CREDITRAS VITA	48	0,2%	54,2	45,8	-	-
FIDEURAM VITA	72	0,2%	0,2	99,6	0,2	-
AMISSIMA VITA	663	2,1%	1,3	0,0	-	98,7
VERA VITA	64	0,2%	98,4	1,6	-	-
ITALIANA ASSICURAZIONI	76	0,2%	99,7	0,3	-	0,1
Subtotal	30.058	96,2%	23.050	5.962	310	737
As % of the subtotal			76,7	19,8	1,0	2,5
<b>TOTAL</b>	<b>31.229</b>	<b>100,0%</b>	<b>23.703</b>	<b>6.430</b>	<b>334</b>	<b>763</b>
As % of the total			75,9	20,6	1,1	2,4

Source: ANIA

**Table 2.4** 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 225 billion euros' worth of bonds and other securities with a market share of about 46%. For Intesa Sanpaolo Vita, corporate bonds accounted for 2% of fixed-income investments, with an average market of around 0.6%.

**Table 2.4 - The top 20 Italian Insurance Companies for class-C assets under management (excluding Unit Linked products and Pension funds), LIFE insurance business in 2021 - 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	102.428	21,0%	-	100,0	-	-
INTESA SANPAOLO VITA	75.179	15,4%	2,0	97,3	0,6	-
GENERALI ITALIA	49.331	10,1%	1,3	96,6	1,8	0,4
ALLEANZA ASSICURAZIONI	20.701	4,2%	1,4	97,7	0,7	0,2
GENERTELLIFE	24.390	5,0%	0,8	98,8	0,2	0,2
UNIPOLSAI ASSICURAZIONI	23.601	4,8%	0,0	98,3	1,7	0,0
BNP PARIBAS CARDIF VITA	17.293	3,5%	0,3	99,0	0,6	-
ASSICURAZIONI GENERALI	1.146	0,2%	-	97,6	2,4	-
ALLIANZ	18.474	3,8%	1,0	96,7	2,0	0,3
CREDIT AGRICOLE VITA	13.712	2,8%	0,4	99,6	-	-
AXA MPS ASSICURAZIONI VITA	14.217	2,9%	-	94,3	5,7	0,0
AVIVA VITA	11.667	2,4%	-	97,4	2,6	-
ZURICH INVESTMENTS LIFE	10.261	2,1%	-	93,6	6,4	-
EUROVITA	9.061	1,9%	-	98,0	2,0	-
ARCA VITA	9.546	2,0%	-	99,4	0,6	-
CREDITRAS VITA	7.537	1,5%	1,1	97,5	1,2	0,2
FIDEURAM VITA	5.275	1,1%	0,3	99,7	-	-
AMISSIMA VITA	6.278	1,3%	-	97,8	2,2	-
VERA VITA	6.258	1,3%	-	99,4	0,6	-
ITALIANA ASSICURAZIONI	6.074	1,2%	-	99,7	0,3	-
Subtotal	<b>432.431</b>	<b>88,7%</b>	<b>3.039</b>	<b>424.291</b>	<b>4.773</b>	<b>329</b>
as % of the subtotal			<b>0,7</b>	<b>98,1</b>	<b>1,1</b>	<b>0,1</b>
<b>TOTAL</b>	<b>487.670</b>	<b>100,0%</b>	<b>3.063</b>	<b>478.902</b>	<b>5.376</b>	<b>329</b>
as % of the total			<b>0,6</b>	<b>98,2</b>	<b>1,1</b>	<b>0,1</b>

Source: ANIA

The remaining assets were managed directly by these companies, unlike traditional and alternative mutual fund investments; however, despite the upward trend of interest rates, which remained very low and close to zero or negative for short maturities until 2021, UCITS investments, especially alternative ones also for risk diversification purposes, as well as sustainable investments those in the real domestic economy 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 used by these companies can be obtained from their Solvency II financial statements. **Table 2.5** shows the data from Life and non-Life insurance companies<sup>3</sup> with the percentage distribution of mutual fund investments in the Life insurance business by type of fund and limited to the non-Linked sector. According to these data, over 30% of the almost 100 billion euros' worth of mutual fund investments was allocated to debt funds. However, this share gradually decreased compared to 2018 when it was close to 36%. The still significant share of asset allocation and real estate fund investments went slightly down and reached 23.5% at the end of 2021 (16.9% in 2018). The share of real estate funds grew from 14.2% in 2018 to 16.0% in 2020 and

<sup>3</sup> The approximation is allowed because, in relation to investment funds, the Life business s accounts for more than 90% of the total.

to 16.7% in 2021. The shares of alternative funds (4.3%), infrastructure funds (4.2%) and private equity funds (3.5%) was less significant, but still growing compared to 2020. The share of money market funds declined (7.0%). For the sake of completeness, **Table 2.5 bis** shows the UCITS investments of the entire insurance sector, including the Life and non-Life business.

**Table 2.5 – UCITS investment funds at the end 2021 (excluding Linked contracts)**

Mutual Funds	2018	2019	2020	2021		Var. % '21/'20	Var. % '21/'18
Equity funds	7.3%	7.1%	5.9%	6.3%		11.9%	19.0%
Debt Funds	35.8%	35.5%	32.0%	31.6%		3.1%	21.5%
Money market funds	7.2%	8.4%	9.2%	7.0%		-20.7%	33.4%
Asset allocation funds	16.9%	16.3%	24.4%	23.5%		0.8%	91.7%
Real estate funds	14.2%	14.9%	16.0%	16.7%		9.4%	63.1%
Alternative funds	4.8%	4.1%	4.1%	4.3%		8.7%	22.9%
Private equity funds	2.7%	2.6%	2.5%	3.5%		42.9%	77.7%
Infrastructure Funds	2.7%	2.9%	3.4%	4.2%		30.5%	116.5%
Other	8.4%	8.1%	2.5%	2.9%		24.8%	-52.1%
<b>Total</b>	<b>76,153</b>	<b>87,465</b>	<b>95,347</b>	<b>99,259</b>		<b>4.1%</b>	<b>30.3%</b>
<i>The total refers to the all the UCITS investments in the Life business (Local Gaaps data); breakdown estimated from Solvency II data</i>							

**Table 2.5 bis - Total UCITs used by Life and non-Life insurance companies**

Mutual Funds	2018	2019	2020	2021
Equity funds	6,156	7,251	6,548	7,326
Debt funds	30,324	36,096	35,733	36,837
Money market funds	6,095	8,574	10,251	8,129
Asset allocation funds	14,335	16,564	27,265	27,483
Real-estate funds	11,988	15,156	17,865	19,550
Alternative funds	4,048	4,165	4,578	4,976
Private equity funds	2,287	2,659	2,844	4,063
Infrastructural funds	2,288	2,988	3,796	4,953
Other	7,155	8,240	2,745	3,425
<b>Total</b>	<b>84,676</b>	<b>101,693</b>	<b>111,625</b>	<b>116,742</b>

#### *Investments related to Linked policies (class D)*

The **Linked** investment data detailed below have always been obtained from Solvency II financial statements (Local Gaaps). At the end of 2021, this type of investment reached **233 billion euros**, up by 18.5% compared to 2020 and by 53% compared to only four years earlier (**Table 2.6**). About **85%** of **these assets** were allocated to **investment funds**; the rest was allocated to government bonds (6%), equity (4%) and bonds (3%).

**Table 2.6 - Assets by type of investment - Linked products**

	2018	2019	2020	2020 (%)	2021	2021 (%)	% Var. '21/'20	% Var. '21/'18
<b>Assets related to Linked policies</b>	<b>152.252</b>	<b>179.414</b>	<b>196.486</b>	<b>100,0%</b>	<b>232.914</b>	<b>100,0%</b>	<b>18,5%</b>	<b>53,0%</b>
<i>of which</i>								
<b>Investment Funds</b>	125,063	148,804	165,748	71.2%	197,702	84.9%	19.3%	58,1%
<b>Government Securities</b>	15,478	16,784	13,429	5.8%	13,748	5.9%	2.4%	-11,2%
<b>Cash and deposits</b>	3,572	2,852	4,025	1.7%	4,421	1.9%	9.8%	23,8%
<b>Equity</b>	5,076	6,707	7,286	3.1%	9,227	4.0%	26.6%	81,8%
<b>Bonds</b>	2,971	4,136	5,764	2.5%	7,481	3.2%	29.8%	151,8%
<b>Other investments</b>	91	131	234	0.1%	335	0.1%	43.5%	268,1%

*Source: Solvency – InfoQRT data estimated by ANIA*

**Table 2.7** 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 163 billion euros in these funds in 2021 (83% of the total); a smaller share was invested in funds located in Italy (11.9 billion), France (8.9 billion) and in the U.K. (6.6 billion).

**Table 2.7 - Assets by type of investment and by issuing Country - Linked products**  
(millions of euros)

	Total	Luxembourg	Ireland	Italy	France	UK	USA	Other Countries
<b>Assets related to Unit Linked policies</b>	<b>232.914</b>	<b>118.016</b>	<b>46.405</b>	<b>27.838</b>	<b>12.452</b>	<b>7.637</b>	<b>5.770</b>	<b>14.796</b>
<b>Investment funds</b>	<b>197.702</b>	<b>117.531</b>	<b>46.028</b>	<b>11.956</b>	<b>8.948</b>	<b>6.621</b>	<b>1.225</b>	<b>5.394</b>
<b>Government bonds</b>	13.748	208	134	7.988	1.412	49	592	3.364
<b>Cash and Deposits</b>	4.421	6	4	3.494	50	1	3	863
<b>Equity</b>	9.227	54	123	1.782	1.036	474	3.095	2.663
<b>Bonds</b>	7.481	207	102	2.571	933	462	815	2.391
<b>Other investments</b>	335	9	14	48	73	30	39	122

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

Finally, **Table 2.8** shows the percentage allocation of mutual fund investments of the Life insurance business, limited to the Linked compartment and by fund type. In 2021, equity and debt funds together accounted for 80% of the 197.7 billion euros invested. The share of equity funds rose from 38.3% in 2018 to 46.5% in 2021, + 91.7%, while that of debt funds rose from 30.5% in 2018 to 33.7% in 2021, + 45.6%. The share invested in asset allocation remained stable at 10%.

**Table 2.8 - Investment funds by type of fund –Linked policies**

Type of Mutual Fund	2018	2019	2020	2021		Var. % '21/'20	Var. % '21/'18
<b>Equity funds</b>	38.3%	41.4%	42.4%	46.5%		30.8%	91.7%
<b>Debt funds</b>	36.5%	35.7%	35.8%	33.7%		12.0%	45.6%
<b>Money market funds</b>	4.3%	2.5%	3.5%	2.1%		-27.5%	-21.9%
<b>Asset allocation funds</b>	10.9%	10.3%	9.7%	10.2%		25.5%	47.7%
<b>Real-estate funds</b>	0.0%	0.1%	0.0%	0.0%		-15.9%	-10.1%
<b>Alternative funds</b>	2.0%	1.6%	1.4%	1.7%		41.6%	33.2%
<b>Private equity funds</b>	0.0%	0.0%	0.0%	0.0%		9.9%	11.3%
<b>Infrastructural funds</b>	0.0%	0.0%	0.1%	0.1%		101.6%	4635.8%
<b>Other</b>	8.0%	8.4%	7.1%	5.7%		-3.7%	14.0%
<b>Total</b>	<b>125,063</b>	<b>148,804</b>	<b>165,748</b>	<b>197,702</b>		<b>19.3%</b>	<b>58.1%</b>

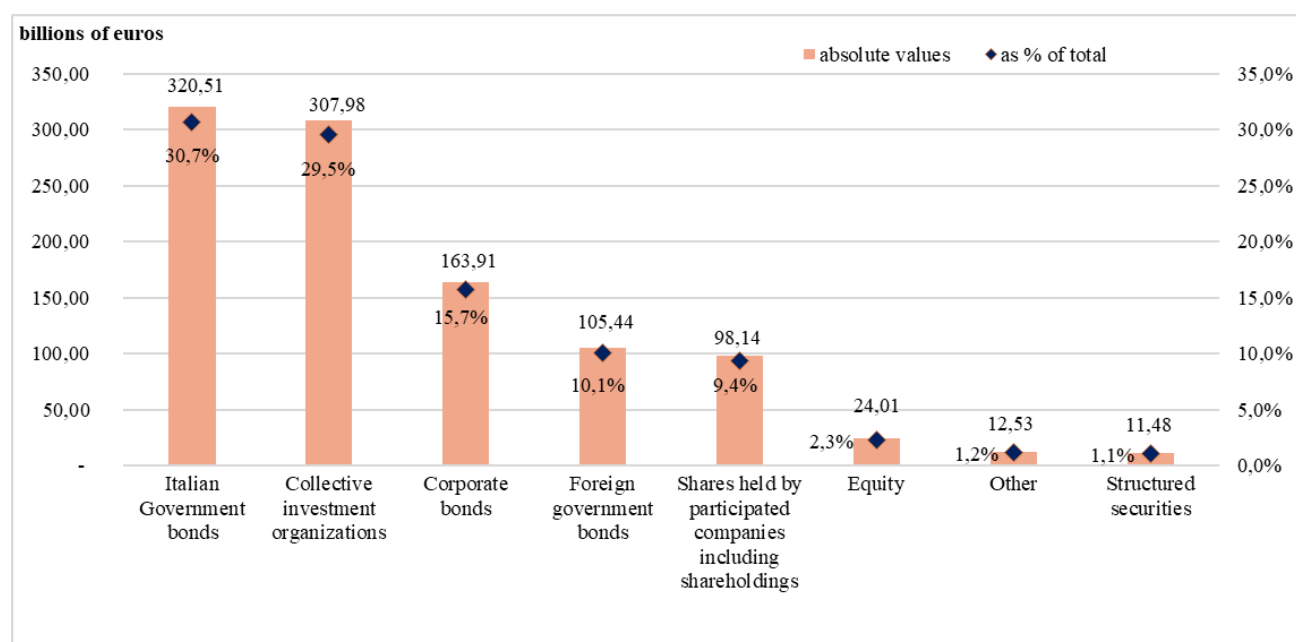
*The total refers to the total UCITs investments of the life sector (Local Gaaps data); the allocation was estimated on the basis of Solvency II data.*

## 2.3 A 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<sup>(4)</sup> data of the fourth quarter of 2021 published by EIOPA, focusing on the Linked and mixed policies of Life and mixed companies in Italy but also in France, Germany, Spain, the Netherlands, Belgium, Denmark, Sweden and Ireland.

For Italy, the investments by insurance companies in line with Solvency II accounting standards were equal to 1.044 billion, up by 3.2% on the previous year; of this total, 811 billion euros (-0.5% compared to 2020) are related to life and non-life insurance contracts (the value of non-life investments was about 186 billion) excluding Linked policies; instead, the remaining 233 billion (+18.5% compared to 2020) are related to the Linked policies of the Life insurance business. The portfolio directly managed by these companies accounted for about 71% all investments, in particular: the direct purchase of government bonds (Italian and foreign), corporate bonds, strategic interests and stocks. The share of investments indirectly managed through outsourcing refers to all UCITS investments (Collective Investment Organizations), i.e. traditional and alternative mutual funds, which accounted for 29.5% of the total in 2021 (equal to approximately 308 billion); a share that grew steadily over the three-year period (25.9% in 2019 and 26.6% in 2020).

Figure 2.4 - Insurance industry investments in 2021 (as %)



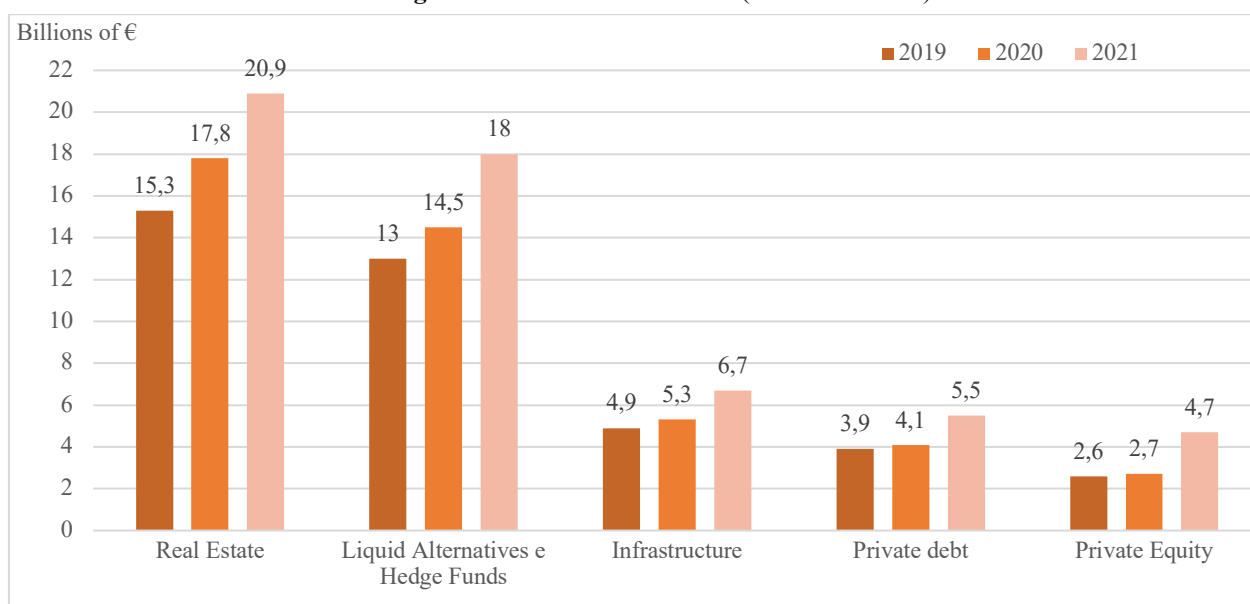
In detail, the share of investments in traditional UCITS was 82%, mainly investment grade (around 27%), high yield (5%), emerging markets (6%) corporate bonds and to a lesser extent government bonds (around 9%) and money market securities (around 12%). As to geographical diversification, non-European countries accounted for over 69% of bond investments, about 77% of equity investments and almost 100% of balanced fund investments). The fund investment strategy is designed to diversify the portfolio into *asset classes* other than those managed directly. The share of alternative funds, which

<sup>4</sup> Quantitative Reporting Templates



reached 18% in 2021 for a value of almost 56 billion euros, increased over the last three years (with respect to 16% in 2020 and 2019), thus bringing the allocation of these alternative investments to 5.3% of the total portfolio, which was 4.4% in 2020. According to Ania, the evolution of alternative investments shows that insurance companies have already begun to position their portfolios in view of the energy transition, as can be seen from the increase in the assets allocated to infrastructural funds accounting for 12% of the total of alternative funds (+ 37% vs. 2019) and to private debt funds accounting for almost 10% (+ 41%). In addition, the main share of the assets allocated to alternative funds was invested in real estate funds (more than 37% in 2021) and in liquid alternative funds, i.e. strategies that are highly decoupled with respect to traditional asset classes and which accounted for over 32% at the end of 2021, of which around 4% of hedge funds and 8.5% of private equity funds.

**Figure 2.5 - Alternative Funds** (billions of euros)



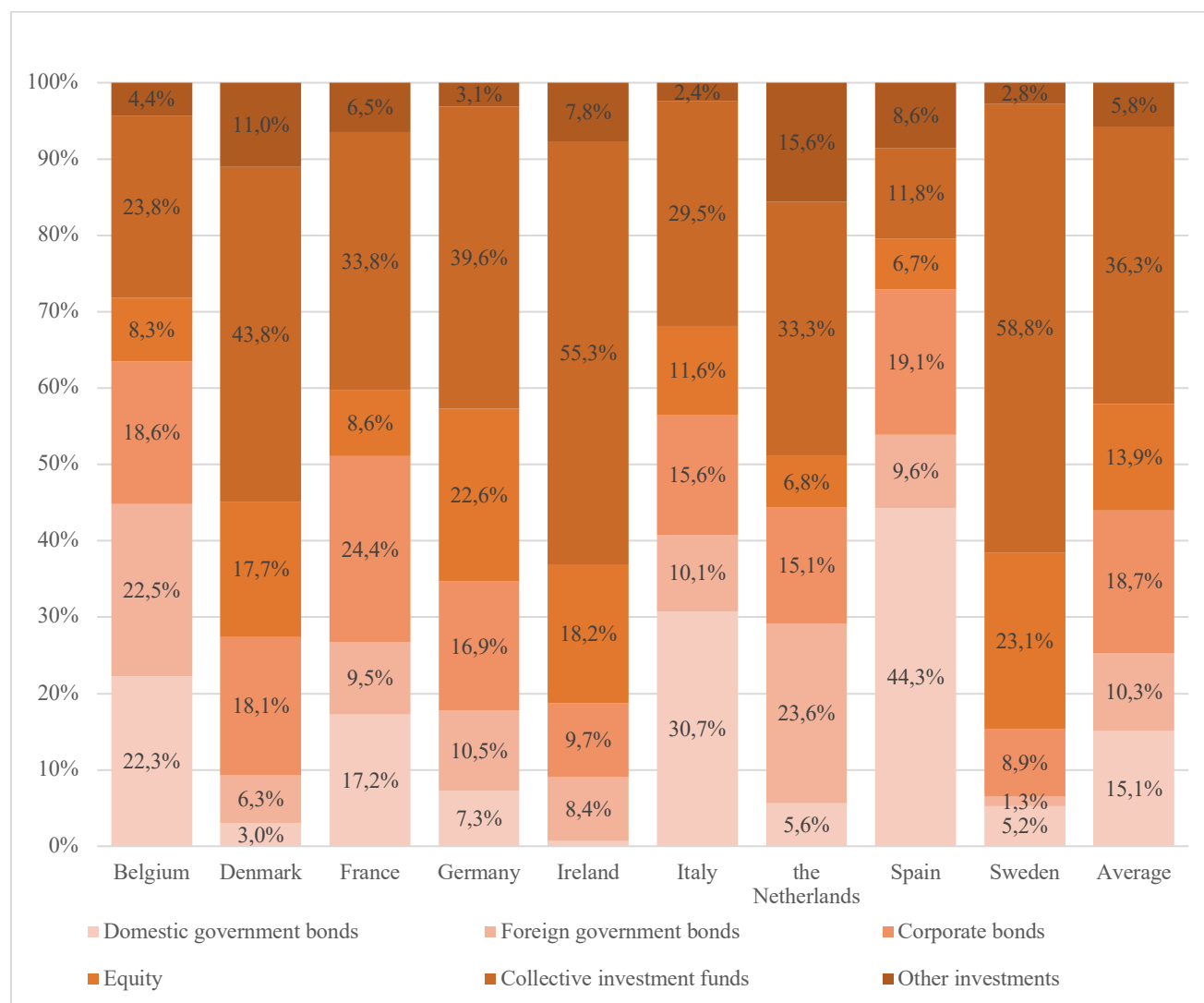
The comparative analysis of the main European countries shows that the predominant form of invested is debt funds albeit with different levels of allocation to corporate and government bonds. At the end of 2021, the average level of investment in domestic government bonds in the nine countries examined was just over 15%; instead, in Italy, this type of investment was still higher at 30.7% although gradually decreasing in recent years, preceded only by Spain with 44.3% and followed by Belgium with 22.3%, France with 17.2%, Germany with 7.3% (- 50% on average), the Netherlands (5.6%), Sweden (5.2%), Denmark (3.0%) and Ireland close to zero. In 2021, the share of foreign government bonds was particularly significant for the Netherlands (23.6%) and Belgium (22.5%), less so for the other countries (around 10% for France, Germany, Ireland, Italy and Spain, 6.3% for Denmark and 1.3% for Sweden). By contrast, their average allocation to corporate bonds was around 19%.

French companies invested mainly in this asset class (24.4%), followed by Spanish (19.1%), Belgian (18.6%) and Danish (18.1%) companies. By contrast, the share of such investments in the financial accounts of Italian and Dutch insurance companies amounted to around 15/16%. The **share of investment funds** was predominant and above the nine-country average in the portfolios of Swedish (58.8%), Irish (55.3%), Danish (43.8%), German (39.6%), French (33.8%) and Dutch (33.3%) companies. As already pointed out, in Italy, the UCITS share was 29.5%, while in Belgium it was equal to 23.8%. The average share of equity investments accounted for about 14%, including holdings in affiliated companies; the largest share was found in Swedish insurance companies (23.1%), followed



by German (22.6%), Irish (18.2%), Danish (17.7%), Italian (11.6%) and French (8.6%) ones (**Figure 2.6**).

**Figure 2.6 – Investments by European countries – IV Quarter of 2021**

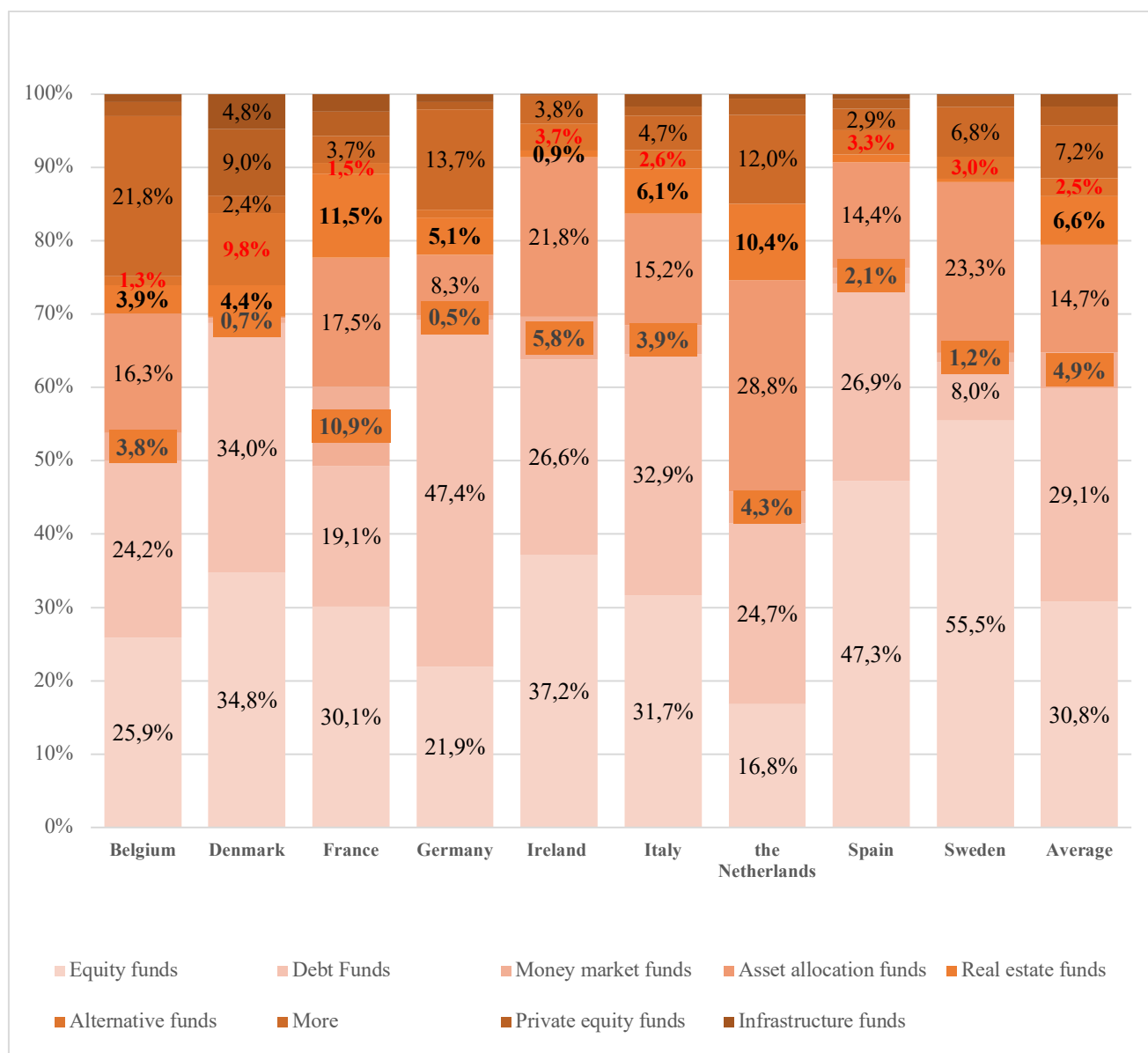


*Other investments include structured bonds, collateralised securities, derivatives and other minor items.*

*Source: EIOPA data processed by ANIA Insurance statistics*

**Figure 2.7** shows that, on the whole, European companies mainly invested in equity funds (30.8%) and debt funds (29.1%). In particular, Germany featured the highest share of debt funds with 47.4%, while Sweden featured a share of equity funds equal to 55.5%. In Europe, the share of investments in asset allocation funds (14.7%) and real estate funds (6.6%) proved to be lower. Of particular note is the 11% share of money market funds in the French portfolios, and the 9.8% share of alternative funds and 9% of private equity funds in Danish portfolios.

**Figure 2.7 - Investment funds of European companies – IV quarter of 2021**



*Other investments include structured bonds, collateralised securities, derivatives and other minor items.*

*Source: EIOPA data processed by ANIA, Insurance statistics*

### 3. Open-Ended Pension Funds (FPAs): membership, assets and management companies

The number of operational **Open-Ended Pension Funds** at the end of 2021 fell from 42 in 2020 to 40, with the number of compartments falling from 191 in 2020 to 181. There was a reduction also in the number of companies operating in this sector by 3 (31), following the merger of the open-ended funds previously managed by two other insurance companies.

**Membership** - The positive upward trend in the number of members continued, + 6.6% with respect to 2020 (+ 4.9% vs. 2019) exceeding 1.7 million. The data on the number and breakdown of members of these funds at the end of 2021 showed a 7.6% growth in the number of positions related to employed workers mainly registered on an individual basis, against a 3% increase for self-employed workers.

*Table 3.1* shows the top 10 groups managing and distributing Open-ended Pension Funds ranked by **number of outstanding positions**, accounting for **more than 86%** of the total.

**Table 3.1 - The top 10 Open-Ended Fund Management Groups by number of outstanding positions in 2020 -2021**

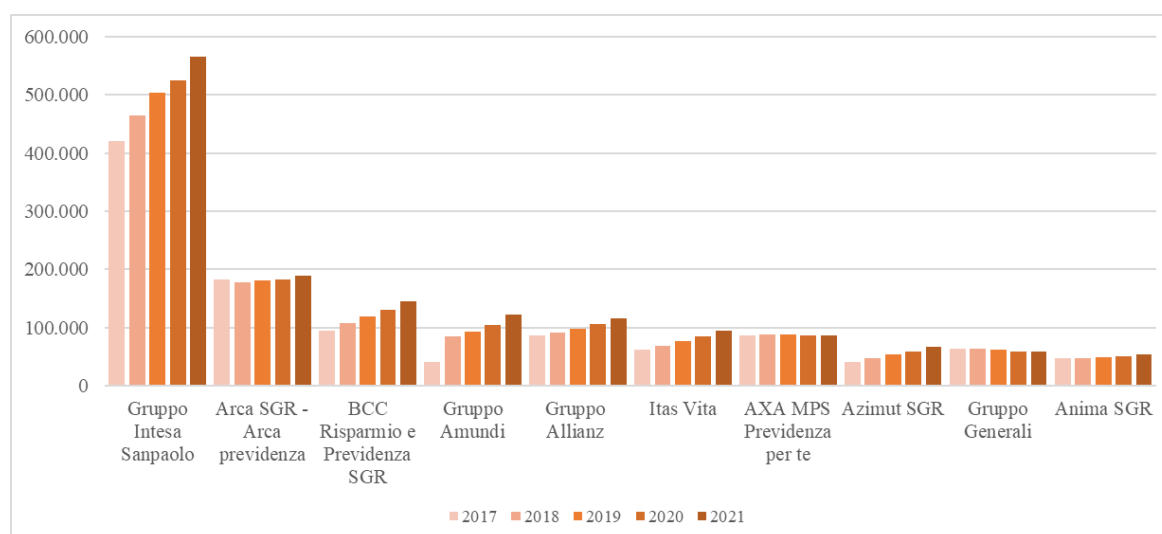
OPEN-ENDED FUND	OUTSTANDING POSITIONS IN 2020	OUTSTANDING POSITIONS IN 2021
<b>Gruppo Intesa Sanpaolo</b>	<b>539,354</b>	<b>565,099</b>
Il mio domani	410,282	426,015
Fideuram - Fideuram Vita	81,156	92,317
Previdsystem	29,211	28,126
Ubi Previdenza	13,719	13,270
Giustiniano	3,925	4,367
Bap Pensione 2007	1,061	1,004
<b>Arca SGR - Arca previdenza</b>	<b>183,100</b>	<b>189,867</b>
<b>BCC Risparmio e Previdenza SGR</b>	<b>130,128</b>	<b>144,525</b>
<b>Gruppo Amundi</b>	<b>104,892</b>	<b>121,782</b>
Seconda Pensione	81,244	85,875
Core Pension	23,648	35,907
<b>Gruppo Allianz</b>	<b>105,674</b>	<b>116,394</b>
Allianz previdenza	80,029	89,120
Insieme	23,547	25,273
Unicredit - Creditras vita	2,098	2,001
<b>Itas Vita</b>	<b>84,079</b>	<b>95,179</b>
<b>AXA MPS Previdenza per te</b>	<b>71,818</b>	<b>86,832</b>
<b>Azimut SGR</b>	<b>59,375</b>	<b>67,429</b>
Azimut Previdenza	57,364	60,385
Azimut Sustainable Future	2,011	7,044
<b>Gruppo Generali</b>	<b>58,909</b>	<b>58,677</b>
Generali Global	48,077	48,290
Almeglio - Alleanza	10,832	10,387
<b>Anima SGR</b>	<b>50,926</b>	<b>53,650</b>
<b>TOTAL</b>	<b>1,388,255</b>	<b>1,499,434</b>

*Source: COVIP data processed by Itinerari Previdenziali Study and Research Centre*

However, the same occurred for the outstanding positions not financed by contributions: in 2021, their number amounted to 664,000, compared to 640,000 at the end of 2020 and to 599,000 in 2019, mainly due to 51% of self-employed workers who did not pay their contributions, (-1% vs. 2020); the share of employed workers not paying their contributions went slightly down by 1%, accounting for 30% with respect to 31% in 2020 and to 27% in 2019. Therefore, the basic problem is still there: on the one hand, there is a lack of information on the need for workers to have a complementary pension scheme and the fact that almost half of pensioners are fully or partially supported by tax-payers; on the other hand, many operators tend to choose other, perhaps more profitable, solutions.

**Figure 3.1** shows the trend of the outstanding positions for each Company from 2017 to 2021.

**Figure 3.1 - The first 10 Open-Ended Fund Management Groups by number of outstanding positions in 2017-2018-2019-2020-2021**



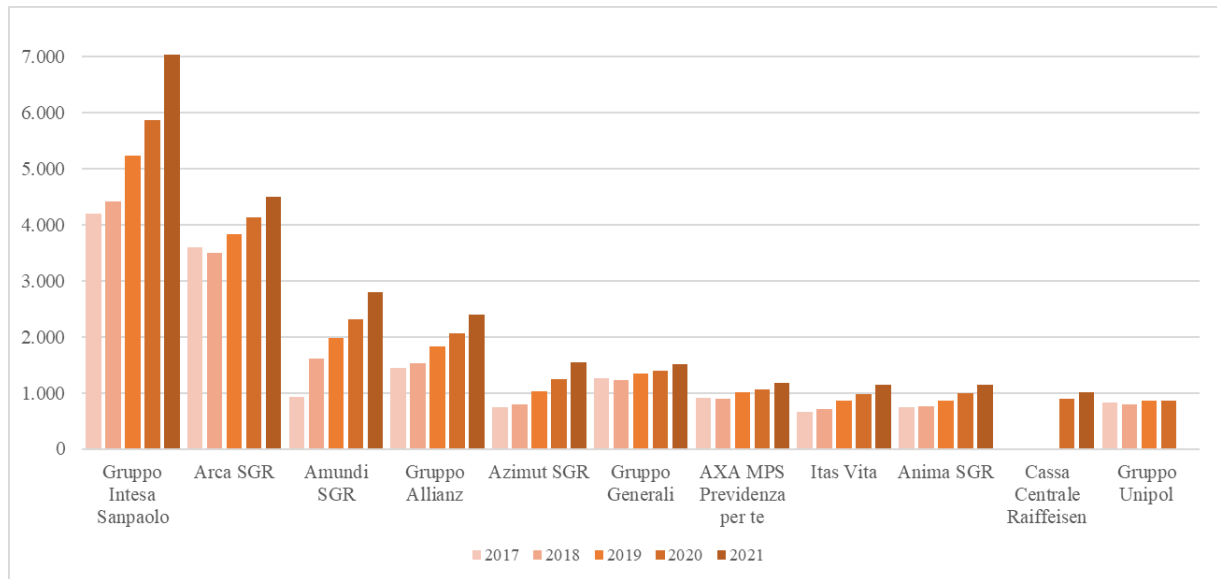
Source: COVIP data processed by the Itinerari Previdenziali Research and Study Center

The **net assets allocated to benefits** amounted to **29 billion euros** at the end of 2021, significantly up with respect to the previous year (+14.2%) with respect to 25.4 billion in 2020. In 2021, open-ended pension funds collected 2.6 billion euros' worth of contributions, with an upward trend compared to 2020; 1.7 billion were provided by employed workers, around 42% of which from termination of employment benefits. The amount of contributions too continued to grow, thus bringing the average contributions paid by members to 2,490 euros (2,390 in 2020 and 2,340 in 2019). The contribution gap between self-employed and employed workers had a slight increase: the former paid 2,720 euros on average (2,560 in 2020 and 2,540 in 2019), the latter 2,640 euros (2,550 in 2020 and 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 83% of the total.

There were no particular changes as to how **open-ended funds manage their resources** compared to 2020: **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 (41%) and by the only bank present in the sector (3.5%). The net asset allocation of open-ended funds remained stable compared to 2020: 46.5% (46% in 2020 and 45.7% in 2019) was allocated to balanced compartments, 23.9% to equity funds (21.8% in 2020 and 21.3% in 2019), 18.1% to guaranteed funds (slightly down compared to 19.7% in 2020 and to 20.2% in 2019) and 11.5% to bond compartments (12.4% in 2020 and 13% in 2019).

**Figure 3.2 - The top 10 Open-Ended Fund Management Groups by assets in 2017-2018-2019-2020-2021**  
(millions of euros)



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

In the ranking of the top 10 groups by resources, Azimut SGR gained the fifth position with respect to the Generali Group; the same was true for Itas Vita, which displaced Anima SGR in the eighth position.

In general, the **29 billion euros'** worth of assets of open-ended pension funds are directly managed by the asset management company, the bank or the insurance company that set up the fund, as in the case of Intesa Sanpaolo and the Group's asset management companies: Epsilon SGR, Eurizon Capital SGR and Fideuram; the same for Arca SGR, Amundi and so on. However, the funds or investment vehicles of **third-party management companies** are becoming increasingly popular, accounting for an estimated average of 30/40% of assets under management.

**Table. 3.2 - Top 10 open-ended fund management groups by assets in 2020-2021** (millions of euros)

<b>OPEN-ENDED FUND</b>	<b>ASSETS 2020</b>	<b>ASSETS 2021</b>
<b>Gruppo Intesa Sanpaolo</b>	<b>6,093.22</b>	<b>7,025.84</b>
Il mio domani	3,008.46	3,461.40
Fideuram	2,002.42	2,431.12
Previdsystem	756.24	776.66
Ubi Previdenza	215.56	233.06
Giustiniano	97.12	109.85
Bap Pensione 2007	13.44	13.75
<b>Arca SGR</b>	<b>4,121.85</b>	<b>4,502.78</b>
<b>Amundi SGR</b>	<b>2,317.41</b>	<b>2,790.01</b>
Seconda pensione	2,005.90	2,271.32
Core Pension	311.51	518.70
<b>Gruppo Allianz</b>	<b>2,068.68</b>	<b>2,398.69</b>
Allianz previdenza	1,473.53	1,700.90
Insieme	551.94	653.18
Unicredit - Creditas vita	43.21	44.61
<b>Azimut SGR</b>	<b>1,239.14</b>	<b>1,536.63</b>
Azimut Previdenza	1,232.62	1,477.17
Azimut Sustainable Future	6.51	59.46
<b>Gruppo Generali</b>	<b>1,388.44</b>	<b>1,518.53</b>
Generali global	1,254.54	1,378.26
Almeglio - Alleanza	133.90	140.27
<b>AXA MPS Previdenza per te</b>	<b>1,058.52</b>	<b>1,170.07</b>
<b>Itas Vita</b>	<b>968.26</b>	<b>1,138.98</b>
<b>Anima SGR</b>	<b>1,001.46</b>	<b>1,137.16</b>
<b>Cassa Centrale Raiffeisen</b>	<b>895.41</b>	<b>1,013.24</b>
<b>TOTAL</b>	<b>21,152.38</b>	<b>24,231.93</b>

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

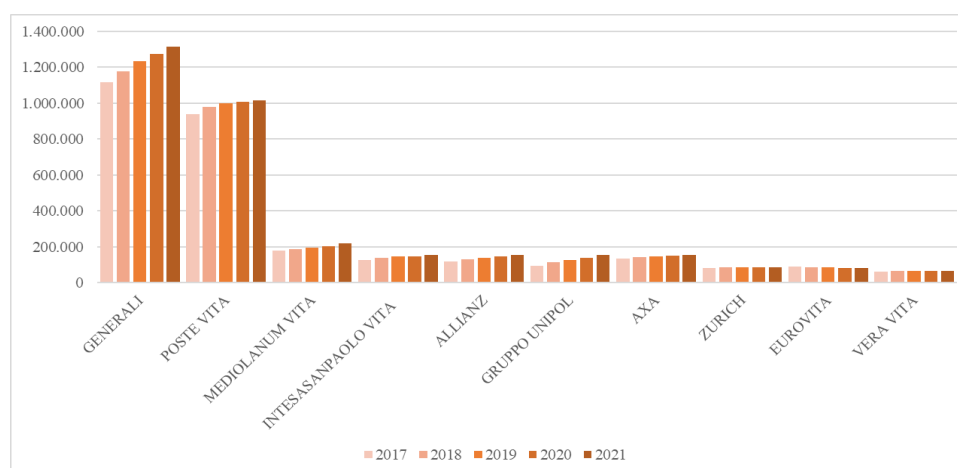
## 4. Individual Pension Plans (PIPs): members, assets and managers

**Members** - At the end of 2021, PIPs had a total of **3,935,186 outstanding positions**, of which **3,613,307** in "new" PIPs (i.e. those established under or in line with Legislative Decree no. 252/2005), accounting for 92% of all individual insurance pension plans. The actual number of members in the new PIPs<sup>1</sup> was equal to 3,445,073 while that in old PIPs was 321,879 for a total of 3,766,952, that is over 44.3% of all the members in the pension fund system. The number of members grew by 2.9% compared to + 2.7% in 2020 over 2019. The growth of memberships in "new" PIPs continued to slow down to + 2.7% vs. 2019 compared to + 4.3% in 2020. The number of members also registered with other pension schemes increased by 4% with respect to 2019 (+ 6.6% with respect to 2018). Like for open-ended pension funds, in 2021, PIPs too featured an increase in the number of members not paying contributions, almost equal to 35% of the total, more significant for self-employed (44%) than for employed workers (29%).

**Number of active PIPs** - The following data only refer to the "new" PIPs, also because the "old" ones are no longer allowed to enrol new members and to allocate termination of employment benefits. At the end of 2021, the number of **"new" PIPs** operating in the sector was equal to **72** (vs 71 in 2020); the new PIP was set up by an insurance company already active in this line of business. A total of 34 PIPs was closed for new memberships compared to 30 in 2020, an increase probably due to addition of another 4 PIPs to the list of plans not allowed to enrol new participants. The concentration in this sector remained particularly high, with around 81% of investments coming from companies belonging to five insurance groups. Finally, as a result of corporate transactions in the year 2021, the number of insurance companies dropped by 4, equal to 30 still operating on this market.

The **top 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 breakdown of these positions.

**Figure 4.1 - The top 10 Groups managing "new" PIPs by number of outstanding positions in 2017-2018-2019-2020-21**



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

<sup>1</sup> The difference between the outstanding positions and the number of members is due to the fact that the law allows for the enrolment in one or more pension schemes; therefore, the outstanding positions refer to the total membership of complementary pension schemes. Membership refers to the number of individuals (per capita) with one or more outstanding positions in complementary pension schemes, net of duplications due to multiple participations, except for 'old' PIPs, for which there is no distinction between positions and members. Pensioners are excluded.

Noteworthy is AXA's change of position to the seventh place for 2021, overtaken by Intesa Sanpaolo, Allianz and Unipol, which gained the fourth, fifth and sixth places respectively.

**Table 4.1 - The top 10 Groups managing "new" PIPs by number of outstanding positions in 2020 and in 2021**

New PIPs	Outstanding positions in 2020	Outstanding positions in 2021	New PIPs	Outstanding positions in 2020	Outstanding positions in 2021
<b>GENERALI</b>	<b>1.275.975</b>	<b>1.315.469</b>	<b>GRUPPO UNIPOL</b>	<b>138.142</b>	<b>152.797</b>
Alleata Previdenza - Alleanza	604.112	632.530	Unipol Futuro Presente	82.946	79.857
Generafuturo	260.589	275.209	Previdenza futura	55.196	72.940
Valore Pensione - Generali Italia	167.718	160.518	<b>AXA</b>	<b>148.269</b>	<b>152.175</b>
Ina Assitalia Primo	150.731	140.536	Axa Mps previdenza attiva	100.541	101.767
BG previdenza attiva - Genertellife	30.138	31.442	Mia pensione	24.790	28.114
Pensioneline - Genertellife	27.479	28.151	Axa Progetto Pensione	17.621	16.833
Futuro Attivo - Genertellife	21.727	20.667	Axa Mps previdenza personale	5.317	5.461
Generazione Previdente - Generali Italia	-	13.454	<b>ZURICH</b>	<b>85.909</b>	<b>86.821</b>
Vivipensione - Generali Italia	13.356	12.842	Vivipensione	67.656	68.030
Nuova Pensione - Genertellife	125	120	Programma pensione	9.646	10.446
<b>POSTE VITA</b>	<b>1.007.098</b>	<b>1.013.478</b>	Futuro pensione	8.607	8.345
<b>MEDIOLANUM VITA</b>	<b>201.656</b>	<b>219.602</b>	<b>EUROVITA</b>	<b>83.828</b>	<b>81.130</b>
<b>INTESASANPAOLO VITA</b>	<b>147.416</b>	<b>153.984</b>	PP BayerischeT 4036	30.176	29.376
Il mio futuro	130.374	133.268	PP BayerischeT 4046	24.213	23.548
Pip progetto pensione	11.942	11.315	PP BayerischeT 4026	17.961	17.462
Vita&previdenza più	5.100	4.897	NG nuova generazione	6.879	6.414
Previnext Platinum	-	2.843	Rendita di Previdenza Qualificata	1.806	1.743
Ouverture 2007	-	778	Pensione domani	1.782	1.677
Bap Crescendo Previdente	-	730	Futuro per te	1.011	910
Previnext	-	138	<b>VERA VITA</b>	<b>64.699</b>	<b>63.734</b>
Aviva Vita - Pro Futuro	-	15	Pensione sicura	52.419	51.972
<b>ALLIANZ</b>	<b>144.324</b>	<b>153.714</b>	Vita previdenza	12.280	11.762
Orizzonte previdenza	136.592	143.896			
Unicredit Creditras	5.943	6.170			
Moneyfarm	1.021	2.932			
Elios previdenza	768	716			
<b>TOTAL for the top 10 Groups</b>				<b>3.297.316</b>	<b>3.392.904</b>

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

The **resources allocated to benefits** had a significant growth in 2021 too, + 12.6% compared to 2020, but less than +15.5% reached in 2019 vs 2018, thus reaching **43.989 billion euros**; if approximately 7.337 billion euros' worth of "old" PIPs are added to this figure, their overall value is over **51 billion**, equal to about 25% of all the assets of pension fund, even if with 44% of memberships. The new PIPs received an amount of contributions of about 4.9 billion euros in 2021, more than in 2020, of which 3.2 billion paid by employed workers, 29% from termination of employment benefits. PIPs featured an increase in the average annual contributions paid by members in 2021, equal to 2,130 euros with respect to 2,050 in 2020 and to 2,030 in 2019. Self-employed workers paid higher contributions on average with respect to employed workers and with respect to 2020: for the former, the average contribution was equal to 2,640 euros vs 2,540 euros in 2020 for the latter, it was equal to 2,080 for as against 2,000 in 2020.

As to the type of investments, PIPs members tended to opt mainly for **class I "separate schemes"** accounting for **72.2%** of resources, while the rest was allocated to **class III lines**, of which almost 13% to equity investments (similarly to 2020 vs 10.4% in 2018), 10.3% to balanced investments (4% in 2020 and 9.2% in 2019) and 4.8% to bonds (4% in 2020 and 4.2% in 2019).



**Management of Resources** – Similarly to open-ended funds, PIPs resources are generally managed by the same insurance companies that created them, especially if these are Class I separate schemes or multi-class schemes, or by companies within the same Group. However, products from third-parties such as traditional and alternative assets and ETFs have become more popular for diversification and specialisation purposes; also in the case of Pips, around 30% of the 51.3 billion's worth of assets under management is entrusted to third party management companies; this is especially true for companies that do not have asset management units or have small ones, thus making this 'institutional investor' increasingly interested in 'product factories'.

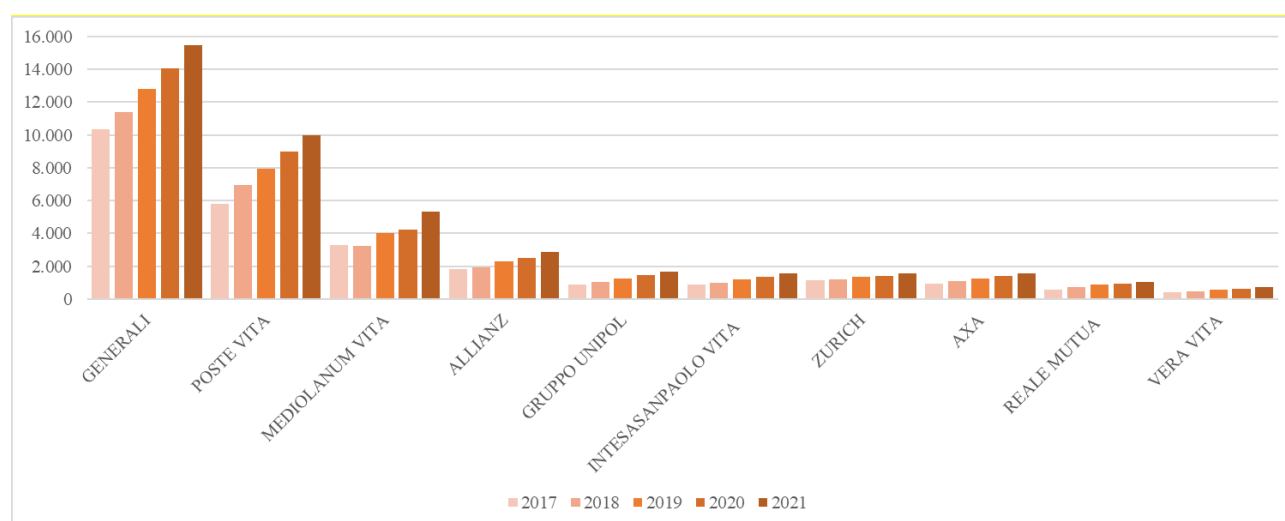
**Table 4.2** and **Figure 4.2** list the top10 Groups that manage "new" PIPs by assets (net assets allocated to benefits) and that account for **95%** of the total. The Unipol Group moved up in the ranking from the seventh to the fifth position, Intesa Sanpaolo Vita from the eighth to the sixth, while Zurich moved from the fifth to the seventh and AXA from the sixth to the eighth. The top three positions account for more than 73% of all resources.

**Table 4.2 - The top 10 Groups managing "new" PIPs by assets (net assets allocated to benefits in millions of €) in 2020 and 2021**

NEW PIPs	ASSETS 2020	ASSETS 2021	New PIPs	ASSETS 2020	ASSETS 2021
<b>GENERALI</b>	<b>14.079,6</b>	<b>15.482,9</b>	<b>ZURICH</b>	<b>1.420,0</b>	<b>1.568,5</b>
Alleata Previdenza - Alleanza	5.136,1	5.830,1	Vivipensione	1.035,4	1.122,9
Valore Pensione - Generali Italia	2.908,1	2.984,5	Programma pensione	203,3	255,9
Generafuturo - Generali Italia	2.317,1	2.792,1	Futuro pensione	181,3	189,6
Ina Assitalia Primo - Generali Italia	2.267,4	2.248,9	<b>AXA</b>	<b>1.390,8</b>	<b>1.559,7</b>
BG previdenza attiva - Genertellife	715,4	810,5	Axa Mps previdenza attiva	712,3	798,9
Pensionline- Genertellife	351,8	392,0	Axa progetto pensione	331,4	342,0
Vivi pensione - Generali Italia	200,1	209,0	Mia pensione	242,9	302,7
Futuro attivo - Genertellife	180,9	172,0	Axa Mps previdenza personale	104,2	116,1
Generazione Previdente - Generali Italia	-	41,1	<b>REALE MUTUA</b>	<b>954,9</b>	<b>1.061,5</b>
Nuova Pensione - Genertellife	2,7	2,8	Cento stelle Reale	400,3	440,4
<b>POSTE VITA</b>	<b>9.001,7</b>	<b>9.981,9</b>	Cento stelle tax plan	202,1	225,7
<b>MEDIOLANUM VITA</b>	<b>4.250,0</b>	<b>5.307,8</b>	Feelgood Italiana assicurazioni	154,2	183,7
<b>ALLIANZ</b>	<b>2.491,7</b>	<b>2.873,6</b>	Planner	97,8	101,8
Orizzonte previdenza	2.414,3	2.769,7	Domani sicuro plus	71,0	81,5
Unicredit Creditras	64,6	78,7	Domani sicuro	14,4	14,6
Moneyfarm	3,7	16,5	Progetto pensione sicura	15,1	14,0
Elios previdenza	9,0	8,7	<b>VERA VITA</b>	<b>646,0</b>	<b>707,0</b>
<b>GRUPPO UNIPOL</b>	<b>1.449,6</b>	<b>1.688,6</b>	Pensione sicura	487,9	543,3
Unipol Futuro Presente	1.127,1	1.182,1	Vera Vita previdenza	158,1	163,7
Previdenza futura	322,5	506,5			
<b>INTESASANPAOLO VITA</b>	<b>1.335,1</b>	<b>1.585,5</b>			
Il mio futuro	890,8	1.024,8			
Pip progetto pensione	337,4	359,3			
Vita&previdenza più	106,9	111,8			
Previnext Platinum	-	58,8			
Ouverture 2007	-	13,8			
Bap Crescendo Previdente	-	12,9			
Previnext	-	3,9			
Aviva Vita - Pro Futuro	-	0,2			
<b>TOTAL for the top 10 Groups</b>				<b>37.019,4</b>	<b>41.817,1</b>

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

**Figure 4.2 - The top 10 Groups managing "new" PIPs by assets (millions of euros) in 2017-2018-2019-2020-2021**



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

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

At the end of 2021, there were 33 *occupational pension funds* still operational, the same figure as in 2020, with **3,460,862<sup>1</sup> members**, about two hundred thousand more than in 2019, with a pre-pandemic level of growth (+6%). Again, this growth was mainly fostered by *contractual membership*<sup>2</sup> especially through the Prevedi fund thanks to the boom in the construction sector. At the end of the year, the so-called contractual members amounted to just under 1.3 million, 1 million registered with Prevedi; one-third of these members paid a low per-capita amount of contributions, equal to 140 euros per year on average. In order to increase the amount of contributions to be paid by contractual members, in 2021, 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 2021, in terms 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, with a peak of 44 funds in 2002; 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.

**Table 5.1 - Number of funds and of members from 1999 to 2021**

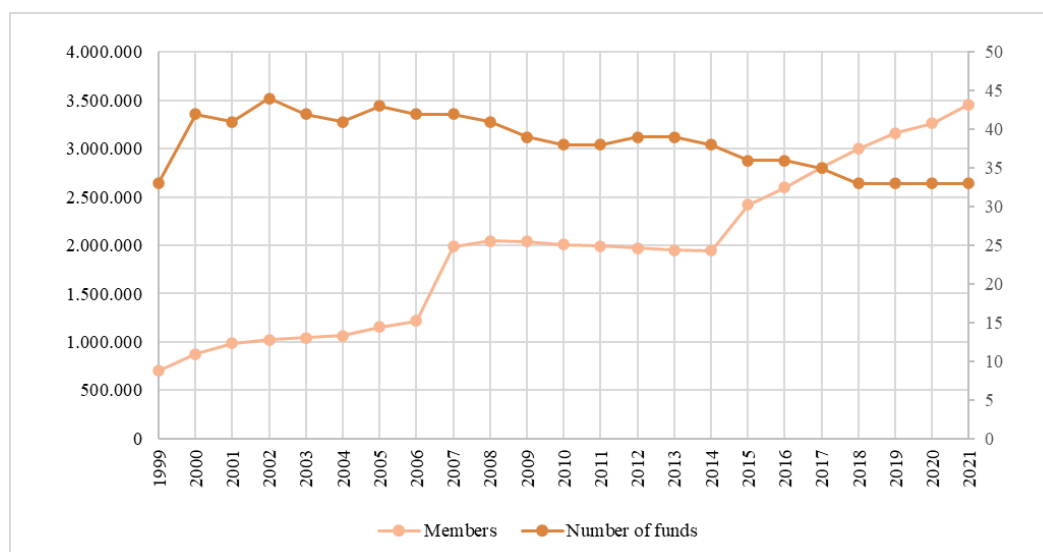
Year	Number of Funds	Members	Year	Number of Funds	Members	Year	Number of Funds	Members
1999	33	701,127	2007	42	1,988,639	2015	36	2,419,103
2000	42	877,523	2008	41	2,043,509	2016	36	2,596,819
2001	41	984,567	2009	39	2,040,150	2017	35	2,804,633
2002	44	1,021,186	2010	38	2,010,904	2018	33	3,000,500
2003	42	1,042,381	2011	38	1,994,280	2019	33	3,160,206
2004	41	1,062,907	2012	39	1,969,771	2020	33	3,261,244
2005	43	1,155,168	2013	39	1,950,552	2021	33	3,457,302
2006	42	1,219,372	2014	38	1,944,276			

**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 no. 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 remained more or less the same until early 2015, when the above-mentioned contractual membership mechanism was introduced.

<sup>1</sup> This figure differs by 3,560 members from the total reported by COVIP for 2021, that was equal to 3,457,302 "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.

<sup>2</sup> These are the funds with a contractual membership mechanism, i.e. all workers are automatically enrolled in the pension fund and benefit from a 'contractual contribution': Prevedi, Eurofer, Priamo, Previambiente, Perseo Sirio, Previdenza Cooperativa, Fondapi, Byblos, Solidarietà Veneto, Astri, Laborfonds, Concreto and Arco.

**Figure 5.1 - Number of funds (on the right) and of members (on the left) from 1999 to 2021**

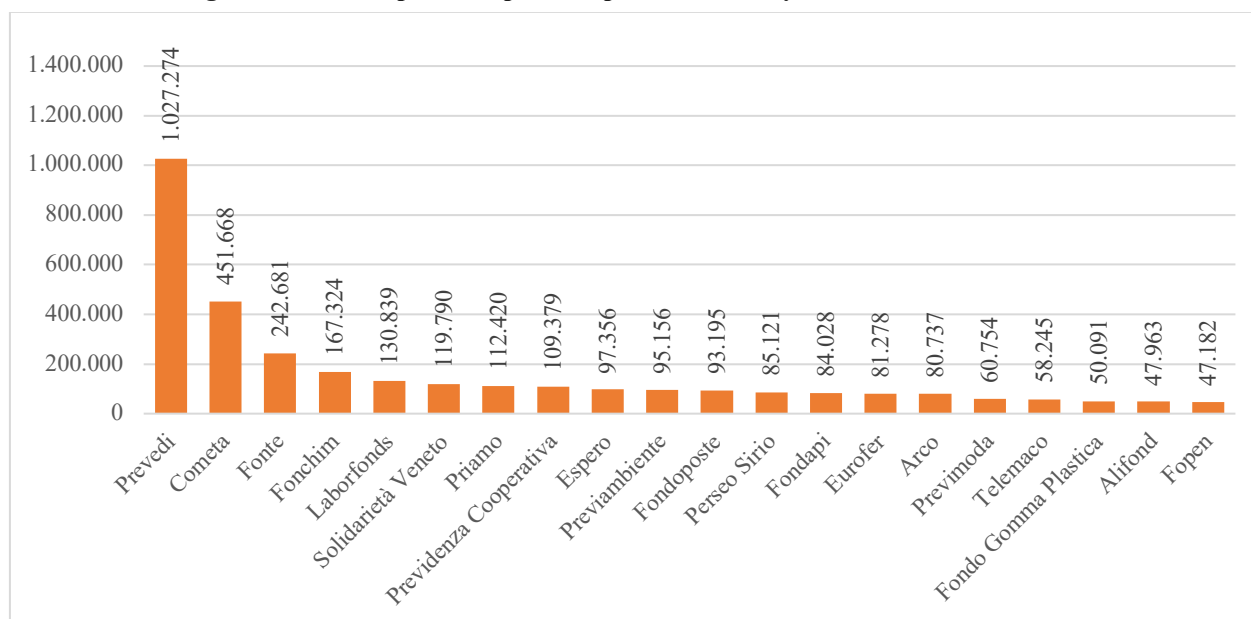


**Table 5.2** shows the top 33 occupational pension funds by membership growth while **Figure 5.2** the top 20 occupational pension funds by number of members, accounting for about 94% of the total number of members in the system. The number of outstanding positions for which no payments were made in 2021 was equal to about 800,000, an increase by 57,000 compared to 2020 with a steady upward trend in recent years (679,411 in 2020, 615,000 in 2019, 563,000 in 2018, 447,000 in 2017 and 325. 000 in 2016); as mentioned at the beginning, the growth of this no-contribution phenomenon is mainly due to contractual membership and the presence of small companies, the most affected by the economic consequences of the ongoing pandemic.

**Table 5.2 – Ranking of occupational pension funds by membership growth rate in 2021**

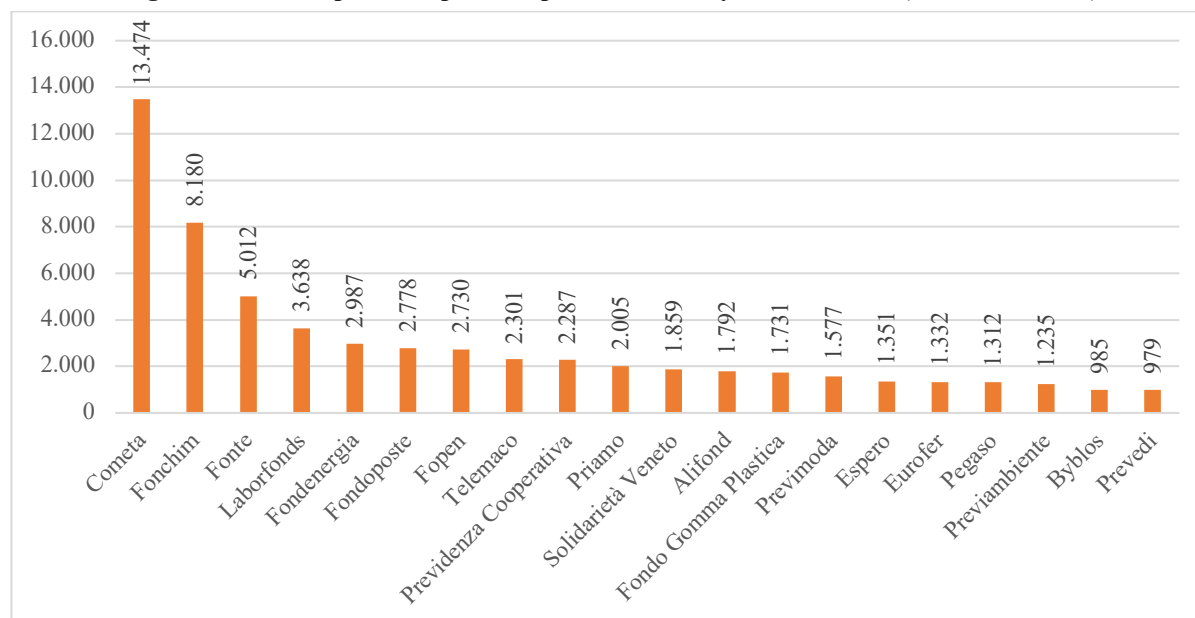
Name of the fund	Membership in 2021	Membership in 2020	Var. %	Name of the fund	Membership in 2021	Membership in 2020	% Var
Arco	80.737	27.445	194,18%	Astri	17.805	17.549	1,46%
Fondapi	84.028	74.042	13,49%	Fondo Gomma Plastic	50.091	49.458	1,28%
Perseo Sirio	85.121	76.414	11,39%	Fondemain	7.250	7.166	1,17%
Solidarietà Veneto	119.790	109.592	9,31%	Alifond	47.963	47.462	1,06%
Prevedi	1.027.274	945.252	8,68%	Telemaco	58.245	57.643	1,04%
Fondaereo	8.635	8.152	5,92%	Fondo Sanità	7.765	7.692	0,95%
Concreto	7.401	7.142	3,63%	Fondenergia	45.395	45.003	0,87%
Eurofer	81.278	78.530	3,50%	Prevaer	14.729	14.608	0,83%
Fonte	242.681	235.154	3,20%	Agrifond	8.529	8.533	-0,05%
Laborfonds	130.839	127.232	2,83%	Previdenza Cooperativ	109.379	109.721	-0,31%
Pegaso	33.926	33.024	2,73%	Quadri e Capi Fiat	11.769	11.823	-0,46%
Previambiente	95.156	92.675	2,68%	Previmoda	60.754	61.040	-0,47%
Fonchim	167.324	163.736	2,19%	Espero	97.356	98.142	-0,80%
Priamo	112.420	110.013	2,19%	Mediafond	2.737	2.767	-1,08%
Fopen	47.182	46.197	2,13%	Foncer	13.300	13.450	-1,12%
Byblos	39.140	38.455	1,78%	Fondoposte	93.195	94.353	-1,23%
Cometa	451.668	444.811	1,54%	<b>Total</b>	<b>3.460.862</b>	<b>3.264.276</b>	<b>6,02%</b>

**Figure 5.2 – The top 20 occupational pension funds by number of members in 2021**



**Assets** – The assets of these funds totalled **65.322 billion euros**, an increase by 8.2%, equal to 4.955 billion euros compared to 2020; this upward trend was less significant with respect to the 2020 (7.5%), but not yet at the level reached in 2019, 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 **91.51%** of the total, as illustrated in **Figure 5.3**.

**Figure 5.3 - The top 20 occupational pension funds by assets in 2021 (millions of euros)**



The historical series in **Table 5.3** shows the evolution of the assets of these funds from 1999 to 2021. The resources allocated to benefits featured a steady growth due to their good performance, except for 2018, and also to the influx of new members. This happened despite the negative impact of the 2008 crisis on employment, which went back to pre-crisis levels only in 2019 with an all-time high of 59% for men and of 50% for women, and the impact of the COVID 19 pandemic which also

reduced employment, which almost completely recovered in 2021 and went above the 2008 levels in early 2022.

**Table 5.3 - Assets of occupational pension funds from 1999 to 2021** (millions of euros)

Year	Assets	Year	Assets	Year	Assets
1999	544	2007	11,599	2015	42,546
2000	1,190	2008	14,092	2016	45,931
2001	2,256	2009	18,757	2017	49,456
2002	3,264	2010	22,384	2018	50,410
2003	4,543	2011	25,272	2019	56,136
2004	5,881	2012	30,174	2020	60,368
2005	7,615	2013	34,504	2021	65,322
2006	9,257	2014	39,644		

**Flows:** In 2021, after the end of the pandemic crisis, the inflow of contributions to funds amounted to 4.955 billion euros compared to 4.232 billion in 2020; an upward trend boosted by good performance of financial markets and by the positive impact of vaccines on the pandemic. All occupational funds featured a positive trend in their available resources. These were the funds with the highest growth (in absolute terms between 250 and 800 million euros): *Cometa*, with an increase in its assets by almost **800 million euros**, from 12.7 to 13.5 billion (+ 6,28%), *Fonchim* with about **+712 million euros** (+9.55%), *Fon.Te* **+368 million** (+7,9%), *Laborfonds* **+300 million** (+8.98%) and *Fondenergia* **+252 million** (+9.23%). *Table 5.4* illustrates the ranking of these funds in terms of their asset growth rate. Considering an average investment duration of 5/7 years, maturities and new contribution flows net of benefit expenditure, the *average annual investments/reinvestments* can be estimated at around 12 billion euros.

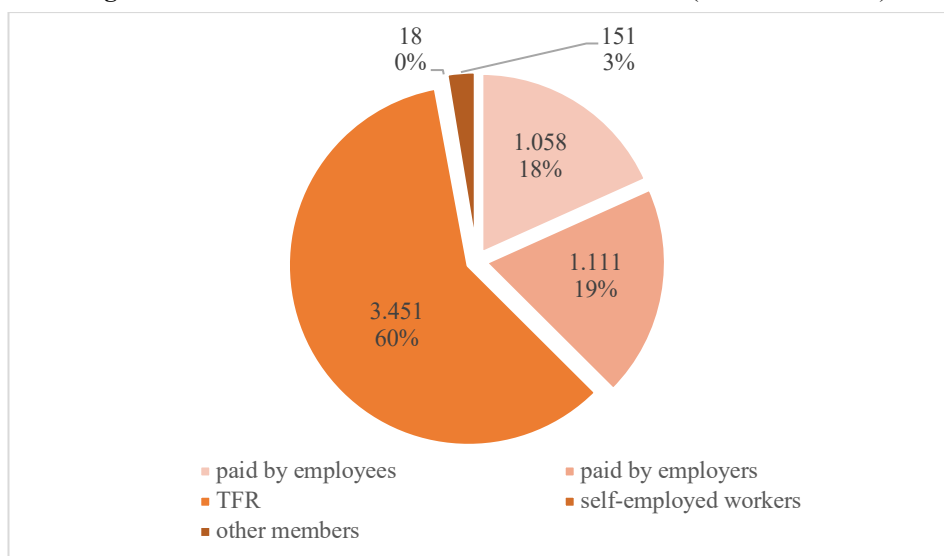
**Table 5.4 – Assets of occupational pension funds in 2021**

Name of the Fund	Assets 2021	Assets 2020	% Var.	Name of the Fund	Assets 2021	Assets 2020	% Var.
Perseo Sirio	308,700,123	235,746,972	30.95%	Astri	399,927,915	371,211,632	7.74%
Prevedi	979,149,444	850,202,551	15.17%	Mediafond	142,637,936	132,428,201	7.71%
Solidarietà Veneto	1,859,419,967	1,642,131,746	13.23%	Quadri e Capi Fiat	758,174,789	706,133,278	7.37%
Fondo Sanità	271,727,654	241,794,750	12.38%	Telemaco	2,300,871,200	2,145,089,904	7.26%
Fopen	2,730,083,083	2,480,997,439	10.04%	Priamo	2,004,993,975	1,869,276,337	7.26%
Prevaer	656,553,894	597,823,836	9.82%	Espero	1,350,857,489	1,261,488,243	7.08%
Fonchim	8,179,661,944	7,466,914,476	9.55%	Foncer	558,199,146	522,148,068	6.90%
Previmoda	1,576,702,424	1,440,900,352	9.42%	Byblos	984,693,983	921,611,531	6.84%
Arco	759,355,924	695,010,574	9.26%	Previdenza Cooperativa	2,287,351,845	2,142,879,722	6.74%
Fondenergia	2,986,844,022	2,734,434,217	9.23%	Fondemain	174,300,337	163,401,130	6.67%
Laborfonds	3,638,209,758	3,338,304,959	8.98%	Fondoposte	2,777,876,973	2,611,042,393	6.39%
Pegaso	1,311,767,583	1,204,807,355	8.88%	Cometa	13,473,775,015	12,677,980,173	6.28%
Eurofer	1,332,220,579	1,224,173,777	8.83%	Previambiente	1,234,605,303	1,162,087,101	6.24%
Fondo Gomma Plastica	1,730,624,720	1,592,142,855	8.70%	Concreto	229,170,179	217,292,439	5.47%
Alifond	1,791,624,738	1,648,275,613	8.70%	Agrifondo	106,113,364	101,339,346	4.71%
Fondapi	941,397,129	866,674,780	8.62%	Fondaereo	472,330,601	457,234,820	3.30%
Fonte	5,012,261,305	4,644,691,972	7.91%	<b>Total</b>	<b>65,322,184,341</b>	<b>60,367,672,542</b>	<b>8.21%</b>

The 2021 contribution flow amounted to **5.788 billion euros**, up from 5.448 billion in 2020, and it is broken down as follows: considering that the members of these funds are mainly almost employed workers, the first three flow items are related to the transfer of the termination of employment benefits, which accounted for 60% of all the contributions paid to occupational pension funds by employers (19%) and by employees (18%); the contributions paid by self-employed workers and

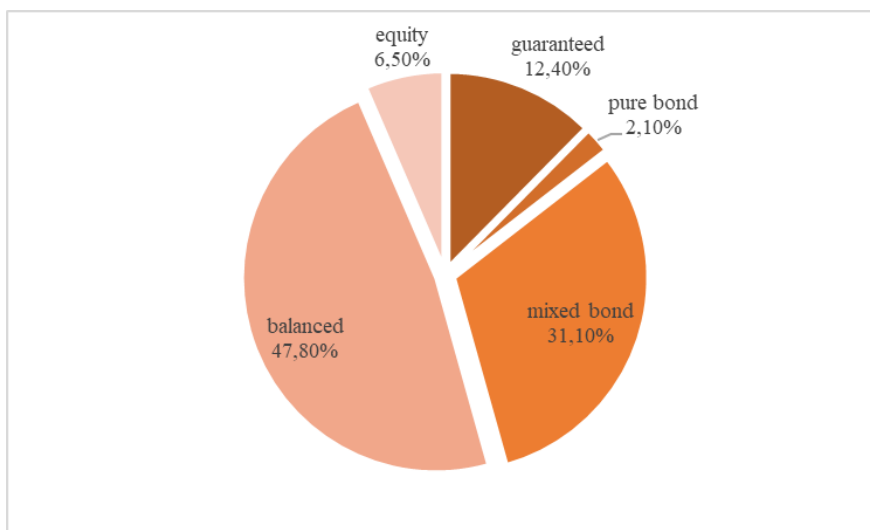
other members, such as dependants, were still low. The average contribution paid by members including contractual members was equal to 2,190 euros, the same as in 2020; instead it was 3,230 (3,080 euros in 2020) excluding contractual members.

**Figure 5.4 - Breakdown of contribution flows in 2021** (millions of euros)



**Portfolio allocation by sub fund** - A more in-depth analysis suggests that the 33 occupational pension funds are composed of 98 sub-funds (the same as in 2020), of which 32 are guaranteed, 30 balanced, 17 mixed bond, 16 equity and 3 pure bond; in terms of net assets allocated to benefits (**Figure 5. 5**), the weight of balanced and bond sub-funds, equal to 47.8% and 31.1% respectively, continued to be predominant (around 53 billion euros out of 65), while that of guaranteed sub-funds was equal to 12.4% (around 8 billion euros) and that of equity sub-funds to 6.5% (4 billion euros).

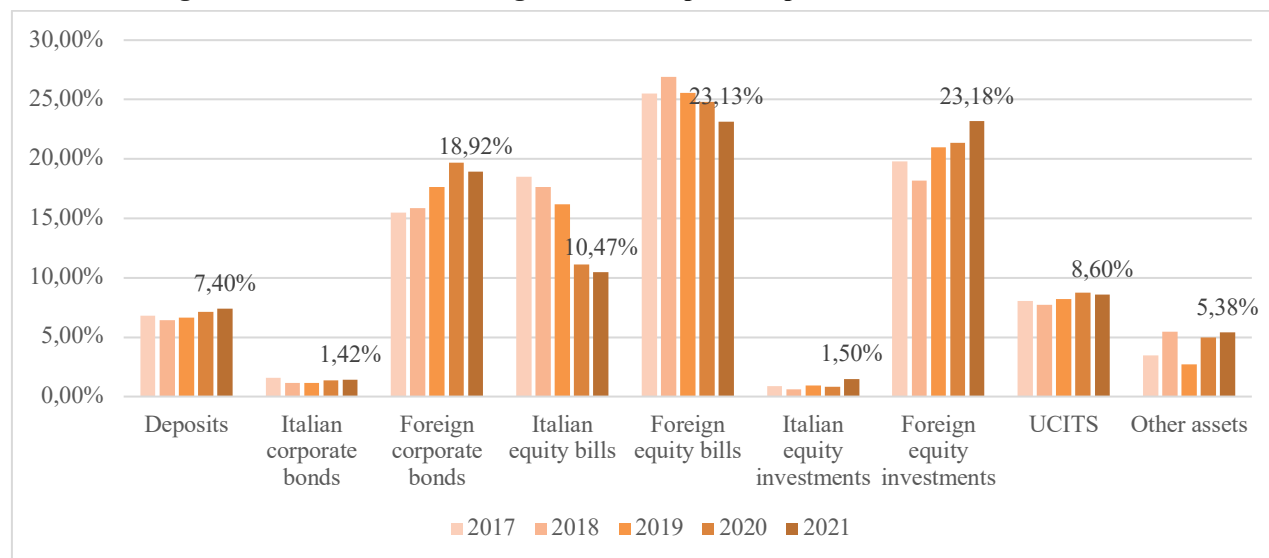
**Figure 5.5 – Net assets allocated to benefits by sub fund**



**Assets under management** - **Figure 5.6** illustrates the breakdown of the assets of occupational pension funds in the last 5 years; the comparative analysis shows that **debt securities** still account for the largest share of these assets, equal to 54%, down with respect to 57% in 2020, 60.5% in 2019 and to 62% in 2018; if deposits (7.4%) are taken into account, the share of liquidity and bonds is close to 61%. In detail: **Government bonds** accounted for about 33.6% of the assets under management (vs. 36% in 2020, 42% in 2019 and 44.53% in 2018), 23.1% of which issued by foreign countries and the

remaining 10.5% by Italy (down with respect to 2020 for the foreign as well as for the domestic component); instead, **corporate bonds** amounted to 20%, slightly down with respect to 2020, 18.9% of which issued by foreign companies. The share of equity and UCIT investments remained stable at **25%** and by **8.6%** respectively.

**Figure 5.6 – Assets under management of occupational pension funds from 2017 to 2021**



**Types of securities and geographical breakdown** - The COVIP data reported in **Table 5.5** apply the "look through" principle into the portfolio allocation (debt and equity) chosen by these funds both directly and through UCITs and by geographical area. Debt securities are still the main form of investment even though the share of these securities issued by entities based in the Eurozone countries continues to decrease from 42% to 40.8%.

This reduction was mainly due to the lower exposure of these funds to Italian debt securities (-0.5% compared to 2020) in addition to the ones from the rest of the euro area (-1%). In contrast to 2020, the investments in securities issued by European countries that do not adopt the single currency dropped (-4.6%), but the share invested in securities issued by other OECD countries went up (+4.2%). Debt securities issued by the U.S. and Japan fell slightly (-0.7% and -0.2%, respectively), while the shares related to non-OECD countries remained unchanged.

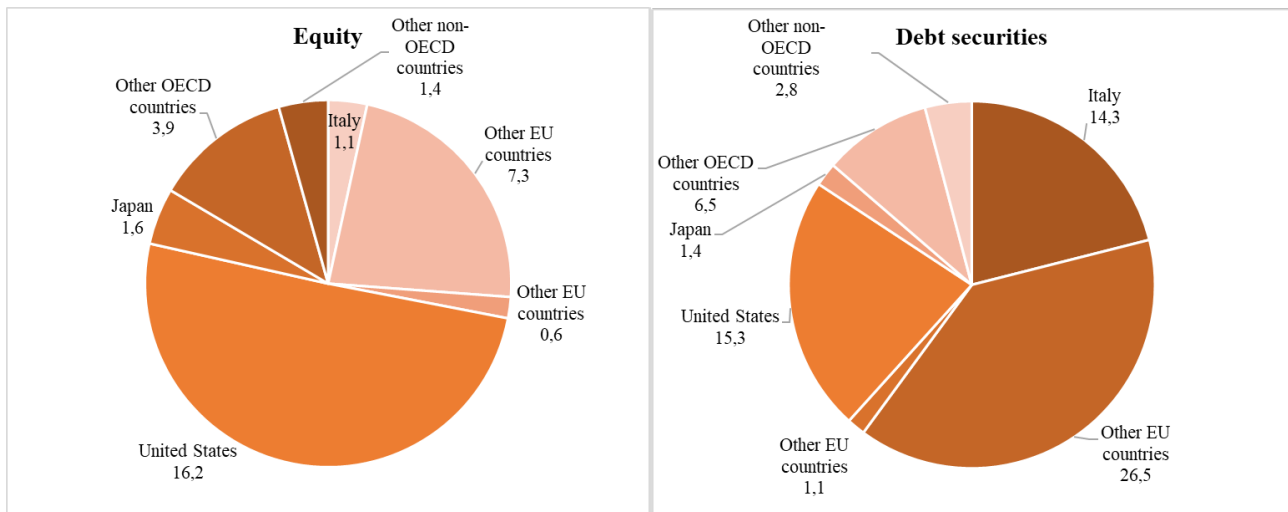
As to the more geographically diversified equity investments, those issued by the U.S. accounted for 16.2% (+3.3% compared to 2020), followed by the ones issued by EU countries, with 9% (-1.8%, down from 2020). In the case of the latter type of investment, there was a slight increase in the shares issued by companies based in Italy (+0.1%) and a reduction in those issued by other EU and other Eurozone countries. The shares issued by companies based in other OECD countries increased (1.5%) while those issued by non-OECD-based enterprises decreased (-0.2%) as did those by Japanese issuers.



**Table 5.5 - Assets of occupational pension funds by type and geographical area (as %)**

	2020	2021					
	Total	Guaranteed	Pure bond	Mixed bond	Balanced	Equity	Total
<b>Debt securities</b>	<b>70.7</b>	<b>92.9</b>	<b>100.0</b>	<b>67.8</b>	<b>65.4</b>	<b>37.1</b>	<b>67.9</b>
Italy	14.8	39.9	40.0	11.4	10.5	7.8	14.3
Other Eurozone countries	27.5	38.8	32.3	30.7	22.1	15.8	26.5
Other EU countries	5.7	1.6	3.8	1.2	0.9	0.5	1.1
United States	16.0	5.8	12.5	13.9	19.6	7.5	15.3
Japan	1.6	0.9	0.8	0.5	2.3	0.4	1.4
Other OECD countries	2.3	5.2	8.4	7.7	6.1	4.4	6.5
Other non-OECD countries	2.8	0.7	2.2	2.4	3.8	0.6	2.8
<b>Equity</b>	<b>29.3</b>	<b>7.1</b>	<b>-</b>	<b>32.2</b>	<b>34.6</b>	<b>62.9</b>	<b>32.1</b>
Italy	1.0	0.1	-	1.1	1.3	1.2	1.1
Other Eurozone countries	7.7	1.1	-	7.3	7.9	14.4	7.3
Other EU countries	2.1	0.1	-	0.5	0.8	1.1	0.6
United States	12.9	4.1	-	16.1	17.2	33.8	16.2
Japan	1.7	0.4	-	1.5	1.7	3.2	1.6
Other OECD countries	2.4	1.0	-	3.9	4.3	7.2	3.9
Other non-OECD countries	1.6	0.3	-	1.8	1.3	2.0	1.4
<b>Total portfolio</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

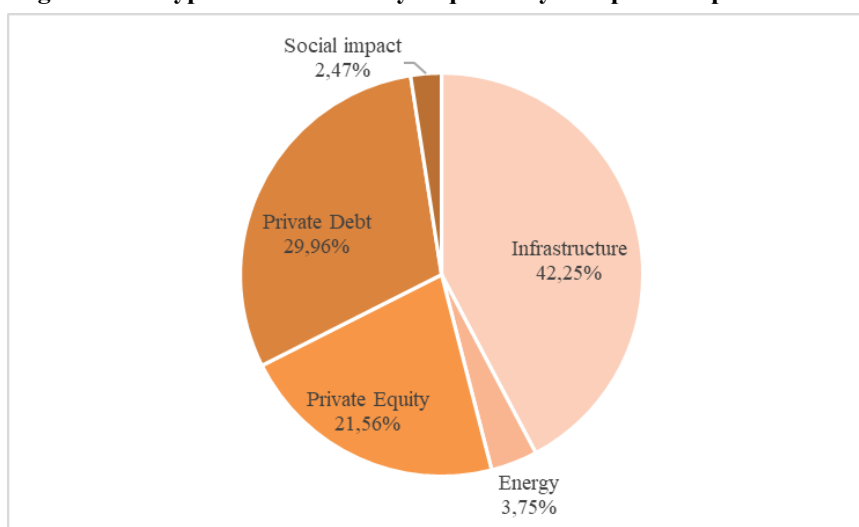
Source: 2021 COVIP Report. The table includes both the directly held securities and those held through UCITs (the so-called "look through principle")



**Management of occupational pension funds' assets** - It 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 2021, the **direct investments** of these funds amounted to approximately 300 million euros and their relative weight on net assets allocated

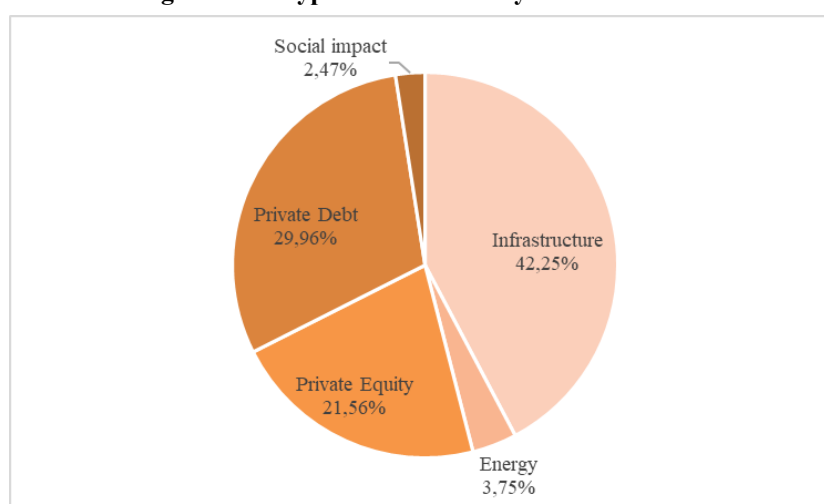
to benefits was around 0.5%<sup>3</sup>. These were mainly direct investments in alternative funds, illustrated in **Figure 5.7**: infrastructural funds accounted for over 40% of all investments, followed by private debt funds (around 30%), private equity funds (22%), and the rest by social impact funds, which in this case specifically included social housing funds (around 3%). Private debt and private equity funds included the funds of funds managed by Fondo Italiano d'Investimento SGR as part of the **Real Economy Project**, the initiative promoted by *Assofondipensione* and *Cassa Depositi e Prestiti*, which in 2021 collected around 182 million euros' worth of investment from ten occupational pension funds.

**Figure 5.7 – Types of AIFs directly acquired by occupational pension funds**



On the other hand, with regard to **mandated investments**, the main approach adopted by occupational pension funds to manage their assets, **Figure 5.8** confirms the high number of **bond mandates**, with 'pure' bonds and balanced bonds accounting for 62% of the total (down from 68% in 2020). These two types of mandates accounted for around 76% of all the resources under management.

**Figure 5.8 – Types of mandates by number in 2021**



These were followed by balanced (around 19%) and equity (10%) mandates and by the ones classified as 'other' (9%), i.e. s without benchmarks such as total return and multi-asset mandates and mandates

<sup>3</sup> 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.

for alternative asset classes such as private equity and private debt. Balanced mandates accounted for about 16% of assets under management, equity for 6% and 'other' for 2%.

In 2021, **private asset mandates played an increasing role** with respect to 2020; in fact, at the end of the year, 17 management agreements had been signed for alternative investment funds by nine occupational pension funds (Alifond, Foncer, Fondenergia, Fondo Gomma Plastica, Fondoposte, Fopen, Pegaso, Previmoda and Telemaco). Nine mandates were related to private equity funds, six of which as part of the **Iride Project**<sup>4</sup>; six mandates to private debt funds, five of which part of the **Zefiro Project**<sup>5</sup>, while the remaining two were multi-asset mandates in the private equity and private debt sector.

Moreover, at the end of July 2022, the **Foncer, Fondo Gomma Plastica, Fopen, Pegaso and Previmoda funds** set up the **Vesta Project**, through a call for tender to select a management company to invest in infrastructural alternative funds. The total amount of the investment was equal to 168 million mainly concentrated in the European Union with a significant share in Italy, with core and core plus strategies and a diversification into economic and social infrastructures. Under this call, that the investment policy is designed to promote environmental and/or social aspects in line with Article 8 of the EU Regulation 2019/2088 (the so-called "SFDR"). The conclusion of the selection process, with the support of Prometeia Advisor Sim, is expected to be finalized in November 2022 and the mandates will be operational as of 2023.

The management mandates were given to 47 specialised companies, of which 31 based abroad and 16 in Italy; however, Italian companies managed 148 mandates and held 51.5% of the resources under management, through SGRs (34%), insurance companies (8%), banks (7.4%) and SIMs (2.4%), for a total of approximately 34 billion euros; instead, companies from other countries received 129 mandates for the remaining 48.5% of resources, amounting to 32 billion euros; considering the Italy-based management companies that belong to foreign groups, the share managed by foreign organizations went up to around 68.4%.

**The real domestic economy** – By including among indirect investments **1.5%** of Italian corporate bonds and about **1.6%** of Italian equity investments (also included in UCITs) and by adding **0.24%** of direct investments in domestic AIFs, it is possible to estimate that occupational pension funds invested about **3.34%** of **their assets** in the real domestic economy, excluding 10.5% invested in Government bonds, up with respect to 2.58% in 2020 and in line with 3.46% in 2018 and 3.42% in 2019.

In 2021, the inflow into these funds of termination of employment benefits alone was equal to 3.451 billion euros and investments in the real economy amounted to only 2.178 billion, with a negative balance of around 1.3 billion euros. We can try to estimate the amount of termination of employment benefits that was taken away from the real economy from 2017 to 2021 (the last 5 years); on the basis of the flows in this period, an average of 50% of termination of employment benefits channelled to

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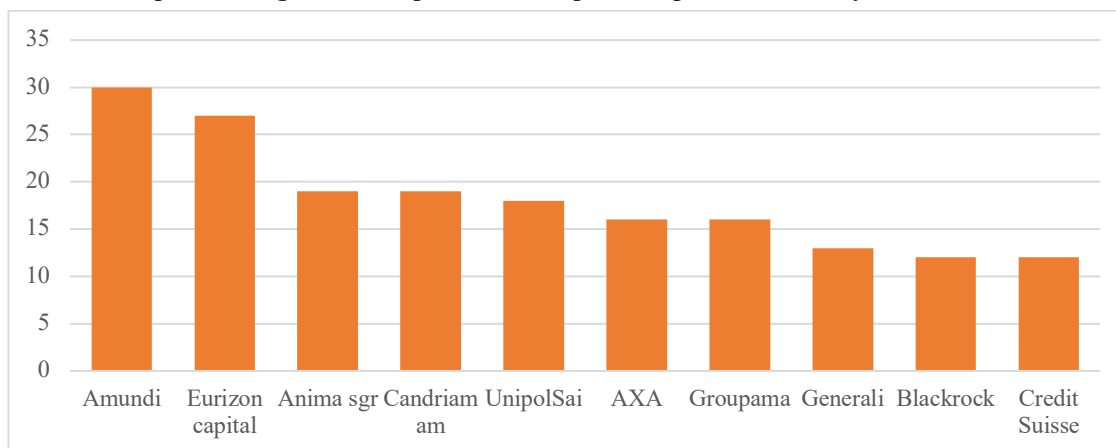
<sup>4</sup> As of 2020, the mandate entrusted to Neuberger Berman by five pension funds through the **Iride Project** has become operational; it is a joint initiative promoted by **Foncer, Fondenergia, Fondo Gomma Plastica, Pegaso and Previmoda Pension Funds** aimed at investing in the **real economy** and, in particular, in the private equity sector for an overall amount of 216 million euros, mainly in Europe with a significant share in alternative funds investing in companies operating in Italy.

<sup>5</sup> In June 2021, the **Fondo Gomma Plastica, Fopen, Pegaso and Previmoda** funds launched the **Zefiro Project** with the aim of jointly investing around 215 million euros in the private debt sector through an AIF management company, Step Stone Group Europe AIL. 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.

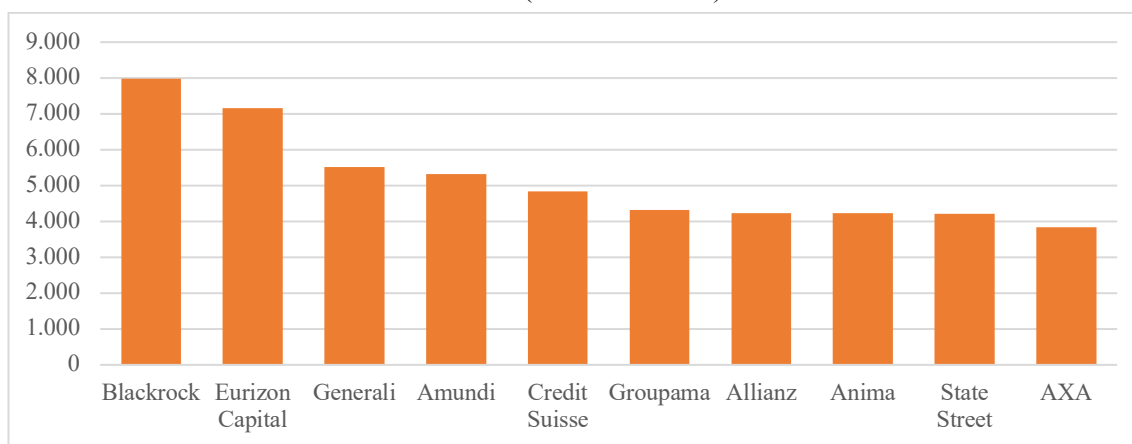
occupational pension funds was reinvested in the real economy for an amount of 10.5 billion euros; so the estimated amount taken away from the real economy is equal to over 5 billion plus another 15 billion that flowed into the treasury fund managed by INPS in this 5-year period; this figure doubles if we consider all complementary schemes and this is seriously damaging the Italian economy that is already hard pressed in terms of competitiveness and productivity.

**Management companies** – *Figures 5.9 and 5.10* show the top 10 management companies of occupational pension funds, classified by number of mandates and by the amount of resources under management.

**Figure 5.9 - The top 10 Management companies of occupational pension funds by number of mandates in 2021**



**Figure 5.10 – The top 10 management companies of occupational pension funds by resources under management in 2021 (millions of euros)**



*Table 5.8* shows the ranking of the top 10 management companies of these funds by **amount of assets under management (AUM)**. Compared to 2020, Blackrock is still leading the ranking for AUM and holds the 6<sup>th</sup> position for number of mandates; Eurizon remains on top for the number of mandates and is 2<sup>nd</sup> for AUM. Generali climbs from the 6<sup>th</sup> to the 3<sup>rd</sup> place for AUM, followed by Amundi, Credit Suisse and Groupama, which goes up by 4 positions. These 6 management companies hold almost 50% of the market of occupational pension funds. The ranking by **number of mandates** still features Amundi and Eurizon in the first and second place (30 and 27 respectively), while Anima is still in the third position with 19 mandates, together with Candriam, which moved up by one position, and *UnipolSai* with 18. As illustrated by *Table 5.8*, the **average mandate amounts** varied significantly, with peaks of 666 million euros for Blackrock, 424 million for Generali and Allianz GI, and around 400 million for Credit Suisse. The average amount per mandate was around 250 million.

**Management fees** - Compared to 2020 which featured a slight increase vs. 2019, management fees remained were stable (0.15% in 2021 and 2020 against 0.12% in 2019 and 0.11% in 2018); the most expensive mandates were the guaranteed ones, with management fees rising to 0.45% from 0.41% in 2020 and 0.35% in 2019, also as a result of the gradual reduction in their availability; the fees for balanced and equity mandates amounted to 0.12%, for mixed bond mandates to 0.11% and for pure bond mandates to 0.10%.

**Table 5.8 – The top 10 management companies of occupational pension funds in 2021**

Management company	Number of mandates	AUM (mln of euros)	Average mandate (mln of euros)	Market share
Blackrock	12	7,989	666	11.50%
Eurizon Capital	27	7,155	265	10.30%
Generali	13	5,511	424	7.93%
Amundi	30	5,318	177	7.65%
Credit Suisse	12	4,830	403	6.95%
Groupama	16	4,328	270	6.23%
Allianz	10	4,240	424	6.10%
Anima	19	4,223	222	6.08%
State Street	7	4,222	603	6.08%
AXA	16	3,835	240	5.52%

**Performance** – The *average yield* obtained by occupational pension funds in 2021 (**Table 5.6**) was equal to **4.9%**, up with respect to 3.1% in the year of the pandemic. All asset classes managed to obtain positive results, with the exception of pure bonds (-0.3%): on average, the best performers on average were equity (11.1%), mixed bond and balanced bond (5.3%) investments. 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 3 years with a value equal to 5.1% compared to 2.1% for the adjustment of termination of employment benefits, to 0.7% for inflation and to 1.3% for the five-year GDP average; at ten years, this yield is 4.1%, more than 2 times the TFR adjustment (1.9%). This trend is confirmed when analysing cumulative returns: 16% at five years versus 10.3% of TFR and 49.7% at ten years versus 20.1%. On the 10-year horizon, in particular, yields are positive for all sub funds with equity, balanced and mixed bond investments featuring higher yields than guaranteed and pure bond ones (**Table 5.7**).

**Table 5.6 – Net yield of occupational pension funds as % from 2008-2021**

Type of investment	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Guaranteed	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	0.3
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	-0.3
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	5.3
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	5.3
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	11.1
<b>General yield</b>	<b>-6.3</b>	<b>8.5</b>	<b>3</b>	<b>0.1</b>	<b>8.2</b>	<b>5.4</b>	<b>7.3</b>	<b>2.7</b>	<b>2.7</b>	<b>2.6</b>	<b>-2.5</b>	<b>7.2</b>	<b>3.1</b>	<b>4.9</b>
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	3.6

Source: COVIP data processed

**Table 5.7 – Net yields of occupational pension funds in 2008-2020 (as %)**

Sub funds	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Guaranteed	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	0.3
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	-0.3
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	5.3
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	5.3
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	11.1
<b>General yield</b>	<b>-6.3</b>	<b>8.5</b>	<b>3</b>	<b>0.1</b>	<b>8.2</b>	<b>5.4</b>	<b>7.3</b>	<b>2.7</b>	<b>2.7</b>	<b>2.6</b>	<b>-2.5</b>	<b>7.2</b>	<b>3.1</b>	<b>4.9</b>
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	3.6

*Source: COVIP data processed by Itinerari Previdenziali*

**Table 5.7 – Average compounded and cumulative annual yields of occupational pension funds (%)**

	Average annual compounded yield			Cumulative yield		
	3 years	5 years	10 years	3 years	5 years	10 years
Occupational pension funds	5.1	3.0	4.1	15.9	16.0	49.7
TFR adjustment	2.1	2.0	1.9	6.4	10.3	20.1
Inflation	0.7	0.9	0.9	2.2	4.6	9.0
GDP five-year average	1.3	1.2	0.8	3.9	6.0	8.3

*Source: COVIP data processed by Itinerari Previdenziali*

**Custodian bank** – Under Act no. 252/05, all pension funds must have a **custodian bank**. The first two custodian banks 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, followed by Société Generale Securities Services with 16% and by State Street bank with 9%.

**Administrative service** – Under the law, funds can use an **administrative manager (service)**, a solution adopted by all funds. **Previnet** accounts for 76% of the administrative service market in terms of membership, followed by Accenture Managed Services with 19%.

**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. and 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 2021, pre-existing pension funds were characterised by a positive trend, with a growth in their assets, membership and contribution flows, but with a drop in their number; in fact, in 2021, 22 pre-existing funds (about 10% of the total) were cancelled from the Register, of which 18 were autonomous and 4 in-house; some corporate funds had reached the end, after some years, of their winding-up process, others were closed due to the rationalisation processes within banking and insurance groups. In any case, the number of members and contribution flows of pre-existing funds picked up again, almost reaching pre-pandemic growth rates and their financial resourced were managed well with overall positive results thanks to the favourable trend on the financial markets, especially the stock market.

### 6.1 General characteristics

**Number of operational pre-existing funds** – Notwithstanding the many difficulties created by the Covid-19 pandemic, the consolidation of pre-existing funds accelerated in 2021 with a reduction in their number by 22 funds (9 in 2020/2019, 16 in 2019/18, 8 in 2018/17 and 35 in 2017/16) down to **204 funds: 136 autonomous funds** with a legal status (- 19 vs. 2020) and **68 created internally** by banks (50 funds), insurance companies (6) and non-financial companies (12). In the last ten years, the number of pre-existing funds dropped by 159 compared to 363 in 2011 (-44%), 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 consolidation in this system was boosted by the transposition of the EU Directive 2016/2341, the IORP II, which led smaller funds in particular to reflect on the impact of these requirements on their organisational structure and on whether they could continue to operate independently. In a number of cases, these considerations led pension funds to decide to start a liquidation process or to merge into larger pension schemes. Moreover, at the end of 2021, about ten funds had already started a winding-up process decided in 2020, as a result of the changed regulatory framework. Obviously, these mergers allowed for economies of scale, lower operating costs as well as a better management and services offered to their members, and higher internal organisation standards, as envisaged by Ministerial Decree no. 108/2020 which transposed the aforementioned Directive. Nevertheless, the number of pre-existing funds is still high: suffice it to say that 110 of these funds (53.9% of the total) have assets of less than 25 million euros, 43 (32%) have less than 100 members and 32 have between 100 and 1,000.

**Membership** - At the end of 2021, the number of members registered with these funds amounted to **648,370**, slightly up by 796 subjects with respect to 2020, partly recovering the 2,480 units lost in the year of the pandemic; this growth was due to 26,322 new registrations (3,422 from transfers from other funds) which managed to offset the 14,421 redemptions and transfers to other funds; The membership rate reached over 98.2% against a pool of about 660,000 members estimated by COVIP, with an increasing number of funds accepting members' dependants, which is the only way to stimulate membership growth. The percentage of **members not paying their contributions** was still ***much lower*** than that of the system as a whole, equal to 16.7% against 26.8% even if more with respect to 2020 (18.1%). 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 sub-funds as a form of "capitalization and partly guaranteed return" investment and "dependent family members", often minors, with occasional payments. After the different rationalisation efforts, in-house funds, mainly defined-benefit schemes (62 funds out of 68), almost entirely catering for pensioners, suffered a further reduction in their membership down to 4,223, about 0.65% of the total; instead, autonomous funds featured 644,147 members, accounting for slightly more than 99.3% of the total. **Table 6.1** shows the historical evolution from 1999 to 2021 of pre-existing pension funds and their membership; it highlights the steep reduction by more than 67% in the number of these funds over this period and the stabilization in the number of their members as of 2016 at around 645,000/650,000 compared to the peaks reached in 2001 and 2007.

**Table 6.1 - Number of funds and members from 1999 to 2021**

Year	No. of Funds	Membership	Year	No. of Funds	Membership	Year	No. of Funds	Membership
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	2021	204	648,370
2006	448	643,986	2014	323	645,371			

Since the resources of in-house 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 (1.98%), this Report only focuses on autonomous funds.

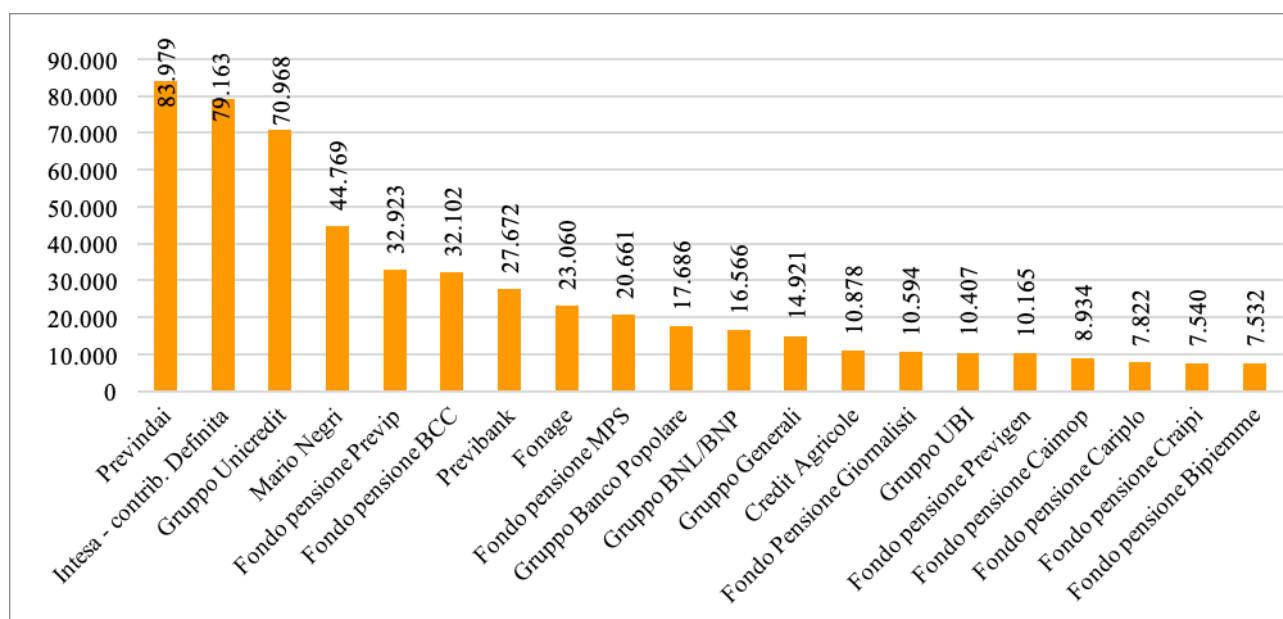
**Table 6.2 – The top 20 Pre-existing Funds by membership growth**

N	Name of the Fund	Members 2021	Members 2020	% Var.	N	Name of the Fund	Members 2021	Members 2020	% Var.
1	Fondo Pensione per il Personale della Banca Popolare di Ancona	3.816	2.989	27,67%	11	Fondo pensione del Gruppo Unipol	6.094	5.949	2,44%
2	Fondo pensione Fondenel	1.908	1.650	15,64%	12	Fondo pensione Previp	32.923	32.322	1,86%
3	Fondo pensione del gruppo Unicredit	70.968	62.930	12,77%	13	Fondo pensione del gruppo UBI	10.407	10.242	1,61%
4	Fondo pensione Mario Negri	44.769	41.059	9,04%	14	Fondo pensione Previbank	27.672	27.329	1,26%
5	Fondo pensione Credem	6.734	6.295	6,97%	15	Fondo pensione BCC	32.102	31.761	1,07%
6	Fondo pensione a contribuzione definita del Gruppo Intesa Sanpaolo	79.163	75.062	5,46%	16	Fondo pensione Deutsche Bank	4.267	4.228	0,92%
7	Fondo pensione Fipdaf	2.750	2.658	3,46%	17	Fondo pensione Previndai	83.979	83.354	0,75%
8	Fondo pensione Credit Agricole	10.878	10.536	3,25%	18	Fondo pensione MPS	20.661	20.546	0,56%
9	Fondo pensione del gruppo Generali	14.921	14.463	3,17%	19	Fondo pensione Telecom	1.196	1.190	0,50%
10	Fondo pensione Prev.int	3.444	3.352	2,74%	20	Fondo pensione Craipi	7.540	7.508	0,43%
					<b>Total</b>		<b>473.390</b>	<b>452.605</b>	<b>4,59%</b>

Therefore, the analysis is related to 42 autonomous pre-existing pension funds, accounting for **91.85%** of total assets and for **96.70%** 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 **83.03%** of all the members registered in these funds.



**Figure 6.1 - The top 20 Pre-existing Funds by number of members in 2021**



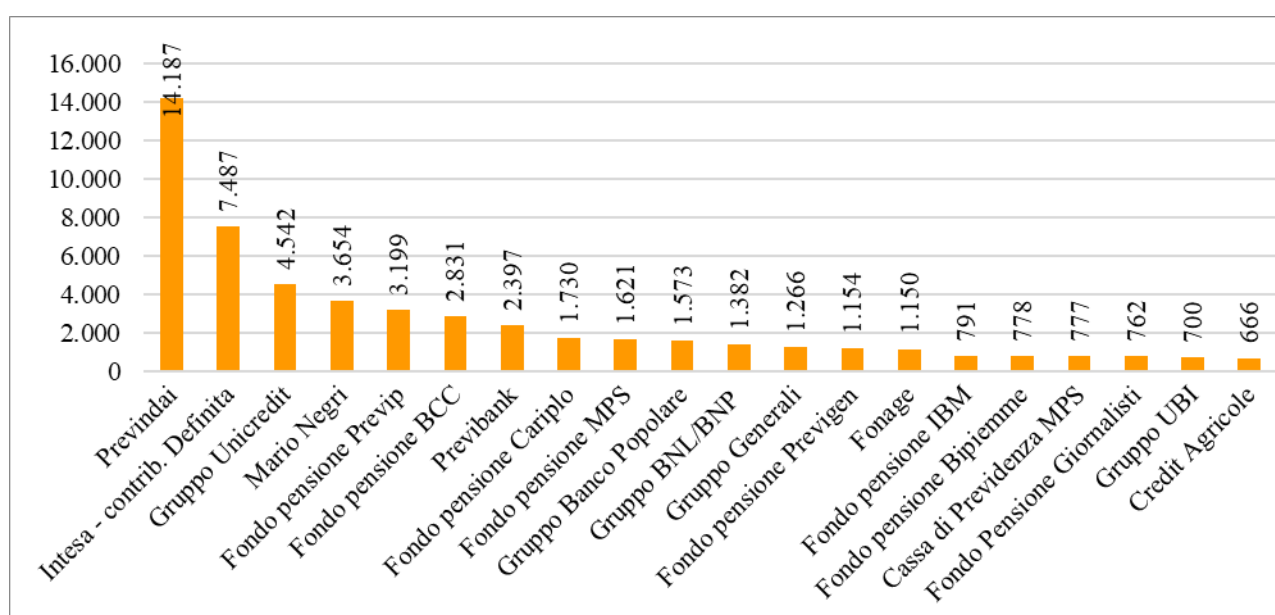
**Assets** – In 2021, the net assets allocated to benefits of *in-house funds* only totalled 1.339 billion euros, as already mentioned, (down with respect to 1.445 in 2020 and to 1.581 in 2019, thus confirming the trend of previous years); instead, the resources of *autonomous funds* amounted to 66.297 billion euros (up by 2.7% with respect to 64.557 billion in 2020), equal to 98.02% 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 52.6 billion euros, equal to **77.84%** of the total (67.6 billion) of all these in-house and autonomous funds. The sample of the 42 funds surveyed in this Report, with their 59 billion euros' worth of assets, accounts for **90.03%** of the total.

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

N	Name of the fund	Assets in 2021	Assets in 2020	% Var.	N	Name of the fund	Assets in 2021	Assets in 2020	% Var.
1	Fondo pensione Fondenel	437.501.474	390.998.112	11,89%	11	Fondo pensione Deutsche Bank	534.793.916	503.150.610	6,29%
2	Fondo pensione Credem	488.176.566	445.548.918	9,57%	12	Fondo pensione a prestazione definita del Gruppo Intesa Sanpaolo	630.319.848	593.586.675	6,19%
3	Fondo pensione Fopdire	534.720.259	493.436.112	8,37%	13	Fondo pensione Previndai	14.187.207.321	13.393.833.600	5,92%
4	Fondo pensione Credit Agricole	665.991.090	616.514.848	8,03%	14	Fondo pensione del gruppo Generali	1.265.634.927	1.199.099.415	5,55%
5	Fondo pensione Previp	3.198.741.624	2.969.237.022	7,73%	15	Fondo pensione Fonage	1.149.581.257	1.090.417.505	5,43%
6	Fondo Pensione dipendenti BREBANCA	152.122.315	141.233.073	7,71%	16	Fondo pensione del Gruppo Unipol	445.053.205	423.585.363	5,07%
7	Fondo pensione BCC	2.831.220.519	2.638.207.774	7,32%	17	Fondo pensione a contribuzione definita del Gruppo Intesa Sanpaolo	7.487.322.051	7.138.939.662	4,88%
8	Fondo pensione Bipiemme	778.038.760	725.948.330	7,18%	18	Fondo Pensioni Banca delle Marche	226.993.308	216.519.795	4,84%
9	Fondo pensione MPS	1.621.109.316	1.519.644.127	6,68%	19	Fondo Pensione per i dipendenti del Gruppo bancario Credito Valtellinese	340.859.223	325.233.616	4,80%
10	Fondo pensione Mario Negri	3.654.155.484	3.431.111.357	6,50%	20	Fondo pensione Fonseca	265.563.452	253.858.557	4,61%
						<b>Total</b>	<b>40.895.105.915</b>	<b>38.510.104.471</b>	<b>6,19%</b>

The growth in the assets of these funds was due to the high contributions paid by their members and by the good financial market performance in 2020. The highest-growth funds were the ones with a higher number of members choosing high-risk sub-funds. In 2021, 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 2021, the assets allocated to benefits of pre-existing pension funds increased by about 1.654 billion with respect to 2020, reaching **67.7 billion euros** (*Table 6.4*); these resources more than tripled compared to 1999 and were still *higher than those of occupational funds by about 2.3 billion euros*, despite their stable number of members compared to always growing number of members (3.46 million) registered with occupational funds thanks to collective contractual arrangements. This gradually diminishing gap (equal to 5.7 billion in 2020) 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 higher than average wages of their members (mainly working for banks, insurance companies and multinationals). In fact, in 2021, the *average per capita contributions* for the members of these funds totalled to **7,960 euros** and to **2,190 euros** for those of occupational pension funds (**3,230** for members of contractual ones, mainly Prevedi and the pension fund for construction workers).

**Table 6.4 – Net assets allocated to benefits of Pre-Existing Funds from 1999 to 2021**

Year	Assets <i>Millions of euros</i>	Year	Assets <i>Millions of euros</i>	Year	Assets <i>Millions of euros</i>
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	2021	67,636
2006	34,246	2014	54,033		

Over the period 1999-2021, the total assets of pre-existing pension funds (net assets allocated to benefits) had an average annual growth of **3.48%**, while in 2020 they increased by **2.31%**. The increase by 1.6 billion, down from 2.6 billion in 2020, is the result of approximately 4 billion euros' worth of contributions against 4.9 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 4.1% compared to 2.6% in 2020. This rate of return refers to all the resources including those allocated to benefits consisting of insurance companies' reserves.

As to **benefits**, advance benefits picked up again up to 29,000 and by 732 million, + 3,00 with respect to 2020 (598 million) but much less than in 2019 (770 million). This growth was substantially due to the increase in advances for "further requirements" accounting for 75% of the total and to those to "buy or restructure the primary home" accounting for 23%; **redemptions** too continued to grow from 10,359 in 2020 to 11,375 (13,860 in 2019), 60% of which allocated to "different causes" designed to allow members to obtain benefits when losing their fund membership requirements, even if with higher taxes. The Advanced Temporary Supplementary Pension" benefits" (the so-called R.I.T.A.) featured again a robust growth with over 21,500 beneficiaries (12,500 in 2020) and in nearly 80% of cases, members managed to get their entire accrued amount; the entire amount disbursed reached 1.1 billion euros (788 million in 2020) which shows 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 **3.18%**, compared with a 1.82% average annual adjustment for termination of employment benefits (**Table 6.5**). In 2021, the annual yield was 4.10%, less than 4.9% obtained by occupational pension funds probably due to high share of investments in "separate insurance portfolios".

**Table 6.5 - Yields of Pre-existing Pension Funds as %**

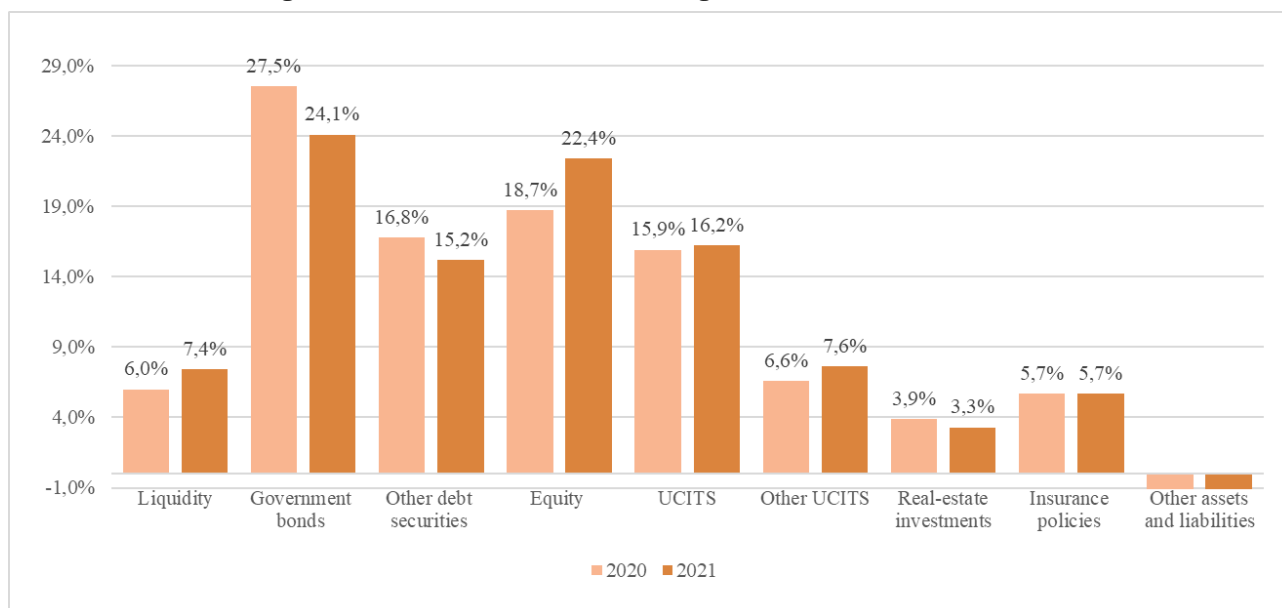
Year	Yield for Pre-existing Pension Funds	TFR adjustment
2013	3.90%	1.70%
2014	5.00%	1.30%
2015	2.00%	1.20%
2016	3.30%	1.50%
2017	3.20%	1.70%
2018	-0.20%	1.90%
2019	5.60%	1.50%
2020	2.60%	1.85%
2021	4.10%	3.60%

## 6.2 Asset management

**Approaches and management companies** - The resources of autonomous pre-existing funds are divided as follows: **43.13%** (43.41% in 2019) of **insurance companies' reserves** equal to 28.59 billion euros; **41.58%** (vs. 40.65% in 2020) managed by **professional financial managers**; the remaining **15.3%** (vs. 15.68% in 2019) **managed directly**. Compared to 2020, there was a slight decrease in the insurance companies' reserves and a more significant reduction in the share of resources managed directly, 50% of which are UCITs shares and hence managed in a semi-direct manner. Excluding the insurance companies' reserves, the **portfolio of investments (Figure 6.3)** is divided as follows: 39,3% allocated to debt securities (of which 24.1% to Government bonds), 22.4% to equity, 23.8% to UCITs (of which 44.2% to real-estate funds), 3.3% to real estate and equity investments in real estate companies, 5.7% to financial insurance policies and 7.4% to liquidity. Again, 2021 was characterised by a significant growth in equity investments (+3.7%) and by a reduction in debt securities (in particular treasury bills), down by 3.3%, and in corporate bonds

(- 1.6%). Real estate investments experienced a slight drop (- 0.6%), whilst liquidity and UCITs a slight growth; insurance policies remained stable.

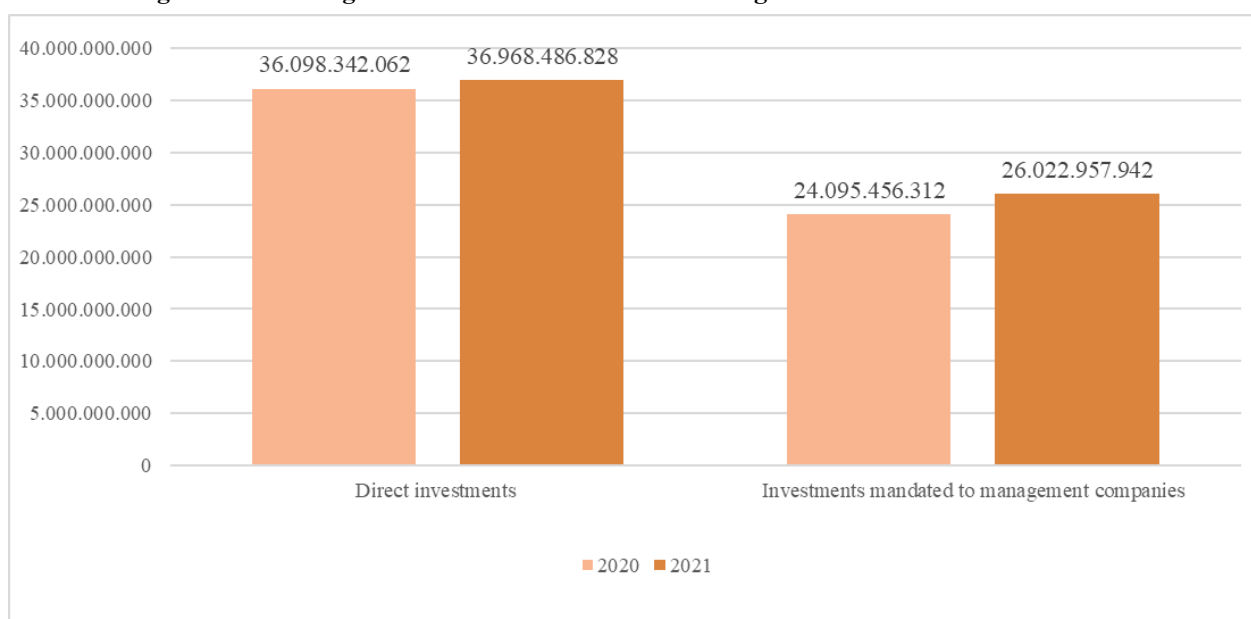
**Figure 6.3 - Investments of Pre-Existing Funds as% in 2020 and 2021**



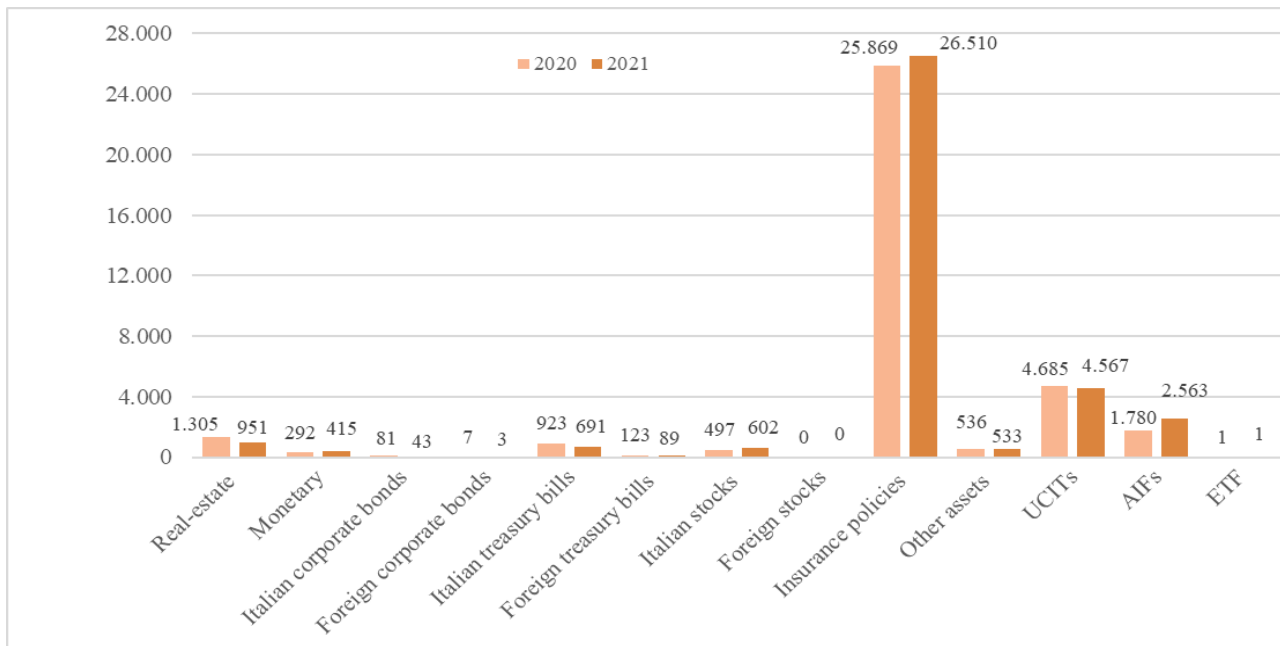
*Source: COVIP data processed by Itinerari Previdenziali and data from the proprietary database*

The average increase in the 43 funds examined in this Report was equal to 4.1% (61 billion compared to 58 in 2020) or 1.8% more than that of all pre-existing funds. **Figures 6.4** and **6.5** show that the share of **directly managed investments** amounts to **36.97 billion euros**, of which **26.510 billion** in insurance policies, mainly class I or class V (separate management lines), equal to **59%** of the total allocated to benefits; that the share mandated to professional management companies with stable types of investments is equal to **26.023 billion** (41%).

**Figure 6.4 – Management of investments of Pre-existing Pension Funds in 2020 and 2021**

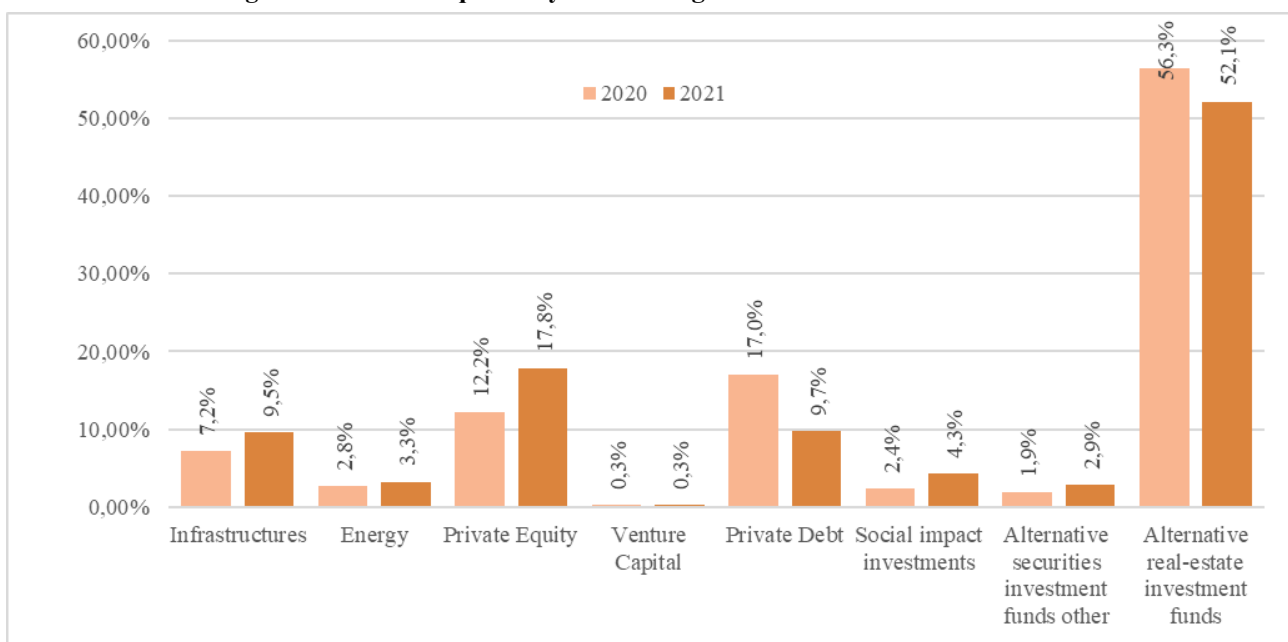


**Figure 6.5 – Direct investments of Pre-existing Pension Funds in 2020 and 2021**

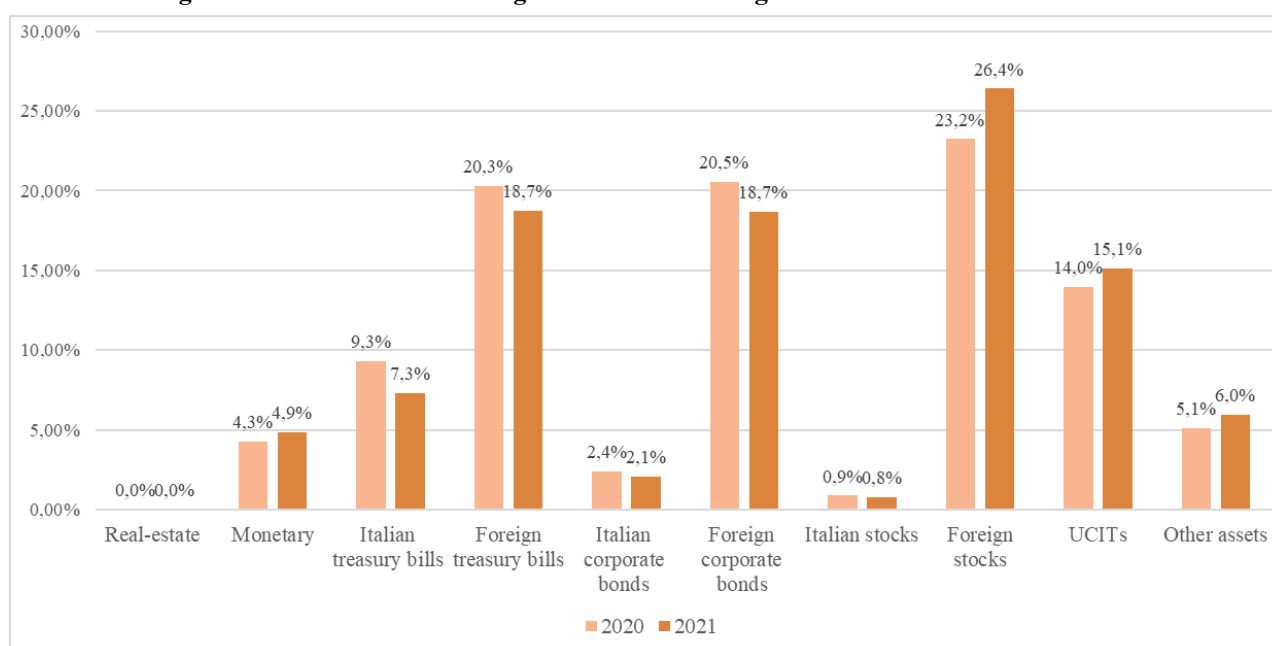


As to AIFs (**Figure 6.6**), the largest share of investments is still allocated to real estate funds that is still going down from 70.8% in 2019 to 56.3% in 2020 and to 52.10% in 2021, followed by private equity which continued to grow from 12.2% in 2020 to 17.8% in 2021, by private debt (down from 17% in 2020 to 9,72% in 2021) and by infrastructures with their increase from 7.2% in 2020 to 9.6% in 2021; the other types of investments remained essentially stable but with no more hedge and white economy instruments. As to the resources mandated to management companies (indirect investments), in 2021, there was a general decline in the amount of bond investments due to the sharp drop in their yield (government bonds and Italian and foreign bonds) from 52.5% to 46.9% and a switch to equity investments, especially foreign stocks with +3.2% (**Figure 6.7**).

**Figure 6.6 – AIFs acquired by Pre-existing Pension Funds in 2020 and 2021**



**Figure 6.7 – Assets under management of Pre-existing Pension Funds in 2020 and 2021**



The **domestic real economy**- In 2021, the investments in the *domestic real economy* accounted for **4.70%** of assets (vs. 3.98% in 2020), equal to about 2.97 billion euros (2.4 in 2020) like for 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 modest share of investments experienced a growth compared to 2020, with 0.93% of corporate bonds for a value of 589 million euros, 1.29% of equity for a total of 812 million and 2.47% of AIFs for approximately 1.6 billion in the form of managed and direct investments equal to 2.90% and 5.96% respectively. The limited investments in the Italian real economy are closely related to the market 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 tax incentives introduced to encourage long-term investments, in the real economy in particular, have not produced appreciable effects due to complex procedures, limited tax rebates and also to the inclusion of EU companies among the “eligible” roster; in fact, in looking at the amounts rather than the percentages of assets under management, the share invested in Italy amounts to 756 million euros against 11.7 billion invested abroad, while for direct UCITs investments, the share invested in Italy reached 483 million euros (See the COVIP report) as against 3.4 billion invested abroad. The investments in the Italian real economy increase up to 8.82% if they include government securities, which account for 7.33% of assets under management and for 1.87% of direct investments; in turn, direct investments feature a significant share of separate insurance management schemes equal to 26.51 billion out of a total of 36.97 billion (71.7%), the details of which are not known. In absolute values, management companies invested 1.9 billion in Italian government securities and 4.9 billion in foreign securities, while pre-existing pension funds directly invested 691 million euros' worth of their assets in Italian government securities and 88.59 million in foreign securities.

## **Management companies**

**Direct management** – A large share of the assets *directly managed* by pre-existing funds is invested in instruments such as UCITS and AIFs; a residual share is invested in ETFs for an amount equal to 1.5 million and is managed by a single fund. **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 of Pre-existing Funds by direct investments in 2021**

Management company	TOTAL
Effepilux Sicav	1,209,923,482
Fondaco Sgr	1,163,162,969
Amundi	400,467,158
State Street ga	388,020,479
Credit Suisse AM	348,907,976

The UniCredit Group's Pension Fund is the sole proprietor of Effepilux, a Luxembourg-based company, consisting of six regulated-market sub-funds and of 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 and others).

In January 2019, the BNL/BNP Paribas Group Pension Fund too set up a Luxembourg-based UCITS SICAV called "Fondaco Previdenza", consisting of many sub-funds, four of which 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 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. It features the entry of Prelios and the growing amounts managed by Generali Real Estate and Investire Sgr, but also the diminishing assets managed by DEA Capital Real Estate Sgr.

**Table 6.7 - The top 5 AIF management companies of Pre-existing Funds by direct investments in 2021**

Management company	TOTAL
Generali Real Estate Sgr	352,483,898
Bnp Paribas Real Estate	253,946,493
Prelios	226,214,817
Investire Sgr	200,938,963
Dea Capital Real Estate Sgr	186,372,255

**Indirect management** – As to investments *mandated to management companies*, these funds 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, with Eurizon, Amundi, Azimut and Anima with double-digit results. As to *assets under management*, the 2021 ranking shows the same top 4 positions for Eurizon as the

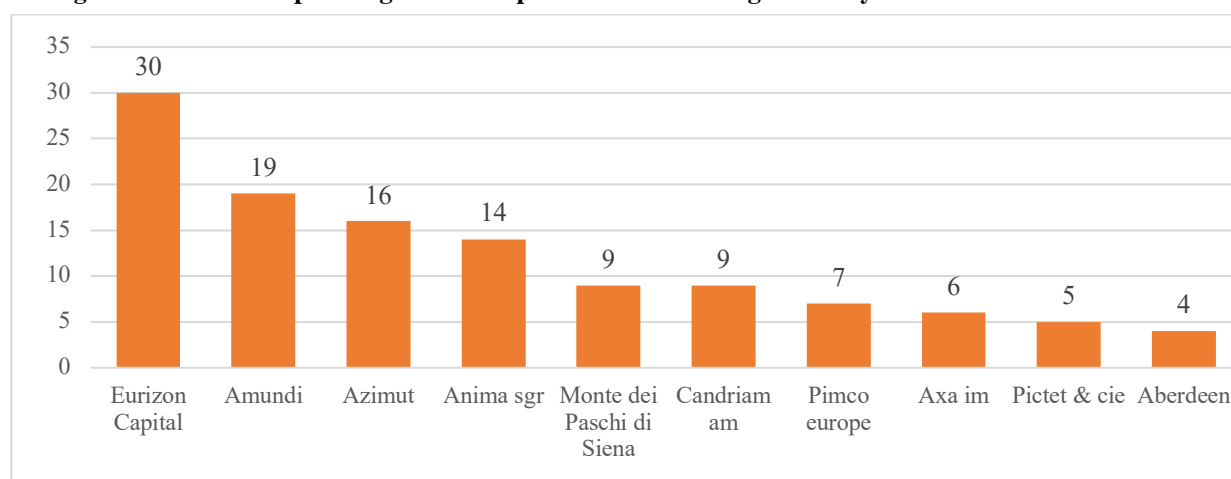


leader, followed by Amundi, Monte dei Paschi di Siena, PIMCO, with assets under management beyond a 41% market share. In the lower positions, there was a switch between Anima sgr going up to the fifth position and AXA im; moreover, the number of management companies with more than 1.5 billion euros' worth of assets under management doubled in one year, from 3 to 6.

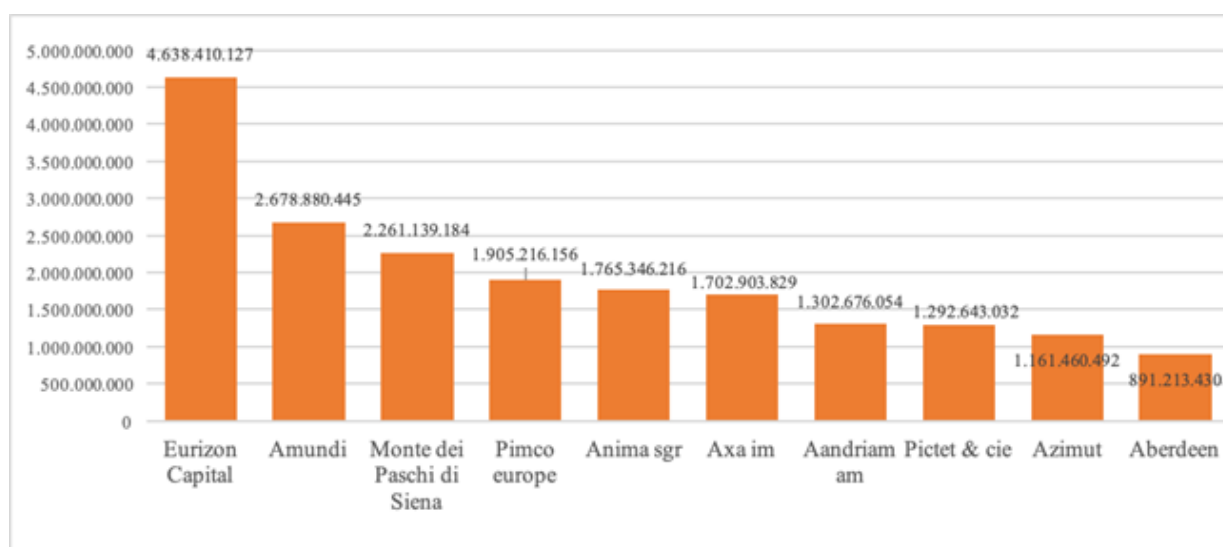
**Table 6.8 - The top 10 management companies by AUM and number of mandates chosen by Pre-existing Funds in 2021**

Management company	Number of Mandates	AUM	Average Mandate	Market share
Eurizon Capital	30	4,638,410,127	154,613,671	16.84%
Amundi	19	2,678,880,445	140,993,708	9.73%
Monte dei Paschi di Siena	9	2,261,139,184	251,237,687	8.21%
Pimco Europe	7	1,905,216,156	272,173,737	6.92%
Anima Sgr	14	1,765,346,216	126,096,158	6.41%
Axa IM	6	1,702,903,829	283,817,305	6.18%
Candriam AM	9	1,302,676,054	144,741,784	4.73%
Pictet & cie	5	1,292,643,032	258,528,606	4.69%
Azimut	16	1,161,460,492	72,591,281	4.22%
Aberdeen	4	891,213,430	222,803,358	3.24%

**Figure 6.8 - The 10 top management companies of Pre-existing Funds by number of mandates in 2021**



**Figure 6.9 - The 10 top management companies of Pre-existing Funds by AUM in 2021**





Eurizon leads the ranking by AUM **market share** with 16.84%, followed by **Amundi** with 9.73% and **Monte Paschi** with 8.21%. The **average mandate** was worth around **156 million euros** against 141 in 2020, with peaks of 343 million for Seb and 248 million for Axa im, 272 for Pimco, all with very few mandates (2 Seb, 6 Axa Im and 7 Pimco from 4 in 2020). 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 26 billion euros' worth of assets under management, as many as 24 (92.10%) were 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 – Insurance management companies in 2021**

Management company	AUM	Market share
Generali Italia S.p.A.	10,800,720,193	41.53%
Allianz S.p.A.	6,718,360,426	25.83%
UnipolSai Assicurazioni S.p.A.	6,431,303,821	24.73%
Reale Mutua Assicurazioni	598,910,734	2.30%
Fideuram vita S.p.A.	519,695,199	2.00%
Unicredito italiano S.p.A.	224,473,068	0.86%
Crédit Agricole Assicurazioni S.p.A.	206,741,437	0.79%
Credem Assicurazioni S.p.A.	142,500,707	0.55%
Bnp Paribas Cardif Vita S.p.A.	127,646,000	0.49%
Zurich Investments Life S.p.A.	99,587,202	0.38%
Aviva S.p.A.	60,012,059	0.23%
Cattolica Previdenza S.p.A.	55,398,079	0.21%
Helvetia Italia Assicurazioni S.p.A.	11,853,660	0.05%
Axa Assicurazioni S.p.A.	8,108,596	0.03%
<b>Total</b>	<b>26,005,311,180</b>	<b>100.00%</b>

The analysis so far shows that, in 2021 too, the search for yields was increasingly difficult, which required more specialized and flexible mandates but with risk budgets correlated to the commitments of these funds. However, the members of these funds remained very keen on low-risk investments even if with lower yields. In 2021, there were **3 guaranteed mandates** (through financial and non-insurance management mandates) equal to 589 million euros, **53 balanced mandates** for 11.8 billion euros, **76** specialized and balanced **bond mandates** for 8.9 billion, **38 equity mandates** for 5.1 billion (growing) and **7 flexible** ones.

**Custodian bank** – Under Legislative Decree no. 252/04 which introduced the obligation to have a custodian bank, anticipating the European IORP II regulation, all the funds considered in this Report have a custodian bank, except for pre-existing funds because of their total insurance management profile, i.e. with securities held by their companies' custodian bank or under receivership or liquidation, hence without any real financial management profile. The number of custodian banks is limited, but the three top market operators hold almost 90%: BFF Bank with 37.9%, BNP Paribas Securities Services with 31% and State Street Bank with 20.7%.

**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 56.3% of these funds, followed by OneWelf with 25.6% and by Accenture Managed Service with 9.4% and Parametrica Pension Fund with 6.3%: The remaining providers are often companies belonging to the Group to which the fund is related.

**Advisors** – An increasing number of funds is making use of several advisors for asset allocation, asset liability management, consulting, risk control and sustainable ESG policies; some are specialized on single asset classes such as real estate and alternative investments. The demand for greater specialization is clearly promoting the growth in the number of advisors present on the market that is still mainly controlled by established operators such as Prometeia Advisor SIM with 26.5%, Bruni, Marino & C. with 20.6%, Mangusta Risk with 17.6%, Link and others like Mercer, Nummus, Cambridge and EIC.

*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

The *social role* of the *banking foundations* has been widely confirmed by a number of government measures, including: the 2021 Budget Law (no. 178 of 2020 which, under paragraphs 44 to 47, introduced a 50% reduction of the taxable income from the dividends received by these foundations; their subsidiary role was also reaffirmed in the Budget Law Report, and by the Draghi government's Law Decree no. 73 of 2021 which refinanced them for another further year to support community welfare promotion measures and for two years for the fund to fight child educational poverty (Law Decree no. 105 of 2021). Also notable is the support for the 'digital republic' project and for the Memorandum with the Ministry of Regions and Autonomies for the National Recovery and Resilience Plan (PNRR).

Therefore, 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 Italian banking system<sup>1</sup> at the peak 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 2021, the number of banking foundations operating in Italy was equal to **86**; this *ninth edition* of the Report analyses the *top 27 Foundations* by "*total assets*", 17 of which are classified by ACRI (Association of Banking Foundations) as large and 10 as medium-large; they accounted for **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 **2021** the *net accounting worth* of the **86 Foundations** increased from **39.7 billion euros** in **2020** to 40.25. Their *total assets* declined between 2010-2021 from 59.5 billion in 2010 to 47.4 billion in 2021. However, it is important to take into consideration the significant amount of their disbursements, equal to **25 billion euros** between the year 2000 and 2021 and their above-mentioned efforts to support the banking system in a period in which transferee banks experienced a drastic fall in their value prices, greater volatility and zero dividends; this figure is estimated to reach over 72 billion euros by adding disbursements to assets and considering their commitment to the banking system.

The tragic year of 2020 characterized by the raging COVID-19 pandemic weighed down on the first six months of 2021; but the second half of the year experienced the rebound of the economy and of the stock markets and the resumption of dividend distribution by the banking system; so, 2021 closed with positive results: the average return on assets was **5.7%** (compared to 3.6% in 2020, and 6.5% in 2019).

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<sup>1</sup> 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; among these, 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 their allocations).

**Table 7.1 - The top 27 Banking Foundations by total assets**

<b>Foundation</b>	<b>Total assets 2021</b>	<b>Total assets 2020</b>
Fondazione Cariplo	8,087,762,018	7,892,947,992
Compagnia di San Paolo	7,139,231,413	6,957,115,242
Fondazione C.R. Torino	2,814,860,232	2,769,176,392
Fondazione C.R. Padova e Rovigo	2,796,544,283	2,623,873,631
Fondazione Roma	1,941,088,298	1,913,418,447
Fondazione C.R. Firenze	1,914,290,904	1,879,509,114
Fondazione C.R. Verona Vicenza Belluno Ancona	1,618,788,942	1,600,692,986
Fondazione C.R. Cuneo	1,592,150,800	1,555,681,757
Fondazione C.R. Lucca	1,342,360,628	1,315,354,960
Fondazione C.R. Bologna	1,211,486,318	1,184,504,347
Fondazione Cariparma	1,163,568,820	1,133,798,037
Fondazione Sardegna	1,092,330,432	1,081,177,933
Fondazione C.R. Modena	978,786,899	963,203,035
Fondazione Monte Paschi i Siena	706,044,326	543,836,006
Fondazione Pisa	670,820,655	657,586,680
Fondazione C.R. Bolzano	658,299,376	643,003,629
Fondazione C.R. Pistoia e Pescia	569,351,356	549,350,202
Fondazione C.R. Forlì	551,088,434	534,379,866
Fondazione C.R. Perugia	513,662,326	500,426,463
Fondazione Banca Monte Lombardia	501,092,504	489,494,016
Fondazione C.R. Trento e Rovereto	471,863,280	458,601,874
Fondazione di Piacenza e Vigevano	411,507,126	420,347,179
Fondazione Venezia	390,582,814	382,333,062
Fondazione Friuli	359,423,764	351,268,478
Fondazione C.R. Ascoli Piceno	319,108,785	312,812,721
Fondazione C.R. Carpi	309,016,784	300,717,239
Fondazione C.R. Biella	297,629,329	289,846,397
<b>Total assets</b>	<b>40,422,740,846</b>	<b>39,304,457,685</b>
<b>Total assets of the 86 Acri Foundations</b>	<b>47,365,093,357</b>	<b>46,149,600,000</b>
<b>% sample of the 27 Foundations</b>	<b>85.34%</b>	<b>85.7%</b>
Net worth of the 86 Foundations	40,247,409,853	39,718,200,704

*Note: in order to comply with the criterion based on the total assets of the top 27 banking foundations, Fondazione CR Biella was included in the place of Fondazione Cassamarca*

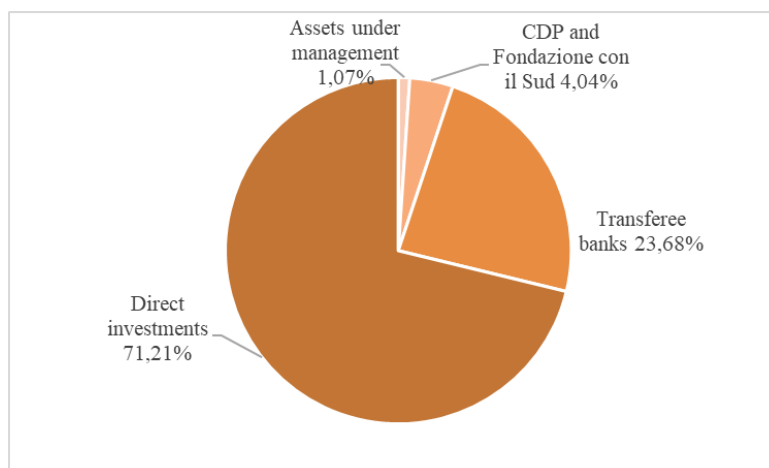
### ***Management approaches and management companies***

A significant portion of the banking foundations' assets is directly invested in their *transferee banks*, i.e. the banks to which they belonged before the Ciampi Law of 2000; however, following the 2015 Memorandum<sup>2</sup>, the percentage of the total has steadily decreased down to 23.68% in 2021 compared to 24.85% in 2020.

<sup>2</sup> Under the Protocol voluntarily signed by banking foundations and the MEF in April 2015, banks would reduce the assets invested in their own transferee banks to no more than **33%** of their total resources invested directly or indirectly by spring 2018 (or 2020, depending on whether they were listed or not), taking into account the threshold determination criteria therein (i.e. the weight of their transferee banks at market prices with respect to their total assets at market prices). At the end of 2020, there were only 3 institutions that exceed 33% (calculated at 'fair value') (for one of which the derogations for foundations in special statute regions are applied).

In addition to institutional investments, these foundations directly invest part of their assets in the real estate market, on works of art, financial instruments (shares, bonds, UCITS) and other forms of investments. The breakdown of these investments by macro-areas is illustrated in **Figure 7.1**, showing that 27.72 of their assets is allocated to institutional investments, to their transferee bank, Cassa Depositi e Prestiti and Fondazione con il Sud (34% in 2016 and 28.96% in 2020), about 1% is mandated to management companies and 71.21% to direct investments.

**Figure 7.1.1 - Investments by the top 27 Foundations**



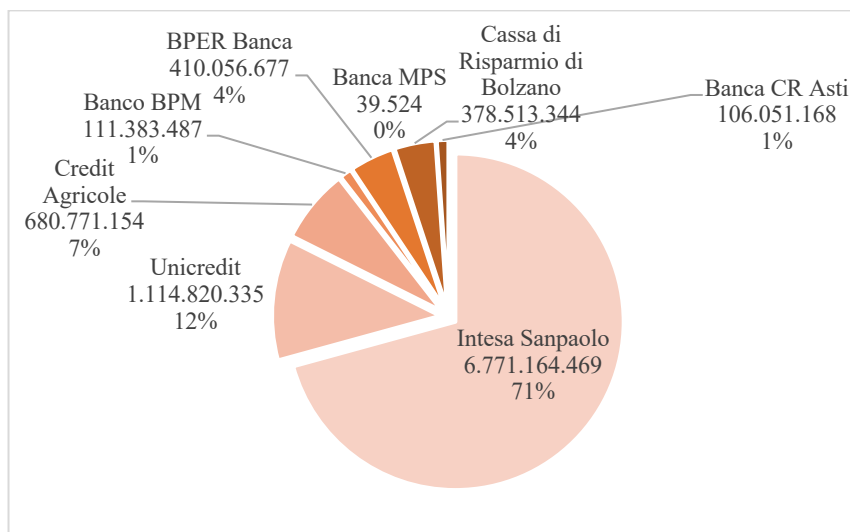
**Table 7.2** shows the Foundations with part of their assets invested in their transferee banks, CDP and Fondazione per il Sud. The share of the allocations to transferee banks as percentage of total assets dropped over the last eight years from 36% in 2014, as a result of disposals and of the adjustment of their carrying value to market values. the adjustment of the carrying price to market values, and the decision not to participate in capital increases of the transferee bank. Investments in Cassa Depositi e Prestiti and in Fondazione con il Sud featured a slight change, linked to exchanges of shares between foundations; investments in transferee banks and in Cassa Depositi e Prestiti are the core of the foundations' strategic investments and play a significant role on the income statement in terms of substantial dividend distribution.

**Table 7.2 – Types of institutional investments**

Foundation	Total assets 2021	Transferee Bank	Transferee bank as % of total assets	Institutional investments in CDP	As % of total assets	Institutional investments in Fondazione con il Sud	Total institutional investments	Institutional investments as % of total assets	Total for the 27 top foundations
Fondazione Cariplo	8.087.762.018	1.777.973.841	21,98%	169.570.312	2,10%	34.406.811	0,43%	1.981.950.964	24,51%
Compagnia di San Paolo	7.139.231.413	2.700.119.249	37,82%	176.797.249	2,48%	29.395.556	0,41%	2.906.312.054	40,71%
Fondazione C.R. Torino	2.814.860.232	650.606.847	23,11%	156.564.790	5,56%	0	0,00%	807.171.637	28,68%
Fondazione C.R. Padova e Rovigo	2.796.544.283	703.740.207	25,16%	62.620.539	2,24%	11.355.290	0,41%	777.716.036	27,81%
Fondazione Roma	1.941.088.298	83.916.902	4,32%	0	0,00%	5.523.002	0,28%	89.439.904	4,61%
Fondazione C.R. Firenze	1.914.290.904	576.400.723	30,11%	62.853.778	3,28%	0	0,00%	639.254.501	33,39%
Fondazione C.R. Verona Vicenza Belluno A	1.618.788.942	278.839.276	17,23%	0	0,00%	0	0,00%	278.839.276	17,23%
Fondazione C.R. Cuneo	1.592.150.800	218.857.811	13,75%	78.237.178	4,91%	6.424.571	0,40%	303.519.560	19,06%
Fondazione C.R. Lucca	1.342.360.628	111.383.487	8,30%	87.449.100	6,51%	4.436.682	0,33%	203.269.269	15,14%
Fondazione C.R. Bologna	1.211.486.318	324.531.725	26,79%	0	0,00%	6.656.666	0,55%	331.188.391	27,34%
Fondazione Cariparma	1.163.568.820	669.775.033	57,56%	72.495.474	6,23%	0	0,00%	742.270.507	63,79%
Fondazione Sardegna	1.092.330.432	410.056.677	37,54%	161.950.335	14,83%	1.840.409	0,17%	573.847.421	52,53%
Fondazione C.R. Modena	978.786.900	59.748.819	6,10%	40.737.629	4,16%	6.117.757	0,63%	106.604.205	10,89%
Fondazione Monte Paschi i Siena	706.044.326	39.524	0,01%	7.102.473	1,01%	34.694.721	4,91%	41.836.718	5,93%
Fondazione Pisa	670.820.655	0	0,00%	0	0,00%	0	0,00%	0	0,00%
Fondazione C.R. Bolzano	658.299.376	378.513.344	57,50%	15.932.732	2,42%	2.125.190	0,32%	396.571.266	60,24%
Fondazione C.R. Pistoia e Pescia	569.351.356	10.437.982	1,83%	39.426.929	6,92%	1.705.158	0,30%	51.570.068	9,06%
Fondazione C.R. Forlì	551.088.434	88.538.117	16,07%	56.611.931	10,27%	2.021.650	0,37%	147.171.698	26,71%
Fondazione C.R. Perugia	513.662.326	30.537.384	5,95%	66.298.051	12,91%	1.018.201	0,20%	97.853.636	19,05%
Fondazione Banca Monte Lombardia	501.092.504	143.118.418	28,56%	43.649.657	8,71%	0	0,00%	186.768.075	37,27%
Fondazione C.R. Trento e Rovereto	471.863.280	0	0,00%	42.771.820	9,06%	1.112.336	0,24%	43.884.156	9,30%
Fondazione di Piacenza e Vigevano	411.507.126	72.382.316	17,59%	64.169.589	15,59%	1.688.913	0,41%	138.240.818	33,59%
Fondazione Venezia	390.582.814	64.424.036	16,49%	43.568.646	11,15%	1.426.659	0,37%	109.419.341	28,01%
Fondazione Friuli	359.423.764	101.636.165	28,28%	12.731.868	3,54%	406.879	0,11%	114.774.912	31,93%
Fondazione CR Ascoli Piceno	319.108.785	0	0,00%	0	0,00%	695.824	0,22%	695.824	0,22%
Fondazione C.R. Carpi	309.016.784	11.171.107	3,62%	8.721.550	2,82%	0	0,00%	19.892.657	6,44%
Fondazione C.R. Biella	297.629.329	106.051.168	35,63%	8.725.313	2,93%	1.178.134	0,40%	115.954.615	38,96%
<b>Total 27 Foundation</b>	<b>40.422.740.846</b>	<b>9.572.800.158</b>	<b>23,68%</b>	<b>1.478.986.943</b>	<b>3,66%</b>	<b>154.230.408</b>	<b>0,38%</b>	<b>11.206.017.510</b>	<b>27,72%</b>

**Figure 7.2** shows the breakdown of investments of the 27 foundations examined in their transferee banks in terms of amounts invested and as share of the total, whose holdings account for 90% of all the assets invested in the transferee banks of the 86 banking foundations.

**Figure 7.2 – Holdings of the 27 foundations examined in their transferee banks**



The management of direct investments that account for **71.21%** of all the assets of these foundations 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 and on their proceeds from dividends and performance results.

Therefore, their investment strategies and policies are mainly designed to protect and enhance the real value of their portfolio by optimizing its profitability in order to allow them to fulfil their institutional role (disbursements) and to ensure real returns and lasting inflows; a complex target in recent years because of near-zero dividends from transferee banks, the long period of low bond yields and the market uncertainty and volatility, exacerbated in 2020 by the consequences of the pandemic. So, the largest foundations started to reduce their overall risk exposure not only through a geographical diversification of their portfolio but also through the diversification into other sectors, markets and instruments; their aim was to rapidly adapt to changes, with less risky but higher-yield portfolios, 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.

Over the years, an increasing number of foundations have been using **dedicated platforms** and **sub funds (Table 7.8)** with an acceleration in 2018 and 2019 which is still ongoing. These are SICAV UCITS funds or sub-funds, but more often SIFs (Financial Intermediation Companies), qualified as Alternative Funds under Luxembourg law, independent containers with dedicated investment objectives even for individual foundations, where to allocate part or all of their financial portfolio not allocated to strategic investments (transferee banks, CDP, Italian equity) or investments in specialized closed funds. Of the **27 foundations**, **20** (17 in 2020) **used dedicated platforms or funds** accounting for **53.2%%** of direct investments (47% in 2020).

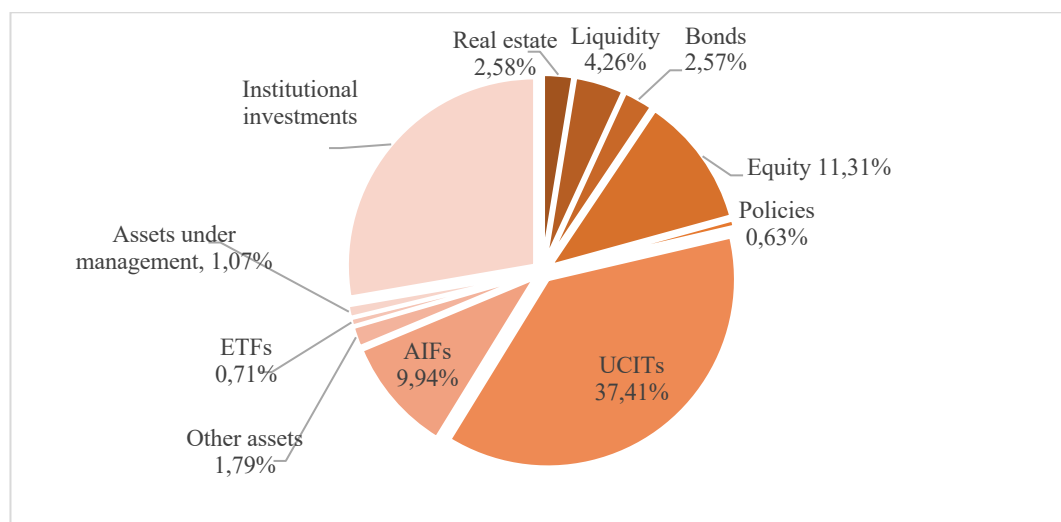
**Table 7.3** shows the high degree of diversification of direct investments of banking foundations; in 2021, these investments amounted to **28.8 billion euros**, of which 1.044 billion in the real-estate sector and 27.7 billion in financial investments (i.e. not mandated to asset management companies).

Of these investments, 19.4 billion euros were allocated to collective management products (UCITS, ETFs and alternative UCITS). Government bonds accounted for 0.95% of the total, of which Italian government bonds for **0.75%** and foreign government bonds for 0.20%.

**Table 7.3 – Direct and indirect investments**

Foundation	Real-estate	Liquidity	Bonds	Equity	Policies	Direct UCITS investments	Direct AIF investments	Other assets	ETF	AUM
Fondazione Cariplo	35.122.669	10.647.048	6.592.143	381.711.809	0	5.258.702.683	333.772.585	79.262.117	0	0
Compagnia di San Paolo	35.151.641	169.954.790	500.000	334.644.023	0	2.381.505.658	1.159.130.228	107.460.862	0	44.572.157
Fondazione C.R. Torino	1.339.557	61.268.953	231.586.178	1.378.987.118	0	100.344.206	203.560.915	30.601.668	0	0
Fondazione C.R. Padova e Rovigo	0	191.999.083	0	83.572.128	0	886.660.000	826.430.000	26.324.923	0	3.842.113
Fondazione Roma	136.925.225	50.682.880	0	2.558.370	0	1.360.160.855	273.761.711	27.559.353	0	0
Fondazione C.R. Firenze	130.776.322	69.638.155	52.031.669	21.575.191	5.328.700	727.611.529	133.650.511	68.293.489	0	66.130.837
Fondazione C.R. Verona Vicenza Belluno Ancona	136.610.574	124.877.622	13.665.990	50.964.777	0	770.901.457	148.310.207	38.501.332	0	56.117.707
Fondazione C.R. Cuneo	24.746.386	124.176.561	165.622.558	395.014.175	97.836.161	234.950.370	197.254.796	41.269.889	7.760.344	0
Fondazione C.R. Lucca	85.064.912	101.381.683	18.510.093	209.818.527	0	256.006.677	352.346.413	13.079.985	35.610.140	67.272.929
Fondazione C.R. Bologna	22.926.571	14.744.231	0	202.981.050	0	560.563.516	38.548.282	40.534.277	0	0
Fondazione Cariparma	22.939.132	15.662.354	83.487.866	117.759.630	0	59.000.000	48.349.903	44.613.350	29.486.078	0
Fondazione Sardegna	18.815.962	97.775.391	20.202.106	44.810.634	0	250.647.010	66.594.731	19.637.177	0	0
Fondazione C.R. Modena	37.407.962	95.620.163	1.250.000	229.682.851	0	413.000.000	48.423.700	31.091.803	7.500.009	8.206.207
Fondazione Monte Paschi i Siena	27.234.435	170.672.685	4.910.063	82.825.692	0	333.527.554	10.796.254	34.240.925	0	0
Fondazione Pisa	26.142.451	13.242.477	146.696.899	86.519.092	0	253.207.131	5.365.696	22.646.909	117.000.000	0
Fondazione C.R. Bolzano	81.203.368	16.829.124	49.500.000	10.694.006	40.464.893	32.441.322	17.302.675	3.909.125	9.383.597	0
Fondazione C.R. Pistoia e Pescia	29.699.526	93.598.605	154.549.495	132.627.165	5.000.000	999.850	32.530.447	14.357.824	54.044.284	374.092
Fondazione C.R. Forlì	15.898.108	3.990.066	5.913.650	70.017.951	5.000.000	254.449.012	41.578.859	7.069.090	0	0
Fondazione C.R. Perugia	27.001.821	9.326.834	0	15.258.566	261.337	316.921.957	7.025.803	23.191.467	0	16.820.906
Fondazione Banca Monte Lombardia	25.775.883	93.409.011	5.000.000	122.191.548	0	41.364.405	2.793.353	4.289.529	0	19.500.700
Fondazione C.R. Trento e Rovereto	15.229.885	25.508.953	22.886.810	97.928.375	25.085.673	192.762.573	7.643.895	13.810.742	27.122.218	0
Fondazione di Piacenza e Vigevano	21.436.888	22.463.689	20.293.181	20.215.823	24.858.168	140.565.929	4.563.515	3.487.146	0	15.381.969
Fondazione Venezia	15.917.441	17.461.645	0	102.395.423	0	130.133.105	2.425.194	12.830.665	0	0
Fondazione Friuli	875.613	29.785.935	1.530.120	20.488.626	8.980.512	161.095.441	15.468.717	6.423.888	0	0
Fondazione CR Ascoli Piceno	24.545.822	4.022.131	0	172.958.025	0	0	9.113.089	4.261.041	0	103.512.853
Fondazione C.R. Carpi	21.918.585	92.552.270	21.951.087	104.792.804	19.235.461	3.842.859	12.037.131	1.782.006	501.304	10.510.620
Fondazione C.R. Biella	22.943.813	433.202	13.771.071	80.605.275	20.593.755	2.577.239	19.993.055	1.880.835	0	18.876.469
<b>Total</b>	<b>1.043.650.552</b>	<b>1.721.725.541</b>	<b>1.040.450.979</b>	<b>4.573.598.653</b>	<b>252.644.660</b>	<b>15.123.942.338</b>	<b>4.018.771.664</b>	<b>722.411.417</b>	<b>288.407.974</b>	<b>431.119.559</b>
as % of total assets	2,58%	4,26%	2,57%	11,31%	0,63%	37,41%	9,94%	1,79%	0,71%	1,07%

**Figure 7.3 – Investments as percentage of total assets**



The diversification level of the 27 foundations is very high with **159 management companies** selected to provide financial instruments (150 in 2020). It is important to mention not only the considerable amount of alternative investments (compared to other institutional investors), but also the significant number of management companies; the real estate funds accounting for **0.99%** of total assets are managed by **15 companies**, some of which also manage other types of alternative funds. Different types of policies account for 0.63% of assets and are managed by 13 companies, while there are 116 companies for alternative funds (some manage both traditional and alternative funds). **Alternative instruments** went up to 4 billion in 2021 from 3.1 billion euros in 2020 without considering the growing contribution of AIFs to **SIF** platforms, hence no longer identifiable. This was mainly due to the growing interest in this type of investment in view of higher returns. Social impact investments (residential health, social housing, regeneration programs, etc.) show a



significant upward trend, accounting for 8.5% of all AIF investments (see *Table 7.5*).

UCITs direct investments, which rose from 14.8 billion euros in 2020 to 15.1 billion in 2021, are broken down in *Table 7.4*, which shows how over the past few years there was a gradual phasing out of balanced bond investments in favour of more flexible and broader spectrum instruments, such as multi-asset investments. The total value of UCITs was equal to **15.12 billion** euros and they were managed by 56 different companies with considerable differentiation and specialisation approaches.

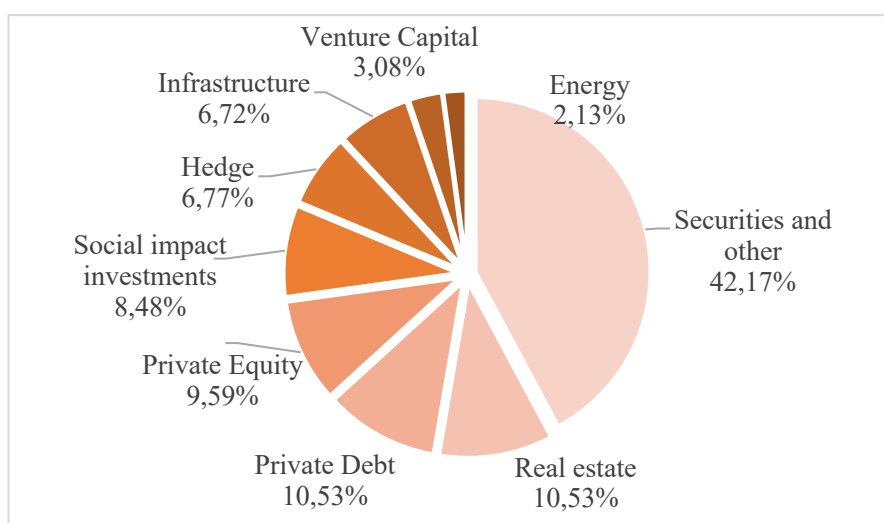
**Table 7.4 – Types and amounts of UCITS investments of banking foundations**

	2021	in %	2020	in %
<b>Bond</b>	1,124,030,796	7.43%	423,929,248	2.86%
<b>Balanced</b>	56,820,156	0.38%	6,830,725	0.05%
<b>Equity</b>	1,370,635,244	9.06%	724,227,334	4.89%
<b>Other</b>	12,572,676,768	83.13%	13,651,713,864	92.20%
<b>TOTAL</b>	<b>15,124,162,964</b>	<b>100.00%</b>	<b>14,806,701,171</b>	<b>100.00%</b>

**Table 7.5 – Breakdown of AIFs of banking foundations in 2021**

Type of AIF	in Euros	as %
<b>Securities and other</b>	1,694,630,539	42.17%
<b>Real estate</b>	423,035,729	10.53%
<b>Private Debt</b>	423,005,690	10.53%
<b>Private Equity</b>	385,470,589	9.59%
<b>Social impact investments</b>	340,862,539	8.48%
<b>Hedge</b>	272,241,286	6.77%
<b>Infrastructure</b>	270,131,436	6.72%
<b>Venture Capital</b>	123,592,730	3.08%
<b>Energy</b>	85,800,227	2.13%
<b>TOTAL</b>	<b>4,018,770,764</b>	<b>100.00%</b>

**Figure 7.4 – AIFs of banking foundations as %**



*Table 7.6* shows the top five management companies by assets under management (out of 159 management companies investing in traditional and alternative UCITS); together they account for



72% of the total. The first three positions are held by companies managing the main platforms: Quaestio Capital Management, Fondaco and Eurizon followed by the much-improved Amundi in the fourth place and Azimut in fifth.

**Table 7.6 – The top 5 management companies by assets under management (UCITS and AIFs)**

Management company	TOTAL	As % of the total
Fondaco Sgr	6,215,924,404	32.48%
Quaestio Capital Management Sgr	6,056,348,894	31.65%
Eurizon capital Sgr	1,770,390,171	9.25%
Amundi	394,932,165	2.06%
Azimut	350,150,102	1.83%
<b>TOTAL</b>	<b>14,787,745,836</b>	<b>72.27%</b>

**Table 7.7 – List of mandates to specialized investment management companies**

Management company	Resources under management	as %	Number of mandates
Credit Suisse AM	60,197,780	13.96%	2
Fondaco Sgr	56,620,477	13.13%	3
Quaestio Capital Sgr	56,117,707	13.02%	1
Eurizon Capital	53,641,103	12.44%	3
Fideuram AM	37,991,926	8.81%	2
<b>Total</b>	<b>264,568,993</b>	<b>61.36%</b>	<b>11</b>

***Platforms***<sup>3</sup> - This is a way for foundations to manage their resources that has spread from large foundations to smaller ones in recent years; platforms allow for economies of scale and for accounting and operating advantages. The total number of platforms used by the 20 foundations (out of the 27 examined) accounts for 44.58% of total assets, with 4 foundations for over 50% (**Table 7.4**). The advent of platforms led to a less extensive use of asset management with individual management mandates at least for large and medium-sized foundations. This new modality has certainly resulted in a very blurred boundary between *indirect* investments with a specific *management mandate* and its guidelines, benchmarks, targets and risk budget, and *direct* investments through dedicated funds/platforms. It is worth reminding that the first dedicated funds/platforms began operating in the early 2000s (first the GEO fund which then became Polaris Fund, then Quaestio and Fondaco). In a context of low bond yields and high equity volatility, these instruments allow for a *unified view 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 sub funds 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 sub-fund *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).

<sup>3</sup> For a more in-depth look at the funds and types of platforms/dedicated funds used by banking foundations, please refer to the previous edition of the Report on Italian Institutional Investors available for free consultation on [www.itinerariprevidenziali.it](http://www.itinerariprevidenziali.it).

Table 7.8 – Investment platforms of banking foundations

Foundation	Resources invested on platforms/Dedicated funds in 2021	Total assets	Share of platforms out of total assets	Management Company
Fond Roma	1.567.028.213	1.941.088.298	80,73%	Fondaco
Fond Cariplo	5.258.702.683	8.087.762.018	65,02%	Quaestio
Fond CR Perugia	326.734.055	513.662.326	63,61%	Fondaco
Fond Pisa	370.207.131	670.820.655	55,19%	Vari
Fond Cariverona	807.779.356	1.618.788.942	49,90%	Vari
Compagnia San Paolo	3.402.003.000	7.139.231.413	47,65%	Fondaco
Fond CR Forlì	260.703.647	551.088.435	47,31%	Quaestio/Fondaco
Fond CR Bologna	560.563.513	1.211.486.318	46,27%	Eurizon
Fond MPS	312.650.503	706.044.326	44,28%	Quaestio
Fond Friuli	155.680.114	359.423.764	43,31%	Quaestio
Fond CR Modena	413.000.000	978.786.899	42,20%	Eurizon
Fond CR Firenze	711.826.754	1.914.290.904	37,18%	Eurizon
Fond CR Trento e Rovereto	172.462.573	471.863.280	36,55%	Fondaco/Quaestio
Fond Venezia	130.133.105	390.582.814	33,32%	Fondaco
Fond CR Piacenza e Vigevano	120.565.929	411.507.126	29,30%	Quaestio/Eurizon
Fond Sardegna	216.946.687	1.092.330.432	19,86%	Valeur/Piattaforma Fondazioni
Fond CR Cuneo	254.459.196	1.592.150.800	15,98%	Fondaco
Fond CR Lucca	194.044.252	1.342.360.628	14,46%	Fondaco
Fond CR Torino	75.260.956	2.814.860.232	2,67%	Fondaco
Fond CR Pistoia e Pescia	13.219.871	569.351.356	2,32%	Piattaforma Fondazioni
	15.323.971.538	34.377.480.966	44,58%	

### *The real economy and banking foundations*

Banking foundations have always attached great attention to the "**real economy**" given their origin and the 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. Government bonds as a form of investment, excluded from our calculation, seems to be insignificant, since with 305 million euros they account for only a very small percentage of the foundations' total assets.

Even though the use of segregated vehicles and platforms makes it increasingly difficult to identify investments in the Italian real economy, the analysis has produced some interesting figures. Overall, the 27 Foundations examined allocated **17.0 billion euros**, or **42.2%** of **their assets (Table 7.9)** to the Italian real economy out of a total of 40.4 billion euros. In greater detail, 9.6 billion euros (55.2%) were invested by these foundations in their transferee banks out of approximately 17.2 billion euros.

**Table 7.9 – Investments in the Italian real economy**

<b>Investments</b>	<b>2021</b>	<b>As % of all the assets of the 27 Foundations</b>
<b>Transferee bank</b>	9,572,800,158	23.68%
<b>CDP institutional investment</b>	1,478,986,943	3.66%
<b>F. Sud institutional investment</b>	154,230,408	0.38%
<b>Italian corporate bonds</b>	448,774,358	1.11%
<b>Italian equity</b>	4,206,582,339	10.41%
<b>Direct UCIT investments</b>	2,000,000	0.00%
<b>Direct AIF investments</b>		
- <i>Infrastructure</i>	264,047,978	0.65%
- <i>Renewable energies</i>	25,924,268	0.06%
- <i>Private equity</i>	221,994,418	0.55%
- <i>Venture Capital</i>	44,883,804	0.11%
- <i>Private Debt</i>	2,109,502	0.01%
- <i>Social impact investments</i>	269,032,069	0.67%
- <i>Real- estate AIFs</i>	373,839,577	0.92%
<b>TOTAL</b>	<b>17.065.205.822</b>	<b>42.22%</b>

The figure shown in the table related to the real economy is underestimated as it does not take into account the share of real Italian investments within UCITS and AIFs, included in dedicated platforms and funds (and not easily identifiable from financial accounts).

But above all, this figure is not exhaustive in terms of the contribution of these foundations to the Italian real economy through their investments; another contribution comes from the annual flow of disbursements, another major instrument available to banking foundations. This flow amounted to an average of 1 billion a year from 2011 to 2021; it was devoted to artistic and cultural heritage preservation, research and development, local development, support for voluntary services, social and health-care interventions, with a more extensive cooperation with other public and private institutions and with systemic measures (such as, for example, the Fund for Youth Educational Poverty since 2015 and the Digital Republic Fund as of 2021). The longstanding experience in public/private partnerships allows these foundations to support their local communities in the application of the PNRR at the territorial level, with their own facilities and organisational and planning capacity gained over the years, a unique example in the realm of institutional investors.

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

In 2021, the number of Privatized Schemes of Liberal Professions established under Legislative Decrees no. 509/1994 and no.103/1996 was equal to 20, including ONAOSI, the fund providing welfare benefits to orphans of health-care workers and excluding Casagit, analysed among the health funds; in this Report, ONAOSI is separately illustrated in terms of its membership, contributions, net worth and assets<sup>12</sup>. The 20 privatized funds analysed in this Report manage **23** different pension schemes, also including the INPGI separate scheme, INPGI 2 (for non-employed journalists) and ENPAIA, which separately manages the pension schemes for agricultural and agro-technical experts. The novelty for 2021 is the integration of the substitutive Inpgi fund into INPS as of July 2022 while the Inpgi separate fund for freelance journalists will remain operational.

**Number of members and pensioners:** At the end of 2021, the total number of members registered with privatized scheme was 1,7051,087 against 1,692,459 in 2020, equal to about 7.5% of the total workforce in Italy, with an upward trend (+ 0.75% over 2020 and + 0.53% over 2019) (*Table 8.1* and *Figure 8.1*) and a significant difference among the funds. The schemes with the highest percentage membership growth were those for psychologists, ENPAP (+6.77%), for biologists, ENPAB (+ 6.14%), for certified public accountants, CNPADC, (+ 5.91%), and for professional nurses, ENPAPI (+3.44).

**Table 8.1 – Privatized schemes for liberal professions by number of members in 2021**

	Schemes	no. of members	% Var.		Schemes	no. of members	% Var.		Schemes	no. of members	% Var.
1	ENPAM	373,407	-0.53%	9	CNPADC	72,061	5.91%	17	ENPAB	18,126	6.14%
2	CASSA FORENSE	241,83	-1.31%	10	FASC	50,616	2.83%	18	INPGI	14,57	-1.01%
3	ENASARCO	217,944	0.46%	11	ENPAIA	39,003	0.79%	19	EPPI	13,296	-1.01%
4	INARCASSA	173,957	2.94%	12	EPAP	31,89	1.83%	20	CASSA NOTARIATO	5,021	-2.18%
5	ENPAF	99,077	1.36%	13	ENPAV	28,573	-1.25%	21	ENPAIA Surveyors	3,317	1.10%
6	ENPAPI	92,199	3.44%	14	INPGI Gest. Separate	27,496	-0.28%	22	ENPAIA Agrotecnici	2,222	2.02%
7	CIPAG	78,069	-1.14%	15	ENPACL	25,447	0.82%				
8	ENPAP	72,64	6.77%	16	CNPR	24,146	-2.08%		Total	1,705,087	0.75%

On the other hand, ENPAM (-0.53%), Cassa Forense for lawyers (-1.13%), CNPR for accountants (-2.08%), Cassa Notariato for notaries (-2.18%), CIPAG for surveyors (-1.14%, slightly down vs. 2020), INPGI (-1.01%), including the separate scheme (-0.28% vs. +2.71% in 2020) and EPPI for

<sup>1</sup> 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. Casagit is included in the list of funds under Legislative Decree No. 509/94.

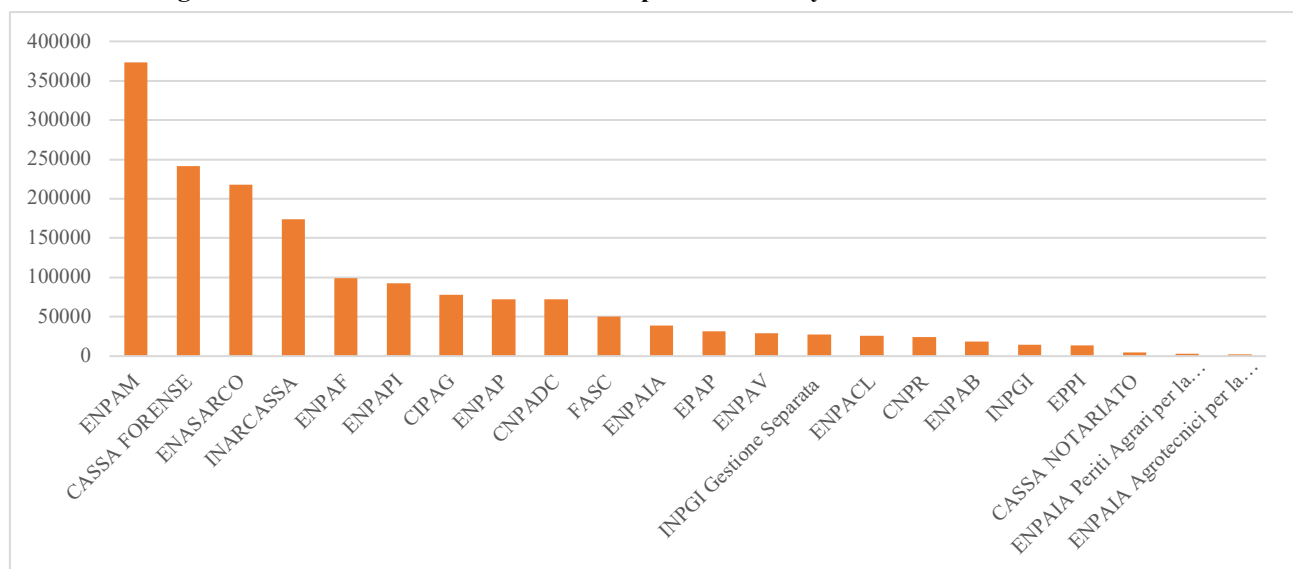
<sup>2</sup> The total number of members does not include the members of ONAOSI, which amounted to 155,687 in 2021.

industrial experts (-1.01%). ENASARCO, FASC, ENPACL and ENPAIA Periti returned to grow in terms of their membership after the reduction experienced in 2020:

**Gender ratio and pay gap of professionals**-According to AdePP, a gender balance has almost been reached with the number of *professional women* equal to **41%** out of the total number of registered members in 2020; the number of these professional women under 40 has evenly risen to 53% in all the regions of the country, even if in the Centre-North, they have outnumbered their male colleagues. If the gender gap is almost over, the pay gap still remains high, very high in the 40-60 age group is h (around 40%).

Number of **pensioners** - Except for FASC (the scheme for shipping agents and haulers) that has no members and only provides capital benefits, the number of *pensioners* reached **474,137**, with an increase by over 13,000 (+ **2.89%**) with respect to 2020, significantly below the 4.23% growth vs. 2020 and the 3.79% growth vs. 2018. So, the **ratio of members vs. pensioners** was equal to 3.59 *active workers per each pensioner*, lower than 3.67 in 2020 and 3.80 in 2019. As in previous years, the total number of members (including active pensioners, i.e. the ones who continue to work even after retiring) is compared to the total number of recipients of social security benefits.

**Figure 8.1 – Privatized schemes for liberal professionals by number of members in 2021**



**Contributions and Benefits:** In 2021, the total contribution revenues of privatized schemes for professionals amounted to **11.53 billion euros**<sup>3</sup> (11.11 billion in 2020), while pension and welfare benefit expenditure to **7.70 billion euros** (6.97 billion in 2020); **the ratio of contributions to pension benefits** was equal to 1.49 (down with respect to 1.59 in 2020 and to 1.62 in 2019) due to the higher growth of benefits with respect to that of contributions and to the gradual, albeit more limited, reduction in the ratio of members vs. pensioners. As in previous years, Inpgi featured a deficit between contributions and benefits of **168 million euros** (170 million in 2020), with 382 million euros' worth of contributions and 551 million euros' worth of pension benefit expenditure. However, as provided for by the 2022 Budget Law (art. 1, paragraphs 103-118, Act no. 234 of December 30 2021), as of July 1 2022, the INPGI substitutive fund is to be integrated into INPS with all its employees to be enrolled in AGO (the INPS general compulsory invalidity and old age insurance scheme).

<sup>3</sup> Total contributions must also include those for ONAOSI, which amounted to 31,153,953 euros in 2021.

**Assets** – In 2021, the 19 privatized schemes totalled **97.83 billion euros**<sup>4</sup>, with a growth by over 5.3 billion. Therefore, the resources available to these institutional investors grew by 5.81%, more than in 2020 beset by the pandemic and in line with previous years ((+4.41% in 2020, + 6.70% in 2019). **Table 8.2** and **Figure 8.2** show the ranking of the funds by assets and by their percentage growth over the previous year. The fund with the highest growth in its assets was ENPAIA, +14.72% (in line with +10.03% in 2020 and with +10.50% in 2019), followed by ENPAV with +12.02% (+ 8,53% in 2020) and finally by ENPAP + 11.98% (+10.11% in 2020 and +11.48% in 2019); very good performance levels were also reached by Cassa Forense and ENPAB, both over 9% +11.48% in 2019), while INPGI again featured a drop by 15.55% (-14.35% in 2020). In contrast to last year, CIPAG obtained a slight growth (+ 1.01%). Moreover, the ranking showed an exchange of positions for ENPAP, ENPAIA, EPPI and Cassa Notariato compared to 2020.

**Table 8.2 - The Schemes for Liberal Professions by total assets in 2021 (millions of euros)**

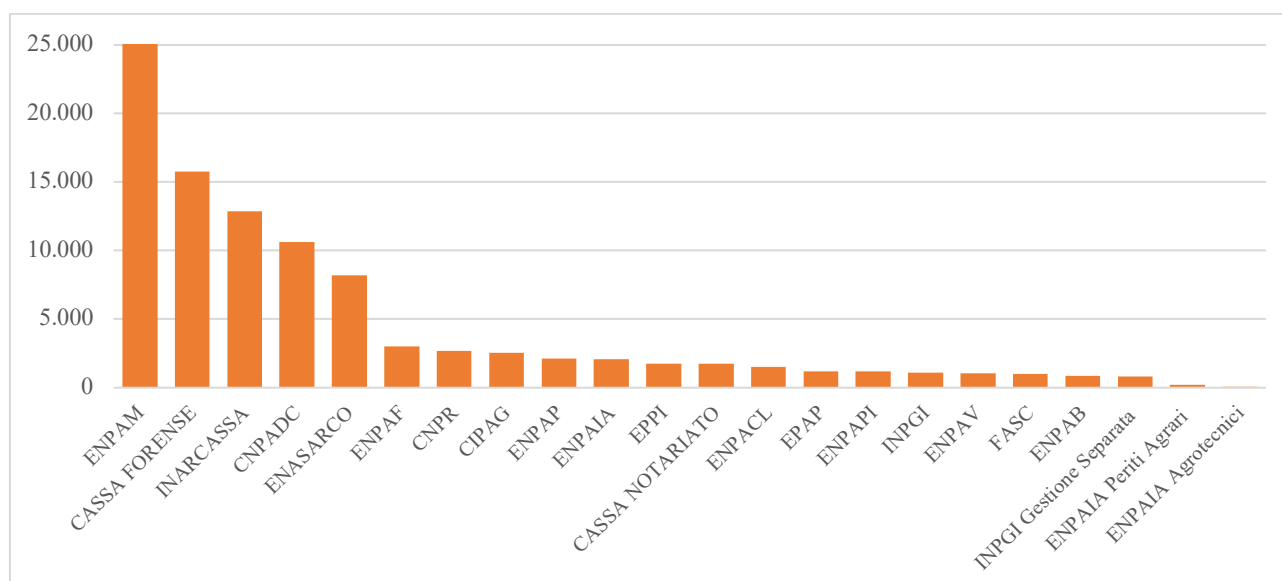
1	ENPAM	25,428	4.70%	9	ENPAP	2,114	11.98%	17	ENPAV	1,057	12.02%
2	FORENSIC CASH	15,767	9.93%	10	ENPAIA	2,093	3.11%	18	FASC	1,002	4.63%
3	INARCASSA	12,866	5.71%	11	EPPI	1,745	7.59%	19	ENPAB	867	9.88%
4	CNPADC	10,624	7.49%	12	NOTARY FUND	1,739	6.31%	20	INPGI G. Separate fund	802	6.40%
5	ENASARCO	8,199	2.68%	13	ENPAICL	1,509	6.63%	21	ENPAIA Land Surveyors	204	5.92%
6	ENPAF	3,032	7.73%	14	EPAP	1,212	6.74%	22	ENPAIA Agrotechnicians	52	14.72%
7	CNPR	2,689	4.00%	15	ENPAPI	1,174	1.98%				
8	CIPAG	2,551	1.10%	16	INPGI	1,105	-15.55%		<b>Total</b>	<b>97,83</b>	<b>5.81%</b>

The **net worth** of these privatised funds amounted to **85.32 billion euros**, compared to **80.40 billion** in 2020, an increase by 6.11%<sup>5</sup>.

<sup>4</sup> The 97.83 billion euros' worth of total assets do not include the figure for ONAOSI, with net assets equal to 382,393,526 euros.

<sup>5</sup> As with the assets, the total net worth figure does not take into account ONAOSI, with a net worth equal to 358,527,756 euros for 2021.

**Figure 8.2 - The Schemes for Liberal Professions by total assets in 2021 (millions of euros)**



**Table 8.3** shows the funds with an increase in their net worth by more than 10%. In contrast to 2020, in 2021 many of these schemes featured a growth beyond 6%; this is the reason why 10% was chosen as a threshold value (it was 6% in 2020). Interestingly, ENPAPI was one of the schemes with the highest growth (+ 39.03%), notwithstanding the -1.64% suffered in 2020. In 2021, INPGI ranked among the negative signs in line with the data on assets, with a drop in its net worth by 17.33% (in -17.26% in 2020).

**Table 8.3 –Trends in the assets of Schemes for Liberal Professions in 2021 vs. 2020**

Funds with a net asset growth by more than 10%			
Scheme	Assets in 2020	Assets in 2021	% Var.
ENPAP	150,810,059	210,621,911	39.66%
ENPAPI	26,876,927	37,365,960	39.03%
ENPAIA	154,650,863	192,954,530	24.77%
EPAP	114,627,544	141,381,515	23.34%
ENPAB	117,433,368	136,517,832	16.25%

**Total Invested<sup>6</sup>:** 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 **82.21%** out of **97.83 billion euros**’ worth of assets (81.49% in 2020 out of 92.46 billion) equal to **80.430,821,970** in 2021; instead *indirect investments*, through mandates, amounted to **17,398,842,277 euros**. A significant share of direct investments, about **58%**, was allocated to policies and to UCITS or AIF funds that are directly underwritten by these schemes, but that are actually asset management instruments, even if in a collective form.

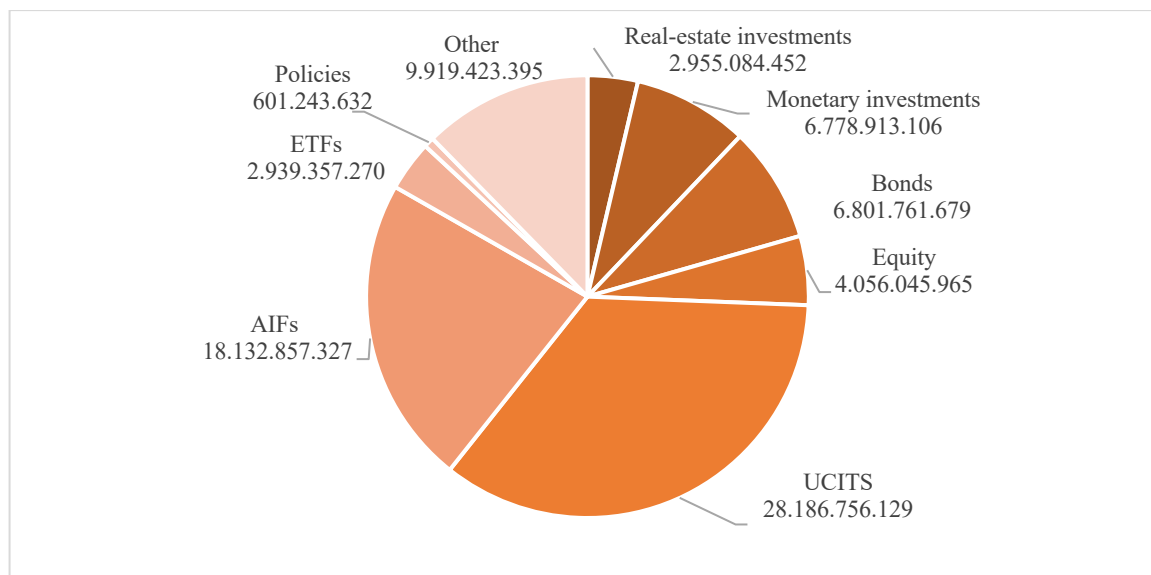
**Direct investments:** The 80.43 billion euros’ worth of direct investments illustrated in **Figure 8.3** were allocated to the following asset classes: a) real estate investments (3.67%); b) monetary investments (8.43%); c) bonds (8.46%); d) equity (5.04%); e) policies (0.75%); f) UCITS (35.04%) with an upward trend with respect to the past years; g) AIFs (22.52%) which are now consistently present in these funds’ portfolios; h) ETFs (3.65%); i) other assets (12.33%). This analysis shows that investments in UCITS and AIF funds is the preferred form of investment for these schemes with over 46 billion euros out of the 97 billion euros’ worth of assets and of the 80.4 billion euros’ worth of

<sup>6</sup> All the information below is net of the ONAOSI figure reported in the 2021 accounts.

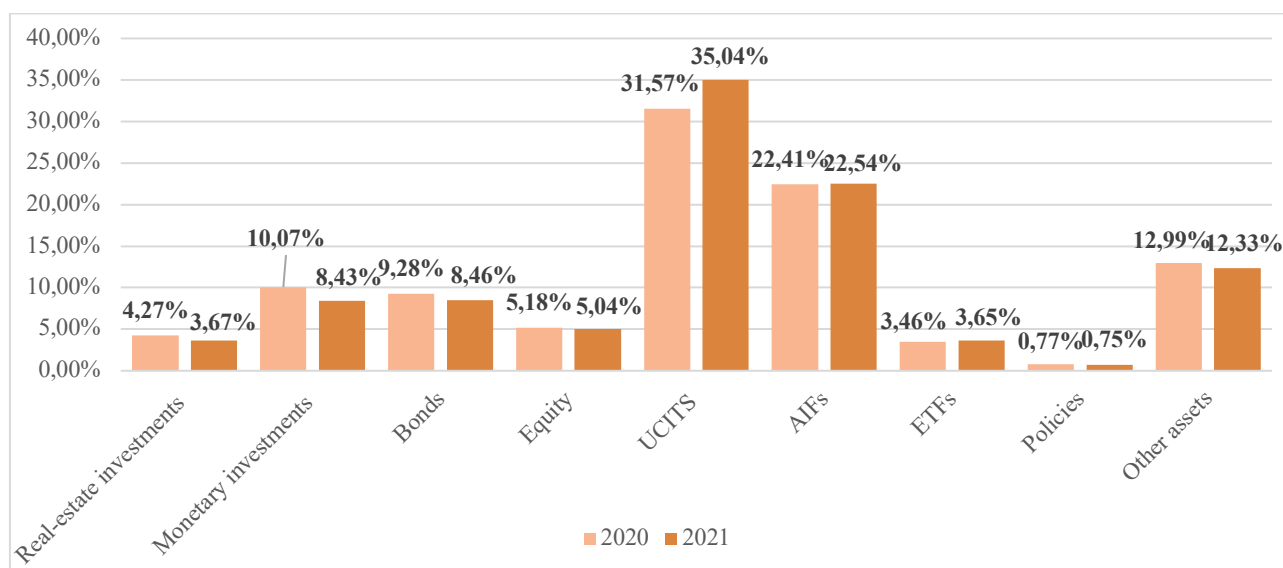


direct investments. Compared to 2020 (*Figure 8.3.1*), UCITS investments (+ 4.47% of total direct investments) had an upward trend and the same for ETFs (+ 3.65 vs. + 3.46% in 2020) and for AIFs. Monetary investments fell by almost 2% and bond investments by around 6.8 billion euros in 2021 compared to 7 billion in 2020, due to a more limited exposure to Italian government and corporate bonds.

**Figure 8.3 - Direct investments by the Schemes for Liberal Professions in 2021**



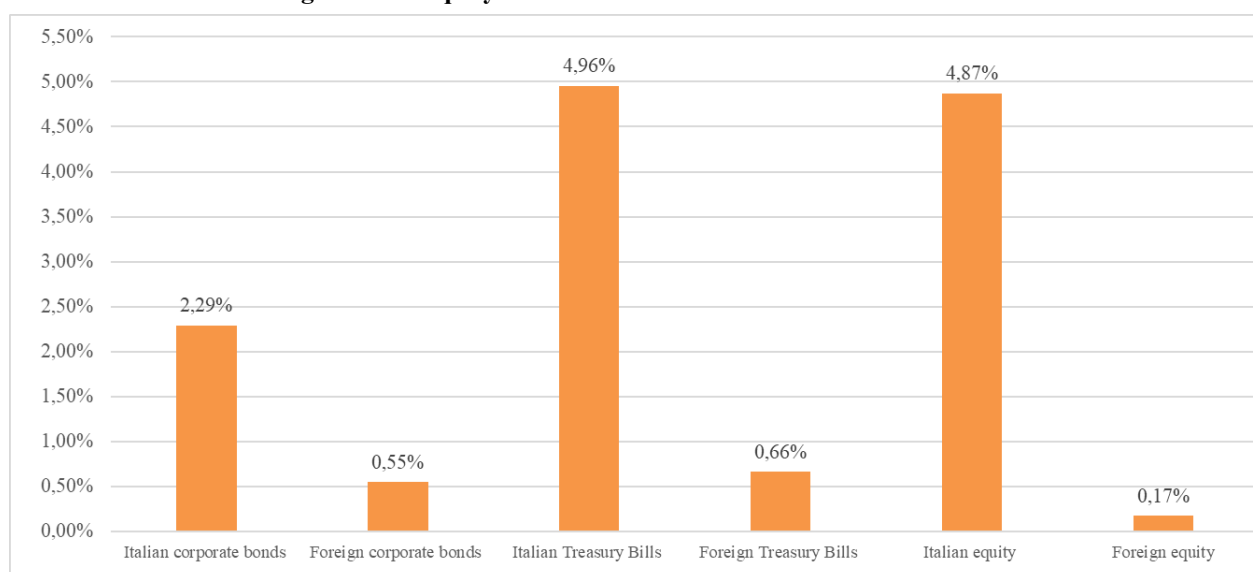
**Figure 8.3.1 – Detailed comparative analysis of direct investments in 2020 and 2021**



**Equity and bond investments** - Traditional financial instruments (stocks and bonds) still account for 13.5% of total direct investments, similarly to the previous years, even if slightly diminishing with respect to 14.46% in 2020 and to 17.62% in 2019. *Figure 8.4* shows these equity and bond investments in detail. *Italian government bonds* remained the leading investment instrument and Italy 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 7.15% (5.76 billion euros) of *total* direct investments.



**Figure 8.4 – Equity and bond direct investments in 2021**



Italian equity investments accounted for 96.56% of the overall equity portfolio, also including the "shares" invested in the Bank of Italy, while Italian corporate bond investments accounted for 27.07% of the overall bond portfolio. If Italian government bonds are taken into consideration, the share of bond investments in Italy reached 85.68%. So, the total Italian equity and bond investments amounted to almost 90% of all these asset classes.

**Investments in the Bank of Italy and Cassa Depositi e Prestiti** - This Report classifies the Bank of Italy "shares" 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 **1.46 billion euros' worth of interests in the Bank of Italy** was equal to **36.1%** of their *equity portfolios* and accounted for **35.3%** of their *overall Italian equity investments*. Each scheme holds a different equity profile (*Table 8.4*). Compared to 2020, EPPI and ENPAB invested in Bankit (100 million euros and 15 million euros respectively), and CNPR and ENPAPI increased their investment (+15.5 million and +20 million respectively). The only scheme investing in *Cassa Depositi e Prestiti* was *Cassa Forense* for an amount of 140 million euros.

**Direct UCITs investments** – Investments in traditional UCITs (bond, equity, balanced, mixed and other types) amounted to **28.186 billion euros** (23.788 billion in 2020) with an even more marked percentage growth equal to 18.4% in 2020 with respect to 2019 (14.58%). As in previous years, the financial statements published by these funds provided the detailed UCITs allocation only for 20 billion euros out of a total of 28 billion; it is not possible to know the funds in which the remaining 8 billion euros were invested, even though these are revenues from the contributions paid by their members; this significant lack of transparency would not be tolerated for the other financial and insurance operators.

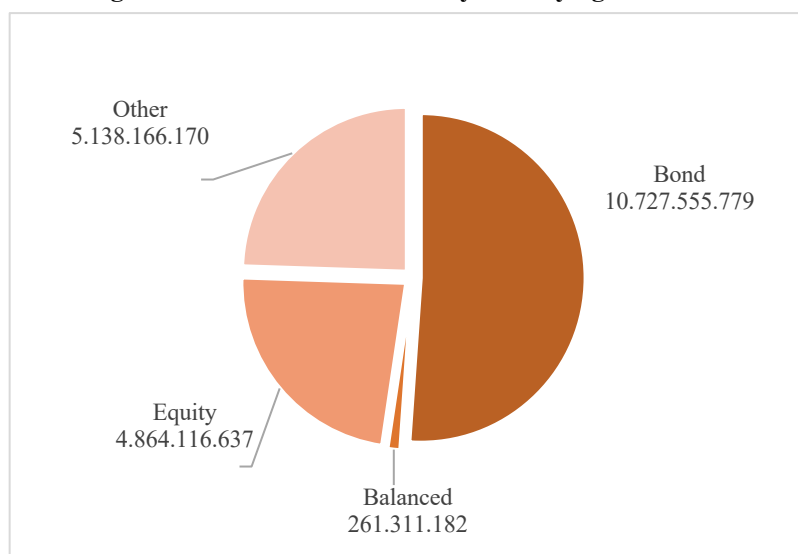
**Table 8.4 - Investments in the Bank of Italy and in CDP**

Scheme	Investments in the Bank of Italy	Scheme	Investments in the Bank of Italy
INARCASSA	€ 225.018.000	CNPR	€ 53.000.000
CASSA FORENSE	€ 225.000.000	ENPAB	€ 15.000.000
CNPADC	€ 225.000.000	ENPAPI	€ 40.000.000
ENPAM	€ 225.000.000	ENPAIA PERITI	€ 15.000.000
ENPAIA	€ 188.500.000	ENPAP	€ 10.000.000
ENPACL	€ 90.000.000	EPPI	€ 100.000.000
FASC	€ 50.000.000	ENPAIA AGROTECNICI	€ 3.500.000
<b>Total</b>		<b>€ 1.465.018.000</b>	

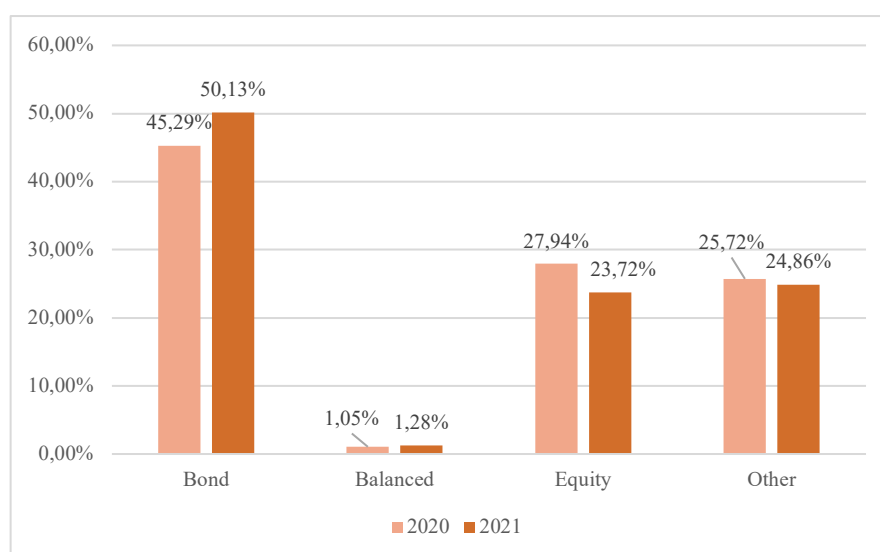
Scheme	Investments in CDP
Cassa Forense	€ 140.000.000
<b>Total</b>	<b>€ 140.000.000</b>

Of the aforementioned 20 billion UCITs, the most popular forms of investments were bonds for over 10 billion euros (+50.13% vs.2020) followed at a distance by equity investments for 4.83 billion (23.73%) and by other types and mixed forms (total/absolute return without benchmark) for over 5.06 billion or 24.86% (**Figure 8.5**). **Figure 8.5.1** shows the comparison with respect to 2020.

**Figure 8.5 - Traditional UCITs by underlying investment**



**Figure 8.5.1 - Traditional UCITs by underlying investment in 2020 vs. 2021**



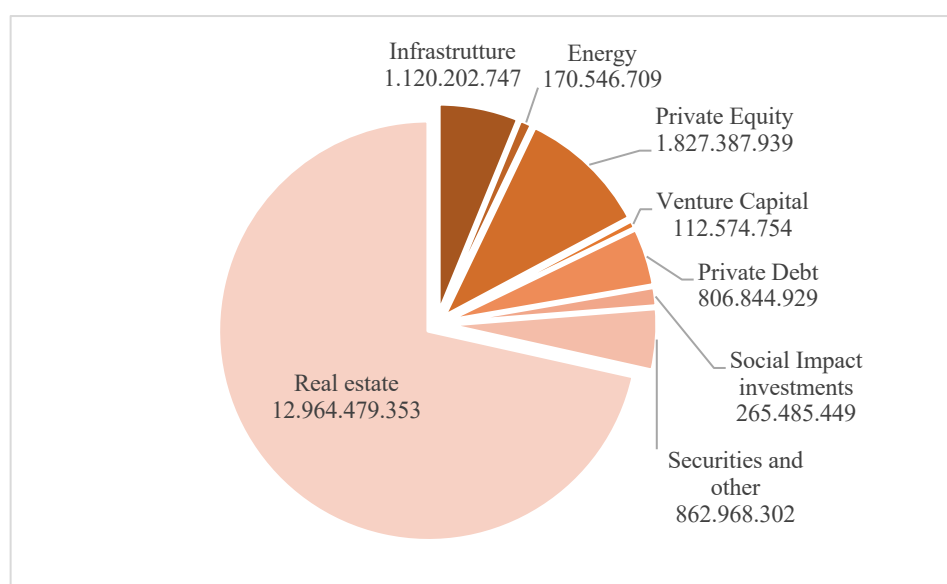
**Table 8.5** shows the top 5 management companies of ***traditional UCITS*** by AUM and by type of instrument. The above-mentioned lack of transparency of some financial accounts does not make it possible to assign these investments to any management company, otherwise the ranking may change considerably. The top and the second positions were still held by UBS Global AM and Eurizon (in 2019 UBS Global AM ranked second), while Blackrock replaced Vontobel in the third place. (The complete ranking of management companies and asset classes can be consulted in the website database).

**Table 8.5 - Ranking of the top 5 management companies of traditional direct UCITs investments in 2021**

Management company	Bond	Equity	Other	TOTAL
UBS Global AM	35,046,602	105,091,067	1,162,849,418	1,302,987,086
Eurizon Capital	331,706,598	0	810,017,870	1,141,724,468
Blackrock	830,414,699	165,380,519	99,999,999	1,095,795,217
Vontobel	330,948,203	573,367,966	20,140,520	924,456,689
Pictet	543,498,491,86	85,581,919	158,326,194	787,406,605

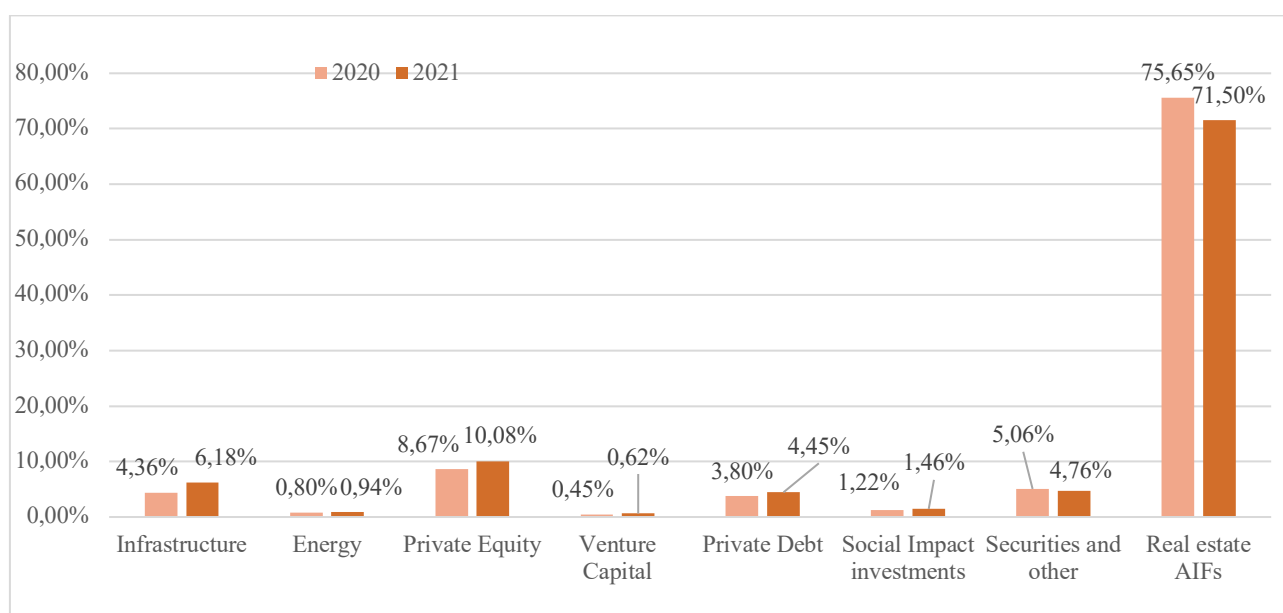
**Direct investments in Alternative Investment Funds - AIFs** – In 2021, the AIF investments by the privatized schemes amounted to **18.32 billion euros** (up from 16.88 billion in 2020 and equal to **22.54%** of direct investments, i.e. more than one fifth of direct investments (22.4% in 2020) and 18.53% of total assets. **Figure 8.7** shows the different types of alternative real estate and securities investments as a percentage of the total. AIF investments remained mainly concentrated in the real estate sector with over 12.96 billion euros, equal to 71.5% of the total, although this figure has been steadily decreasing since 2017 (vs. 75.65% in 2020 and 78.63% in 2019); these were followed by private equity investments with 1.82 billion (10.08%), mainly in SMEs and large companies (classic private equity), slightly up with respect to 2020 (about + 1.5%). The investments in infrastructures grew with respect to 2020 and reached over 1.12 billion euros, outnumbering the securities “AIFs-Other” category; the latter category includes all alternative investments that do not fall into the categories indicated, with a value of more than 862 (4.76%). Lastly, *private debt* investments amounted to over 806 million euros (4.45%). The share of other investments was very small. The scheme with the highest share of AIF investments was still ENPAM, with a total of **5.266.083.714 euros**.

**Figure 8.6 - Types of AIFs purchased by the Schemes for Liberal Professions**



**Figure 8.6.1** shows the comparison with the previous year.

**Figure 8.6.1 - Types of AIFs purchased by the Schemes for Liberal Professions in 2020 vs. 2021**



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

**Table 8.6 – The top 5 AIF management companies by AUM**

Management company	Social impact investments	Real-estate AIFs	TOTAL
Fabrica Immobiliare Sgr Spa	0	2,799,103,983	2,799,103,983
Dea Capital Real Estate Sgr	0	2,249,580,202	2,249,580,202
Antirion Sgr Spa	0	2,249,580,202	2,249,580,202
Investire Sgr	91,489,284	1,704,945,081	1,796,434,365
Prelios	0	1,237,618,981	1,237,618,981

**Exchange Traded Funds – ETFs:** ETF investments accounted for 3.65% of total direct investments, up with respect to 2020 (3.46%). **Table 8.7** lists the top 5 ETF management companies in line with the 2020 results; in 2021, Invesco managed to outperformed Lyxor and DWS Investment joined the ranking by replacing UBS.

**Table 8.7 – The top 5 ETF management companies**

Management company	Bonds	Equity	Total
Ishares	810,760,823	410,000,175	1,234,101,728
Vanguard	0	471,542,955	471,542,955
Invesco	0	363,111,838	363,111,838
Lyxor	14,925,288	250,461,991	277,810,200
DWS Investments	271,323,286	515,535	271,838,821

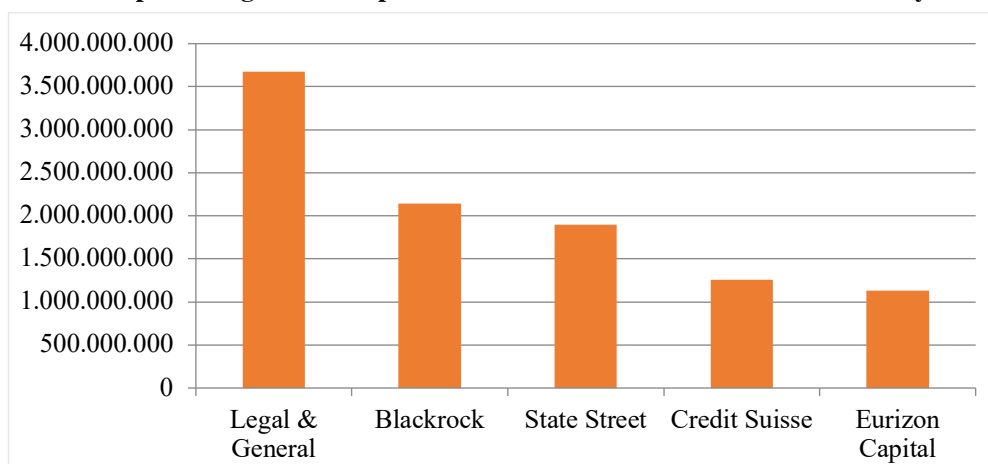
**Indirect investments - Management mandates** – In 2021, the assets mandated to management companies amounted to **17,398,842,277**, up with respect to 17.11 billion in 2020. **Table 8.8** lists the top management companies in terms of number of mandates, assets mandated by the schemes, the AUM percentage 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 2021**

Management company	Number of Mandates	AUM	% Resources	Average mandate
Legal & General	1	3,677,649,670	21.41%	3,677,649,670
Blackrock	1	2,140,592,246	12.46%	2,140,592,246
State Street	1	1,897,161,899	11.05%	1,897,161,899
Credit Suisse AM	1	1,256,418,252	7.32%	1,256,418,252
Eurizon Capital	3	1,130,275,952	6.58%	376,758,651

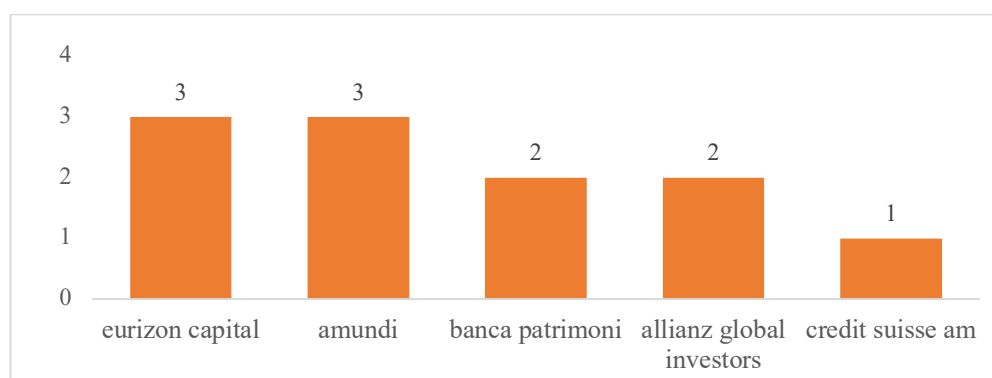
The **2021 ranking by AUM (Figure 8.7)** is similar to that of 2020 and is again led by Legal & General, with some swaps of positions between State Street and Blackrock and with Eurizon Capital replacing Goldman Sachs in the fifth place.

**Figure 8.7 - The top 5 management companies of the Schemes for Liberal Professions by AUM in 2021**



As to the **number of mandates (Figure 8.8)**, Eurizon Capital and Amundi lead the ranking with 3 mandates (in 2020 Eurizon had 4), followed by two management companies with 2 mandates and then all the others with one mandate (only Credit Suisse is listed in the summary table, but there are many other companies with one mandate). By dividing the total number of mandates by the total amount of assets under management, it is possible to calculate the average mandate that was equal to **669 million euros** (462 million in 2020). Despite the diminishing share of total indirect investments, the average mandate growth was due to the significant and gradual reduction in the number of mandates: from 37 to 26 (55 in 2019).

**Figure 8.8 - The top 5 management companies of the Schemes for Liberal Professions by number of mandates in 2021**

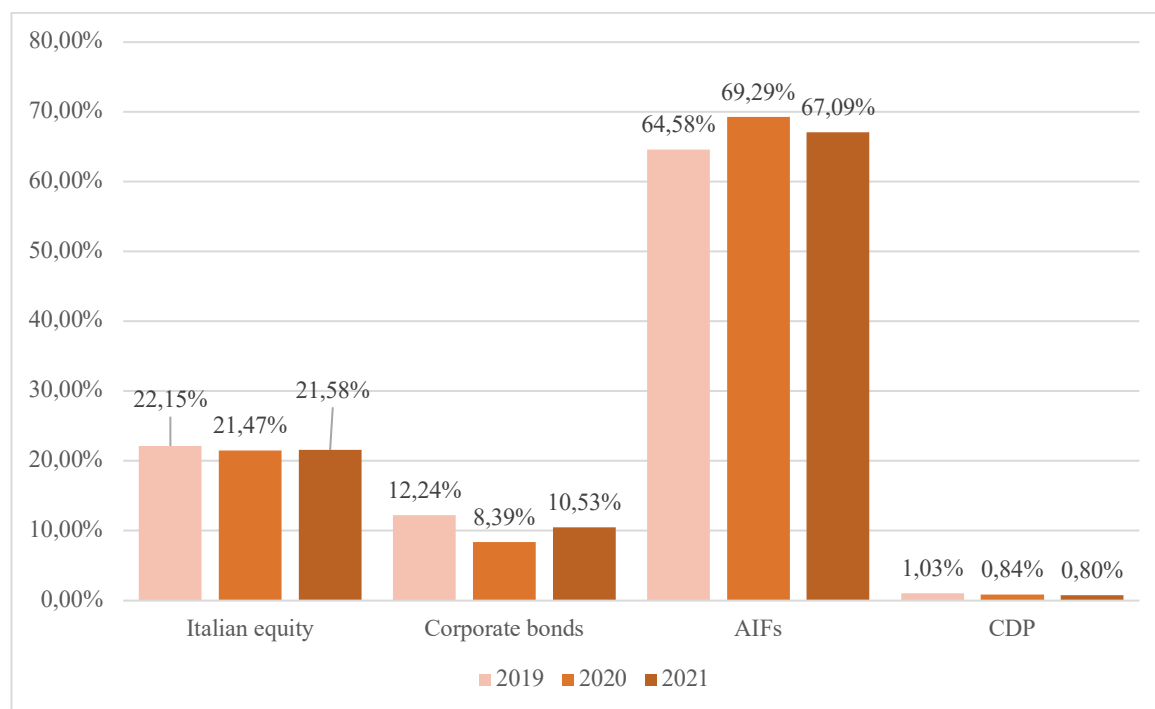


**Direct investments in the real domestic economy:** The data related to the investments in the "**real domestic economy**" allow us to understand to what extent pension and welfare savings are reinvested to support and develop the Italian economy and promote the wellbeing, employment and income levels also for 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 2021, the total share of these investments reached **17.49 billion euros** (+ 1 billion euros compared to 2020), equal to **21.75%** 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 3.98 billion).

**Figure 8.9** illustrates the percentage breakdown of the individual items out of all "real domestic economy" investments made by the privatized schemes with a comparison with respect to 2020 and 2019. These investments primarily consisted of AIFs (67.09%) although slightly down with respect

to the total (- 2.2%), followed by Italian equity (21.58%; slightly up vs. 2020) and Italian *corporate* bonds (10.53% with a 2.14% growth, significantly higher with respect to 2020 and close to the pre-COVID-19 level). The investments in Cassa Depositi e Prestiti were negligible (0.8%) relative to total investments in the real domestic economy.

**Figure 8.9 – Comparative analysis of "real" domestic economy investments by type of instrument in 2019, 2020, and 2021**



To conclude the analysis of privatised schemes, a brief comment on the subjects that contribute to the management of their assets 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** – Ten privatized schemes have a Custodian Bank even without any regulatory requirements. The main ones are BNP Securities Services, Societe Generale Securities Service, Depobank and Caceis.

**Advisors** – Most privatized schemes have an advisor mainly for investment consulting and asset allocation requirements. The main ones are: Link Consulting Partners, Prometeia Advisor, Mangusta Risk and Mercer Italia. There is a growing demand for asset liability management (ALM) support. In some cases, they have two advisors, the second 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.***

## 9. Supplementary Health-Care Funds and Schemes in 2020

The supplementary health care system still lacks a framework law providing for their monitoring and supervision; moreover, in spite of the hostility of some politicians and trade unions and the SARS-CoV-2 pandemic, **supplementary health-care funds** are featuring interesting growth rates according to the latest data released by the Ministry of Health, both in terms of their number and, above all, of their membership, amounts of benefits provided, and hence of their overall assets. The upward trend is also observed for the number of contracts (signed by trade unions and employers) setting up health-care schemes that not only supplement, but also replace the NHS; in fact, given the high level of ageing of the population and the pandemics and endemic diseases of recent years, the health-care system needs a second pillar, which is also at the top of workers' preferences.

For, many years, the Registry of Health- Care Funds of the Ministry of Health was not updated (the last report dates back to 2017 and is related to the 2016 fiscal year); but, in October 2021, the second reporting system was published, with official data for 2018, 2019 and 2020 related to the 2017, 2018 and 2019 fiscal years. The data published by the Directorate General for Health Planning of the Ministry of Health confirm the estimates prepared by the Itinerari Previdenziali Study and Research Centre for the *Eighth Report on Italian Institutional Investors: members, resources and management companies in 2020*. As will be illustrated in detail, during the 2017-19 period, the number of entities certified annually by the Registry steadily increased; however, as conceded by the Ministry, these data provide only a representative but not exhaustive picture of the supplementary health-care system. This is because, even today, there is still no reference framework law on this matter, nor is there a supervisory authority obliging these schemes to publish their accounts and characteristic statistical data or to enrol in the Registry. In fact, a large number of health funds does not disclose their accounts and data on their number of members, the total amount of their contributions and benefits, technical reserves and asset investment approaches. Of course, all this jeopardises the smooth functioning of the system.

**Number of accredited funds** - According to the data released by the Registry of the Ministry of Health, the number of **accredited funds** was equal to 311 in 2017 and increased to 313 in 2018 and again up to **318** in 2019; of these 318 funds, **306**, that is 96%, are schemes under ex art. 51 of the Income Tax Framework Law (TUIR) and mutual aid societies (the so-called type B funds), and **12** established under art. 9 of Legislative Decree no. 502/1992 (type-A funds). Although the data for 2020 and 2021 are not available and also in light of the particular context of the last two years, Itinerari Previdenziali has reasonably assumed a stability in the number of these funds in 2020 and a slight growth by 3 units in 2021 (**Table 9.1**). These figures clearly show a preference for type B funds by workers and employers since they envisage a great deal of integration with the NHS, contradicting the unfortunately still present champions of supplementary healthcare only for what is too costly for the public system or of burdening these funds with charges that are no longer sustainable.

**Amounts of Benefits** - The second reporting system, like the first one, does not give any information on contribution revenues, but only some information about the general amount of **benefits** provided. In 2019, they amounted to **2.83 billion euros**, of which 928 million (32.8%) earmarked exclusively for non-LEA benefits. The peak growth in the general amount of benefits, (by over 14.5%), and in the share of non-LEA benefits (+16%) was reached in 2017 and 2018. And again, these two amounts increased in 2019, albeit to a lesser extent: the general amount rose from 2.72 billion to the aforementioned 2.83 billion (+ 4%), and the partial amount from 877 million to



928 million (+5.7%). Even if the data are available only up to 2019, for 2020 and 2021, it is possible to estimate these two figures on the basis of those obtained in previous years, so as to have at least an order of magnitude with respect to the total amount of benefits provided by supplementary health-care funds.

In 2020, the general amount is estimated to be about 2.9 billion euros, while the subtotal amount about 960 million. In 2021, the general amount is estimated to exceed 3 billion and the subtotal amount 1 billion (*Table 9.1*).

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

Year **	Registered funds	Type A	Type B	Total number of members	General amount	Subtotal amount (20%) *	Subtotal amount/
							General amount
2010	255	47	208	3,312,474	1,614,346,536	491,930,591	30.47%
2011	265	43	222	5,146,633	1,740,979,656	536,486,403	30.82%
2012	276	3	273	5,831,943	1,913,519,375	603,220,611	31.52%
2013	290	4	286	6,914,401	2,111,781,242	690,943,897	32.72%
2014	300	7	293	7,493,824	2,159,885,997	682,525,987	31.60%
2015	305	8	297	9,154,492	2,243,458,570	695,336,328	30.99%
2016	322	9	313	10,616,405	2,329,791,397	755,068,420	32.41%
2017	311	9	302	12,572,906	2,372,099,622	755,357,621	31.84%
2018	313	9	304	14,099,180	2,719,486,779	877,427,824	32.26%
2019	318	12	306	14,715,200	2,828,696,190	927,820,736	32.80%
<b>2020</b>	<b>318</b>	<b>12</b>	<b>306</b>	<b>15,303,808</b>	<b>2,941,844,038</b>	<b>964,933,565</b>	<b>32.80%</b>
<b>2021</b>	<b>321</b>	<b>12</b>	<b>309</b>	<b>15,609,884</b>	<b>3,059,517,799</b>	<b>1,003,530,908</b>	<b>32.80%</b>

Source: 2° Reporting System by the Registry of health-care funds of the Ministry of Health. The figures in green have been estimated by Itinerari Previdenziali.

\* The amount of benefits beyond the essential levels of care that must be at least equal to 20% of total benefits under the law; \*\*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).

**Number of members** – In 2019, the number of members registered with these funds (workers and pensioners with their family members) totalled about **14,715,200**, with an average growth rate of **11.5%** per year between 2017-2019. In particular, the number of registered workers was equal to **10,367,295** and the number of their family members to **3,615,045**, while the number of pensioners with their respective family members was **732,860**. The second edition of the Reporting System, unlike the first, does not provide any separate data on employed and self-employed workers or on their family members. However, on the basis of the historical series available, it is possible to provide some estimates for the three years from 2017 to 2019; so, the number of employed workers enrolled in a supplementary health care fund rose from 6.68 million in 2016 (the latest available data) to just under 9 million in 2019, and the number of self-employed from just over 1 million to almost 1.5 million. As already pointed out, there are no available data for 2020 and 2021 on the total number of these funds, and they are not available either on the total number of their members; again, on the basis of the historical series, it seems reasonable to assume a further increase in the number of members in this period, by over 500,000 between 2019-2020, from 14.7 million to about

15.3 million, and by about another 300,000 between 2020-2021, reaching a total close to 15.6 million (*Table 9.1.1*).

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

Year	<i>Membership</i>							
	Employed workers	Self-employed	Employed workers' family members	Self-employed workers' family members	Total number of workers	Total number of workers' family members	Total number of pensioners (1)	Total number of members
	<i>a</i>	<i>b</i>	<i>C</i>	<i>D</i>	<i>g=a+b</i>	<i>h=c+d</i>	<i>I</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	7,754,542	2,160,917	701,388	10,616,847
2017	7,705,868	1,238,888	2,581,761	340,755	8,840,523	3,026,748	705,635	12,572,906
2018	8,551,640	1,374,864	3,059,045	403,749	9,926,504	3,462,794	709,882	14,099,180
2019	8,931,379	1,435,916	3,193,544	421,501	10,367,295	3,615,045	732,860	14,715,200
2020	–	–	–	–	10,781,987	3,759,647	762,174	15,303,808
2021	–	–	–	–	10,997,627	3,834,840	777,418	15,609,884
(1) number of pensioners and their dependents; Source: data from the Registry of Health Funds of the Ministry of Health published in 2022 and updated up to 2019; the previous data are taken from the Registry Report for 2016. Data for 2017 have never been published.								
Estimated data in green: in particular, the data 2016 – 2018 have been interpolated for 2017; for 2017 - 2018 - 2019 employed workers and non-employed workers and their family members have been disaggregated on the basis of the overall figure by assuming a homogeneous and linear growth in previous years.								
The 2020 and 2021 estimates have been obtained from previous consolidated data; the estimates for the years before the 2022 Report are consistent with the final data.								

Given the lack of official data from the public organizations dealing with this matter, we have drafted *Table 9.2* which shows the list of the main **50 health-care funds and schemes** operating as single or group organizations, by category of workers or by contractual sectors, and the major mutual-aid societies; according to our estimates based on the data coming from the registry of the Ministry of Health, they provide **around 73% of all the benefits of the supplementary health-care system** with its **321** supplementary health-care funds, that is 3.059 billion euros for 2021 (*Table 9.2.1*).

**Contributions and benefits** – As already mentioned, the Registry of the Ministry of Health provides information only about the total amount of benefits and only for the “accredited” schemes that have sent their data to the Ministry; so, these figures are likely to be significantly underestimated; instead, it does not provide any general or individual information on **contribution** revenues, on **benefit** expenditure, operating costs and on technical reserves of supplementary health-care funds. it does provide some data on **benefit** expenditure. Moreover, the data are related to 2019 for a general amount of 2.83 billion euros; but with the large health funds launched in 2020 and 2021 and the new contractual or unilateral initiatives, it is possible to review this figure up to 3.059 billion euros in 2021 after the partial freeze on the provision of benefits in 2020.

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

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

Therefore, in order to provide additional information, Itinerari Previdenziali has managed to obtain some specific data from different types of supplementary health-care funds<sup>1</sup> from institutional websites, from the contracts that regulate them and from its databases; so, it has been able to create *Table 9.2.1* which shows the 2020 and 2021 data on the *number of members, contribution revenues and benefit expenditure* of the main 50 funds, schemes and mutual-aid companies. The *total number of members* of these 50 operators is estimated to have reached 9.044 million in 2021,

<sup>1</sup> There are very few health-care funds and other supplementary health care organizations that publish their financial statements, and often they are not even available if requested.

with an increase by 8.8% compared to 8.31 million in 2020 and accounted for **58%** of the total membership of the health fund system.

The **total contribution revenues** from members and employers are estimated to be equal to 2.74 billion euros, a considerable increase over 2020 caused not only by new registrations but also by the availability of the 2020 data. Finally, the **total benefits** are estimated to be equal to 2.226 billion, or 73% on the basis of the Registry data.

**Table 9.2.1 – Main health-care funds and mutual-aid companies in Italy**

2020			2021			% Growth in 2020-2021		
Members/ insured	Contributions (millions of €)	Benefits (millions of €)	Members/ insured	Contributions (millions of €)	Benefits (millions of €)	Members/ insured	Contributions (millions of €)	Benefits (millions of €)
8,310,666	2,182.92	1,759.70	9,044,554	2,739.91	2,225.96	8.8%	25.5%	26.5%

Based on data from the top 50 market players, Itinerari Previdenziali has produced three rankings by number of members, by contributions paid and by benefits provided. At the top of the ranking in terms of **number of members** there is Fondo Est, the schemes gathering all commercial and service companies, with 20.73%, followed by MetaSalute, the health fund for metalworkers, with 14.53%, and Emapi, which gathers all the members of the privatised schemes for liberal professions; in fourth and fifth place, there are Sanarti (artisans) and MBA, the largest mutual aid society. These top five entities account for over 57% of the total.

The ranking for **contributions** is different; Fondo Est is still in the lead with 17.11% of the total of the 50 health-care funds, amounting to some 469 million euros; Fasi (the fund for managers of industrial companies) follows with almost 400 million and 14.56% of the total, while MetaSalute is in third place with 215 million and 7.85%; the IntesaSanpaolo Group's health fund and Fasdac, the fund for managers of commercial and service companies, follow in the fourth and fifth place respectively.

**Table 9.3 - Healthcare Funds and Schemes: members, contributions and benefits in 2020 and 2021**

Type of fund or scheme, name of the fund, scheme and mutual aid society	Number of members in 2021	as % of the total	Type of fund or scheme, name of the fund, scheme and mutual aid society	Contributions (millions of euros)	as % of the total	Type of fund or scheme, name of the fund, scheme and mutual aid society	Benefits (millions of euros)	as % of the total
Fondo Est (c) [2 B]	1.875.000	20,73%	Fondo Est (c) [2 B]	€ 468,75	17,11%	Fondo Est (c)	€ 352,56	15,84%
Metasalute [2 B]	1.313.879	14,53%	FASI [1 B]	€ 398,88	14,56%	FASI [1 B]	€ 308,95	13,88%
Emapi [2 B]	1.050.000	11,61%	Metasalute [2 B]	€ 215,04	7,85%	Metasalute [2 B]	€ 193,85	8,71%
Sanarti (d) [2 B]	562.665	6,22%	Intesa Fondo Sanitario [1 A]	€ 156,55	5,71%	Intesa Fondo Sanitario [1 A]	€ 152,11	6,83%
MBA Mutua (b)	400.000	4,42%	FASDAC [1 B]	€ 132,50	4,84%	FASDAC [1 B]	€ 104,60	4,70%
Sanimpresa (a b c)	300.000	3,32%	Casdic sanità + LTC bancari (a) (c)	€ 109,20	3,99%	Casdic sanità + LTC bancari (a) (c)	€ 81,90	3,68%
FASI [1 B]	295.000	3,26%	Casagit Salute	€ 89,58	3,27%	Sanarti (d) [2 B]	€ 75,17	3,38%
EBM salute metalm. PMI [2 B]	290.321	3,21%	Sanarti (d) [2 B]	€ 83,52	3,05%	Unicredit (Unica)	€ 73,00	3,28%
ASIM servizi pulizia e integrati (b c) [2 B]	239.678	2,65%	MBA Mutua (b)	€ 80,00	2,92%	Casagit Salute [1 C]	€ 67,18	3,02%
Cadiprof [2 B]	228.020	2,52%	Sanimpresa (a b c)	€ 75,60	2,76%	Assidai	€ 65,62	2,95%
<b>NOTE:</b> 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;								
<b>Type of Funds:</b> A = Corporate; B = Sectoral, contractual; C = Open-ended funds and Mutual-aid societies; D = LTC funds								
<b>Management approach:</b> 1 = Self-management; 2 = Insured: (1) = in the insured funds benefits correspond to the premiums paid								
(a) estimated membership out of 75% of employed workers; (b) data obtained from the websites of Mutual-aid societies; (c) estimated average contribution per year of 250 euros and estimated average benefit per year of 187 euros								
(d) including part of the premium paid with the balance								

Finally, in terms of *benefits provided*, the ranking is identical to that for contributions with the top five entities accounting for almost 50% of the total.

**Benefit/contribution ratio** – In 2021, the *average contribution* is estimated to be equal to 302.93 euros as against 262.66 of 2020, even though there are some health funds, especially the older ones, with average contributions even above 1,000/1,5000 euros per year, and in some cases even 2,000. In reality, the annual rate greatly depends on the age of the members even if it is not always the case in many contractual schemes, on the type of benefit, on the nomenclature, as well as on the type of membership (worker, dependent family member, pensioner, voluntary or collective). The *average per-capita benefit* for the 50 estimated or analysed funds is equal to 246.11 euros (2111 in 2020), with enormous differences among the funds according to the type of benefits and to the nomenclature. The estimated average contribution is higher for self-insured funds (634 euros) with respect to insured ones<sup>2</sup> (193 euros) since they have different nomenclatures and are more likely to have contractual collective members. Therefore, the average benefits are equal to 498 euros for self-insured funds and to 161 euros for those insured.

The *benefits provided account for 81.24% of total revenues* with a *ratio of contribution revenues vs. benefit expenditures* equal to **123%**, which shows that these schemes are highly attractive, even if this is not yet completely true for all the funds, especially for the recently established ones. This ratio is similar both for insured and self-insured funds.

The *balance between contributions and benefits* of these 50 funds is equal to over 513.95 million euros, higher than 423.22 million in 2020, which partly offset the operating and insurance costs and which are partly used for capitalization purposes. 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. However, in 2021, benefits partly recovered with respect to 2020, as can be seen from the increase in the benefit/contribution ratio.

Moreover, in 2020 and in 2021, 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.

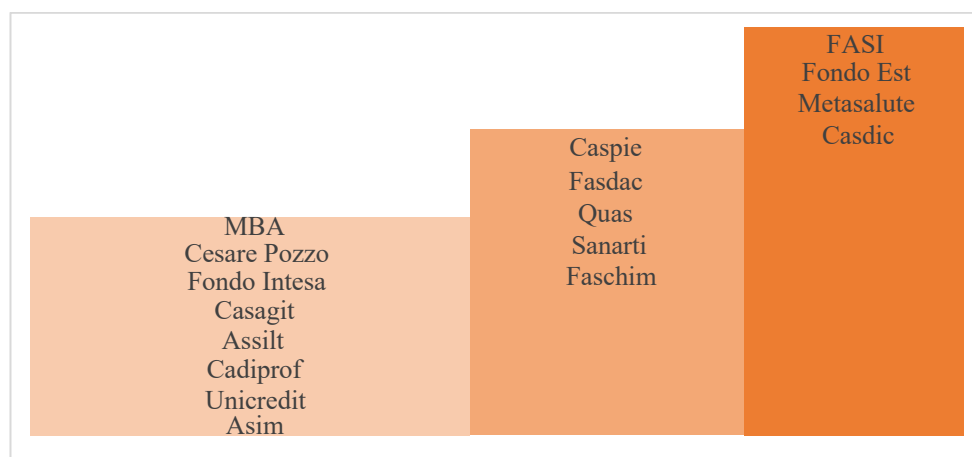
**Assets** - Since neither the Registry nor supplementary health funds generally provide information on the amount of their assets and reserves or on the criteria to use them, estimating the *net assets* of these funds is quite complex; however, considering the average amount of contributions, the number of members and benefit expenditure, the total amount of assets of these **321 operators** is estimated to reach about **4.85 billion** as against **4.75 billion** in 2020, of which around 3.55 billion euros' worth of *net 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, devices, accruals and pre-paid expenses and other).

The *assets* of the **50 funds** considered in *Table 9.2* amount to about **4.001 billion euros** out of an estimated total of 4.85 billion in 2021 and account for about 82.63% of *all the assets of these funds*. *Figure 9.1* has been plotted on the basis of the available or retraceable data and it shows the health schemes with the largest amount of assets, subdivided into three classes.

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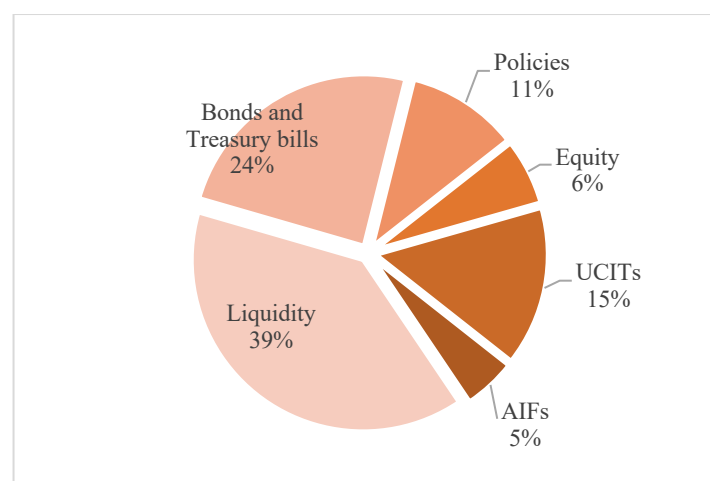
<sup>2</sup> Funds that cover the health risk of their members in whole or in part through insurance contracts.

Figure 9.1 – Health funds by net assets



**Asset management:** Most of the 321 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 degree of internal financial and investment services; among these, for example, those indicated in Figure 9.1; 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 9.2** shows the 2021 investment mix of health-care funds broken down into: **1) liquidity** (bank accounts, short-term investments and postal securities) accounting for **39%** (37.81% in 2020); **2) bonds** and **government securities** accounting for **24%** (40.5% in 2020); in 2021, these funds invested a total of over **63%** in liquidity, monetary instruments, and bonds.

Figure 9.2 – Breakdown of assets by type of management in 2021



**3) insurance policies**, generally class I or V, that account for **11%** (3.26% in 2020). 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; **4) Equity** accounting for **6%** (5.2% in 2020) and **UCITS** for **15%**

(9.5% in 2020). The share of investments in alternative funds is significant and accounts for **5%** (3.7% in 2020)<sup>3</sup>.

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 easy to liquidate in a very short time; this is especially true 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.

However, in spite of the great development of health-care funds in terms of membership, the analysis of the 2021 financial accounts points to their modest capitalization that should instead be equal to at least 1 year 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 these funds, especially if they accept new pensioners, in particular the effect of different levels of long-term care they may need.

Finally, an increase in investment in residential homes for the elderly, operating facilities, call centres, telemedicine, and the provision of devices that underpin the Silver Economy cannot be ruled out.

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<sup>3</sup> Some financial statements, even of large, new-generation contractual funds, only report the percentages of the various asset classes without indicating 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.

## Methodological Note

**Sample** - The Report analyses all occupational pension funds (33 in 2021) and all privatized schemes for professionals (excluding ONAOSI), the main pre-existing pension funds (42 funds accounting for 92% of all assets and 96.7% of the total number of members) and the major banking foundations (the first 27 out of 86, accounting for 85% of all assets).

**Data** - The main data fed into the database of institutional investors used to draft this Report come from the financial accounts of these investors and from the disclosures published on their 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 (*direct* or *indirect*) management approaches. The methodology applied consists in breaking down the main asset items, as shown in the accounts, into 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*; from a legal point of view, these can be undoubtedly classified as direct investments but, from a substantial point of view, they may be considered as indirect investments due to the individual nature of their financial proposal. In this Report, they are qualified as *indirect investments*, because there is no real management mandate and also because of the different application of the accounting principles related to these investments; in fact, in this case, only the acquisition and final data of the dedicated UCITs investments are reported; instead in case of a mandate, under the accounting principles, the organizations or the institutional investors are required to draft a management report with all their transactions (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 institutional investors. 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, they are 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. It does not include the investments in Italian government bonds and real estate used by the individual organization (for example, for its headquarters), but it includes direct and indirect real estate investments (through real estate funds) made in Italy.