Tenth Annual Report

Institutional Investors in Italy: membership, resources and managers in 2022

Curated by the Itinerari Previdenziali Study and Research Center

year 2023

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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 ***Forms of supplementary healthcare***; private schemes such as ***Open-Ended Pension Funds, PIPs*** and ***Insurance Companies***[1]; ***Privatized Schemes for Professionals*** that belong to the social security first-pillar and ***Banking Foundations*** that operate at the territorial and proximity welfare level.

This **Report** 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 directly or indirectly[2]. 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 tenth edition of the Report provides a ***detailed snapshot of the institutional investor italian 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[3], 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"***[4] 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.

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

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

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

[4] https://www.pensionielavoro.it/site/home/il-comparatore-dei-fondi.html

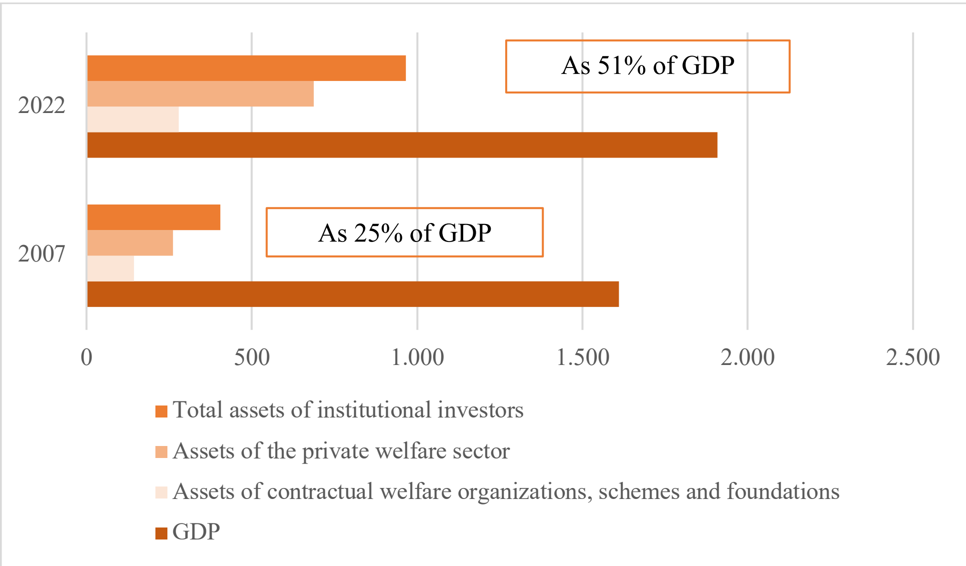
Finally, the Report focuses on the ***sustainable investment policies*** of ***Italian institutional investors*** and, given the growing importance of SRI and ESG investments, as of 2020, this topic is illustrated in an ad-hoc ***Quaderno di Approfondimento***[5]. This Quaderno features the ***fifth 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.

[5] Il Quaderno di Approfondimento *"ESG e SRI, le politiche di investimento sostenibile degli investitori istituzionali italiani"*, published in June 2021, is freely available on the Itinerari Previdenziali website (www.itinerariprevidenziali.it).

1. General framework

Despite the economic and financial crises of the last 15 years, from the *subprime* mortgage meltdown of 2008 and the COVID-19 pandemic in 2020 to the Russia-Ukraine conflict that broke out at the beginning of 2022, the assets of institutional investors operating in contractual welfare system (occupational pension funds, pre-existing and supplementary health funds), of privatised schemes for the liberal professions and of banking foundations, increased from 142.85 billion euros in 2007 to **278.75 billion** in 2022, with a 95% growth. This time period was characterised by an upward trend for the assets of these investors but also by a gradual reduction in their number, especially of small ones that merged into larger, more organised entities, as for example, the pre-existing funds of banking groups and the occupational pension funds of the transport and cooperative sector. Health funds were an exception, since they had a slight growth in terms of number, membership and assets despite the lack of a regulatory framework and of an appropriate supervisory system. The assets of these institutional investors amounted to **14.6%** with respect to GDP; this ratio increases to **51%** (***Figure 1.1***) if we also consider the assets of private welfare organizations (life insurance companies, 1, 4 and 6 branches, 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 2022



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

<u>**International positioning**</u> - The ***complementary pension system*** is the most comparable pension system at an international level. The most complete data on these pension funds can be obtained from the OECD report[1] on the basis of two rankings: that by ***total assets*** and that by the ***ratio of assets to GDP***. In the ranking of countries by ***pension funds' assets***. Italy ranked twelfth out of 38 countries with 205.6 billion euros' worth of assets, preceded by the USA, the UK, Australia, Canada, the Netherlands, Japan, Switzerland and others (***Table 1***). Italy was a long way from Norway's GPFG (*Government Pension Fund Global*), which alone had 1.437 billion euros' worth of assets[2]; however, with more than 205 billion euros' worth of assets, Italian pension funds are beginning to be well capitalised, with an attractive market, also due to the amount of contributions, which amounted to 18.237 billion in 2022, or about to 1% of GDP.

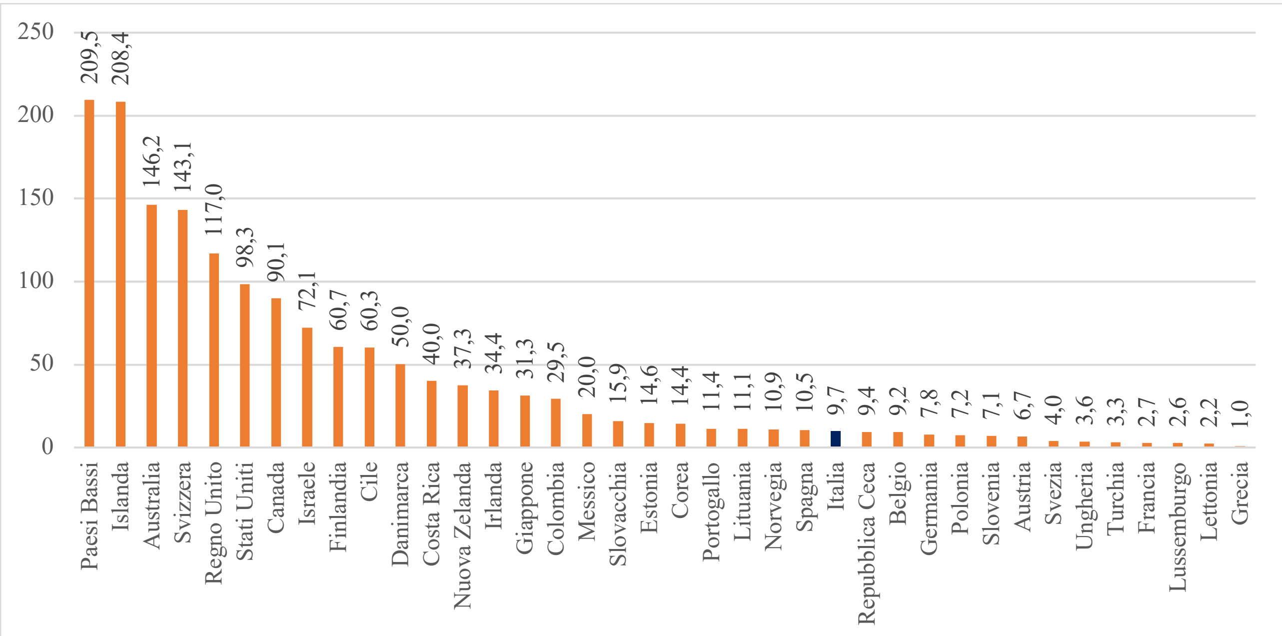
[1] Preliminary 2022 Data on Pension Funds - June 2023, Pension Markets in Focus OECD.
[2] https://www.thinkingaheadinstitute.org/research-papers/the-worlds-largest-pension-funds-2022/

Table 1.1 – Pension fund assets in the top 20 OECD and non-OECD countries 2021

OECD and non-OECD countries	in millions of $	as a % of GDP
Stati Uniti	22.599.191	98,3
Regno Unito	3.572.623	117,0
Australia	2.272.767	146,2
Paesi Bassi	2.042.637	209,5
Canada	1.712.806	90,1
Giappone	1.483.416	31,3
Svizzera	1.164.503	143,1
Israele	360.569	72,1
Germania	313.807	7,8
Messico	254.373	20,0
Corea	249.115	14,4
Hong Kong (China)	198.039	54,0
Italia	194.592	9,7
Danimarca	190.403	50,0
Brasile	186.447	12,0
Finlandia	173.962	60,7
Cile	167.556	60,3
Irlanda	164.227	34,4
Spagna	142.940	10,5
India	94.098	3,0

In the ranking by pension funds' assets to GDP, Italy had the ***25th*** position with a ratio of **9,7%**; if the necessary reforms are implemented to relaunch the guarantee fund for micro and small-sized enterprises (eliminated by the Prodi/Damiano government in 2007) and to review the tax system as envisaged in the delegated act, it would be possible to increase this ratio, thus further which improving Italy's position considering that the top 10 countries already reached 50% with respect to GDP.

Figure 1.2 - Pension funds' assets with respect to GDP in OECD countries in 2022

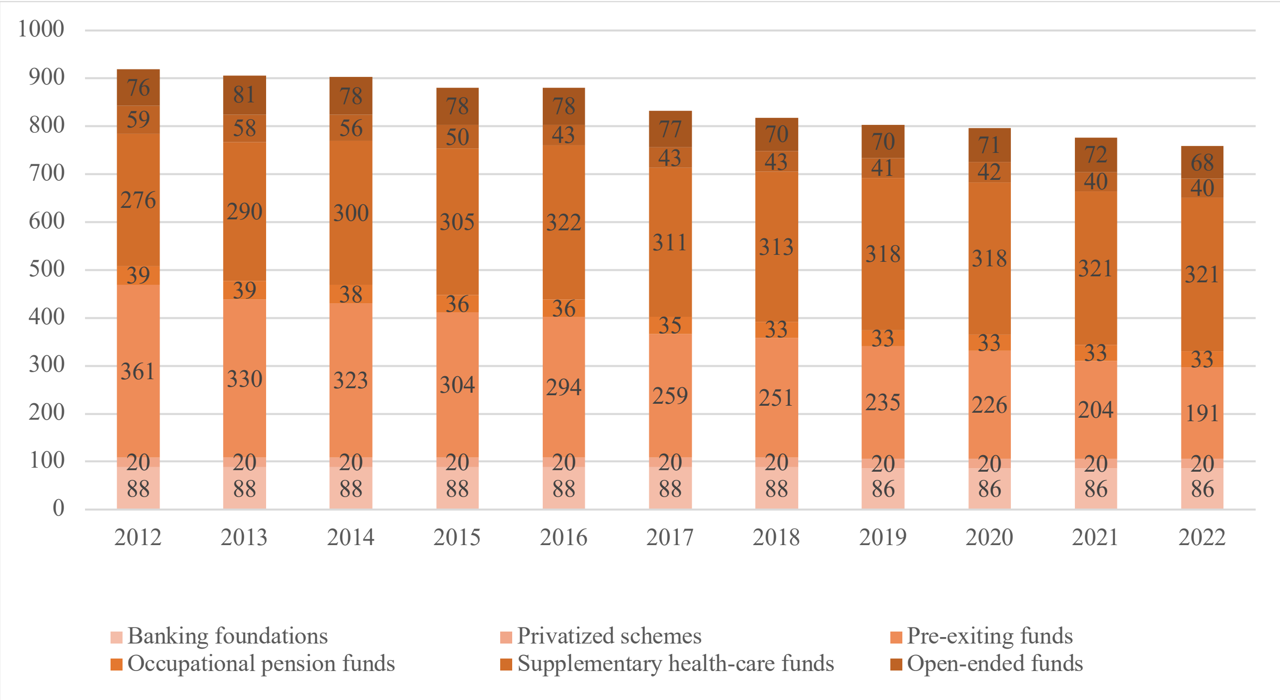


Processed by the *Itinerari Previdenziali Study and Research Centre on the basis of the OECD data*

Number of actors - At the end of 2022, there were **330 *institutional investors*** operating in the legal form of associations and foundations (***Figure 1.3***); in detail, there were **86** banking foundations, **20** privatised scheme for professionals[3] **, 33** occupational pension funds, **191** pre-existing funds (361 in 2012); over the last ten years, the system was rationalised and lost 178 operators, and this was especially true for pre-existing pension funds (-170). To these must be added supplementary health care funds and schemes which, according to the latest estimates (2019 data from the Ministry of Health), amounted to **321**, an excessively high number for the Italian system considering that the top 50 funds account for more than two-thirds of the entire system. In line with previous years, in 2022 too, the number of pre-existing funds experienced the most significant reduction (-13 funds) as a result of mergers and consolidation; the number of foundations and occupational pension funds remained unchanged.

In addition to insurance companies, the ***private sector*** featured 40 open-ended pension funds and 68 'new' PIPs for a total of 108, - 4 with respect to 112 in 2021 and down sharply from 135 in 2012; of the 68 PIPs, 36 were closed to placement.

Figure 1.3 - The evolution of Italian institutional investors



Sources: data processed by the *Itinerari Previdenziali Study and Research Centre*

Assets - In 2022, the assets of institutional investors operating in 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 community welfare system (banking foundations) amounted to **278.75 *billion euros*** (***Table 1.2***), down by 4.37 billion compared to 2021 (-1.57%) mainly due to the negative performance of the bond and equity markets, despite the positive net inflow of contributions (contribution revenues net of redemptions and benefits). Out of this, **104 billion** euros were mandated professional management companies, down with respect to 114 billion in 2021 (105 billion in 2020 and 95 billion in 2019) and **105 billion** (96 billion in 2021, 89 billion in

[3] Including ONAOSI and excluding the two ENPAIA funds for Agricultural experts and technicians; as of July 2022, the INPGI substitutive fund for AGO was merged into INPS.

2020, 86 billion in 2019 and 52.9 billion in 2018) were invested directly in UCITS, AIFs, ETFs and policies; so, the total direct and indirect institutional assets under professional management amounted to **209 billion** compared to 211 billion in 2021, 196 billion in 2020, 181 billion in 2019 and 164.9 billion in 2018. The direct or indirect investments mandated to management companies accounted for almost 80% of all the assets analysed in this Report (263 billion for occupational pension funds, pre-existing funds, foundations and privatized schemes), a constant growth 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 94% of the total for pre-existing funds and to 87% for banking foundations. The amount of assets outsourced to professional management companies particularly by the privatised schemes for professionals and by banking foundations dropped in favour of a direct management approach with investments in alternative funds (private equity, debt, infrastructure, renewable energy, real estate, and so on) and through ***platforms*** for investments in funds or in other asset management instruments**,** ***SICAVs*** or ***funds dedicated*** to a ***single investor (or sub-funds of SICAVs - SIFs)*** open to two or more investors as for banking foundations. So, this was an apparent reduction since there was actually an increase in the amount of resources mandated to professional asset managers even if directly.

In addition to these investors, there are those operating in so-called private welfare sector, namely ***open-ended pension funds*** (FPA), ***individual pension plans*** (PIP) and ***life insurance companies***; in total, the assets of these entities amounted to 687.16 billion, - 17.5 billion compared to 704.64 billion in 2021 (656.67 in 2019 and 618.4 in 2018), largely attributable to the decrease by 17.34 billion suffered by insurance companies (-2.78%) and by 920 million suffered by open-ended funds (-3.19%); instead, 'new' PIPs grew by 1.5 billion (+3.4%).

Table 1.2 - Evolution of the assets of institutional investors (billions of euros)

Year / Institutional Investors	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
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	47,60
Privatized Schemes *	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	100,71
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	64,34
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	61,10
Supplementary Health Funds **	*n.d.*	*n.d.*	*n.d.*	2,42	2,61	2,87	3,17	3,24	3,45	3,59	3,96	**4,50**	**5,50**	**4,75**	**4,85**	**5,00**
Total Contractual Welfare System, Privatized Schemes and Foundations	**142,85**	**149,08**	**161,36**	**174,02**	**176,12**	**187,91**	**198,12**	**211,01**	**219,80**	**227,62**	**237,25**	**243,30**	**260,68**	**269,84**	**282,97**	**278,75**
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	28,05
“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	45,49
“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	6,62
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	607,00
Total private welfare	261,27	252,50	308,84	349,16	359,98	379,90	418,59	478,28	522,43	565,06	593,17	618,37	656,67	683,97	704,64	687,16
Total	**404,11**	**401,57**	**470,20**	**523,18**	**536,09**	**567,81**	**616,71**	**689,29**	**742,23**	**792,67**	**830,42**	**861,67**	**917,36**	**953,81**	**987,61**	**965,91**

Sources:COVIP, Ministry of Health, ANIA, ACRI, IVASS; * With respect to previous years, the 2022 assets include Onaosi and exclude the INPGI substitutive fund which was merged into INPS ** Estimates by Itinerari Previdenziali based on the data of the Ministry of Health and from financial accounts; *** 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; **** Data related to class-C life sector I, IV, V branches; (Source: ANIA, IVASS). Data processed by the Itinerari Previdenziali Study and Research Centre

By adding the contractual welfare system to the private welfare system of privatized schemes and banking foundations, the total amount of assets amounted to **965.9** billion euros, compared to 987.6 in 2021, to 953.81 in 2020, to 917.36 in 2019 and to 861.6 in 2018, with 2.2% reduction for the first time in the historical series reported (with the exception of 2008), equal to 21.7 billion, ***accounting for* 51%** of ***GDP.*** Looking at the entire reference period, the assets of institutional investors had a steady growth compared to **404.11 billion** euros in 2007; They indeed more than doubled, increasing by **139%**, despite the countless crises. Unlike 2021, which featured a positive result for all asset categories, in 2022, only pension funds, PIPs and banking foundations maintained a positive trend. In particular, the assets of the privatized schemes for professionals rose from 97.83 billion euros of 2021 to 100.71 billion, an increase by 2.9%, partly due to their greater exposure to illiquid alternative investments, less correlated to financial market trends, and to the lower share of bond and equity investments compared to the other categories of investors, and also due to the more limited recourse to mandates. At an aggregate level, 2022 featured a decrease in the absolute value of real estate investments (-22.39% compared to 2021), in the amount of liquidity (-16.94%) and, to a lesser extent, in UCITS investments (-10.86%), and an increase in bond investments by 35.63% (mainly Italian government bonds, + 48.84%), back to a higher yield, and in equity investments by 22.56% (again mainly Italian equity, +23.23%), as well as an increase in AIF investments (+15.39%).

Flows - In 2022, the assets of privatized schemes and of the foundations operating in the field of contractual welfare showed a negative result (***Table 1.3***), with - **4.22 billion**; the most significant reduction was experienced by pre-existing funds with -3.26 billion, followed by occupational pension funds with - 4 billion; instead, privatised schemes had a positive annual growth equal to 2.88 billion; and the same was true for banking foundations with + 0.23 billion. The private welfare sector suffered an even greater loss of 17.48 billion, mostly due to the results of insurance companies (-17.34 billion), as mentioned above.

Table 1.3 - Changes in the assets of institutional investors from 2007 to 2022

(as % and in 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
Total Contractual Welfare, Schemes and Foundations	**4,36%**	**6,23**	**8,24%**	**12,3**	**7,84%**	**12,7**	**1,21%**	**2,1**	**6,70%**	**11,8**	**5,43%**	**10,2**	**6,51%**	**12,9**
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	21,72%	52,4	12,54%	36,8	2,42%	8	4,52%	15,3	9,43%	33,4	13,95%	54
Total private welfare	**-3,36%**	**-8,8**	**22,31%**	**56,3**	**13,06%**	**40,3**	**3,10%**	**11**	**5,53%**	**19,9**	**10,10%**	**38,7**	**14,26%**	**59,7**
Total	**-0,63%**	**-2,5**	**17,09%**	**68,6**	**11,27%**	**53**	**2,47%**	**13**	**5,92%**	**31,7**	**8,61%**	**48,9**	**11,77%**	**72,6**

	Var 2014-2015		Var 2015-2016		Var 2016-2017		Var 2017-2018		Var 2018-2019		Var 2019-2020		Var 2021-2020		Var 2021-2022	
	Var %	Var ass.	Var %	Var ass.	Var %	Var ass.	Var %	Var ass.	Var %	Var ass.	Var %	Var ass.	Var %	Var ass.	Var %	Var ass.
Banking Foundations	-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	0,48%	0,23
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	2,95%	2,88
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	-4,83%	-3,26
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	-6,46%	-4,22
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	3,09%	0,15
Total Contractual Welfare, Schemes and Foundations	**4,17%**	**8,79**	**3,56%**	**7,81**	**4,20%**	**9,58**	**2,55%**	**6,1**	**7,15%**	**17,39**	**3,51%**	**9,15**	**4,87%**	**13,13**	**-1,49%**	**-4,22**
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	-3,19%	-0,92
"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	3,41%	1,50
"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	-9,85%	-0,72
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	-2,78%	-17,34
Total private welfare	**9,23%**	**44,2**	**8,16%**	**42,6**	**4,97%**	**28,1**	**4,25%**	**25**	**6,19%**	**38,30**	**4,16%**	**27,29**	**3,02%**	**20,67**	**-2,48%**	**-17,48**
Total	**7,68%**	**52,9**	**6,80%**	**50,4**	**4,76%**	**37,8**	**3,76%**	**31**	**6,46%**	**55,69**	**3,97%**	**36,45**	**3,54%**	**33,81**	**-2,20%**	**-21,70**

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

As already mentioned, the 2022 reduction in assets was caused by the negative performance of the markets despite the fact that the net flow of contributions of pension funds and privatised schemes remained positive: + 7 billion euros for pension funds and about 3.7 billion for privatized schemes.

In terms of market potential, i.e. of new resources to be reinvested, it is important to add to these approximately 12 billion euros' worth of new net inflows, the expiring assets (8-year duration) of the investors analysed, estimated to be equal to **20 *billion euros,*** thus bringing the annual total to be invested to over 30 billion.

Membership - The solidity of welfare schemes is measured not only in terms of assets and contribution flows but on the basis of the number of members. At the end of 2022, the number of pension funds' members was **9.240 *million*** even if, as COVIP appropriately pointed out, the outstanding positions, i.e. the number of open accounts, amounted to more than 10.290 million (due to duplications related to workers simultaneously registered with several schemes), with a constant increase over the years (+ 560,000 compared to 2021). In detail, as illustrated in the following chapters, open-ended funds featured 1,796,429 members, an increase by 6% over 2021; new PIPs 3,526,638 members (+2.4%); pre-existing funds too had a growth in their membership up to 647.564 (+ 4.4%), while occupational pension funds showed the most significant increase with 3,695,940 members (+ 9.9%), also thanks to the introduction of the contractual mechanism adopted by another 14 funds and to the silent consent provided for by the fund for civil servants. Compared to the number of active workers, which amounted to 23.3 million at the end of 2022, the membership rate increased to about 39% even if, as COVIP pointed out, this rate drops to 28% considering only members paying their contributions. In order to have an exhaustive picture of the number of subjects in the contractual welfare system, it is necessary to add ***1.86 million*** members of privatised schemes. Instead health funds featured more than ***14 million members*** including pensioners and their dependents, a number that is constantly increasing. It should be noted that most of the subjects registered with these funds are also members of pension funds and of privatized schemes.

Yields - In 2022, the financial markets were strongly influenced by geopolitical tensions due to the outbreak of the war in Ukraine, which caused a sharp rise in the prices of energy products, leading to a generalised increase in inflation to its highest level since the 1980s. To counteract this rise, the central banks (FED and ECB), albeit with some delay that is likely to slow growth in 2023, changed their monetary policy based on zero rates and QE with a series of base rate hikes that caused a price reduction in debt securities. Global stock markets were also negatively affected by these increases and by the overall uncertain outlook. These market trends were reflected in the performance of institutional investors, that had negative returns on average, with the exception of banking foundations and segregated funds,: PIPs - Unit Linked and open-ended funds experienced a negative performance of -11.5% and -10.7%, respectively, followed by occupational pension funds with - 9.8% and pre-existing funds with - 4.4%; PIPs - separate management schemes remained positive (+1.2%) and banking foundations experienced the best result among all investors with 3.5% (***Table 1.4***). The returns achieved by pension funds did not beat the target benchmarks for the first time in many years, in particular the reference benchmark, i.e. the termination of employment benefits (TFR), with + 8.3%, and obviously neither did inflation (+8.1%); not even banking foundations managed to beat the inflation target; and even pension funds, for which there are no aggregate and comparable yield data (the only case in the national panorama), had to compare themselves with inflation, which is the benchmark for the share of the assets allocated to benefits, and with the 0.1% GDP five-year average for the contribution management portion. If we look at profitability over time horizons more consistent with pension savings, the marked investment diversification allowed for an increase in the 10-year average for cumulative and compound returns with respect to inflation and to the GDP five-year average, at the level of the return on termination of employment benefits; instead over a 3 and 5-year horizon, despite the positive 3-year return of pre-existing funds, all these investors obtained lower returns with respect to termination of employment benefits, even if, the overall return on the TFR invested in pension funds improved.

Table 1.4 - Comparative yield analysis: annual yields from 2014 to 2022, average compound yields at 3, 5 and 10 years and cumulative yields (as %)

										Annual average compound yield			Cumulative yield		
	2022	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**3 years**	**5 years**	**10 years**	**3 years**	**5 years**	**10 years**
Banking Foundations	3,5	5,7	3,6	6,5	2,7	5,3	3,4	3,4	5,5	4,3	4,4	4,3	13,3	24,0	52,5
Occupational Pension Funds	-9,8	4,9	3,1	7,2	-2,5	2,6	2,7	2,7	7,3	-0,8	0,4	2,2	-2,4	2,0	24,8
Pre-existing Funds	-4,4	4,1	2,6	5,6	-0,2	3,2	3,3	2,0	5,0	0,7	1,5	2,5	2,1	7,6	27,7
Open-ended funds	-10,7	6,4	2,9	8,3	-4,5	3,3	2,2	3,0	7,5	-0,7	0,2	2,5	-2,2	1,1	27,8
PIPs separate schemes	1,2	1,3	1,4	1,6	1,7	1,9	2,1	2,5	2,9	1,3	1,4	2	-2,0	2,8	33,1
PIPs Unit Linked	-11,5	11	-0,2	12,2	-6,5	2,2	3,6	3,2	6,8	-0,6	0,6	2,9	23,0	29,0	66,9
TFR adjustment	8,3	3,6	1,2	1,5	2,0	2,0	1,5	1,2	1,3	4,3	3,3	2,4	13,5	17,4	26,4
Inflation	8,1	1,9	-0,2	1,0	1,2	1,1	-0,1	0,1	0,0	3,2	2,3	1,4	9,9	11,8	14,4
GDP five-year average	1,0	0,1	2,0	1,9	1,3	0,6	0,6	0,6	-0,3	1,0	1,2	0,8	3,1	6,4	8,1

* For pension funds, these are the net annual compound yields taken from the 2022 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.

Table 1.4.1 shows the returns of pension funds broken down into traditional investment lines: the equity sub-funds suffered the most from the negative performance of the markets, with average losses equal to 13.2% for 'new' PIPs, to 12.5% for open-ended funds and to 11.7% for occupational pension funds; the bond sub-funds also suffered substantial losses; mixed bonds dropped by 10.3% for occupational pension funds, by 7.6% for open-ended funds and by 5.2% for class III PIPs; pure bonds slipped by 3.5% for occupational pension funds and by 10.9% for open-ended funds.

Table 1.4.1 – Yields of complementary pension schemes (as of 31/12/2022, as %)

Occupational pension funds	**-9.8**	**Open-ended funds**	**-10.7**	**New PIPs**		**TARGET YIELD**	
Guaranteed	**-6.1**	*Guaranteed*	**-7.2**	Separate schemes	**1.2**	TFR adjustment	**8.3**
Pure bond	**-3.5**	*Pure bond*	**-10.9**	Unit Linked	**-11.5**	Inflation	**8.1**
Mixed bond	**-10.3**	*Mixed bond*	**-7.6**	*Bond*	**-5.2**	GDP five-year average	**1.01**
Balanced	**-10.5**	*Balanced*	**-11.5**	*Balanced*	**-12.3**		
Equity	**-11.7**	*Equity*	**-12.5**	*Equity*	**-13.2**		

Source: processed by Itinerari Previdenziali on the basis of COVIP data

Real Economy - ***Table 1.5*** compares the institutional investors' assets broken down into asset classes, highlighting the share invested in the real economy of the country. Banking foundations confirmed their position as the largest institutional investors in terms of resources allocated to the real economy accounting for **43.99%** of assets, of which 28.4% related to the investments in transferee banks, Cassa Depositi e Prestiti and Fondazione con il Sud; privatised schemes for the liberal professions ranked second with investments equal to **18.5%** of total assets, followed by pre-existing and by occupational pension funds with real economy investments equal to **5.17%** and **2.8%** respectively.

Table 1.5 – Investments in the real economy by institutional investors in 2022

Institutional investors	Assets(1)	Direct real-estate investments	Monetary and bond investments	Policies	Equity investments	Investment funds o (UCITS, AIFs, ETFs)	*Of which AIFs*	Other assets (2)	*Of which investments in the real economy (*) as %*
Privatized schemes	**100.71**	2.28%	14.75%	0.55%	4.94%	49.36%	*18.71%*	11.04%	***18.50%***
Banking foundations	**47.60**	2.78%	6.26%	0.50%	40%**	47.82%	*6.12%*	1.71%	***43.99%***
Autonomous pre-existing funds	**63.28**	1.55%	21.48%	44.10%	10.63%	14.73%	*4.15%*	7.50%	***5.17%***
Occupational pension funds	**61.10**		60.68%		20.94%	8.67%	*0.59%*	6.90%	***2.80%***

(1) billions of euros related to all the assets of all privatized schemes and of all foundations and to the net assets allocated to benefits of all autonomous pre-existing funds and of all 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; 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 99.07% of total assets***) of the 30 foundations analysed, that account for ***about 87% of the assets of all banking foundations***; the remaining 0.93% is related to indirect mandated investments, therefore the sum does not correspond to 100% due to the mandated assets under management. ** Institutional investments in transferee banks, in CDP and in Fondazione Con il Sud account for 28.4%.

For **Pre-existing Funds,** the figures reported are related to the 38 autonomous funds analysed in this Report, that is 92.5% of the total of all these funds; autonomous funds account for 98.36% of all the assets of autonomous and in-house pre-existing funds. 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 share 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, the investments in the "***real economy***" still have a great growth potential, except for banking foundations and in part for the privatised schemes with activities in favour of their members. As already pointed out back in 1997[4], 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 therefore are ***the first and main form of financing for the real economy***; for this reason, even before Legislative Decree no. 252 of 2005, the crisis and the resulting credit crunch of 2008, Legislative Decree no. 252/2005 had provided for a guarantee fund for small and medium-sized enterprises to finance the transfer of termination of employment benefits to pension funds at favourable rates, with medium- and long-term financing to stabilise their liabilities. Unfortunately, as already mentioned, the Prodi government and the Minister of Labour, Damiano, abolished this fund, creating unfavourable access conditions to complementary pension funds for the subjects working in companies with up to 49 employees. The recent parliamentary decisions concerning the establishment of an entity designed to promote investments in the real economy seem to be fruitless. It would be enough to eliminate the INPS treasury fund (also introduced by the Prodi/Damiano government for companies with over 49 employees) that subtracted over 92.4 billion from the real economy from 2007 to 2022 to finance

[4] See the book *Capire i fondi pensione,* by A. Brambilla, published by Il Sole 24 Ore.

current expenditure and to leave the termination of employment benefits to companies or to funds; this can be achieved by (simply) reintroducing the ***guarantee fund*** established by Legislative Decree no. 252/05 to facilitate the financing of SMEs that transfer termination of employment benefits to pension funds. This would also foster the participation in complementary pension funds of part of the 7.489 million subjects (about 44% of the total workforce) who work in the 4.21 million companies (95% of the total) with up to 9 employees, who have not yet joined these schemes, and also of part of the 3.37 million individuals who work in the 187,674 companies with 10 to 49 employees. With the credit difficulties faced by companies especially of this size, the majority of these workers find it difficult to use their termination of employment benefits and thus to enrol in pension funds. According to COVIP, from 2007 to the end of 2022, the flow of termination of employment benefits to pension funds amounted to 89.4 billion and about half of this was invested in the real domestic economy, according to the most favourable estimates. This is a critical and worrying situation that has wide and negative repercussions on both employment and productivity, contributing to Italy's low growth.

Considering the rise in inflation and in interest rates, bond investments were still very high (over 60%) for both occupational and pre-existing funds; the latter also held policies with a high fixed-income percentage; this share was even higher than that of occupational pension funds if this is added to the bond component. Privatised funds had a more limited bond exposure and banking foundations even more so.

<u>Management companies</u> - ***Table 1.6*** shows the top 5 management companies by number of mandates; Eurizon Capital was still leading the ranking in 2022, both by number of mandates (70) and by assets under management (15.287 billion); Amundi rose to the second place (58 mandates and 11 billion euros' worth of assets under management) causing BlackRock to slip into third position with 15 mandates and 9 billion euros' worth of assets under management. AXA and Anima joined the rankings in the fourth and fifth place, with a growth in their assets under management to around 7 billion euros and to 5.5 billion respectively. The top five management companies accounted for 46% of all the assets mandated by institutional investors.

Table 1.6 - Top 5 management companies by number of mandates in 2022

Management company	Mandates	AUM in millions	Market share
Eurizon Capital	70	15,287	14.74%
Amundi	58	11,176	10.78%
Blackrock	15	8,935	8.62%
AXA	26	6,895	6.65%
Anima sgr	36	5,559	5.36%

Table 1.7 shows the top five insurance management companies, which together accounted for about 94% of the total invested by Italian institutional investors in policies and separate schemes. There were no significant changes in the ranking with respect to 2021, except for the exit of Fideuram in favour of Intesa Sanpaolo Vita. So, Generali Italia remained at the top with over 11 billion euros' worth of assets under management, that is 41% of the market; they were followed by Unipol, with 6.968 billion euros and a share of 24.3%, and by Allianz with 6.9 billion and a market share of 24%, swapping places in the ranking; the first three positions alone accounted for almost 90% of the total. Reale Mutua (644 million) and Intesa Sanpaolo Vita (565 million) closed the ranking at a considerable distance.

Table 1.7 – The top 5 insurance management companies in 2022

Management Company	Resources in millions of euros	Market share
Generali Italia	11,796	41.09%
UnipolSai Assicurazioni	6,968	24.27%
Allianz	6,904	24.05%
Reale Mutua Assicurazioni	644	2.24%
Intesa Sanpaolo Vita	565	1.97%

Tables 1.7a, 1.7b and ***1.7c*** show the rankings of the top 5 companies managing AIFs, UCITS and ETFs, including the instruments within SICAVS or dedicated vehicles and platforms. It should be noted that in the ranking of AIF managers, the resources invested in real estate funds by pension funds were very significant: the top four companies were in fact real estate SGRs, with over 30% of the total invested in AIFs. On the other hand, in the UCITS ranking, the first two management companies, Quaestio and Fondaco, had a significant market share (together over 30% of the market) 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 was highly concentrated with the top five management companies accounting for about 85% of the total invested, with iShares leading the ranking with 1.45 billion euros' worth of assets under management and a market share of about 38%.

Table 1.7a – The top 5 AIF management companies in 2022

Management company	Resources in millions of euros	Market share
Fabrica immobiliare	2,885	10.11%
Dea capital Real Estate	2,427	8.51%
Antirion	2,414	8.46%
Prelios	1,387	4.86%
Fondaco	1,331	4.67%

Table 1.7b – The top 5 UCITS management companies in 2022

Management company	Resources in millions of euros	Market share
Quaestio Capital Management	6,405	14.42%
Fondaco	6,237	14.05%
Eurizon capital	2,566	5.78%
Blackrock	1,524	3.43%
Amundi	1,519	3.42%

Table 1.7c – The top 5 ETF management companies in 2022

Management company	Resources in millions of euros	Market share
iShares	1,450	37.74%
Vanguard	571	14.85%
UBS	421	10.96%
Lyxor	410	10.67%
Invesco	380	9.88%

<u>Performance in 2023</u> - In the first six months of 2023, institutional investors obtained positive results on average, particularly in management schemes with a higher equity exposure, thus offsetting the losses suffered in 2022. In particular, according to COVIP's latest updates, as of June 2023, ***pension funds*** had 10.5 million outstanding positions (+2% compared to the end of 2022), that is 9.43 million ***members*** (+2%); in detail, occupational pension funds featured a growth by 121.000 members (+3.2%) whose number reached 3.928 million thanks to contractual membership; open-ended funds by 53,000 members (+2.9% and 1.895 million outstanding positions) and New PIPs by 30,000 (+0.8% and 3.728 million positions). The ***assets of pension funds*** (the resources allocated to benefits) increased by 8 billion euros, from 206 billion at the end of 2022 to 214 billion in June 2023 (+4.2%); on the one hand, this was due to a better performance of financial markets (64.4 billion for occupational pension funds, 30.3 billion for open-ended funds and 47.3 billion for PIPs) and on the other, to the increase in ***contribution flows*** net of the expenditure for all the different types of pension schemes, amounting to 6.6 billion euros in the first six months of 2023, an increase by 6.1% compared to the same period in 2022.

In the first six months of the year, ***returns*** were positive: 3.2% for occupational pension funds, 4.6% for open-ended funds and 4.8% for class III PIPs, and + 0.6%. for class I separate schemes. The breakdown of investments shows: an average equity performance of 6% for occupational pension funds, of 7.6% for open-ended funds and of 7.2% for PIPs; a growth in balanced funds, with average returns of 3.4% for occupational pension funds, of 4.8% for open-ended funds and of 3.7% for PIPs; more limited returns of bond and guaranteed sub-funds (1-2%). Termination of employment benefits grew by 2.3% in the first half of the year, inflation showed a clear deceleration with a 6.4% increase in June on a year-on-year basis, and GDP growth was equal to 0.8% in terms of projected variation; therefore, 2023 is expected to be a year of recovery (albeit not an easy one) for all institutional investors.

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, that is I, IV and V branch Life policies, the so-called C class[1] policies, which are mainly ***individual welfar***e products. The role of insurance companies as institutional investors largely depends on the characteristics of their business model and on their Life products have particularly long contractual durations (from a minimum of 3-5 years to more than 30 years); so, insurance companies need to invest their assets with a similar time frame, i.e. mainly 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)[2], as shown in ***figure 2.3***.

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

The results from the 2022 financial statements drafted according to Local Gaaps reported below do not contain data from an insurance company whose information was not available at the time of publication.

2.1 Inflows: premiums and investment proceeds

Premiums

In 2022, 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 **134.7 *billion euros***. In particular, 40.0 billion was related to the non-Life business and ***94.7 billion*** to ***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. In 2022, premiums decreased by. ***6.0%***, as against a 4.5% growth in 2021. This was exclusively attributable to the Life segment, whose premiums decreased by 10.4% (+ 4.6% in 2021), while the non-Life segment increased by 6.3% (+ 4.4% in 2021). As a result of these trends, the share of non-Life premiums increased to 29.7% (26.2% in 2021), at the expense of Life premiums which reached 70.3% (73.8% in 2021) (***figure 2.1***).

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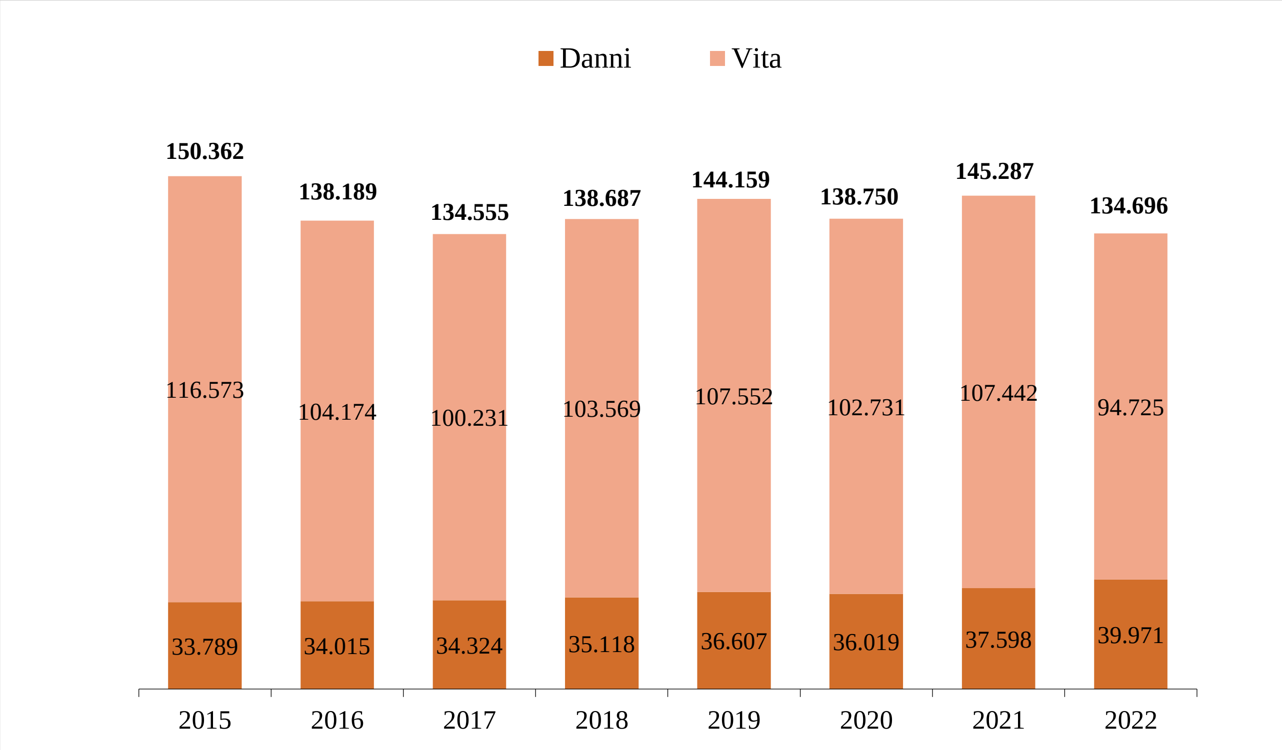
[1] Traditional life policies (the so-called Class-C policies) cover all types of policies, including profit-sharing, capitalization and pure risk policies linked to risks related to the life of policyholders; **Branch I** policies are life insurance policies and include protection from premature death 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).

[2] **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 - Gross premiums in the portfolio (millions of euros)



Non-Life, Life

Investment proceeds

Insurance companies generate their investments proceeds in a given year from investments that are also heterogeneous.

The fiscal year 2022 was characterised by rising government bond yields and a fall in the stock market indices, and hence by a sharp reduction in the net capital gains in the insurance companies' portfolios, thus affecting their net investment result.

In more detail, the total investment proceeds amounted to ***32.4 billion euros***, down by almost 30% with respect to **47.2 *billion*** in 2021, and this decline was mainly attributable to Class D policies. In particular, ***figure 2.2***:

- **non-Life proceeds**, equal to 5.1 billion, increased by 34.1%;
- **Life (Class C) proceeds**, equal to 23.3bn, decreased by 12.3%;
- **Life (Class D) proceeds** equal to 4.0 billion, decreased by more than 80% (about 17 billion euros).

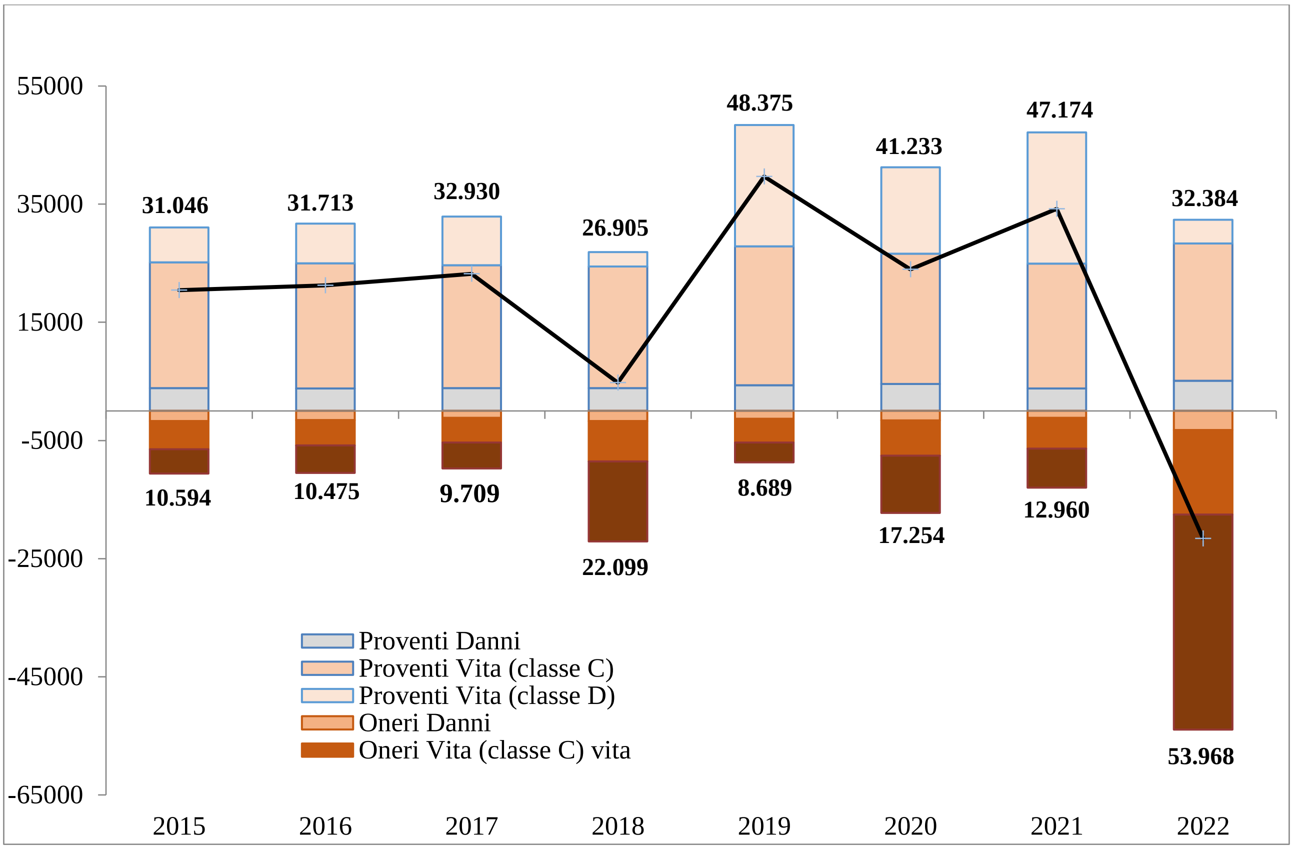
In more detail, the ordinary Life and non-Life gross proceeds are broken down as follows:

- securities, bonds and other investments amounted to18.3 billion euros (+8.6% compared to 2021), and accounted for 56.5% of the total;
- investment proceeds for policyholders and from pension fund’s asset under management (Class D) amounted to 4.0 billion (-80%), and accounted for 12.4% of the total;
- value adjustments and returns on the investments amounted to 3.9 billion (+ 21.6% compared to 2021) and accounted for 12.1% of the total;
- shares and interests amounted to 6.0 billion (+39.3% compared to 2021) and accounted for r18.5% of the total;

- real-estate investments amounted to 157 million (+11.1% compared to 2021) and accounted for 0.5% of the total.

This drop was also accompanied by an increase in investment charges from 13.0 billion euros in 2021 to 54.0 billion in 2022.

Figure 2.2 - Investment charges and proceeds (millions of euros)



Life proceeds, Life proceeds (Class C), Life proceeds (Class D), Life charges, Life charges (Class C)

In particular:

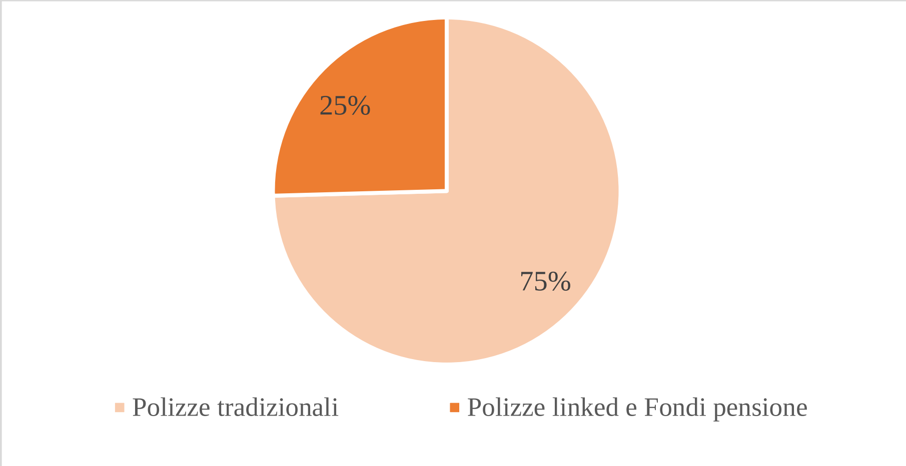
- **non-Life charges** amounted to 3.2 billion and increased by more than 170%, with a positive net investment result of 1.9 billion, but down by around 700 million year-on-year (-28%);
- **Life charges (Class C)** amounted to 14.3 billion and increased by more than 180%, with a still positive net investment result of around 9 billion, but down compared to 2021(-28%);
- **Life charges (Class D)** amounted to 36.4 billion and grew by around 30 billion compared to 2021, with a negative net investment result of -32.4 billion, a sharp decrease compared to 2021(around – 48 billion).

Overall, the net investment result for the entire insurance sector was negative and amounted to - 21.6 billion euros (+33.4 billion in 2021). Of this, -24.3 billion was related to the technical account (+30.7 billion in 2021) and +2.7 billion to non-technical account (+3.5 billion in 2021).

2.2 Life insurance investments

In 2022, the total investments by life insurance companies amounted *to* ***814 billion dollars,*** of which 75% (just over **607 *billion***) related to traditional policies (Class C), while the remaining 25% (around 207 billion) to policies combined with unit-linked products and pension funds, the so-called Class D (*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; 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 for the Life sector in 2022



Traditional policies – Unit Linked policies and Pension funds

Total investments by life insurance companies: 814 billion

Assets managed by Italian insurance companies

Table 2.1 shows ***all the assets*** of Italian life insurance companies of the Class C and Class D insurance business, which reached **856 *billion euros*** at the end of 2022 (- 4.7% with respect to the end of 2021). Almost all of the assets held by life companies are represented by ***investments*** amounting to **814 *billion dollars*** (95% of the total), of which **207 *billion dollars'*** worth of ***class D investments*** and the rest of ***class C*** investments equal **607 *billion dollars*.**

Table 2.1 - Breakdown of insurance companies' assets in the Life insurance business (millions)

Type of business	**2021**	**% Distrib. 2021**	**2022**	**% Distrib. 2022**	**% Var. 22/21**
(1)	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**
Receivables from shareholders				-	-
Intangible assets	2,704	0.3%	2,396	0.3%	-11.4%
Investments:	857,254	95.4%	814,439	95.1%	-5.0%
-Land and buildings	450	0.1%	423	0.0%	-6.0%
- Shares and interests	31,229	3.5%	31,301	3.7%	0.2%
- Fixed-income bonds and securities *	487,670	54.3%	474,606	55.4%	-2.7%
- Shares of mutual funds	99,259	11.0%	95,831	11.2%	-3.5%
- Financings and deposits	5,731	0.6%	5,146	0.6%	-10.2%
- Class D investments (Linked policies and Pension funds)	232,914	25.9%	207,132	24.2%	-11.1%
Technical reserves from reinsurers	3,656	0.4%	2,948	0.3%	-19.4%
Credits	19,142	2.1%	20,942	2.4%	9.4%
Accruals and other assets	15,867	1.8%	15,587	1.8%	-1.8%
TOTAL	**898,624**	**100.0%**	**856,312**	**100.0%**	**-4.7%**
** of which approximately 335 billion in government bonds*					

Source: ANIA

The insurance sector mainly invested in bonds and fixed income securities: more than **474 *billion*** invested mainly (more than 70%) in government bonds, down by 2.7% compared to 2021; the second largest category of investment was in ***mutual funds*** (**96 *billion***), with a 3.5% decrease over 2021 (in a homogeneous sample of companies, these investment categories decreased by 0.8% and 2.1% respectively). Shares and interests amounted to a little more than 31 billion euros and accounted for 3.7% of the total, while the real-estate investments were almost negligible.

Investments related to traditional Life insurance policies (class C)

In the last ten years, from 2013 to 2022 (***Table 2.1a***), the class C Life assets increased by about 220 billion, from 387 to 607 billion, with an average growth by ***more than 20 billion a year*** (+ 5% on average per year). In 2022, the share invested in bonds accounted for 78.1% of total investments and greatly contributed to this development for more than 150 billion, as in 2021; over the same period, investments in mutual funds grew by 333% for more than 70 billion; instead, direct real-estate investments fell sharply (from 511 million in 2013 to 423 million in 2022), but they were already a minimal part of total investments. Although investments in mutual funds shrank by 3.5% in 2022, the share of this type of investment remained substantially stable at **16%.**

Table 2.1a - Breakdown of investments from 2013 to 2022 - Life insurance business, class C

Type of investment	Absolute values (milion)				Variation (milion)		Distribution %				Overall variation %	
	2013	*2020*	*2021*	*2022*	*2013-2022*	*2021-2022*	*2013*	*2020*	*2021*	*2022*	*2013-2022*	*2021-2022*
Real estate	511	414	450	423	-88	-27	0,1	0,1	0,1	0,1	-17,2	-6,0
stocks	29.658	30.647	31.229	31.301	1.643	72	7,7	5,0	5,0	5,2	5,5	0,2
bonds	322.967	480.028	487.670	474.606	151.639	-13.064	83,4	78,4	78,1	78,1	47,0	-2,7
of which Government bonds,	242.316	339.952	342.763	*334.019*	*91.703*	*-8.744*	*62,6*	*55,5*	*54,9*	*55,0*	*37,8*	*-2,6*
Mutual Funds /Sicav shares	22.125	95.348	99.259	*95.831*	73.706	-3.428	5,7	15,6	15,9	15,8	333,1	-3,5
Other investments	11.826	6.089	5.732	*5.146*	-6.680	-586	3,1	1,0	0,9	0,8	-56,5	-10,2
Total	**387.087**	**612.526**	**624.340**	**607.307**	**220.220**	**-17.033**	**100,0**	**100,0**	**100,0**	**100,0**	**56,9**	**-2,7**

Source: ANIA

Table 2.2 provides a detailed picture of the top **20** Italian ***life insurance companies in terms of total class C assets***. At the end of 2022, these companies held a stock of assets amounting to 585 billion dollars and accounting for around **90%** of the entire segment, which was worth a total of **649 *billion***; as already indicated, 607 billion dollars were classified as investments, while just over 40 billion were classified as 'other assets' (see column 9 and the note). Poste Vita, Intesa Sanpaolo Vita and Generali Italia held a share of more than 10% of total assets under management and together accounted for almost half of the entire sector. Bonds and fixed-income securities were the predominant forms of investment, accounting for around 73% of the total with a total volume of almost 475 billion euros. The role played by mutual funds remained significant, reaching 14.8% of total assets in 2022, with ***96 billion*** Swiss francs invested; this share practically doubled in recent years, although it fell by around 3.5 billion Swiss francs compared to 2021. The top 20 companies held around 89 billion invested in mutual funds at the end of 2022.

A more detailed analysis of equity and share investments (see column 5 in ***Tables 2.2 and 2.3***) shows that, for the top 20 companies, this type of investment accounted for 5.2% of the total (***Table 2.2***). For most of these companies, these were participations in other companies (about 76%).

Table 2.2 - Top 20 Italian insurance companies by class C assets under management (excluding Unit-Linked products and Pension Funds) - Life insurance business in 2022 (millions)

			% COMPOSITION OF ASSETS					
			CLASS C INVESTMENT					
INSURANCE COMPANY	Total equity investments	Market share	Lands and buildings	Corporate equity investments	Bonds and fixed-income investments	Mutual funds	Financings and deposits	Other assets*
POSTE VITA	150.842	23,2%	-	0,2	73,3	22,1	-	4,5
INTESA SANPAOLO VITA	92.504	14,2%	0,0	3,2	78,1	12,5	0,1	6,2
GENERALI ITALIA	68.332	10,5%	-	8,1	69,0	15,2	0,4	7,3
ALLEANZA ASSICURAZIONI	37.926	5,8%	-	4,9	52,8	29,5	2,0	10,9
GENERTELLIFE	29.789	4,6%	-	3,8	76,8	13,0	0,1	6,4
UNIPOLSAI ASSICURAZIONI	29.490	4,5%	0,1	5,8	78,0	9,4	0,0	6,7
BNP PARIBAS CARDIF VITA	22.328	3,4%	-	0,6	81,2	15,0	0,0	3,1
ASSICURAZIONI GENERALI	21.338	3,3%	-	60,2	5,1	5,8	17,0	11,8
ALLIANZ S.P.A.	21.296	3,3%	-	3,0	84,9	6,0	1,1	5,0
CREDIT AGRICOLE VITA	19.194	3,0%	0,3	3,8	76,5	14,6	0,1	4,6
AXA MPS ASSICURAZIONI VITA	16.302	2,5%	0,1	3,2	81,7	10,5	0,1	4,4
AVIVA	15.454	2,4%	-	1,2	81,4	11,9	0,0	5,6
ARCA VITA	11.321	1,7%	0,3	1,2	89,6	5,2	0,0	3,7
CREDITRAS VITA	8.685	1,3%	-	0,7	81,5	3,0	0,0	14,7
FIDEURAM VITA	7.184	1,1%	-	1,1	72,2	10,2	0,0	16,5
AMISSIMA VITA	7.156	1,1%	1,3	14,3	78,2	0,0	1,2	5,0
ITALIANA ASSICURAZIONI	6.719	1,0%	-	2,6	88,3	2,1	0,0	6,9
VERA VITA	6.561	1,0%	-	1,0	88,9	5,9	-	4,2
AVIVA LIFE	6.399	1,0%	-	0,5	85,9	7,9	0,0	5,6
AXA ASSICURAZIONI	6.331	1,0%	-	1,7	81,1	11,7	0,2	5,4
Subtotale	**585.151**	**90,1%**	**231**	**30.187**	**424.184**	**88.585**	**5.098**	**36.867**
As % of the subtotal			**0,0**	**5,2**	**72,5**	**15,1**	**0,9**	**6,3**
TOTAL	**649.180**		**423**	**31.301**	**474.606**	**95.831**	**5.146**	**41.872**
As % of the total			**0,1**	**4,8**	**73,1**	**14,8**	**0,8**	**6,5**

Source: ANIA

**Other assets include: intangible assets, reinsurers' share of technical provisions, account receivables, accrued liabilities and other assets*

The companies that invested the most in shares and interests were Assicurazioni Generali and Generali Italia, which together allocated about 18.5 billion euros to this segment (about 60% of the whole sector). As to equity investments, most were investments in listed shares (***Table 2.3).***

Table 2.3 –The top 20 Italian insurance companies by class C assets under management (excluding Unit-Linked products and Pension Funds) - Life insurance business in 2022 - Detailed equity and stake investments (millions)

			COMPOSITION % OF SHARES			
INSURANCE COMPANY	Total equity investments	Market share	Corporate equity investments	Listed shares	Non-listed shares	Interests
POSTE VITA	289	0,9%	64,6	35,4	-	-
INTESA SANPAOLO VITA	2.926	9,3%	50,5	47,0	1,1	1,5
GENERALI ITALIA	5.554	17,7%	83,4	16,4	0,0	0,2
ALLEANZA ASSICURAZIONI	1.861	5,9%	60,0	40,0	0,0	-
GENERTELLIFE	1.121	3,6%	54,9	45,1	0,0	-
UNIPOLSAI ASSICURAZIONI	1.701	5,4%	58,1	36,0	5,9	-
BNP PARIBAS CARDIF VITA	141	0,5%	15,4	64,4	20,2	-
ASSICURAZIONI GENERALI	12.856	41,1%	99,9	0,1	0,0	0,1
ALLIANZ S.P.A.	630	2,0%	90,5	8,0	0,0	1,6
CREDIT AGRICOLE VITA	730	2,3%	14,2	80,5	5,3	-
AXA MPS ASSICURAZIONI VITA	523	1,7%	60,6	30,1	9,3	-
AVIVA	182	0,6%	0,0	93,4	6,6	-
ARCA VITA	135	0,4%	89,1	10,9	-	-
CREDITRAS VITA	62	0,2%	73,1	26,9	-	-
FIDEURAM VITA	76	0,2%	0,4	99,5	0,2	-
AMISSIMA VITA	1.024	3,3%	0,1	-	-	99,9
ITALIANA ASSICURAZIONI	175	0,6%	98,8	0,1	1,1	0,0
VERA VITA	64	0,2%	98,8	1,2	-	-
AVIVA LIFE	34	0,1%	0,0	95,4	4,6	-
AXA ASSICURAZIONI	105	0,3%	0,5	99,5	0,0	-
Subtotal	**30.187**	**96,4%**	**23.272**	**5.555**	**265**	**1.094**
As % of the subtotal			**77,1**	**18,4**	**0,9**	**3,6**
TOTAL	**31.301**	**100,0%**	**23.871**	**6.022**	**288**	**1.120**
As % of the total			**76,3**	**19,2**	**0,9**	**3,6**

Source: ANIA

Table 2.4 provides a detailed picture of bonds and fixed-income investments, most of which (98%) were listed securities. Poste Vita, Intesa Sanpaolo Vita and Generali Italia held about 230 billion euros' worth of bonds and other securities, with a market share of about 50%.

Table 2.4 - Top 20 Italian insurance companies by Class C assets under management (excluding Unit-Linked products and pension funds) - Life insurance business in 2022 - Detailed bond and fixed-income investments (millions)

COMPAGNIA DI ASSICURAZIONE	Obbligazioni e titoli a reddito fisso	Market share	COMPOSIZIONE % OBBLIGAZIONI E TITOLI A REDDITO FISSO			
			Obbligazioni emesse da imprese	Titoli quotati	Titoli non quotati	convertibili
(1)	(2)	(3)	(4)	(5)	(6)	(7)
POSTE VITA	110.552	23,3%	-	100,0	-	-
INTESA SANPAOLO VITA	72.267	15,2%	1,4	98,0	0,6	-
GENERALI ITALIA	47.140	9,9%	1,3	96,6	1,7	0,4
ALLEANZA ASSICURAZIONI	20.031	4,2%	1,4	97,6	0,7	0,2
GENERTELLIFE	22.884	4,8%	0,8	98,8	0,2	0,2
UNIPOLSAI ASSICURAZIONI	23.011	4,8%	0,1	98,4	1,5	-
BNP PARIBAS CARDIF VITA	18.129	3,8%	0,3	98,9	0,8	-
ASSICURAZIONI GENERALI	1.087	0,2%	-	96,4	3,6	-
ALLIANZ S.P.A.	18.090	3,8%	1,3	96,8	2,0	0,0
CREDIT AGRICOLE VITA	14.684	3,1%	0,2	99,8	-	-
AXA MPS ASSICURAZIONI VITA	13.326	2,8%	-	92,0	8,0	0,0
AVIVA	12.581	2,7%	-	98,0	2,0	-
ARCA VITA	10.147	2,1%	-	99,6	0,4	-
CREDITRAS VITA	7.082	1,5%	1,3	97,2	1,5	-
FIDEURAM VITA	5.185	1,1%	0,3	99,7	-	-
AMISSIMA VITA	5.594	1,2%	-	96,0	4,0	-
ITALIANA ASSICURAZIONI	5.933	1,3%	-	99,8	0,2	-
VERA VITA	5.834	1,2%	1,0	98,4	0,6	-
AVIVA LIFE	5.497	1,2%	-	98,3	1,7	-
AXA ASSICURAZIONI	5.132	1,1%	-	93,2	6,8	-
Subtotale	**424.184**	**89,4%**	**2.586**	**416.811**	**4.503**	**284**
Comp. % subtotale			**0,6**	**98,3**	**1,1**	**0,1**
TOTALE	**474.606**	**100,0%**	**2.609**	**466.541**	**5.172**	**284**
Comp. % Totale			**0,5**	**98,3**	**1,1**	**0,1**

Source: ANIA

With the exception of investments in traditional and alternative mutual funds, the remaining assets were managed directly by these companies; 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, as well as sustainable investments in the domestic real 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[3], with the percentage distribution of mutual fund investments in the Life insurance business by type of fund and limited to the non-Linked sector. These data show that 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 2019, when it was close to 36%. The share of asset allocation fund investments was still significant even though it went slightly down vs. 2021, and reached 22.6% at the end of 2022 (16.3% in 2019). The share of real estate fund investments grew from 14.9% in 2019 to 16.0% in 2020 and 20.1% in 2022. The share of investments in alternative funds (5.0%), infrastructural funds (5.9%) and private equity funds (4.6%) was less significant, but still growing compared to 2021, while that of money market funds declined (4.6%). 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.

[3] The approximation is allowed because, the Life segment accounted for more than 90% of all investments related to pension funds.

Table 2.5 - UCITS investment funds at the end of 2022 (excluding Linked contracts) (millions)

Type of mutual fund	2019	2020	2021	2022	% Var. '22/'21	Overall % Var. '22/'19
Equity funds	7.1%	5.9%	6.3%	4.6%	-33.1%	-32.4%
Debt funds	35.5%	32.0%	31.6%	29.4%	-15.6%	-13.9%
Money market funds	8.4%	9.2%	7.0%	4.6%	-40.5%	-43.6%
Asset allocation funds	16.3%	24.4%	23.5%	22.6%	-12.9%	44.6%
Real-estate funds	14.9%	16.0%	16.7%	20.1%	8.8%	40.4%
Alternative funds	4.1%	4.1%	4.3%	5.0%	5.6%	26.1%
Private equity funds	2.6%	2.5%	3.5%	4.6%	18.5%	81.1%
Infrastructural funds	2.9%	3.4%	4.2%	5.9%	26.8%	110.2%
Other	8.1%	2.5%	2.9%	3.2%	-0.4%	-58.6%
Total	**87.465**	**95.347**	**99.259**	**95.831**	**-9.4%**	**4.0%**

Investments related to Linked policies (class D)

Table 2.6 shows the breakdown of investments (*Local Gaaps*) related to the Linked segment, again using information from Solvency II financial statements. Linked investments amounted to **207 *billion dollars*** at the end of 2022, down by 11.1% (- 8.3% with a homogeneous sample of companies) with respect to 2021 and up by 16% with respect to four years earlier. About **84% *of these assets*** were related to ***investment funds***; the rest was invested in government bonds (6%), equity (4%) and bonds (3%).

Table 2.6 - Assets by type of investment - Linked products (millions)

	2019	2020	2021	2021 (%)	2022	2022 (%)	% Var. '22/'21	Overall % Var. '22/'19
Assets in Linked policies	**179.414**	**196.486**	**232.914**	**100,0%**	**207.132**	**100,0%**	**-11,1%**	**15,4%**
Mutual funds	148,804	165,748	197,702	84.9%	174,813	**84.4%**	-11.6%	17.5%
Treasury bills	16,784	13,429	13,748	5.9%	13,347	**6.4%**	-2.9%	-20.5%
Cash and deposits	2,852	4,025	4,421	1.9%	3,535	**1.7%**	-20.0%	23.9%
Equity	6,707	7,286	9,227	4.0%	8,081	**3.9%**	-12.4%	20.5%
Bonds	4,136	5,764	7,481	3.2%	6,763	**3.3%**	-9.6%	63.5%
Other investments	131	234	335	0.1%	593	**0.3%**	76.9%	352.3%

Source: ANIA estimate on Solvency data – InfoQRT

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 than140 billion in these funds in 2022 (around 80% of the total); a smaller share was invested in funds located in Italy (13.8 billion euros), in France (8.9 billion) and in the U.K. (6.2 billion).

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

		LUXEMBOURG	IRLAND	ITALY	FRANCE	U.K.	UNITED STATES	OTHER COUNTRIES
Assets in Linked policies	**207,132**	**98,963**	**42,535**	**26,762**	**12,672**	**7,056**	**4,862**	**14,281**
Mutual funds	174,813	98,588	42,221	13,787	8,900	6,163	820	4,334
Treasury bills	13,347	166	120	6,529	1,744	33	488	4,267
Cash and deposits	3,535	-	-	2,734	72	-	-	729
Equity	8,081	38	109	1,403	949	441	2,791	2,350
Bonds	6,763	163	75	2,180	920	389	721	2,316
Other investments	593	9	11	129	88	29	43	284

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. The data show that in 2022, equity and debt funds together accounted for 78.3% of the 174.8 billion euros invested, slightly down with respect to 2021, when they exceeded 80%. The share invested in *asset allocation* funds rose slightly to 10.6%.

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

Type of fund	**2019**	**2020**	**2021**	**2022**	**Var. % '22/'21**	**Var. % '22/'19**
Equity funds	41.4%	42.4%	46.5%	44.3%	-13.2%	29.4%
Debt funds	35.7%	35.8%	33.7%	34.0%	-8.2%	15.0%
Money market funds	2.5%	3.5%	2.1%	3.5%	50.3%	69.7%
Asset allocation funds	10.3%	9.7%	10.2%	10.6%	-5.6%	24.1%
Real-estate funds	0.1%	0.0%	0.0%	0.0%	-31.3%	-89.0%
Alternative funds	1.6%	1.4%	1.7%	1.8%	-4.5%	31.3%
Private equity funds	0.0%	0.0%	0.0%	0.0%	-15.0%	-14.1%
Infrastructural funds	0.0%	0.1%	0.1%	0.2%	35.5%	2813.5%
Other	8.4%	7.1%	5.7%	5.7%	-10.3%	-18.0%
Total	**148,804**	**165,748**	**197,702**	**174,813**	**-9,0%**	**20,9%**

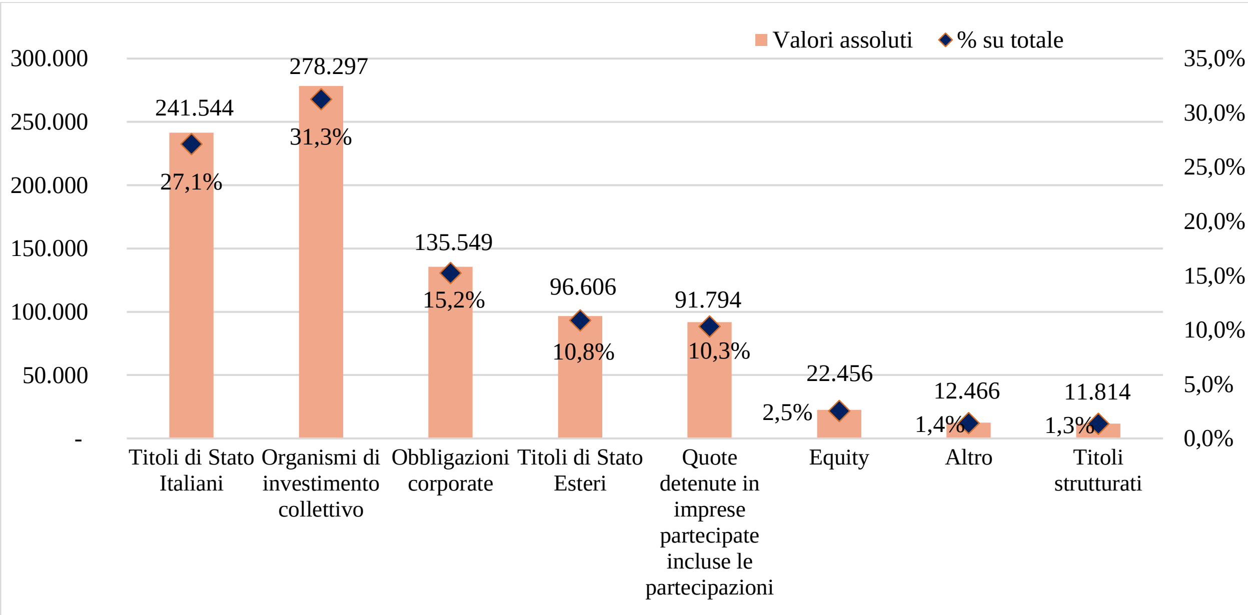
2.3 A European comparative analysis

In order to compare the different investment policies of life insurance companies in the main European countries, all the investments are calculated at current values, unlike in the previous paragraphs, as required by the current Solvency II supervisory regulations. Then, we have conducted the analysis by processing of the QRT[4] data of the fourth quarter of 2022 published by EIOPA, focusing on the Linked and mixed policies of life insurance companies in Italy but also in France, Germany, Spain, the Netherlands, Belgium, Denmark, Sweden and Ireland. Unlike the data previously analysed, the Solvency data also include the company whose accounts drafted according to Local Gaaps were not yet available

[4] Quantitative Reporting Templates.

For Italy, the investments by insurance companies in line with Solvency II accounting standards were equal to 891 billion euros, down by 14.6% with respect to 2021; of this total, 678 billion (-16.3% vs. 2021) is related to Life and non-Life insurance contracts excluding linked policies, while the remaining 213 billion (-8.5% vs. 2021) refers to the Linked policies of the Life insurance business. The portfolio directly **managed** by these companies accounted for about 69% of total investments, comprising direct investments in Italian and foreign government bonds, corporate bonds, strategic holdings and equity. The share of the investments **managed indirectly** through mandates refers to all UCITS investments, i.e. traditional and alternative mutual funds, which accounted for 31.3% of the total in 2022 (equal to approximately 280 billion euros), a share that grew steadily over the three-year period (26.6% in 2020, 29.4% in 2021).

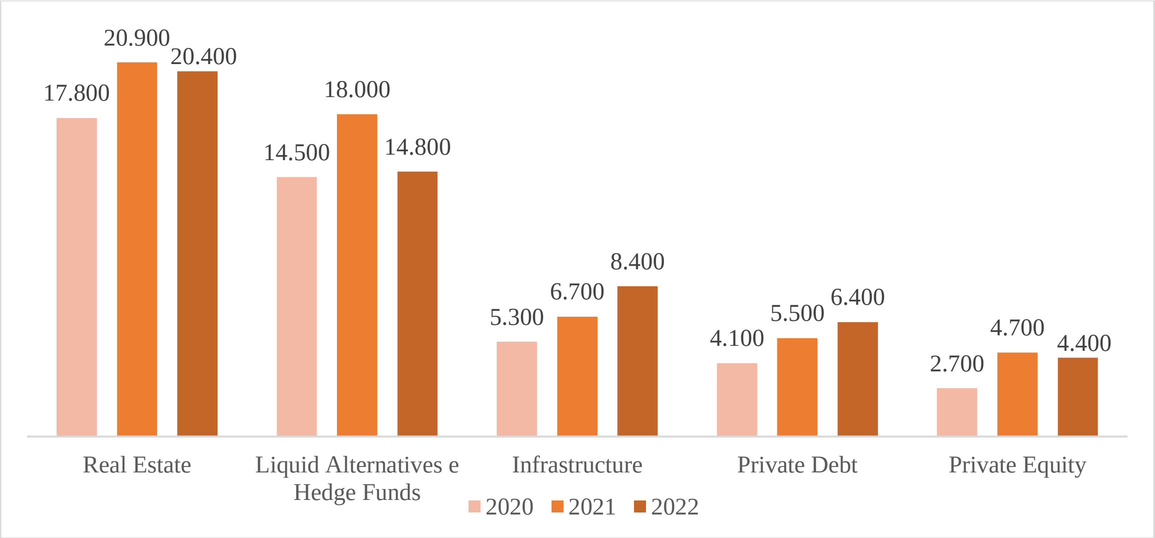
Figure 2.4 - Investments (non-Life and Life) of the Italian insurance industry in 2022 (millions of euros and as %)



Italian treasury bills, Collective investment schemes, Corporate bonds, Foreign treasury bills, Shares in holdings including interests, Equity, Other, Structured securities; absolute values, as % of the total

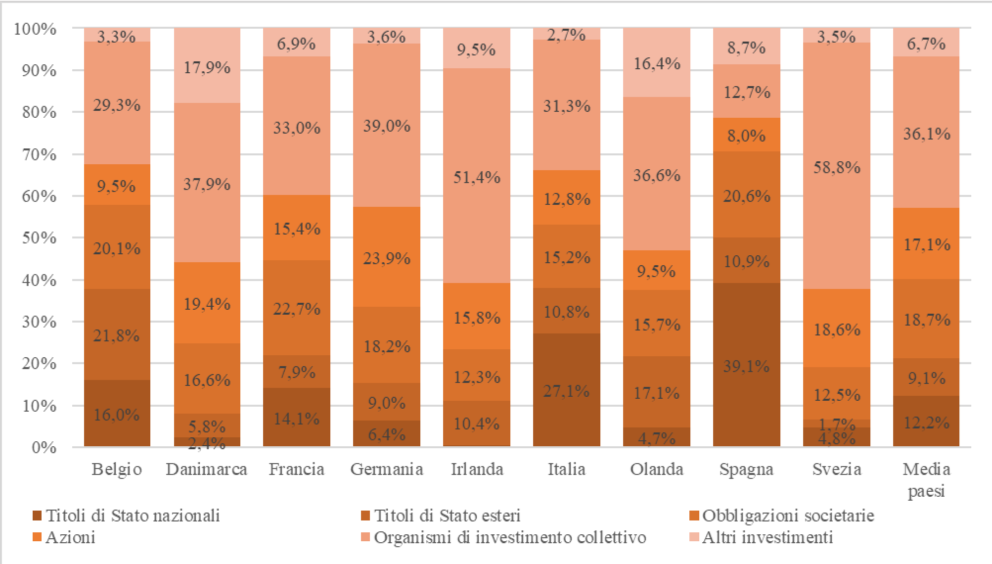
Traditional funds accounted 80% of UCITS investments, mostly fixed-income funds, with a good diversification into investment grade, high yield and emerging market asset classes, and only a small proportion in government bonds and money market securities. The geographical diversification of the portfolio was characterised by a predominant exposure to non-European countries or to funds with a global focus (almost 69% for bond investments, about 66% for equity investments and almost all for balanced funds). The fund investment strategy was designed to diversify the portfolio into asset classes other than those managed directly. The share of alternative funds reached 20% in 2022, and amounted to almost 56 billion euros (***figure 2.5);*** it grew over the past three years (16% in 2020 and 18% in 2021), thus bringing the allocation of these alternative investments to 6.3% of the total portfolio, which was 5.3% in 2021. 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 reflected by the increase in the assets allocated to infrastructural funds with a 15% share of all alternative funds (8.4 billion) compared to 12% (5.3 billion) in 2020. Furthermore, the main share of the assets allocated to alternative funds was invested in real estate funds (over 36% in 2022, 20.4 billion) and in liquid alternative funds (i.e. strategies that are highly decoupled with respect to traditional asset classes and which accounted for over 26% at the end of 2022 (14.8 billion), followed by private equity investments at around 8% (4.4 billion). The strategies that grew the most in 2022 were infrastructural investments (related to the energy transition) and private debt investments, given the increase in interest rates observed in 2022.

Figure 2.5 - Alternative Funds (millions of euros)



The comparative analysis of the main European countries shows that fixed-income securities prevailed in all markets albeit with different levels of allocation to corporate and government bonds. At the end of 2022, the average exposure to domestic government bonds in the nine countries examined was just over 12%, while in Italy the investment in domestic government bonds was still higher at 27.1%, although gradually decreasing in recent years, preceded only by Spain with 39.1% and followed by Belgium with 16.0%, France with 14.1% and, at about half the average, by Germany (6.4%), Sweden (4.8%), the Netherlands (4.7%), Denmark (2.4%) and Ireland (close to zero). In 2022, the share of foreign government bonds was particularly significant for Belgium (21.8%) and the Netherlands (17.1%), less so for Spain, Italy, Ireland, Germany and France, at 8/11%, for Denmark at 5.8% and for Sweden1 at 1.7%. Instead, the average exposure of these countries to corporate bonds was around 19%. French companies invested mainly in this asset class (22.7%), followed by Spanish (20.6%), Belgian (20.1%) and German (18.2%) enterprises. By contrast, the concentration of such investments in the balance sheets of Italian, Danish and Dutch insurance companies was in the order of 15-17%. The ***share of investment funds*** was predominant and above the nine-country average in the portfolios of Swedish (58.8%), Irish (51.4%), German (39.0%), Danish (37.9%), and Dutch (36.6%) companies. As already pointed out, in Italy, the share of UCITS investments amounted to 31.3%, while in Belgium it was 29.3%. The average share of equity investments accounted for about 17%, including holdings in affiliated companies; the largest share was held by German insurance companies (23.9%), followed by Danish (19.4%), Swedish (18.6%), Irish (15.8%), French (15.4%), Italian (12.8%) and Belgian and Dutch companies (9.5%) (***figure 2.6***).

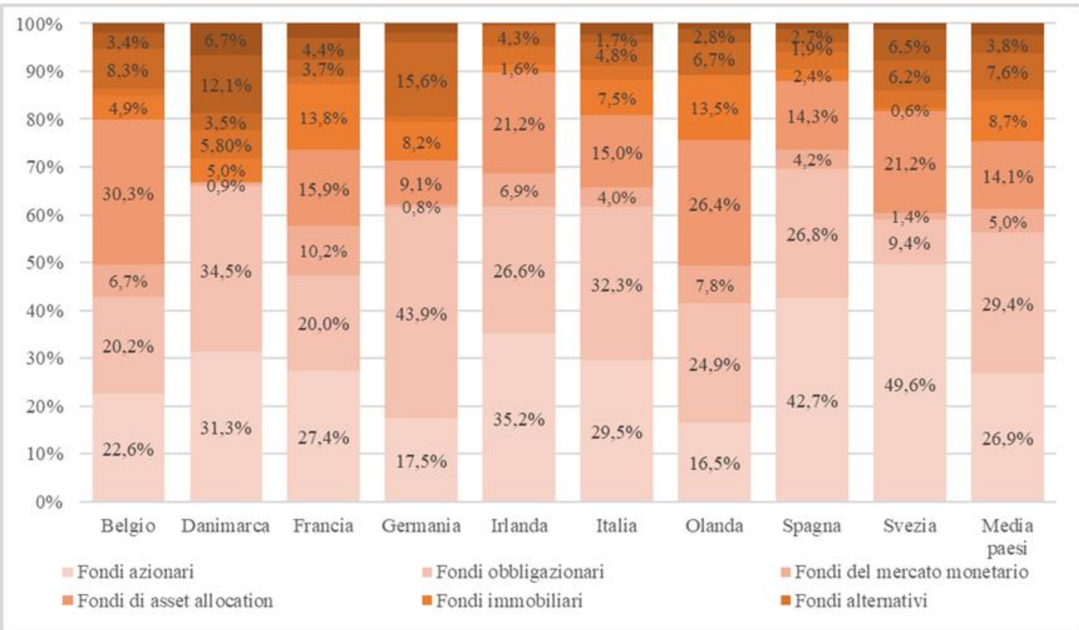
Figure 2.6 – Investments by European companies - IV Quarter of 2022



Belgium, Denmark, France, Germany, Ireland, Italy, the Netherlands, Spain, Sweden, Average; Domestic government bonds, Foreign government bonds, Corporate bonds, Equity, Collective investment funds, Other investments *Note*: *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, overall, European companies mainly invested in debt funds (29.4%) and equity funds (26.9%). In particular, Germany featured the highest share of debt funds at 43.9%, while Sweden featured a share of equity funds equal to 49.6%. In Europe, the share of investments in asset allocation funds (14.1%) and real estate funds (8.7%) proved to be limited. Of particular note: 10.2% share of money market funds in the French portfolio, 12.1% of private equity and 6.7% of infrastructural funds in Danish portfolios.

Figure 2.7 - Investment funds of European companies – IV Quarter of 2022



Average; Equity funds, Debt funds, Money market funds, Asset allocation funds, Rea-estate funds, Alternative funds, Other, Private equity funds, Infrastructural funds. *Source: EIOPA data processed by ANIA, Insurance statistics*.

3. Open-ended Pension Funds (FPA): members, assets and managers

The number of operational open-ended pension funds remained stable at 40 at the end of 2022 as it was in 2021, as did the number of companies operating in this sector (31); instead, the number of sub-funds increased by 2 from 181 in 2021 to 183, due to the broader investment choices of two open-ended pension funds, which involved mixed and balanced bond sub-funds.

Membership - The positive upward trend in the number of members continued, with a 6.1% growth over 2021 (+13.1% vs. 2020), exceeding 1.84 million. The membership data and breakdown at the end of 2022 showed a 3% growth in the number of positions related to self-employed workers compared to an 8% increase for employed workers mainly registered on an individual basis.

Table 3.1 shows the top 10 groups managing and distributing open-ended pension funds ranked by ***number of outstanding positions,*** accounting for **86.5%** of the total.

Table 3.1 - Top 10 Groups managing open-ended funds by number of outstanding positions in 2021-2022

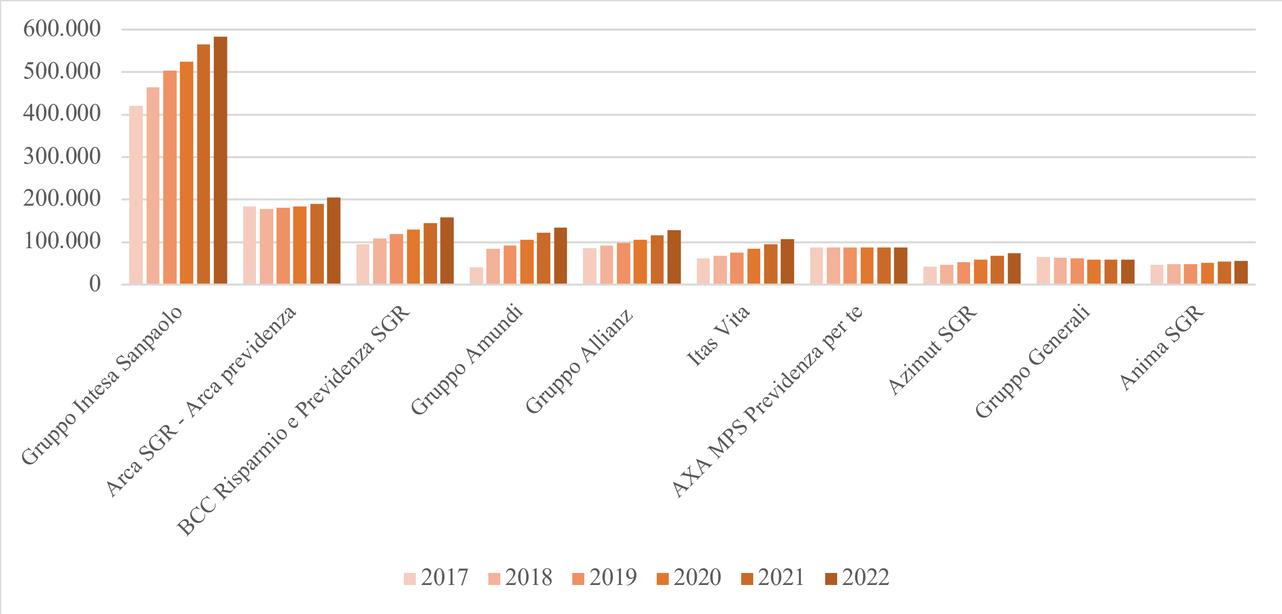
OPEN-ENDED PENSION FUNDS	OUTSTANDING POSITIONS 2021	OUTSTANDING POSITIONS 2022
Gruppo Intesa Sanpaolo	**565,099**	**583,390**
Il mio domani	426,015	437,057
Fideuram - Fideuram Vita	92,317	101,681
Previdsystem	28,126	27,181
Ubi Previdenza	13,270	11,686
Giustiniano	4,367	4,861
Bap Pensione 2007	1,004	924
Arca SGR - Arca previdenza	**189,867**	**205,013**
BCC Risparmio e Previdenza SGR	**144,525**	**158,465**
Gruppo Amundi	**121,782**	**134,724**
Seconda Pensione	85,875	89,202
Core Pension	35,907	45,522
Gruppo Allianz	**116,394**	**128,632**
Allianz previdenza	89,120	99,491
Insieme	25,273	27,254
Unicredit - Allianz vita	2,001	1,887
Itas Vita	**95,179**	**107,373**
AXA MPS Previdenza per te	**86,832**	**87,104**
Azimut SGR	**67,429**	**73,859**
Azimut Previdenza	60,385	62,565
Azimut Sustainable Future	7,044	11,294
Gruppo Generali	**58,677**	**58,794**
Generali global	48,290	48,857
Almeglio - Alliance	10,387	9,937
Anima SGR	**53,650**	**56,329**
TOTAL	**1,499,434**	**1,593,683**

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

However, the same occurred for the outstanding positions not financed by contributions: 702,000 in 2022 compared to 664,000 at the end of 2021 and to almost 640,000 in 2020; this was mainly due to 51% of self-employed workers who did not pay their contributions in 2022, as occurred in 2021; the share of employed workers not paying their contributions rose slightly to 31% compared to 30% in 2021 and in line with 2020. 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 even though 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 between 2017 and 2022.

Figure 3.1 - Top 10 Groups managing open-ended funds by number of outstanding positions from 2017 to 2022



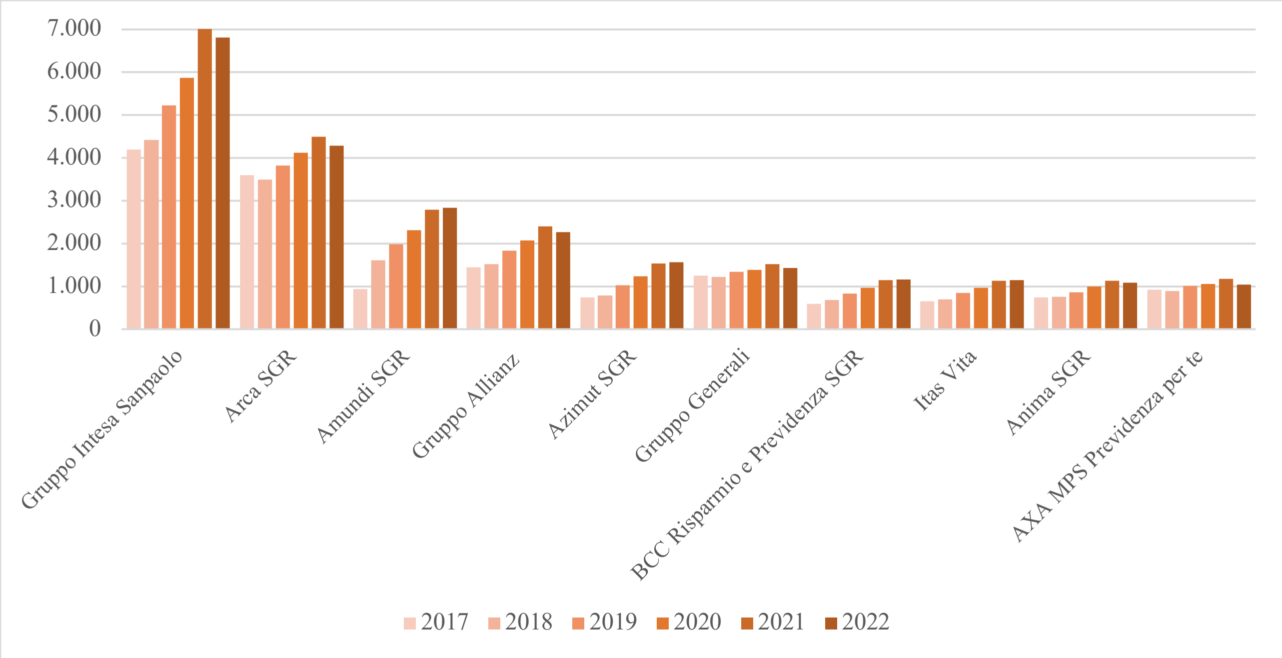
Source: COVIP data processed by Itinerari Previdenziali Study and Research Center

The **net assets allocated to benefits** amounted to **28 billion euros** at the end of 2022**,** down by 3.2% from 28.97 billion in 2021. In 2022, open-ended-ended pension funds collected 2.8 billion euros' worth of contributions, up from 2.6 billion in 2021; 1.9 billion euros flowed into employed workers' positions, of which 796 million (42.3%) from termination of employment benefits. The increase in the amount of contributions continued in 2022, bringing the average contributions paid by members to 2,520 euros (2,490 in 2021 and 2,390 in 2020). Compared to 2021, the contribution gap between self-employed and employed workers had a slight increase: the former paid 2,780 euros on average (2,720 in 2021 and 2,560 in 2020), the latter 2,670 euros (2,640 in 2021 and 2,550 in 2020).

Figure 3.2 and ***Table 3.2*** show the **assets** of the top 10 groups providing open-ended-ended pension funds, that accounted for 84% of the total.

There were no particular changes as to how ***open-ended funds managed their resources*** compared to 2021: ***insurance companies*** continued to play a significant role, with a market share of almost 55%, while the rest of the market was in the hands of asset management companies (41.8%) and of the only bank present in the sector (3.5%). The net asset allocation of open-ended funds remained stable compared to 2021: 46.2% was allocated to balanced sub-funds (46.5% in 2021 and 46% in 2020), 24.2% to equity funds (23.9% in 2021 and 21.8% in 2020), 18.2% to guaranteed funds (18.1% in 2021 and 19.7% in 2020) and 11.4% to bond sub-funds (11.5% in 2021 and 12.4% in 2020).

Figure 3.2 - Top 10 Groups managing open-ended funds by assets from 2017 to 2022
(millions of euros)



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

In the ranking of the top 10 groups by resources, BCC Risparmio and Previdenza SGR gained the seventh position at the expense of Axa Mps, which slipped to the tenth.

In general, 28 billion euros' worth of assets of open-ended pension funds were directly managed by the asset management companies, banks or insurance companies that had set up them up, 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 Groups managing open-ended funds by assets in 2021-2022
(millions of euros)

OPEN-ENDED PENSION FUNDS	ASSETS 2021	ASSETS 2022
Intesa Sanpaolo Group	**7,025.84**	**6,809.69**
Il mio domani	3,461.40	3,503.63
Fideuram	2,431.12	2,326.37
Previdsystem	776.66	675.16
Ubi Previdenza	233.06	187.50
Giustiniano	109.85	105.97
Bap Pensione 2007	13,75	11.06
Arca SGR	**4,502.78**	**4,287.77**
Amundi SGR	**2,790.01**	**2,835.59**
Seconds pensione	2,271.32	2,200.21
Core Pension	518.70	635.38
Allianz Group	**2,398.69**	**2,264.73**
Allianz previdenza	1,700.90	1,596.44
Insieme	653.18	631.74
Unicredit - Allianz vita	44.61	36.54
Azimut SGR	**1,536.63**	**1,572.03**
Azimut Previdenza	1,477.17	1,451.40
Azimut Sustainable Future	59.46	120.63
Generali Group	**1,518.53**	**1,430.34**
Generali global	1,378.26	1,311.69
Almeglio - Alliance	140.27	118.65
BCC Risparmio e Previdenza SGR	**1,144.40**	**1,166.75**
Itas Vita	**1,138.98**	**1,144.77**
Anima SGR	**1,137.16**	**1,086.25**
AXA MPS Previdenza per te	**1,170.07**	**1,048.92**
TOTAL	**24,363.09**	**23,646.83**

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

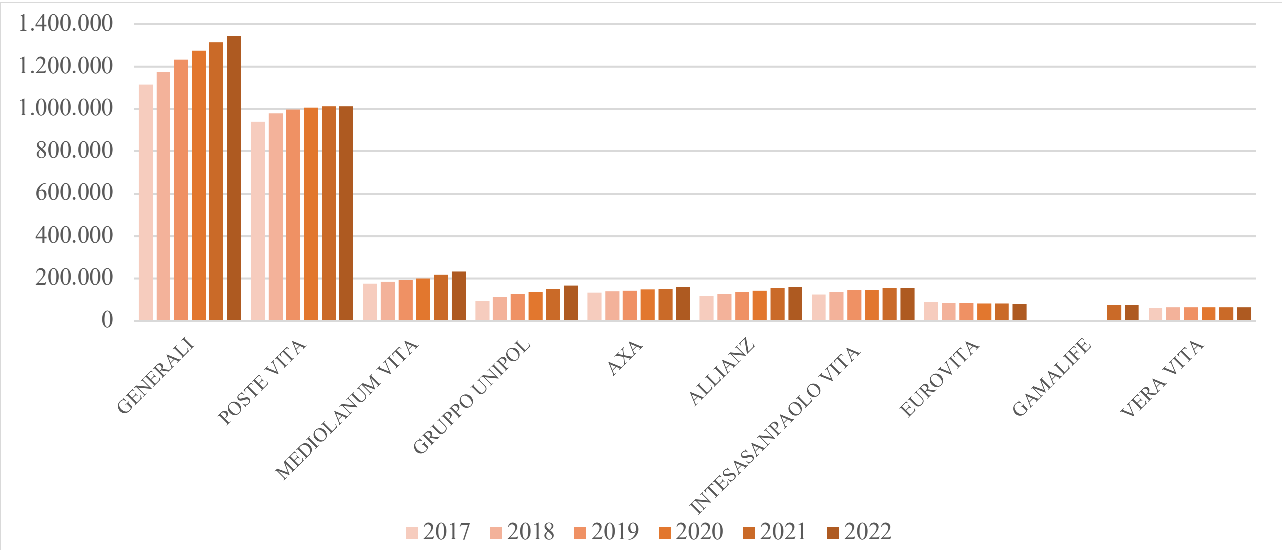
4. Individual Pension Plans (PIPs): members, assets and managers

Members - At the end of 2022, **PIPs** had a total of **4,006,489 outstanding positions**, of which 3,698,145 related to ***'new' PIPs*** (i.e. set up under or in line with Legislative Decree no. 252/2005), accounting for more than 92% of all individual insurance-type pension plans; the actual number of members[1] of new PIPs was 3.526,638, while those in old PIPs was equal to 308,344, for a total of 3,834,982, that is about 42% of the total number of members of the pension fund system. Like open-ended pension funds, in 2022 PIPs too featured an increase by 2.4% in the number of members not paying contributions, almost equal to about 37% of the total, more significant for self-employed (45%) workers than for employed workers (30%).

Number of active PIPs - The following data only refer to 'new' PIPs, also because the old PIPs are no longer allowed to enrol new members and to allocate termination of employment benefits. At the end of 2022, there were **68 'new' PIPs** operating in the sector compared to 72 in 2021; this drop was due to a merger of four PIPs, all managed by the same company. The concentration in the sector remains particularly high, with about 81% of the investments under management belonging to companies from five insurance groups. Finally, following a transfer carried out during the year, the number of insurance companies active in this sector increased by 1, so now there are 31 operating companies.

The top 10 groups operating in the 'new' PIPs sector, ranked by number of outstanding positions, accounted for more than 93% of the total (***Table 4.1***); **Figure 4.1** shows the distribution of outstanding positions.

Figure 4.1 - The top 10 Groups managing 'new' PIPs by number of outstanding positions from 2017 to 2022



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

There was a change in the position of the Unipol Group in the ranking, which climbed from the sixth to the fourth place instead of Intesa Sanpaolo, which slipped to the seventh place, bypassed by AXA, which climbed from the seventh to the fifth place, and Allianz, which fell from the fifth to the sixth

[1] The difference between the outstanding positions and the number of members is due to the fact that the law allows for the possibility to register with 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.

place. Generali was again the ranking leader, with the merger of four PIPs *Valore Pensione*, *Ina Assitalia Primo, Generafuturo and Vivipensione* into *Generazione Previdente*. Finally, GamaLife joined the top ten to the detriment of Zurich, following the transfer of an insurance portfolio from the sale of a business unit from Zurich Investments Life to GamaLife Companhia de Seguros de Vida.

Table 4.1 - The top 10 Groups managing 'new' PIPs by number of outstanding positions in 2021-2022

NEW' PIPS	OUTSTANDING POSITIONS 2021	OUTSTANDING POSITIONS 2022	NEW' PIPS	OUTSTANDING POSITIONS 2021	OUTSTANDING POSITIONS 2022
GENERALI	**1.315.469**	**1,346,013**	**INTESA SANPAOLO VITA**	**153,984**	**155,162**
Alleata Previdenza – Alliance	632,530	657,888	Il mio futuro	133,268	135,312
Generazione Previdente - Generali Italia	13.454	608,829	Pip progetto pensione	11,315	10,809
Valore Pensione - Generali Italia	160,518	-	Vita&Previdenza più	4,897	4,724
Ina Assistalia Primo	140,536	-	Previnext Platinum	2,843	2,718
BG previdenza attiva - Genertellife	31,442	32,039	Overture 2007	778	776
Pensionline - Genertellife	28,151	28,067	Bap Crescendo Previdente	730	683
Futuro Attivo - Genertellife	20,667	19,081	Previnext	138	126
Generafuturo	275,209	-	Aviva Vita - Pro Futuro	15	14
Vivipensione - Generali Italia	12,842	-	**EUROVITA**	**81,130**	**78,424**
New Pension - Genertellife	120	109	PP BayerischeT 4036	29,376	28,470
POSTE VITA	**1,013,478**	**1,013,893**	PP BayerischeT 4046	23,548	22,888
MEDIOLANUM LIFE	**219,602**	**234,329**	PP BayerischeT 4026	17,462	16,956
GRUPPO UNIPOL G	**152,797**	**166,120**	NG Nuova Generazione	6,414	6,038
Previdenza futura	79,857	90,526	Rendita di Previdenza Qualificata	1,743	1,694
Unipol Futuro Presente	72,940	75,594	Pensione domani	1,677	1,545
AXA	**152,175**	**161,718**	Futuro per te	910	833
Axa Mps previdenza attiva	101,767	108,743	**GAMALIFE**	**76,375**	**75,124**
Mia pensione	28,114	31,292	Vipensiono	68,030	67,145
Axa Progetto Pensione	16,833	16,027	Futuro pensione	8,345	7,979
Axa Mps previdenza personale	5,461	5,656	**VERA VITA**	**63,734**	**63,001**
ALLIANZ	**153,714**	**161,405**	Pensione sicura	51,972	51,626
Orizzonte previdenza	143,896	149,885	Vita previdenza	11,762	11,375
Unicredit previdenza	6,170	6,378			
Moneyfarm	2,932	4,474			
Elios Previdenza	716	668			
TOTAL top 10 Groups				**3,382,458**	**3,455,189**

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

<u>The resources allocated to benefits</u> also increased in 2022 compared to the previous year by 3.4%, but dropped compared to +12.6% in 2021 and +10.1% in 2020 vs. 2019, reaching **45.492 billion euro**s; if approximately 6.617 billion's worth of the 'old' PIPs are added to this figure, their overall value exceeds **52 billion,** equal to 25% of all pension funds' assets, despite having 42% of the members. 'New' PIPs received about 5 billion euros' worth of contributions in 2022, a slight increase compared to 4.9 billion in 2021, of which 3.4 billion paid by employed workers, 29% from termination of employment benefits. There was also an increase in the average contributions paid by members, which amounted to 2,170 euros in 2022 compared to 2,130 euros in 2021 and 2,050 euros in 2020. The contributions paid by self-employed workers were significantly higher (2,600 euros vs. 2,640 euros in 2021) than those paid by employed workers (2,150 euros compared to 2,080 euros in 2021), although lower than the previous year.

As to the type of investments, PIPs members tended to opt mainly for ***class I "separate schemes"*** accounting for 74.9% of net assets, while the remaining 25.1% was allocated to ***class III*** products, of which just over 11% to equity investments (compared to 12,7% in 2021 and 11.7% in 2020), 9.5% to balanced investments (10.2% in 2021 and in line with 2020) and the remaining 4.3% to bond investments (4.8% in 2021 and 4% in 2020).

Management of resources - As in the case of open-ended funds, PIPs' resources are mostly managed by the same insurance companies that set them up, 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 for the purposes of diversification and specialisation; in the case of PIPs too, around 30% of the 52.1 billion euros' worth 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 interesting for "product factories".

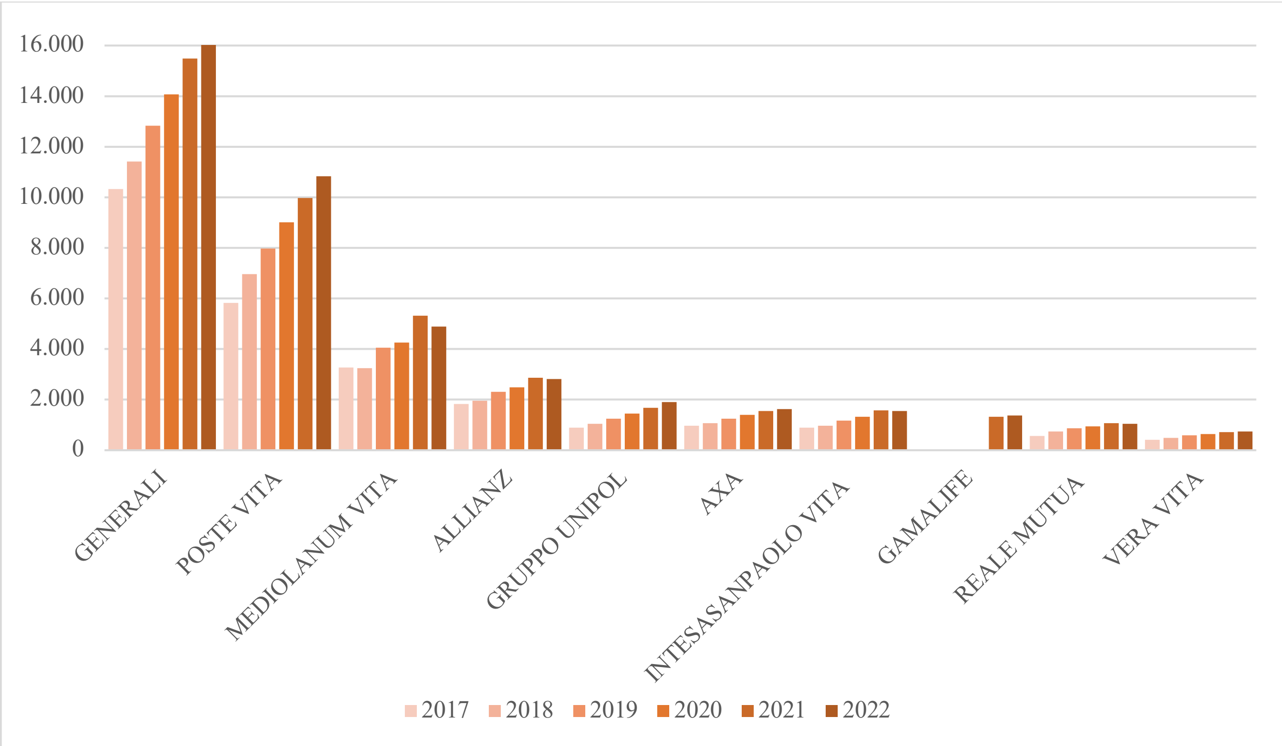
Table 4.2 and ***Figure 4.2*** list the top 10 Groups that manage 'new' PIPs by assets (net assets allocated to benefits) and that account for **94.5%** of the total. AXA moved from the eighth to the sixth position in the ranking, while Intesa Sanpaolo Vita dropped from the sixth to the seventh place. Finally, GamaLife replaced Zurich in the *top ten*, with the eighth position.

Table 4.2 - Top 10 Groups managing 'new' PIPs by assets in 2021 and in 2022 (millions of euros)

NEW' PIPS	ASSETS 2021	ASSETS 2022	NEW' PIPS	ASSETS 2021	ASSETS2022
GENERALI	**15.482,9**	**16,231.0**	**INTESA SANPAOLO VITA**	**1,585.5**	**1,554.7**
Generazione Previdente - Generali Italia	41.1	8,681.1	Il mio futuro	1,024.8	1.,038.2
Alleata Previdenza – Alliance	5,830.1	6,127.7	Pip progetto pensione	359.3	325.9
BG previdenza attiva – Genertellife	810.5	842.8	Vita&Previdenza più	111.8	110.3
Pensionline- Genertellife	392.0	418.5	Previnext Platinum	58.8	51.6
Futuro attivo – Genertellife	172.0	158.3	Overture 2007	13.8	12.5
Nuova Pension – Genertellife	2.8	2.5	Bap Crescendo Previdente	12.9	12.6
Valore Pensione - Generali Italia	2,984.5	-	Previnext	3.9	3.5
Generafuturo - Generali Italia	2,792.1	-	Aviva Vita - Pro Futuro	0.2	0.2
Ina Assistalia Primo - Generali Italia	2,248.9	-	**GAMALIFE**	**1,312.6**	**1,371.0**
Vivi Pensione - Generali Italia	209.0	-	Vipensiono	1,122.9	1,171.7
POSTE VITA	**9,981.9**	**10,837.3**	Futuro pensione	189.6	199.2
MEDIOLANUM VITA	**5,307.8**	**4,887.1**	**REALE MUTUA**	**1,061.5**	**1,048.0**
ALLIANZ	**2,873.6**	**2,820.2**	Cento stelle Reale	440.4	400.0
Orizzonte previdenza	2,769.7	2,701.6	Cento stelle Tax Plan	225.7	250.7
Unicredit previdenza	78.7	83.7	Feelgood Italiana Assicurazioni	183.7	179.7
Moneyfarm	16.5	27.2	Planner	101.8	104.9
Elios Previdenza	8.7	7.7	Domani sicuro plus	81.5	87.3
GRUPPO UNIPOL	**1,688.6**	**1,902.6**	Domani sicuro	14.6	13.5
Unipol Futuro Presente	1,182.1	1,219.9	Progetto pensione futura	14.0	11.9
Previdenza futura	506.5	682.7	**VERA VITA**	**707.0**	**729.9**
AXA	**1,559.7**	**1,617.2**	Pensione sicura	543.3	565.2
Axa Mps previdenza attiva	798.9	823.3	Vera Vita previdenza	163.7	164.6
Mia pensione	302.7	349.3			
Axa progetto pensione	342.0	331.8			
Axa Mps previdenza personale	116.1	112.8			
TOTALE top 10 Groups				**41,561.2**	**42,998.9**

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

Figure 4.2 - The top 10 Groups managing 'new' PIPs by assets from 2017 to 2022 (millions of euros)



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

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

At the end of 2022, there were 33 ***Occupational Pension Funds*** still operational**,** the same figure since 2018, with **3.806 million members**, about 350,000 more than in 2021 (**+10%)**. This increase was due, to a large extent, to contractual membership[1] and, in part, to the introduction of the silent-consent membership for workers hired with long-term contracts as of January 2, 2019 by the Perseo Sirio fund. At the end of the year, the number of the so-called contractual members was just under 1.6 million, of which about 1.2 million registered with Prevedi; however, the increase in the number of these members resulted in a growing number of non-contributing positions, accounting for about 36% of the total. Moreover, the amount of contributions paid by these subjects was low, about 133 euros per year on average (down from 140 euros in 2021). ***Table 5.1*** shows the evolution of occupational pension funds from 1999 to 2022, both in terms of their ***number*** and of their ***membership***. The historical series shows that, as of 2018, the number of these funds had returned 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 has remained more or less consistent over the years.

Table 5.1 - Number of funds and members from 1999 to 2022

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	3,452,593
2006	42	1,219,372	**2014**	38	1,944,276	**2022**	33	3,806,064

Membership - The number of members of these funds had almost doubled already in 2006 compared to 1999. In 2007, there was a further significant increase 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 ***silent consent.*** Since then, the number of members remained more or less the same, until the early 2015, when the above-mentioned contractual membership mechanism was introduced.

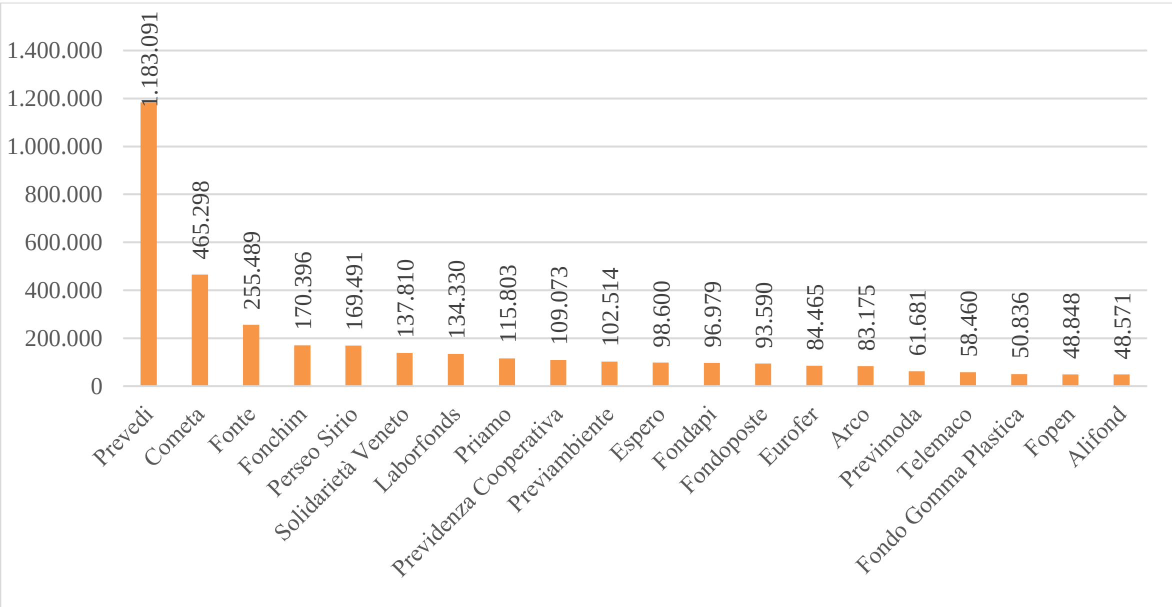
Table 5.2 shows the top 33 funds by membership growth, while ***Figure 5.1*** shows the top **20 occupational pension funds** by number of members, accounting for ***about* 94%** of the total number of members in the system. The number of outstanding positions for which no contributions were paid in 2022 was equal to about 935,000, an increase by about 140,000 compared to 2021, 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 in the no-contribution phenomenon was mainly ascribed to contractual memberships.

[1] There are 14 funds with a contractual membership mechanism, i.e. all workers are automatically enrolled in the pension fund and benefit from a 'contractual contributions': Prevedi, Eurofer, Priamo, Previambiente, Perseo Sirio, Previdenza Cooperativa, Fondapi, Byblos, Solidarietà Veneto, Astri, Laborfonds, Concreto, Arco and Agrifondo.

Table 5.2 - Ranking of occupational pension funds by membership growth rate in 2022

Name of the Fund	Members in 2022	Members in 2021	% Var.	Name of the Fund	Members in 2022	Members in 2021	% Var
Agrifondo	20,505	8,529	140.42%	Priamo	115,803	112,420	3.01%
Perseo Sirio	169,491	85,121	99.12%	Laborfonds	134,330	130,839	2.67%
Fondapi	96,979	84,028	15.41%	Prevaer	15,118	14,729	2.64%
Prevedi	1,183,091	1,027,274	15.17%	Fondemain	7,414	7,250	2.26%
Solidarietà Veneto	137,810	119,790	15.04%	Quadri e Capi Fiat	12,015	11,769	2.09%
Fondaereo	9,377	8,635	8.59%	Fonchim	170,396	167,324	1.84%
Previambiente	102,514	95,156	7.73%	Previmoda	61,681	60,754	1.53%
Byblos	41,412	39,140	5.80%	Fondo Gomma Plastica	50,836	50,091	1.49%
Fonte	255,489	242,681	5.28%	Fondo Sanità	7,868	7,765	1.33%
Pegaso	35,684	33,926	5.18%	Fondenergia	45,978	45,395	1.28%
Eurofer	84,465	81,278	3.92%	Espero	98,600	97,356	1.28%
Concreto	7,680	7,401	3.77%	Alifond	48,571	47,963	1.27%
Fopen	48,848	47,182	3.53%	Fondoposte	93,590	93,195	0.42%
Mediafond	2,821	2,737	3.07%	Telemaco	58,460	58,245	0.37%
Astri	18,351	17,805	3.07%	Foncer	13,334	13,300	0.26%
Arco	83,175	80,737	3.02%	Previdenza Cooperativa	109,073	109,379	-0.28%
Cometa	465,298	451,668	3.02%	**Totale**	**3,806,057**	**3,460,862**	**9.97%**

Figure 5.1 - Top 20 occupational pension funds by number of members in 2022



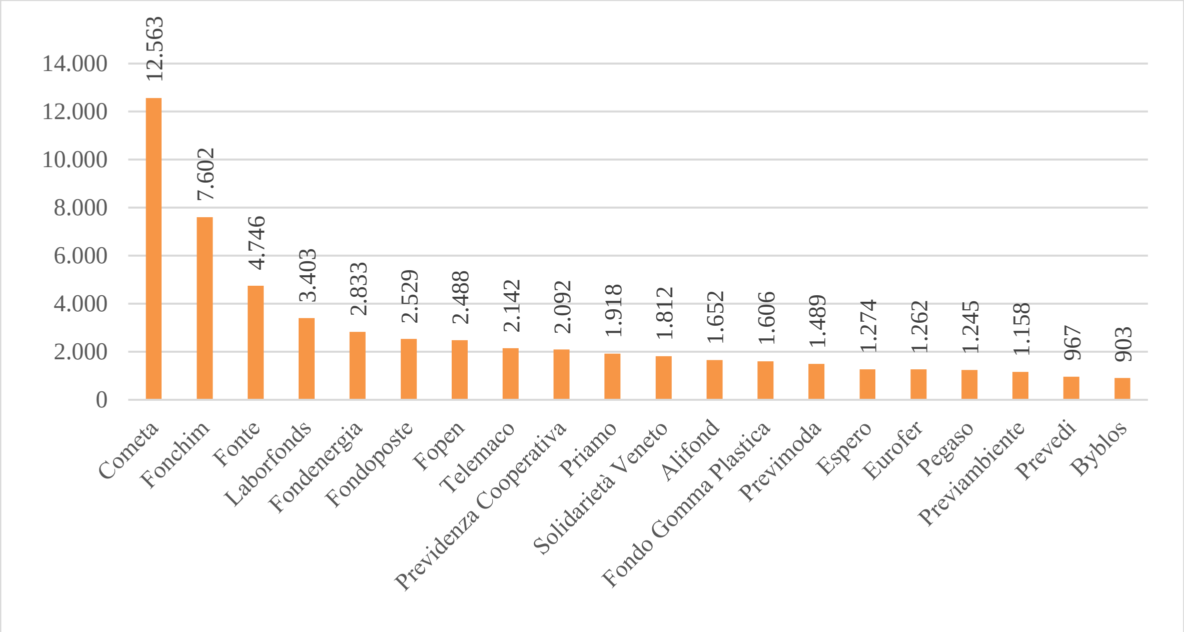
Assets – The assets of these funds totalled **61.100 billion euros,** with a drop by 4.2 billion euros (-6.46% compared to 2021), mainly due to the negative performance of financial markets. The historical series in ***Table 5.3*** shows that, for the first time since 1999, occupational pension funds experienced a reduction in their assets: not even the 2008 crisis and the more recent pandemic crisis had led to a reduction in their net assets allocated to benefits.

Table 5.3 – Assets of occupational pension funds from 1999 to 2022 (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	**2022**	61,101

Figure 5.2 shows the ranking of the top 20 funds by assets, accounting for over 90% of the total.

Figure 5.2 - Top 20 occupational pension funds by assets in 2022 (millions of euros**)**



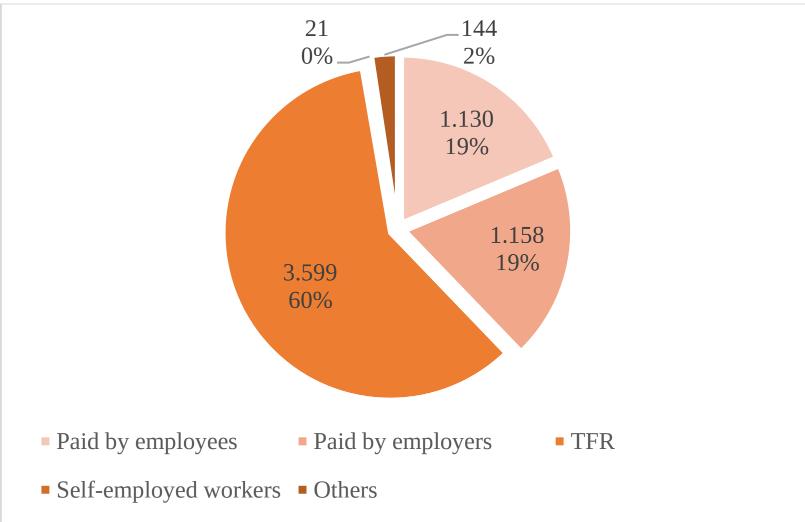
<u>Flows</u> - In 2022, all occupational pension funds featured a negative trend in their available resources, with the sole exception of Perseo Sirio due to the growth of its silent-consent membership, which, unlike for private workers, activates all contribution flows (termination of employment benefits, employers' and employees' contributions) and not just termination of employment benefits (***Table 5.4)***.

Table 5.4 - Changes in the assets of occupational pension funds in 2022

Name of the fund	Assets in 2022	Assets in 2021	% Var.	Name of the fund	Assets in 2022	Assets in 2021	% Var.
Perseo Sirio	382,174,023	308,700,123	23.80%	Foncer	519,594,616	558,199,146	-6.92%
Prevedi	966,935,898	979,149,444	-1.25%	Fonchim	7,602,353,451	8,179,661,944	-7.06%
Agrifondo	103,533,792	106,113,364	-2.43%	Fondapi	874,737,710	941,397,129	-7.08%
Solidarietà Veneto	1,811,555,726	1,859,419,967	-2.57%	Fondo Gomma Plastica	1,605,529,005	1,730,624,720	-7.23%
Fondo Sanità	261,755,306	271,727,654	-3.67%	Arco	702,378,431	759,355,924	-7.50%
Priamo	1,918,233,131	2,004,993,975	-4.33%	Astri	369,126,460	399,927,915	-7.70%
Pegaso	1,244,805,740	1,311,767,583	-5.10%	Alifond	1,651,858,886	1,791,624,738	-7.80%
Fondenergia	2,832,786,228	2,986,844,022	-5.16%	Quadri e Capi Fiat	698,473,512	758,174,789	-7.87%
Eurofer	1,262,077,774	1,332,220,579	-5.27%	Fondemain	160,049,299	174,300,337	-8.18%
Fonte	4,746,415,520	5,012,261,305	-5.30%	Byblos	903,189,831	984,693,983	-8.28%
Previmoda	1,489,280,019	1,576,702,424	-5.54%	Previdenza Cooperativa	2,092,312,980	2,287,351,845	-8.53%
Prevaer	619,757,519	656,553,894	-5.60%	Mediafond	130,473,574	142,637,936	-8.53%
Espero	1,274,111,134	1,350,857,489	-5.68%	Fopen	2,487,978,525	2,730,083,083	-8.87%
Previambiente	1,158,251,893	1,234,605,303	-6.18%	Fondoposte	2,529,034,010	2,777,876,973	-8.96%
Laborfonds	3,403,214,837	3,638,209,758	-6.46%	Concreto	207,703,926	229,170,179	-9.37%
Cometa	12,563,399,825	13,473,775,015	-6.76%	Fondaereo	385,994,093	472,330,601	-18.28%
Telemaco	2,141,854,263	2,300,871,200	-6.91%	**Total**	**61,100,932,959**	**65,322,184,341**	**-6.46%**

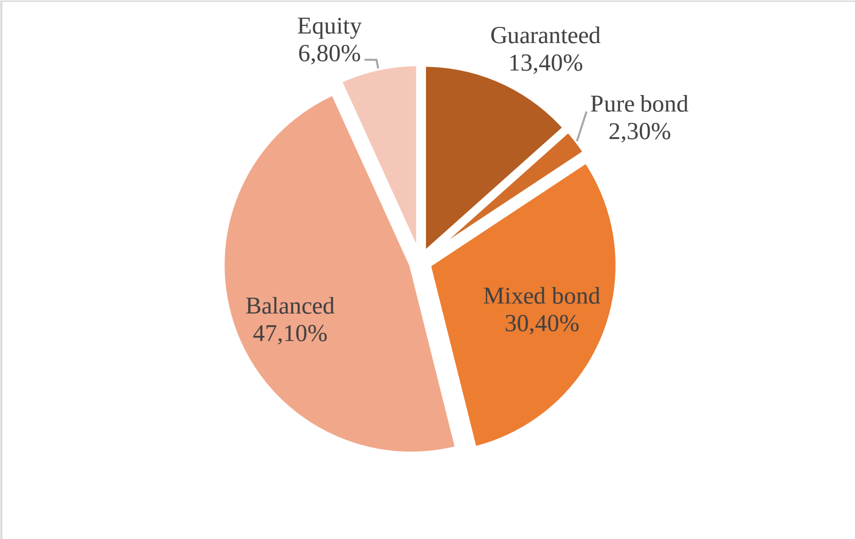
In 2022, the inflow of contributions amounted to **6.051 billion euros**, up with respect to 5.788 billion in 2021 and to 5.448 billion in 2020; considering that most members of these funds are employed workers, these flows are broken down as follows: the first three items are related to termination of employment benefits, that is 60% of all contributions from employers and employed workers, both accounting for 19% of the total; the contributions paid by self-employed workers and other members, such as dependents, were still negligible. The average contributions paid by complying members, including contractual members, were equal to 2,120 euros, down with respect to 2,190 in 2020, while the average contributions amounted to 3,220 euros (3,230 in 2021), excluding contractual members,

Figure 5.3 - Breakdown of contribution flows in 2022 (millions of euros)



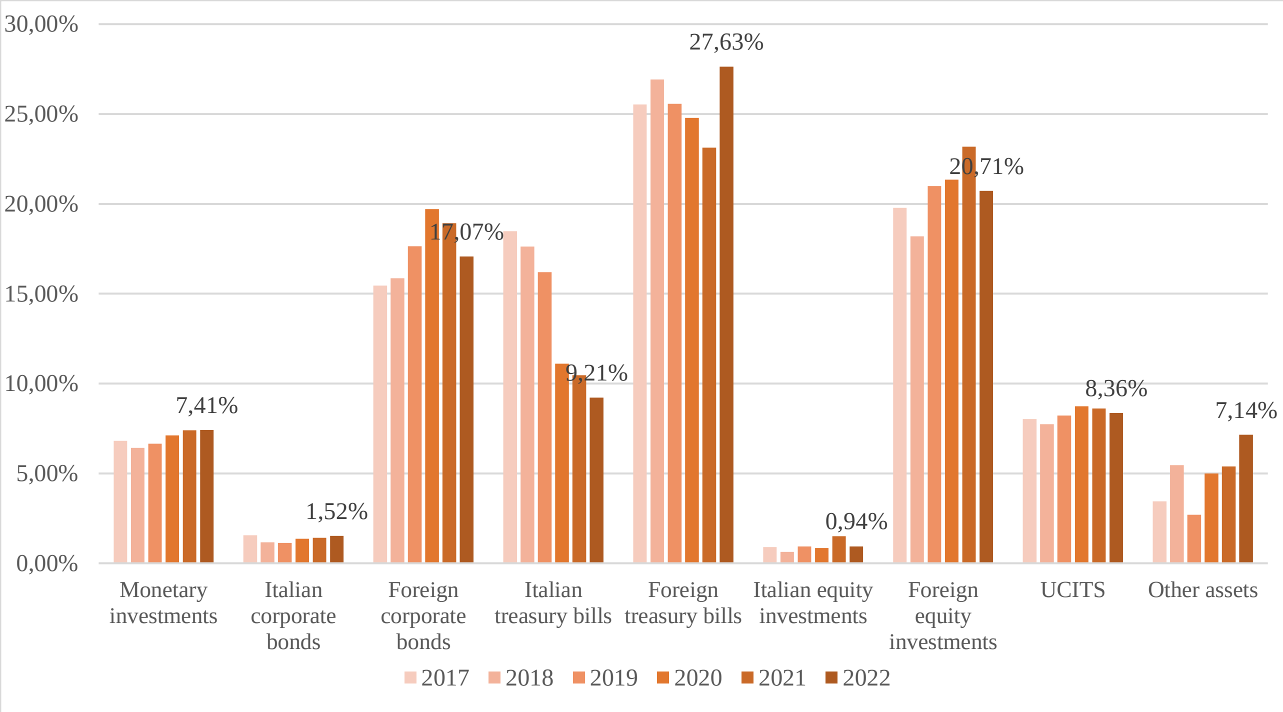
<u>The breakdown of assets by sub-funds</u> - A more in-depth analysis suggests that the 33 occupational pension funds feature 98 sub-funds (the same number as in 2020), of which 32 are guaranteed, 30 balanced, 17 mixed bond, 16 equity and 3 pure bond; in terms of net assets allocated to benefits (***Figure 5.4***), the weight of balanced and bond sub-funds, equal to 47.1% and 32.7% respectively, continued to be predominant (around 49 billion euros out of 61), while that of guaranteed sub-funds was equal to 13.4% (around 8 billion euros) and that of equity sub-funds to 6.8% (4 billion euros).

Figure 5.4 - Net assets allocated to benefits by sub-fund in 2022



<u>Assets Under Management</u> - ***Figure 5.5*** illustrates the breakdown of the assets under management of occupational pension funds over the last six years; the comparative analysis shows that ***debt securities*** still accounted for the largest share of these assets, equal to 55%, slightly up with respect to 2021, mainly due to the growth of foreign government bonds, but down with respect to previous years (57% in 2020, 60.5% in 2019, 62% in 2018); if deposits are taken into account (7.4%), the share of liquidity and bonds was close to 63%. In detail, **government bonds** accounted for about 37% of the assets under management (33.6% in 2021, 36% in 2020, 42% in 2019 and 44.53% in 2018), 27.6% of which issued by foreign countries and the remaining 9.2% by Italy (steadily declining in the recent observation years), while **corporate bonds** amounted to 18.6%, down with respect to 2021, 17.1% of which issued by foreign companies. The share of equity investments decreased while that of UCITS investments remained substantially stable, at **22%** and **8.4%** respectively.

Figure 5.5 - Assets under management of occupational pension funds from 2017 to 2022



<u>Types of securities and geographical breakdown</u> - 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 issued by entities based in the Eurozone remained the main form of investment which rose from 40.8% to 43.3%.

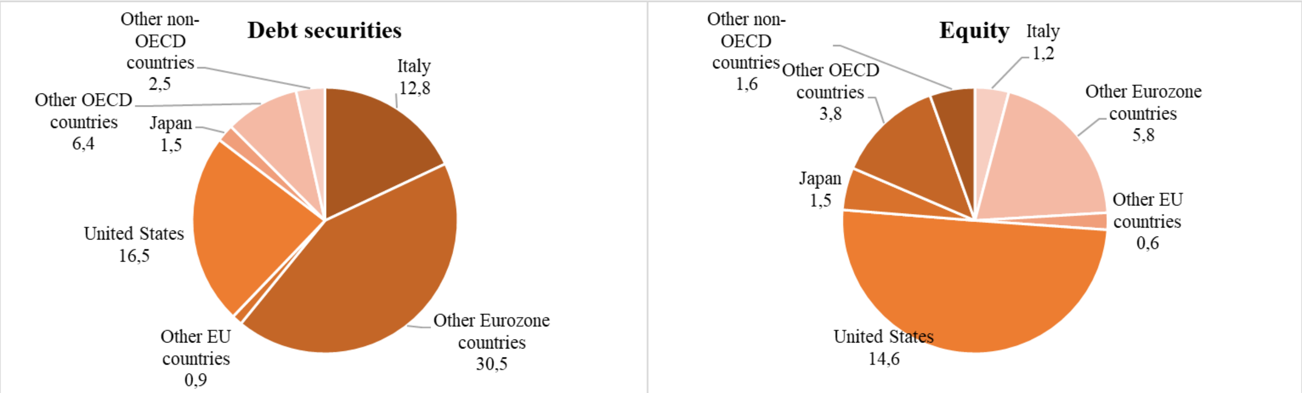
This increase was mainly due to greater exposure of these funds to debt securities from the rest of the Eurozone (+ 4%), partly offset again this year by the decline in Italian debt securities (-1.5%). As in 2021, the investments in securities issued by the European countries that do not adopt the single currency decreased (- 0.2%), while the share invested in debt securities issued by US and Japanese issuers went up (+1.2% and + 0.1% respectively). Instead, the share related to OECD countries remained unchanged, while that invested in securities issued by non-OECD countries fell by 0.3%.

As to the more geographically diversified equity investments, those issued by the U.S. accounted for 14.6% (-1.6% compared to 2021), followed the ones issued by EU countries, which accounted for 7.6% (down with respect to 2021, -1.4%). In the case of the latter type of investment, there was a slight increase in the shares issued by Italy-based companies (+0.1%), and a reduction in those issued by other Eurozone countries (-1.5%), although they remained the prevalent form of investment. Instead, the share invested in securities issued by residents in other non-OECD countries had a slight growth (0.2%).

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

	2021	2022					
	Total	**Guaranteed**	**Pure bond**	**Mixed bond**	**Balanced**	**Equity**	**Total**
Debt Securities	**67.9**	**95.8**	**100.0**	**70.8**	**67.7**	**41.1**	**71.0**
Italy	14.3	33.3	22.4	9.6	10.3	5.7	12.8
Other euro-area countries	26.5	50.5	47.3	34.2	23.9	18.0	30.5
Other EU countries	1.1	1.1	1.6	1.0	0.7	0.5	0.9
United States	15.3	5.7	19.0	15.6	20.4	10.8	16.5
Japan	1.4	0.8	0.6	0.6	2.5	0.6	1.5
Other OECD countries	6.5	4.0	7.9	7.5	6.3	4.4	6.4
Non-OECD countries	2.8	0.5	1.4	2.2	3.5	1.0	2.5
Equity	**32.1**	**4.2**	**-**	**29.2**	**32.3**	**58.9**	**29.0**
Italy	1.1	0.1	-	1.0	1.6	2.0	1.2
Other euro-area countries	7.3	1.0	-	6.2	6.0	12.5	5.8
Other EU countries	0.6	0.1	-	0.5	0.7	1.0	0.6
United States	16.2	2.0	-	14.3	16.5	29.9	14.6
Japan	1.6	0.2	-	1.4	1.7	2.9	1.5
Other OECD countries	3.9	0.7	-	3.9	4.2	6.9	3.8
Non-OECD countries	1.4	0.1	-	1.8	1.6	3.6	1.6
Total portfolio	**100**	**100**	**100**	**100**	**100**	**100**	**100**

Source: Report for the year 2022, COVIP. The table includes both securities held directly and those held through UCITs (so-called 'look through principle')

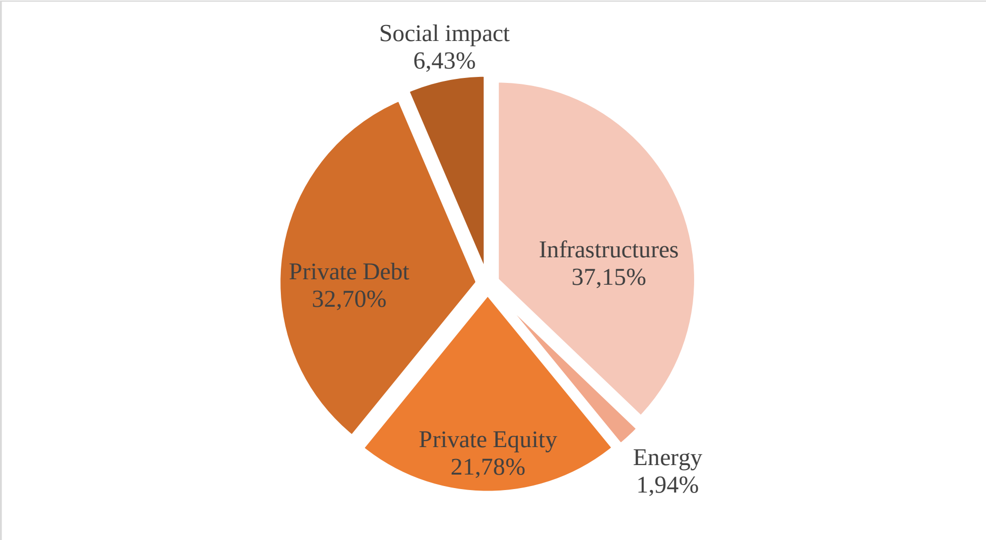


Management of occupational pension funds' assets - In line with the provisions under Legislative Decree no. 252/2005 and of Ministerial Decree no. 166/2014, the assets of these funds are almost entirely managed by outsourced professional entities, such as banks, securities investment companies (SIM), asset management companies (SGR) and insurance companies. However, in recent years, an increasing number of funds adopted the so-called ***direct management*** approach for part of their assets as provided for under Article 6(1) (d) and (e) of the aforementioned decree, underwriting or directly purchasing interests or shares of real-estate companies, or shares of mutual funds or closed real-estate funds. In 2022, their ***direct investments*** amounted to a total of approximately 380 million euros (300 million in 2021), a share of 0.6%[2] of all net assets allocated to benefits. These were mainly direct investments in alternative the investment funds illustrated in ***figure 5.6***: infrastructural funds accounted for 37% of the total, followed by private debt funds (about 33%), private equity funds

[2] In detail, 17 occupational pension funds make direct investments: Arco, Byblos, Concreto, Eurofer, Fonchim, Fondenergia, Fon.Te, Fopen, Laborfonds, Pegaso, Perseo Sirio, Prevaer, Prevedi, Previdenza Cooperativa, Previmoda, Priamo, Solidarietà Veneto.

(22%) and, for the rest, by social impact funds, which in this case specifically included social housing funds (about 6%). 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 by **Cassa Depositi e Prestiti**, which in 2022 collected a total of 220 million euros' worth of investments from ten occupational pension funds. It is important to recall that, as of June 2023, the Real Economy Project also includes "FOF Infrastrutture", the fund of funds devoted to the Italian infrastructural market managed by CDP Real Asset SGR.

Figure 5.6 - Types of AIFs directly purchased by occupational pension funds in 2022



Instead, with regard to ***mandated investments***, the main way in which these funds manage their assets, ***Figure 5.7*** confirms the high number of ***bond mandates,*** with 'pure' bond and balanced bond mandates accounting for 61.8% of the total (slightly down with respect to 62.3% in 2021). These two types of mandates accounted for over 76% of all the resources under management.

Figure 5.7 - Type of mandates by number in 2022

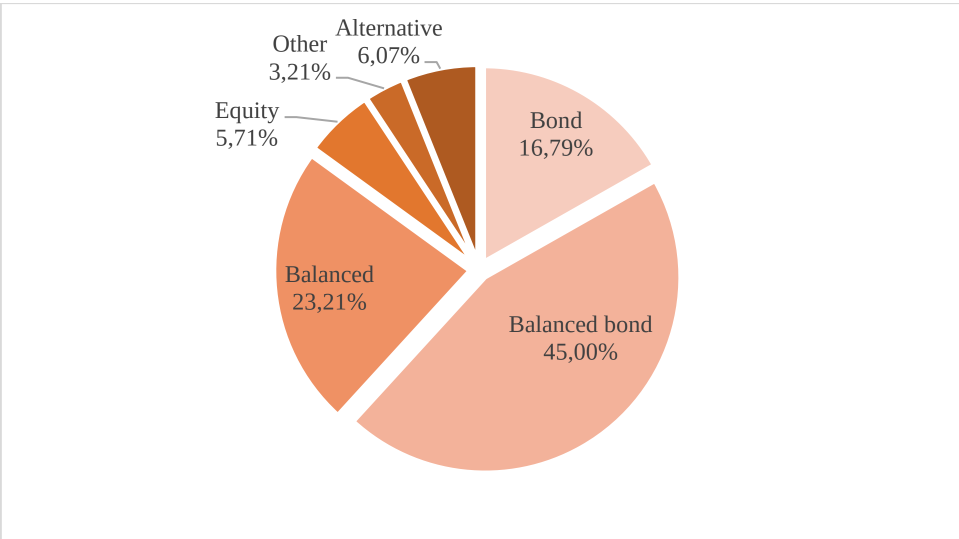


Figure 5.8 - Top 10 management companies of occupational pension funds by number of mandates in 2022

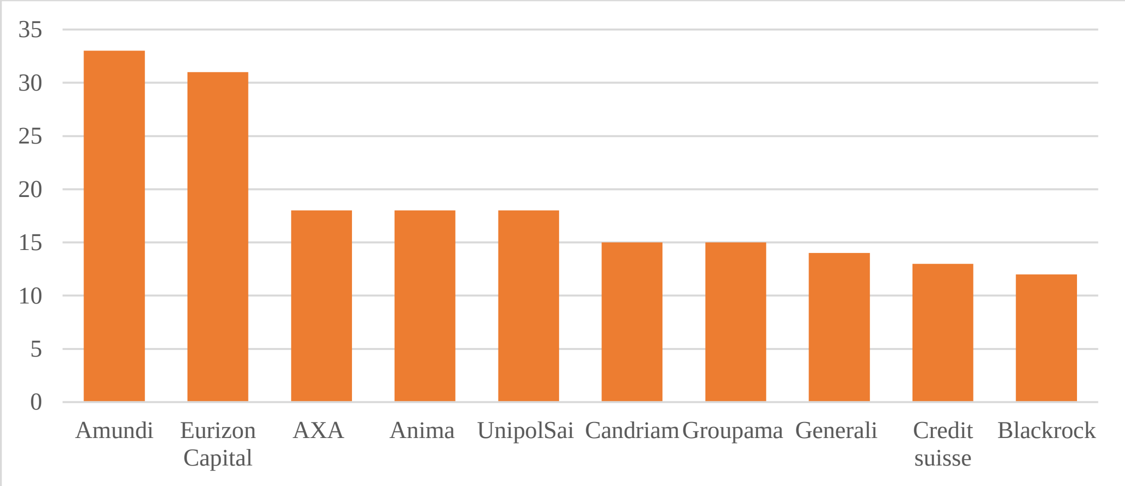


Figure 5.9 - Top 10 managers of Occupational Funds by assets under management in 2022 (millions of euros)

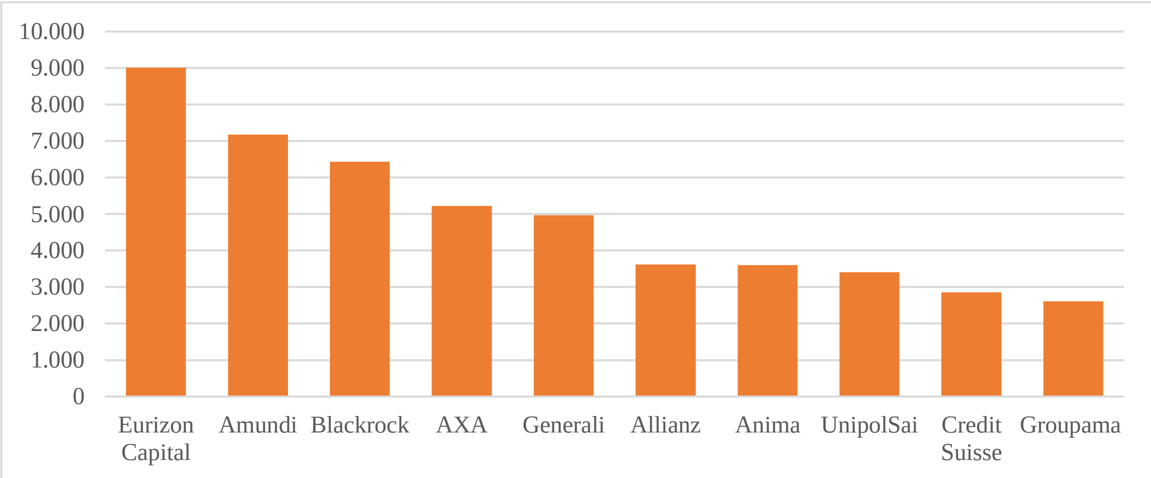


Table 5.6 shows the ranking of the top 10 management companies by ***assets under management***, accounting for around 80% of all mandated resources. Compared to 2021, Eurizon climbed to the first place for assets under management and to the second place for number of mandates, while Amundi rose to the second place for assets under management and to the first for number of mandates. Blackrock dropped to the third place by assets under management, followed by AXA and Generali. These top five management companies held around 50% of the market for occupational pension funds. As in 2021, the ranking by ***number of mandates*** featured Amundi and Eurizon in the first and second place (33 and 31 respectively) while AXA obtained the third position with 18 mandates, together with Anima and UnipolSai. As illustrated in ***Table 5.6***, the ***average mandate amounts*** varied significantly, with peaks of over 500 million euros for Blackrock, 365 million for Allianz and 355 million for Generali. The average amount per mandate was around 218 million.

Table 5.6 - Top 10 management companies of occupational pension funds in 2022

Management company	Number of mandates	AUM (mln of euros)	Average mandate (mln of euros)	Market share
Eurizon Capital	31	9,008	291	14.78%
Amundi	33	7,180	218	11.78%
Blackrock	12	6,431	536	10.55%
AXA	18	5,227	290	8.57%
Generali	14	4,971	355	8.15%
Allianz	10	3,621	362	5.94%
Anima	18	3,597	200	5.90%
UnipolSai	18	3,409	189	5.59%
Credit Suisse	13	2,852	219	4.68%
Groupama	15	2,613	174	4.29%

Management fees - Management fees have risen over the past few years; in 2022, they reached 0.17% of all assets under management compared to 0.15% in 2021 and 2020, to 0.12% in 2019 and to 0.11% in 2018; the most expensive mandates were again the guaranteed ones, with management fees rising to 0.49% with respect to 0.41% in 2020 and to 0.35% in 2019, also as a result of the progressive reduction of their availability; for the other types, the average fees ranged between 0.10 and 0.12%.

Performance - The **average yield** obtained by occupational pension funds in 2022 (***table 5.7***) was equal to **9.8%**, down sharply from 4.9% in 2021. All sub-funds had negative results: on average, the ones with the lowest amount of losses were pure bonds (-3.5%) and guaranteed bonds (-6.1%), while equity (-11.7%), balanced (-10.5%) and mixed bond (-10.3%) sub-funds were more significantly affected by negative financial market trends.

Table 5.7 - Net yields of occupational pension funds by sub-fund and as % from 2008 to 2022

Tipologia di comparto	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
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	-6,1
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	-3,5
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	-10,3
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	-10,5
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	-11,7
General yield	**-6,3**	**8,5**	**3**	**0,1**	**8,2**	**5,4**	**7,3**	**2,7**	**2,7**	**2,6**	**-2,5**	**7,2**	**3,1**	**4,9**	**-9,8**
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	8,3

Source: COVIP data processed by Itinerari Previdenziali

If the observation period (***table 5.8***) is extended, it is possible to see that the average annual compounded net yield of occupational pension funds becomes positive already after 5 years, with a value equal to 0.4%. Over the 10-year horizon, the yield is not only positive for all sub-funds, but it is also in line with the adjustment of termination of employment benefits (2.2% vs. 2.4%) and beats the other target parameters of inflation (1.4%) and the 5-year GDP average (0.8%). This trend is confirmed when analysing cumulative returns: 18.6% against 17.4% for termination of employment benefits at five years and 45% against 26.4% at ten years.

Table 5.8 - Average compounded and cumulative annual yields of occupational pension funds (%)

	Compounded annual yield			Cumulative yield		
	3 years	**5 years**	**10 years**	**3 years**	**5 years**	**10 years**
Occupational pension funds	d	0.4	2.2	13.5	18.6	45.1
TFR adjustment	4.3	3.3	2.4	13.5	17.4	26.4
Inflation	3.2	2.3	1.4	9.9	11.8	14.4
GDP five-year average	1.0	1.2	0.8	3.1	6.4	8.1

Source: COVIP data processed by Itinerari Previdenziali

Custodian Bank - Regulation 252/05 requires all Pension Funds to have a ***custodian bank***. The market is concentrated on four players: the first two, BFF Bank and BNP Paribas Securities Services, continue to have a market share of around 74% in terms of net assets allocated to benefits, followed by Societe Generale Securities Services with 16% and by State Street Bank with 10%.

Administrative service - Under the law, funds can use an ***administrative service***, a solution adopted by all funds. **Previnet** accounted for 77% of the administrative service market in terms of membership followed at a distance by Accenture Managed Services with 16%.

Advisors - Not all funds provide references for advisors, 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 were 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 assets under management and by number of mandates.

6. Pre-existing Pension Funds (FPP): activities, members, assets and managers

The progressive trend towards consolidation of pre-existing funds continued in 2022. This was the result of the rationalization of the banking and insurance sectors and the reorganisation of the pension schemes within these new banking/insurance groups, and of the further drive towards consolidation induced by the newly transposed IORP II Directive and its requirements related to the organisational structure of pension schemes with few members. In fact, in 2022, 13 pre-existing funds (11 autonomous and 2 in-house funds) were deleted from the Register (about 6% of the total). Their number of members and their amount of contributions continued to grow, but their assets under management had an overall negative result (-4.4%) caused by plummeting share and bond prices on the financial markets. This result was less negative with respect to that of occupational and open-ended pension funds (-10%, -12% on average), since 45% of the pre-existing funds' assets are mathematical reserves within insurance companies that are not affected by financial market fluctuations.

6.1 General Characteristics

Number of operational pre-existing funds - In 2022, pre-existing funds continued to merge and their number was slashed by 13 funds (their number was equal to 22 in 2021/2020, to 9 in 2020/2019, to 16 in 2019/18, to 8 in 2018/17 and to 35 in 2017/16), for a total number of **191**, of which **125** ***autonomous funds*** with a legal status (-11 vs 2021), and **66** created ***internally*** by banks (49 funds), insurance companies (6) and non-financial companies (121). Over the last decade, the number of pre-existing funds dropped by 170 compared to 361 in 2012 (-47%), mainly due to mergers and acquisitions in the banking and insurance sector, as already mentioned; 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, with the latter providing all the pension benefits calculated with the system 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. Obviously, these mergers allowed for economies of scale, for lower operating costs as well as for better management and services offered to their members as well as for higher internal organisational standards, as provided for under Ministerial Decree no. 108/2020 which transposed the above-mentioned Directive. Nevertheless, the number of pre-existing funds is still high: suffice it to say that 104 pre-existing funds (54.5% of the total) have assets lower than 25 million euros, 37 have less than 100 members and 33 have between 100 and 1,000.

Membership - At the end of 2022, the number of members registered with these funds was equal to **676,092**, an increase by 27,254 compared to 2021 due to 53,110 new registrations (4,128 coming from other funds), which offset the 23,607 redemptions and transfers to other funds; these positions were related to 647,564 members (620,195 in 2021). The high influx of new members was also generated by the initiative taken by a large fund to encourage members' dependents to join (42,000 in 2022). The percentage of ***members not paying their contributions*** was still ***much lower*** than that of the system as a whole, equal to 18.1% compared to a total of 27.6%. The non-paying subjects are often the so-called '***deferred***' members, i.e. those who have joined banks' solidarity funds with pending pension requirements under the compulsory system, 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 minor children with occasional payments. After the different rationalisation efforts, in-house funds, mainly defined-benefit schemes (61 funds out of the remaining 66) almost entirely catering for pensioners, suffered a further reduction in their number of members, down to 3,952, about 0.58% of the total; instead, autonomous funds featured 672,140 members, accounting for just over 99.41%. ***Table 6.1*** shows the historical evolution of pre-existing pension funds and their membership from 1999 to 2022; moreover, it highlights the steep reduction in the number of these funds by more than 69%, and the return of their membership to the 2008 level thanks to deferred and dependent subjects, and to the capitalization and partly guaranteed return investments by entitled members who had not yet taken their benefits.

Table 6.1 - Number of funds and their members from 1999 to 2022

Year	No. of Funds	Members	Year	No. of Funds	Members	Year	No. of Funds	Members
1999	618	573,256	2007	433	680,746	2015	304	645,612
2000	578	591,555	2008	411	676,994	2016	294	653,971
2001	575	687,482	2009	391	673,039	2017	259	643,341
2002	554	679,603	2010	375	668,625	2018	251	646,873
2003	510	671,474	2011	363	664,731	2019	235	650,566
2004	494	666,841	2012	361	662,162	2020	226	647,574
2005	455	657,117	2013	330	654,537	2021	204	648,370
2006	448	643,986	2014	323	645,371	2022	191	676,092

Since the resources of in-house funds are part of the assets of their sponsoring companies, without an independent management structure, and since their net assets allocated to benefits are really negligible (1.67%), only autonomous funds are considered in this Report.

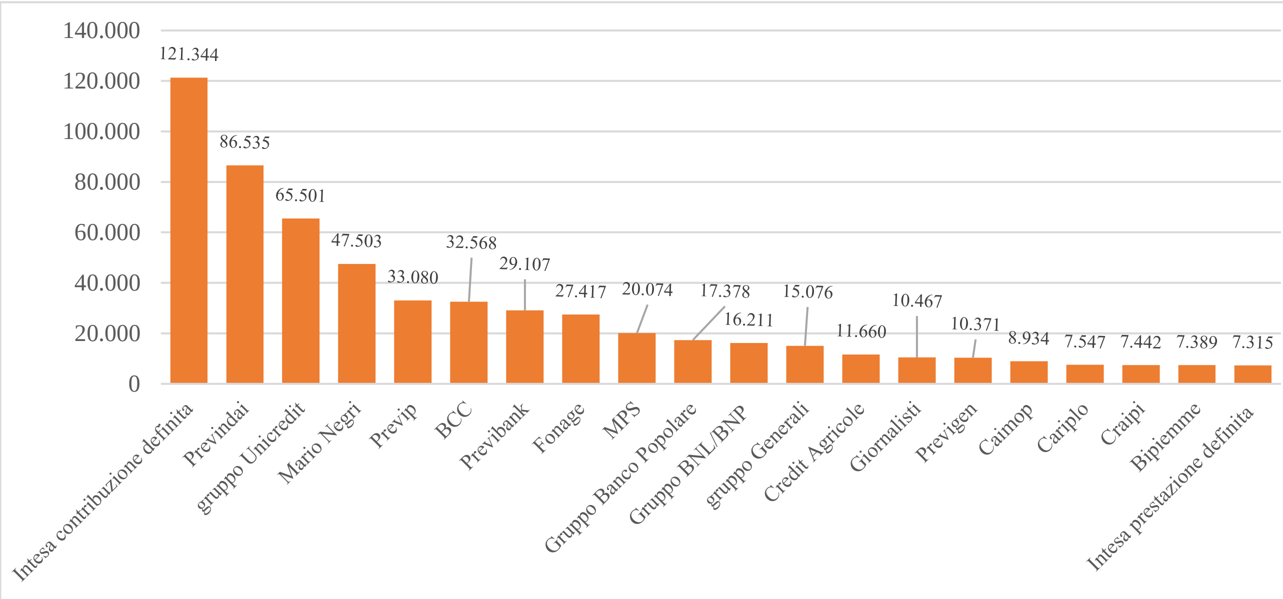
Therefore, this survey is related to 38 autonomous pre-existing pension funds, accounting for **94.09%** of total assets and for **98.25%** of all members**.** ***Figure 6.1*** shows the ***top* 20 *funds*** by number of members in the analysed sample, which accounted for **90.02%** of the total number of members of pre-existing funds and ***Table 6.2*** shows their ranking by membership growth in 2021 and in 2022.

Table 6.2 - Top 20 pre-existing funds by membership growth

N	Name of the Fund	Members 2022	Members 2021	Var.%	N	Name of the Fund	Members 2022	Members 2021	Var.%
1	Defined-contribution pension fund of the Intesa Sanpaolo Group (1)	121.344	79.163	53,28%	**11**	Fondo pensione del Gruppo Unipol	6.180	6.094	1,41%
2	Fonage pension fund	27.417	23.060	18,89%	**12**	Defined-benefit pension fund of the Intesa Sanpaolo Group	7.315	7.232	1,15%
3	FNM pension fund	5.915	5.391	9,72%	**13**	Credem pension fund	6.805	6.734	1,05%
4	Credit Agricole pension fund	11.660	10.878	7,19%	**14**	Pension fund of the Generali Group	15.076	14.921	1,04%
5	Mario Negri pension fund	47.503	44.769	6,11%	**15**	Supplementary pension fund of Banco di Sardegna	3.545	3.517	0,80%
6	Previbank pension fund	29.107	27.672	5,19%	**16**	Previndapi pension fund	3.982	3.953	0,73%
7	Previndai pension fund	86.535	83.979	3,04%	**17**	IBM pension fund	7.235	7.198	0,51%
8	Previgen pension fund	10.371	10.165	2,03%	**18**	Previp pension fund	33.080	32.923	0,48%
9	CISL pension fund	4.096	4.030	1,64%	**19**	Prev.int pension fund	3.455	3.444	0,32%
10	BCC pension fund	32.568	32.102	1,45%	**20**	Fopdire pension fund	1.523	1.523	0,00%
						Total	**464.712**	**408.748**	**13,69%**

Note (1): The Intesa Pension Fund incorporated the pension funds of UBI, Banca Popolare di Ancona, Gruppo UBI, Banca delle Marche and of B.R.E.Banca

Figure 6.1 - The top 20 pre-existing funds by number of members in 2022



<u>Assets</u> - In 2022, the net assets allocated to benefits of ***in-house funds*** only totalled 1.054 billion euros (down from 1.339 billion in 2021, from 1.445 billion in 2020 and from 1.581 billion in 2019, thus confirming the trend of previous years); instead, the resources of ***autonomous funds*** amounted to 63.284 billion euros (down by 4.54% compared to 66.297 billion in 2021), that is 98.36% of the total for all 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, or **81.73%** of the total (64.3 billion) of all these in-house and autonomous funds. The sample of the 38 funds surveyed in this Report accounted for **92.53%** of the total, with 59.6 billion euros' worth of assets.

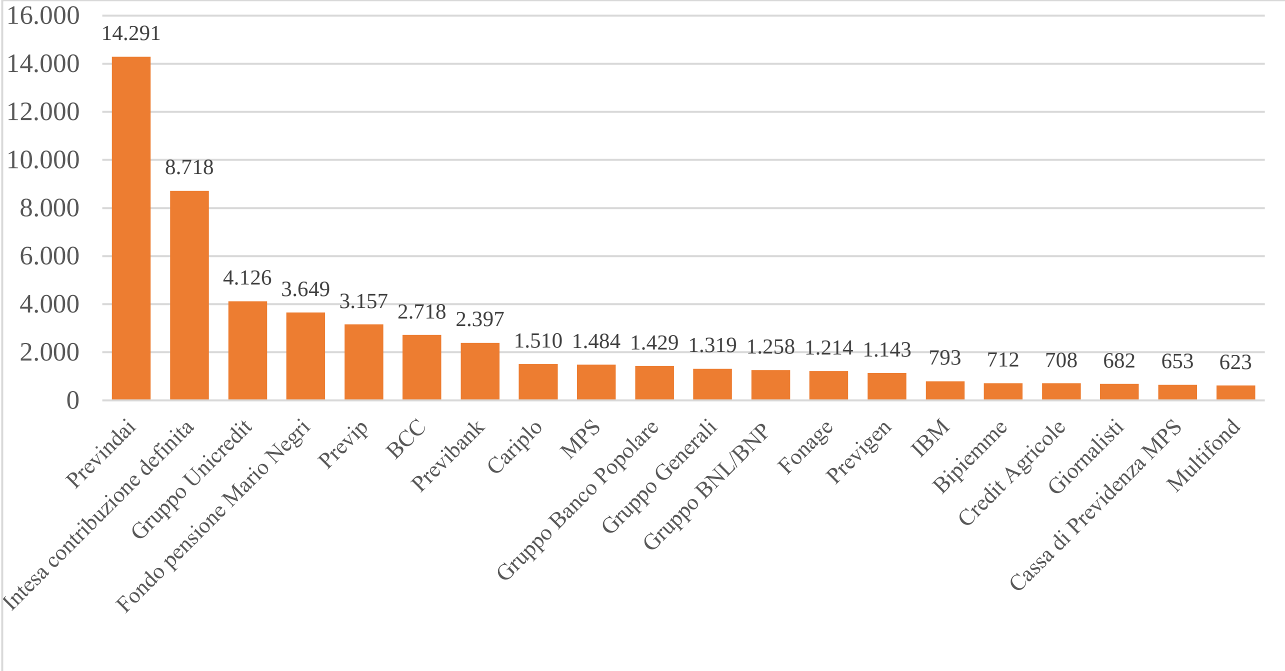
Table 6.3 – The top 20 pre-existing funds by asset growth rate

N	Name of the Fund	Assets 2022	Assets 2021	% var.	N	Name of the Fund	Assets 2022	Assets 2021	% var.
1	Defined-contribution pension fund of the Intesa Sanpaolo Group (1)	8,717,683,200	7,487,322,051	16.43%	**11**	Previndapi pension fund	336,506,987	333,327,573	0.95%
2	FNM pension fund	229,960,949	214,370,132	7.27%	**12**	Prev.int pension fund	421,809,264	418,037,524	0.90%
3	Credit Agricole pension fund	707,507,459	665,991,090	6.23%	**13**	Previndai pension fund	14,290,697,579	14,187,207,321	0.73%
4	Fonage pension fund	1,213,980,301	1,149,581,257	5.60%	**14**	IBM pension fund	792,592,710	790,819,498	0.22%
5	Fonsea pension fund	278,240,368	265,563,452	4.77%	**15**	Previbank pension fund	2,397,245,364	2,397,378,794	-0.01%
6	Pension fund of the Generali Group	1,318,813,852	1,265,634,927	4.20%	**16**	Mario Negri pension fund	3,649,289,327	3,654,155,484	-0.13%
7	Pension fund of the Unipol Group	462,482,086	445,053,205	3.92%	**17**	Previgen pension fund	1,142,906,201	1,153,627,420	-0.93%
8	CISL pension fund	137,697,962	133,879,060	2.85%	**18**	Supplementary pension fund of Banco di Sardegna	196,938,158	198,838,925	-0.96%
9	Pension fund of the Fondiaria-Sai Group	393,987,946	385,119,289	2.30%	**19**	Previp pension fund	3,157,338,599	3,198,741,624	-1.29%
10	Multifond	623,279,593	613,441,404	1.60%	**20**	Fopdire pension fund	518,526,214	534,720,259	-3.03%
						Total	**40,987,484,119**	**39,492,810,289**	**3.78%**

Note (1): Group incorporations

In 2022, 40% of these funds experienced a growth in their assets while the other 60% experienced a slump. For some funds, the increase in their assets under management can be partly ascribed to mergers (Intesa Group, Credit Agricole) while, for others, this was due to their significant share of sub-funds which had a positive performance. The remaining funds, whose members chose riskier sub-funds, were affected by the very negative performance of equity and bonds on the financial markets.

Figure 6.2 – The top 20 pre-existing funds by assets (millions of euros)



In 2022, the resources allocated to the benefits of pre-existing funds decreased by about 3.298 billion compared to 2021, ***down to* 64.3 *billion euros (Table 6.*4*);*** but ***they still exceeded those of occupational pension funds by about* 3.2 *billion euros***, despite the lower growth in their membership (+ 4.4%) with respect to the 3.70 million members of occupational pension funds, a number on a steady rise (+9.9%) mainly due to collective contractual agreements. This gap became wider in 2022, because the members of these funds were mostly employed with banks, insurance companies and multinationals with generally higher salaries, but especially because the insurance sub-funds managed to partly sterilise the financial market losses. In 2022, ***the average per capita contributions*** paid by the members of the pre-existing funds were equal to **7,730 *euros*** while those paid by members of occupational pension funds were equal to **2,120** (**3,220** net of the contractual ones, especially Prevedi, the construction industry pension fund).

Table 6.4 - Net assets allocated to benefits of pre-existing funds from 1999 to 2022

Year	Assets	Year	Assets	Year	Assets
	millions		*millions*		*Millions*
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	**2022**	64,338

During the period 1999 - 2022, the total assets of pre-existing funds (net assets allocated to benefits) grew at an average annual rate of **5.24%,** while last year, ***they decreased by* 4.88%.** The reduction by 3.3 billion euros compared to the 1.6 billion increase in 2021 was the result of about 4.1 billion euros' worth of contributions against 4.95 billion euros' worth of net transfers. The negative balance was caused by the poor performance of their assets under management, with a negative average annual rate of return of -4.4% compared to + 4.1% in 2021; this rate of return refers to all resources, including those allocated to benefits consisting of mathematical reserves with insurance companies.

Turning to ***benefits***, the number of advance benefits rose again from 29,000 to 37,482 for a value of 768 million euros, 8,000 more than in 2021 (732 million). This increase was largely due to the increase in advances for "further requirements", accounting for 82% of all advances granted; a further 17% is represented by advances to buy or restructure primary homes, while the number of ***redemptions*** remained stable, rising from 11,375 in 2021 to 11,026, 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 Benefits" (the so-called RITA) featured again a robust growth, with 23,500 beneficiaries (18,500 in 2021); in 77% of cases, members managed to get their entire accrued amount, for a total amount paid out of 1.5 billion euros (1.1 billion in 2021). This clearly shows that they preferred to take the whole capital with them thanks to highly favourable tax rates and to avoid annuities.

Yields - Over the last 10 years, the average annual compound return on assets was equal to **2.47%,** compared to an average annual adjustment for termination of employment benefits of 2.43% (***Table 6.5)***.

Table 6.5 – Yields of pre-existing funds as %

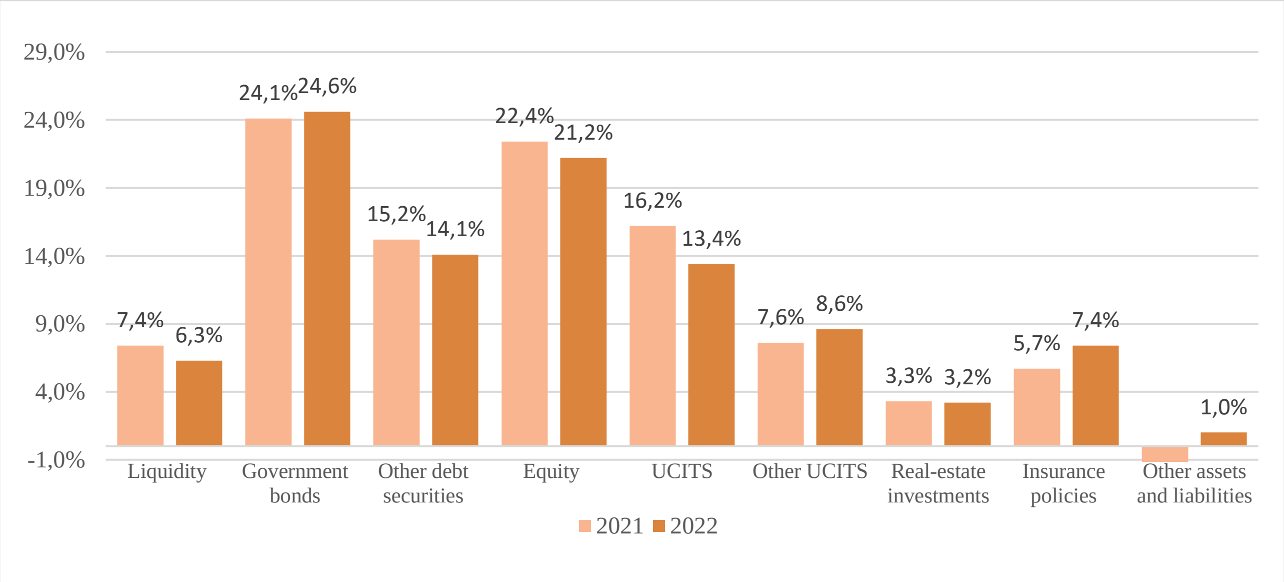
Year	Yield	TFR adjustment
2013	3.90%	1.70%
2014	5.00%	1.30%
2015	2.00%	1.20%
2016	3.30%	1.50%
2017	3.20%	1.70%
2018	-0.20%	1.90%
2019	5.60%	1.50%
2020	2.60%	1.85%
2021	4.10%	3.60%
2022	-4.40%	8.30%

In 2022, the annual return was - 4.4% compared to 9.8% of occupational pension funds due to the high share of investments in "separate insurance portfolios".

6.2 Asset Management

Management companies and approaches - The resources of the autonomous pre-existing funds were divided as follows: **45.07%** (43.13% in 2021) of ***insurance companies' mathematical reserves*** equal to 28.52 billion euros, **40.16%** (41.58% in 2021) entrusted to ***professional financial managers,*** and the remaining **14.78%** (15.30% in 2021***) managed directly.*** Compared to 2021, there was an increase in the share of insurance companies' reserves, and a marked decrease in the share of resources under management or directly managed. However, more than half of the assets directly managed (54.5%) was invested in UCITS, hence with a "semi-direct" management approach. Without considering the insurance companies' reserves, the ***portfolio of investments*** (***figure 6.3***) was divided as follows: 38.7% allocated to debt securities (24.6% of which to government bonds), 21.2% to equity, 22% to UCITS (4.4% of which to real estate funds), 3.2% to real estate and equity investments in real estate companies, 7.4% to financial insurance policies and 6.3% to liquidity. In 2022, there was a slight decrease in both debt and equity securities, a substantial stability in real estate investments, and a growth in insurance policies (+1.7%).

Figure 6.3 - Investments of pre-existing funds as% in 2021 and in 2022



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

In 2022, the assets of the 38 funds surveyed in this Report decreased by an average of 3.73% (59.5 billion euros compared to 61.9 billion in 2021), 1.15% less than the assets of all pre-existing funds. ***figures 6.4*** and ***6.5*** show that the share of the ***resources managed directly*** amounted to **38.439 *billion euros,*** of which **27.945 *billion euros'*** worth of insurance policies, mainly class I or class V (separate management lines), equal to **63.5%** of the total allocated to benefits, while **23.611 billion** (36.5%) were entrusted to professional management companies with stable types of investments.

Figure 6.4 – Management of investments of pre-existing funds in 2021 and in 2022

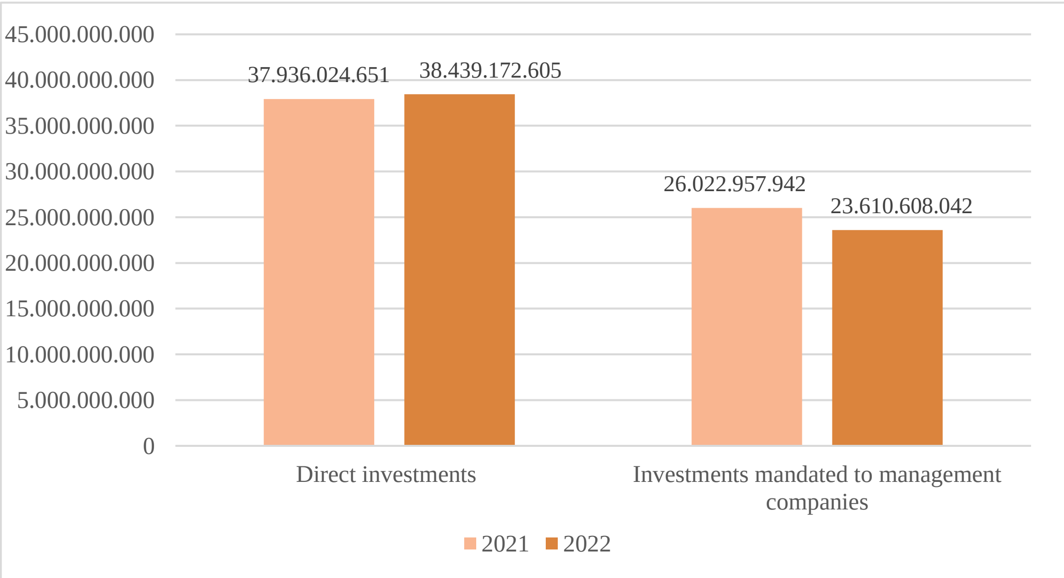
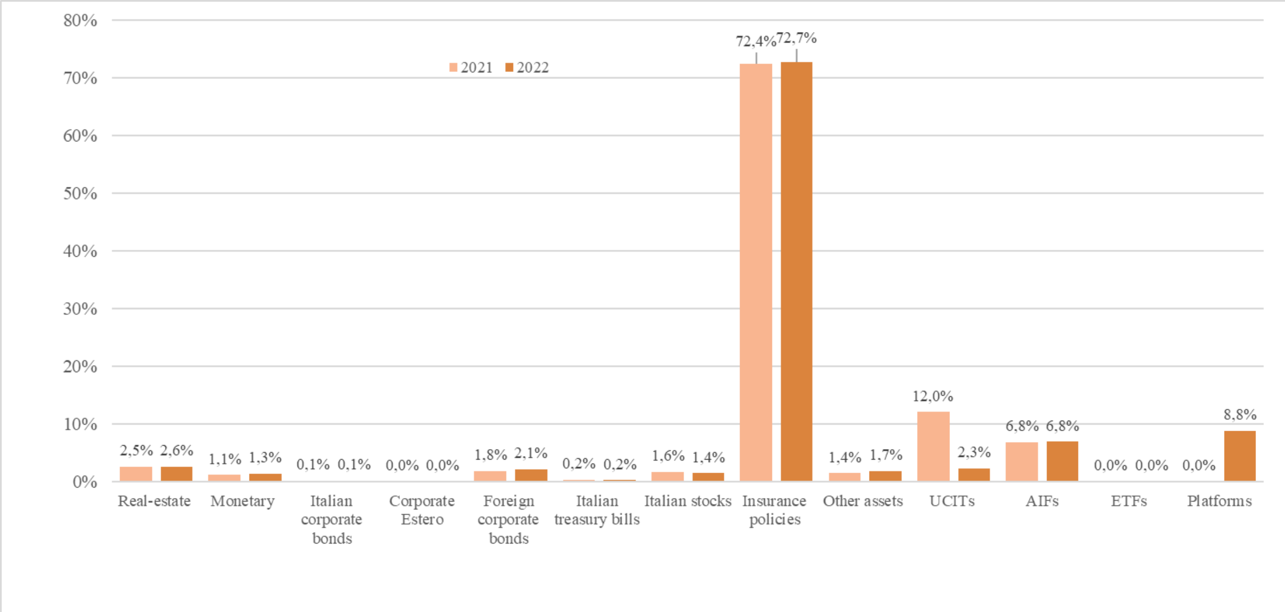
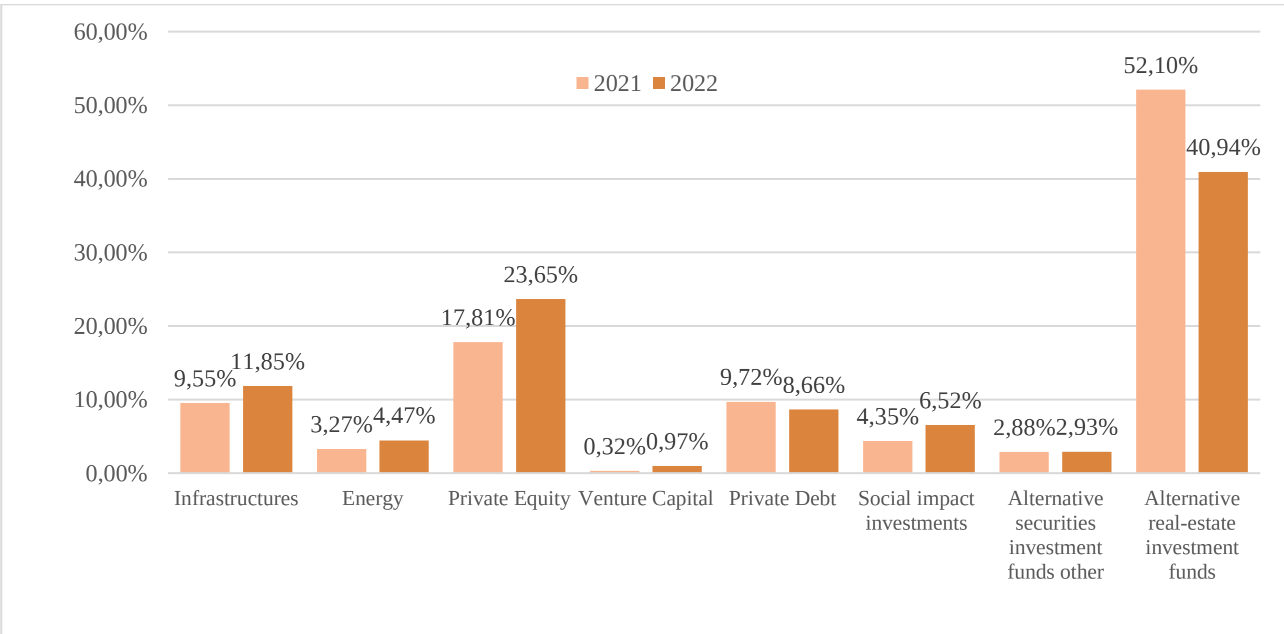


Figure 6.5 - Direct Investments of pre-existing funds in 2021 and in 2022



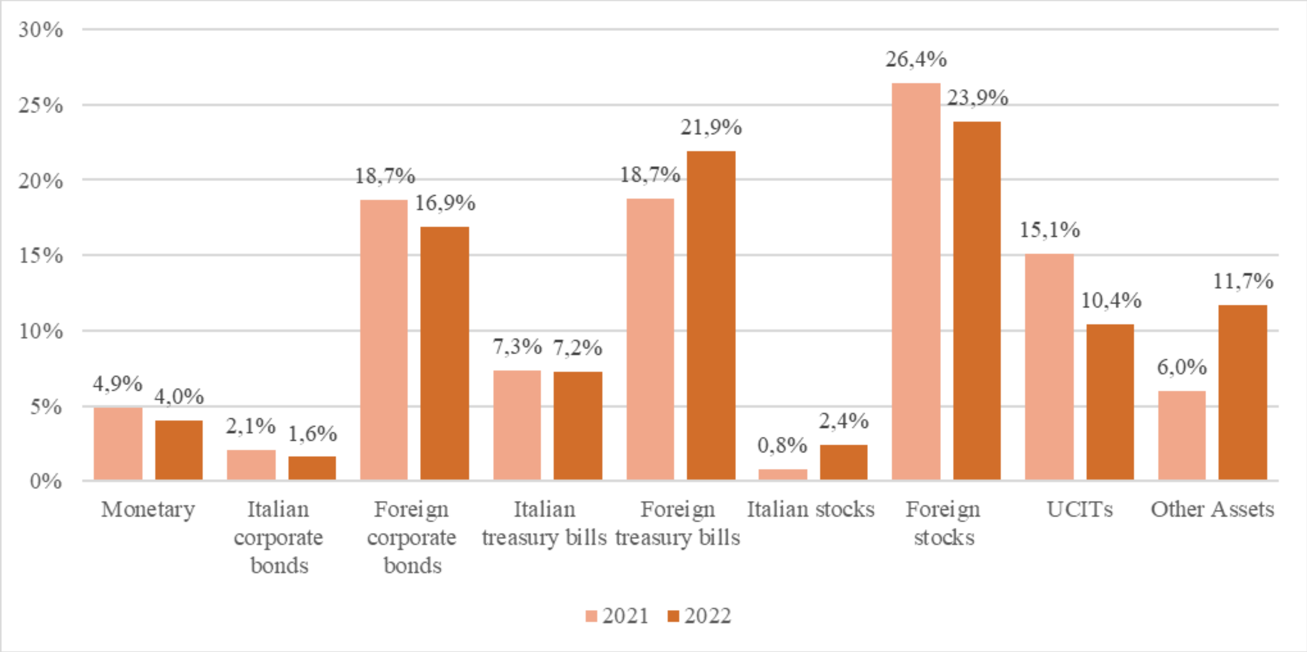
It should be noted that, in the reclassification adopted in this edition of the Report, we have separated from UCITs the investments made by pre-existing funds through dedicated SICAVs under Luxembourg law, for a total amount of approximately 3.36 billion euros. And so, this reclassification explains the UCITS decline shown in Figure 6.5. As to AIFs ***(Figure 6.6***), the largest investments were made in real estate funds, even if steadily declining from 70.8% in 2019 to 56.3% in 2020, to 52.10% in 2021 and to 40.94% in 2022, followed by private equity fund investments, which continued to grow from 17.81% in 2021 to 23.65% in 2022, by infrastructural investments, which rose from 9.6% in 2021 to 11.85% in 2022, and by private debt investments (- 8.66% from 9.72% in 2021); the other ones remained essentially stable.

Figure 6.6 - AIFs acquired by pre-existing funds in 2021 and in 2022



As to the *__resources mandated to management companies__* (indirect investments), there was a general decline in the amount of investments in 2022 compared to 2021, which can be ascribed to the negative bond and equity performance on the financial markets. The only exceptions were foreign government bonds, which rose from 18.7% to 21.3%, and Italian equities which went up from 0.8% to 2.3% (***Figure 6.7***).

Figure 6.7 - Investments under management of pre-existing funds in 2021 and in 2022



<u>**The domestic real economy**</u> – In 2022, the investments in the ***domestic real economy*** accounted for **5.17%** of assets (vs. 4.70% in 2021) for a value of approximately 3.08 billion euros (2.97 billion in 2021). Based on the definition adopted in this Report, government bonds, that account for a large part of these funds' assets, and directly-held real estate assets are not considered as investments in the real economy. This share, although not high, continued to rise compared to 2021 and mainly featured 0.70% of corporate bonds for a value of 416 million euros, 1.85% of stocks for a total of 1.10 billion and 2.62% of AIFs (real estate, infrastructural and social impact funds) for a value of about 1.56 billion. If investments under management and direct investments are considered separately, their respective percentages are 1.58% and 3.59%. The modest 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 private debt investments, many institutional investors and their advisors prefer managers who are more capitalised and have a better track record, thus hampering the growth of these markets in Italy. The tax incentives introduced to encourage long-term investments in the domestic 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, looking at the amount rather than at the percentage of assets under management, the share invested in Italy was equal to 942 million euros against 9.6 billion invested in foreign securities, while for direct UCITs investments, the share invested in Italy reached 659 million (see COVIP report) as against 3.6 billion invested abroad. The investments in the Italian real economy increased up to 9.40% if government securities are included, which accounted for 7.06% of the asset under management and for 2.13% of direct investments; in turn, direct investments featured a significant share of separate insurance management schemes equal to 27.94 billion out of a total of 38.44 billion (72.70%) and the details of which are not known. In absolute values, management companies invested 1.7 billion in Italian government bonds and 5.2 billion in foreign

securities, while pre-existing funds directly invested 804 million in Italian government bonds and 77.86 million in foreign securities.

Management companies

Direct management - A large share of the assets ***directly managed*** by pre-existing funds was invested in instruments such as UCITS and AIFs; a residual share was invested in ETFs for an amount equal to about 1.3 million euros and was managed by a single fund. ***Table 6.6*** shows the ranking of the top five 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 2022

Management company	Total
Fondaco	957,437,919
Effepilux Sicav	646,691,099
State Street	475,014,593
Credit Suisse	278,618,349
Blackrock	232,33,250

It should be noted that the Unicredit Group Pension Fund and the BNL/BNP Paribas Group Pension Fund set up a SICAV fund under Luxembourg law, organised in sub-funds in which this fund itself is the sole investor. At the same time, they created a strategic committee to directly decide on the investments to be made.

Table 6.7 shows the ranking of the top five companies managing AIFs (alternative investment funds) ***directly*** acquired by pre-existing pension funds; it features the entry of Azimut and the growing amounts managed by BNP Paribas, but also the diminishing assets managed by Generali Real Estate and Prelios.

Table 6.7 – The top 5 AIF management companies of pre-existing funds by direct investments in 2022

Management company	Total
Effepilux SIF SICAV FIA	551,655,246
Generali Real Estate sgr	320,261,038
BNP Paribas Real Estate	263,311,268
Prelios	164,719,162
Azimut	144,643,115

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 in terms of number of mandates and assets under management. As to the ***number of mandates***, the situation remained fairly stable in the top positions compared to 2021, with double-digit results for Eurizon, Amundi, Anima, Candriam and Azimut. As to ***assets under management***, the ranking shows the top four positions, with Eurizon in the leading position, followed by Amundi, Axa and by Anima, all together accounting for 43.31% of the market. Finally, only the top 4 management companies had assets under management above 1.5 billion euros, and all the others experienced a reduction in their assets under management, with the exception of Eurizon.

Table 6.8 – The top 10 management companies by assets under management and by number of mandates chosen by pre-existing funds in 2022

Management company	Number of mandates	AUM	Average mandate	Market share
Eurizon Capital	32	4,926,039,465	153,938,733	19.56%
Amundi	21	2,710,565,827	129,074,563	10.76%
Anima Sgr	17	1,630,292,952	95,899,585	6.47%
Candriam AM	16	1,439,078,875	89,942,430	5.71%
Azimut	12	997,623,352	83,135,279	3.96%
AXA IM	7	1,643,591,402	234,798,772	6.52%
PIMCO Europe	7	1,468,826,742	209,832,392	5.83%
UnipolSai Assicurazioni S.p.A	7	1,073,894,308	153,413,473	4.26%
Vontobel Europe SA	7	674,880,383	96,411,483	2.68%
Pictet & CIE	6	1,396,696,386	232,782,731	5.54%

Figure 6.8 – The top 10 management companies of pre-existing funds by number of mandates in 2022

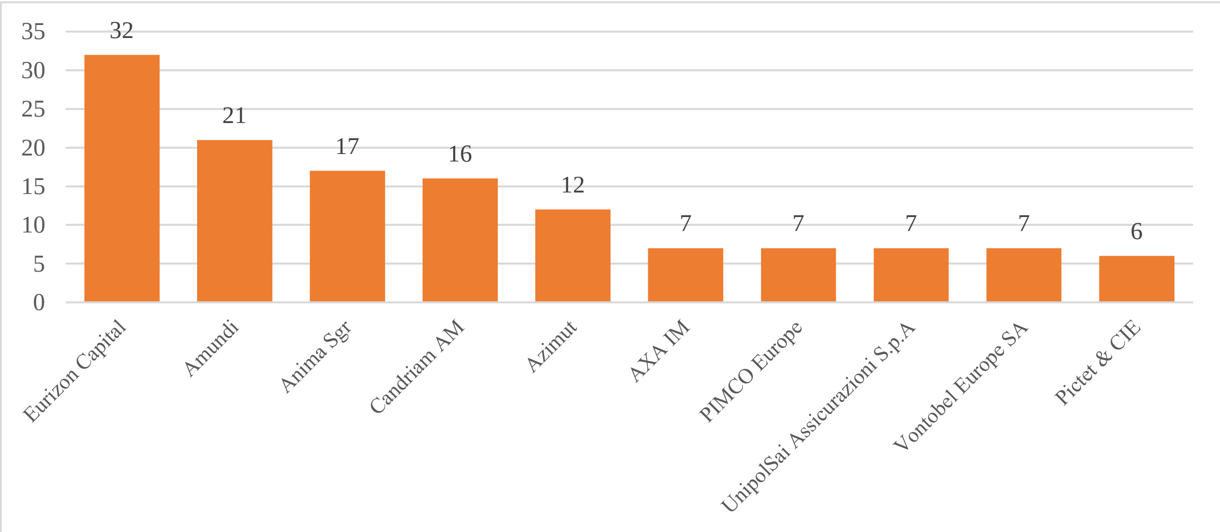
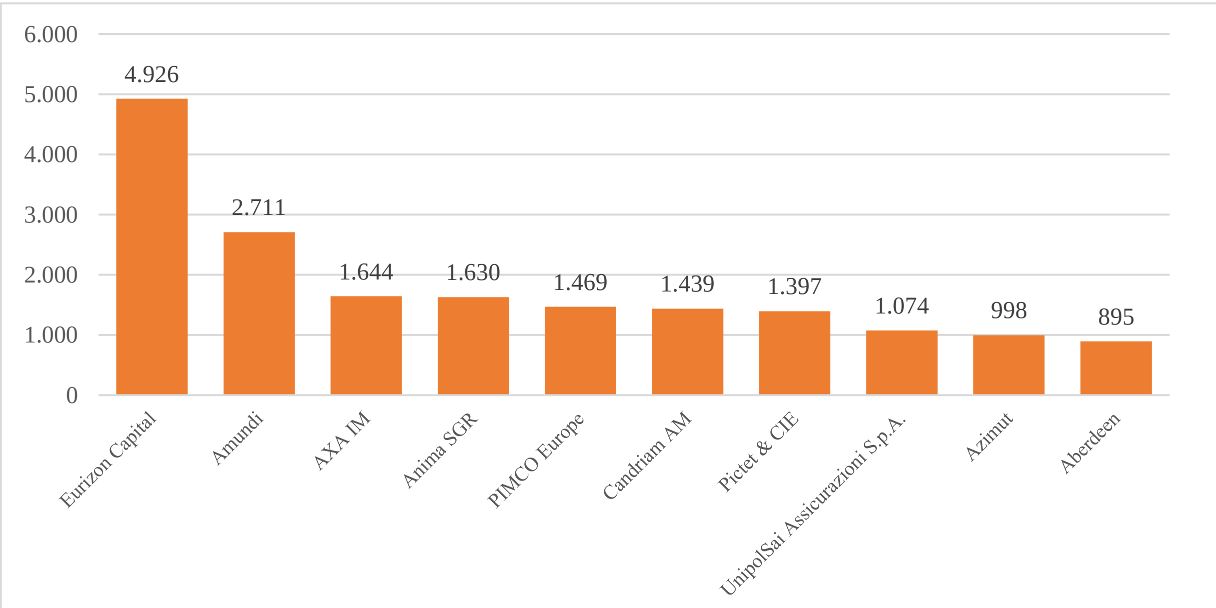


Figure 6.9 – The 10 top management companies of pre-existing funds by assets under management in 2022



Eurizon leads the ranking by ***market share*** in terms of assets under management with 19.56%, followed by ***Amundi*** with 10.76% and by AXA with 6.52%. The ***average mandate*** was worth about **130 *million*** compared to 156 in 2021, with peaks of 313 million for Generali investment, of 302 million for Fidelity and of 235 for AXA, all with a limited number of mandates (1 Generali and Fidelity, and 7 AXA up from 6 in 2021). 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 27.9 billion euros' worth of assets under management, as many as 25.3 (90.70%) 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 2022

Management company	AUM	Market share
Generali Italia s.p.a.	11,507,89,392	41.18%
UnipolSai Assicurazioni S.p.A.	6,955,191,701	24.89%
Allianz società per azioni	6,884,627,948	24.64%
Reale Mutua Assicurazioni	610,089,906	2.18%
Intesa Sanpaolo Vita	564,575,708	2.02%
Fideuram Vita S.p.A.	515,390,961	1.84%
UniCredit Allianz Vita S.p.A.	223,457,863	0.80%
Crédit Agricole Assicurazioni S.p.A.	220,505,625	0.79%
Credemassicurazioni S.p.A.	138,567,626	0.50%
BNP Paribas Cardif Vita compagnia di assicurazione e riassicurazione s.p.a.	128,943,229	0.46%
Zurich Investments life S.p.A.	108,186,392	0.39%
Cattolica previdenza life S.p.A.	57,057,899	0.20%
Helvetia Italia Assicurazioni S.p.A	12,380,705	0.04%
Popolare Vita S.p.A	10,002,821	0.04%
AXA assicurazioni S.p.A	8,510,873	0.03%
Total	**27,944,878,649**	**100.00%**

The analysis so far shows that, in 2022, the search for good returns was often frustrated by the financial crisis, which even led to a reduction in the assets of these funds invested in financial instruments. However, the members of these funds remained very keen on low-risk investments even if with lower yields. In 2022, there were **3 *guaranteed mandates*** (through financial and non-insurance management mandates) equal to-584 million, **43 *balanced mandates*** for 7.9 billion, **77 *specialized bond and balanced-bond mandates*** for **9.4** billion, **48 *equity mandates*** for **5.16** billion (slightly up) and **6 *flexible*** ones.

Custodian Bank – Under Legislative Decree no. 252/05, 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; however, the top three market participants hold almost 90% of the market: BNP Paribas Securities Services with 42.86%, BFF Bank with 32.14% and State Street Bank with 14.29%.

Administrative Service - The 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 59.38% of these funds, followed by OneWelf with 18.75%, by Accenture Managed Service with 9.438%, and by Parametrica Pension Fund with 6.25%. The remaining players 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 specialisation 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 29.73%, Bruni, Marino & C. with 16.22%, Mangusta Risk with 16.22%, Link and others including 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

In 2022, Banking Foundations continued their broad commitment to fulfilling their institutional mission of promoting social and economic development. On the one hand, this commitment was evident in their ability to provide an unchanged flow of disbursements despite the negative trend in asset management, and, on the other, in the activities of two major national programmes, a positive example of public-private partnership: the Fund to fight child educational poverty and the newly created Fund for the Digital Republic.

Therefore, banking foundations are among the most important Italian institutional investors; this is due not only to their capitalization, heavily affected by their efforts to support the Italian banking system[1] in the midst of the crisis, but also to their welfare policies to support their communities, but as well as the Italian economy.

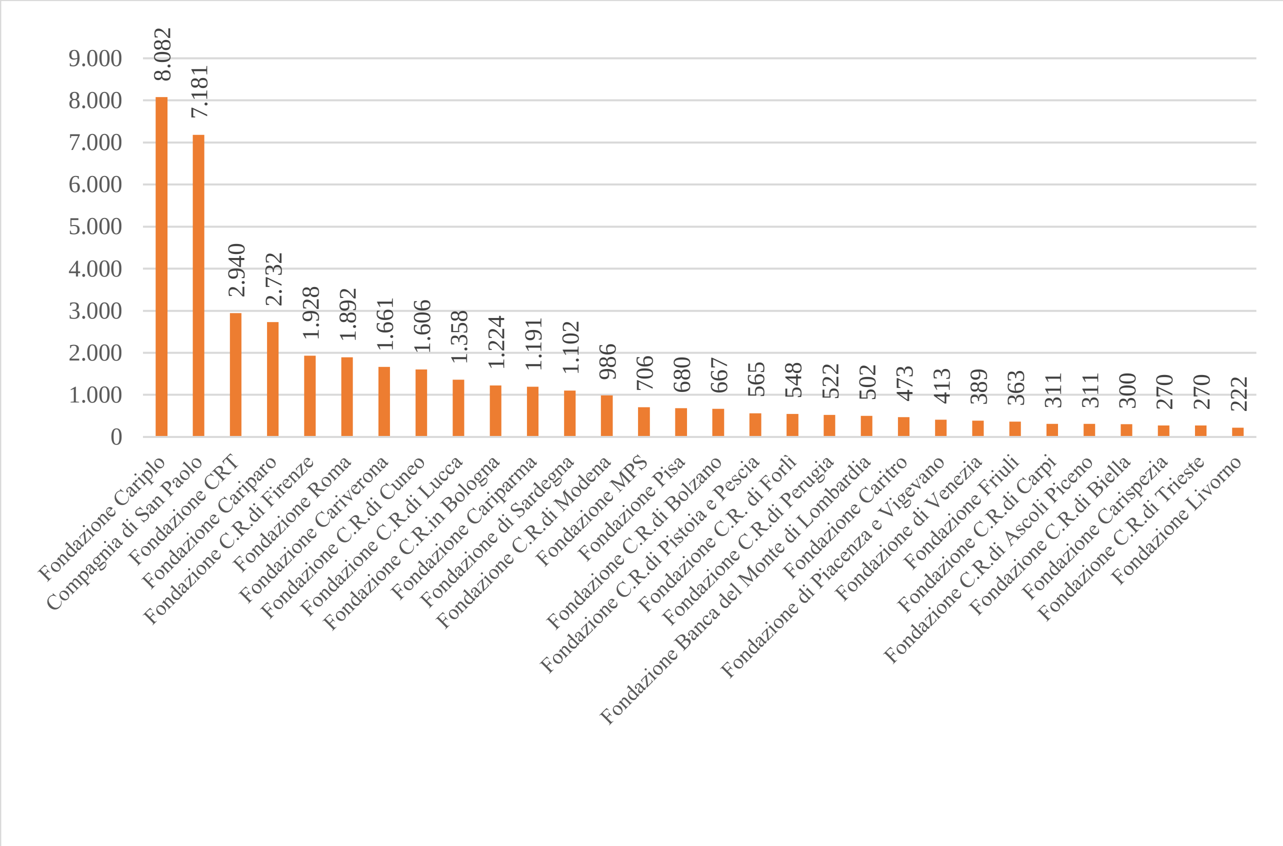
The ***net book equity*** of the **86 *banking foundations*** increased from 40.25 billion euros in 2021 to **40.57 billion** in 2022. Their ***total assets*** rose from 59.5 billion in 2010 to 47.6 billion in 2022 (+0.5% compared to 2021). However, it is necessary to consider the significant amount of disbursements in excess of **26 billion** between 2000 and 2022 and the aforementioned efforts to support the banking system in a period in which transferee banks experienced a drastic fall in their value prices, greater volatility rise and zero dividends; this figure is estimated to exceed 74 billion by adding disbursements to assets, and even much more considering their support to banks.

Following the long pandemic crisis, the year 2022 was beset by geopolitical tensions arising from the Russia-Ukraine war. Despite the strong volatility experienced on the financial markets as a result of these major events, the banking foundations closed the year with positive results: the average return on assets was **3.5%** (compared to 5.7% in 2021, 3.6% in 2020 and 6.5% in 2019).

This tenth edition of the Report analyses ***the top* 30 *banking foundations*** by "***total assets***", 17 of which are classified by Acri (Association of Banking Foundations) as large, 12 as medium-large and one as medium. The Foundations analysed accounted for **87% *of all the assets*** managed by these institutions, broken down as shown in ***figure 7.1***.

[1] Banking Foundations pursue their institutional mission by directly allocating part of their assets to welfare policies for their communities and also to 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).

Figure 7.1 - The top 30 banking foundations by total assets (millions of euros)



Management approaches and management companies

A significant share of the assets of banking foundations was invested directly in their reference ***transferee*** bank, i.e. the banks to which they belonged before the Ciampi Law of 2000; however, following the 2015 Memorandum[2], the percentage of the total had been steadily decreasing, down to 24.46% by 2022 in our sample of 30 foundations; at the end of 2022, transferee banks accounted for 22.8% for all the 86 banking Foundations.

In addition to institutional investments, these foundations directly invested a share of their assets in financial instruments (debt securities, equity, investment funds, etc.), real estate, works of art and other forms of investment. The breakdown of investments by macro-areas is shown in ***figure 7.2,*** with 28% of their assets allocated to institutional investments, transferee banks, Cassa Depositi e Prestiti and Fondazione con il Sud, that is around 0.9% of assets under management and 71% of direct investments.

[2] Under the Memorandum voluntarily signed by banking foundations and 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 exceeded 33% (calculated at 'fair value') (including one to which the derogations for foundations in special statute regions were applied).

Figure 7.2 - Breakdown of the assets of the 30 foundations surveyed

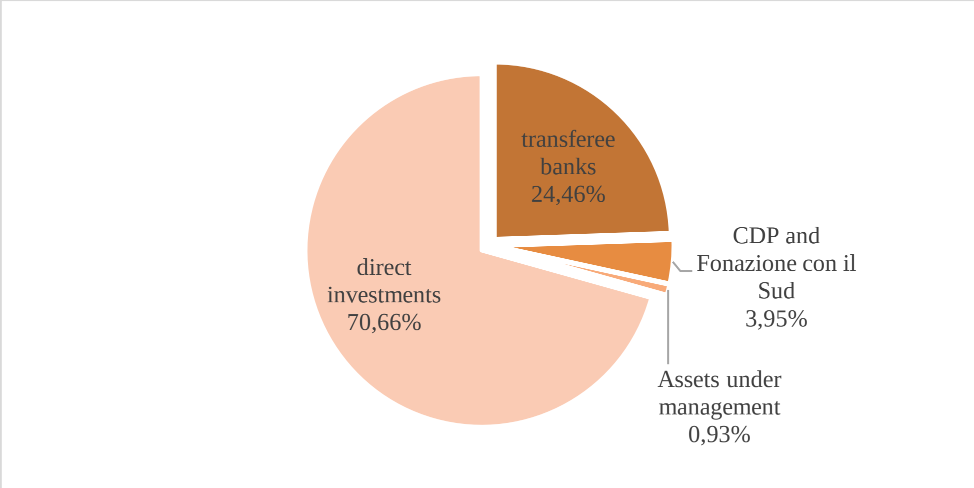


Table 7.2 shows the banking foundations' share of their assets invested in their transferee banks, CDP and Fondazione per il Sud. The share of the allocations to transferee banks as percentage of total assets decreased with respect to 36% in 2014 as a result of disposals, of the adjustment of the carrying price to market values, and of the decision not to participation in capital increases of their transferee bank. Investments in Cassa Depositi e Prestiti and in Fondazione con il Sud featured a slight variation, linked to exchanges of shares between foundations; investments in transferee banks and in Cassa Depositi e Prestiti were the main core of their strategic investments and played a significant role on the income statement in terms of distribution of substantial dividends.

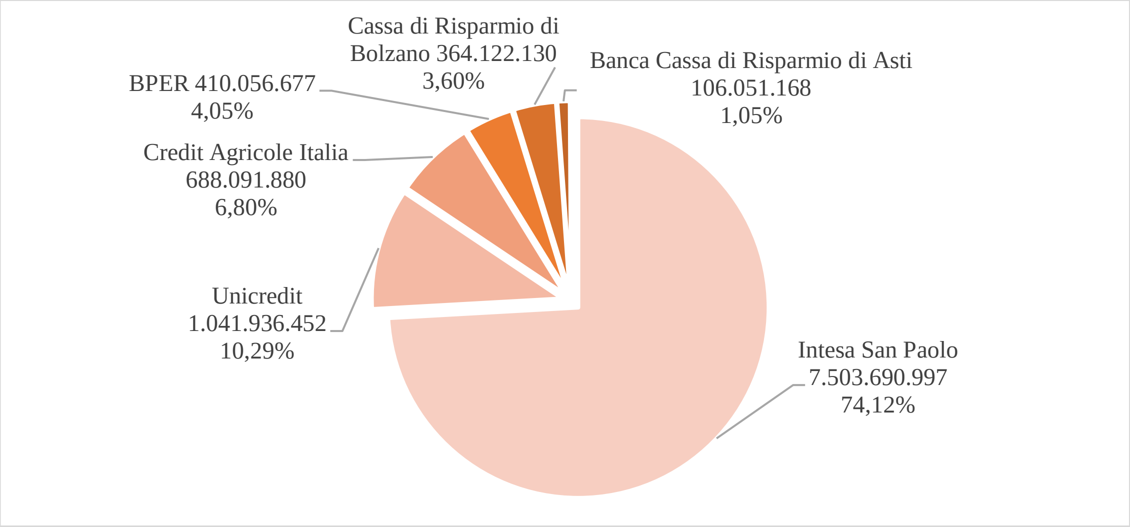
Table 7.1 - Types of institutional investments

Foundation	Total assets in 2022	Transferee Bank	Transferee bank as % of total assets	Institutional investments in CDP	As % of total assets	Institutional investments in Fondazione con il Sud	Total assets
Fondazione Cariplo	8.081.745.446	2.127.471.531	26,32%	169.570.312	2,10%	34.406.811	0,43%
Compagnia di San Paolo	7.180.943.578	2.700.119.249	37,60%	176.797.249	2,46%	29.395.556	0,41%
Fondazione Cassa di Risparmio di Torino	2.939.837.205	588.119.184	20,01%	156.564.790	5,33%	0	0,00%
Fondazione CR di Padova e Rovigo	2.731.751.119	703.235.655	25,74%	62.620.539	2,29%	11.355.290	0,42%
Fondazione Cassa di Risparmio di Firenze	1.928.422.983	576.400.723	29,89%	62.853.778	3,26%	0	0,00%
Fondazione Roma	1.891.523.338	83.916.902	4,44%	0	0,00%	5.523.002	0,29%
Fon CR di Verona, Vicenza, Belluno e Ancona	1.661.434.992	163.793.700	9,86%	0	0,00%	0	0,00%
Fondazione Cassa di Risparmio di Cuneo	1.605.727.303	372.968.950	23,23%	78.237.178	4,87%	6.424.571	0,40%
Fondazione Cassa di Risparmio di Lucca	1.357.957.760	111.383.487	8,20%	87.449.100	6,44%	4.436.682	0,33%
Fondazione Cassa di Risparmio in Bologna	1.224.160.712	324.531.725	26,51%	0	0,00%	6.656.666	0,54%
Fondazione Cariparma	1.190.707.549	669.775.033	56,25%	72.495.474	6,09%	0	0,00%
Fondazione di Sardegna	1.102.493.673	410.056.677	37,19%	161.950.335	14,69%	1.840.409	0,17%
Fondazione Cassa di Risparmio di Modena	985.979.543	30.453.819	3,09%	20.731.529	2,10%	6.117.757	0,62%
Fondazione Monte dei Paschi di Siena	705.506.111	10.112.047	1,43%	7.102.473	1,01%	34.694.721	4,92%
Fondazione Pisa	680.301.989	0	0,00%	0	0,00%	0	0,00%
Fondazione Cassa di Risparmio di Bolzano	666.667.944	364.122.130	54,62%	14.429.732	2,16%	2.125.190	0,32%
Fondazione Cassa di Risparmio di Pistoia e Pescia	565.124.947	10.437.982	1,85%	34.423.879	6,09%	1.705.158	0,30%
Fondazione Cassa dei Risparmi di Forlì	547.790.191	91.527.688	16,71%	46.611.931	8,51%	2.021.650	0,37%
Fondazione Cassa di Risparmio di Perugia	521.516.656	18.329.384	3,51%	62.788.855	12,04%	1.018.201	0,20%
Fondazione Banca del Monte di Lombardia	502.447.066	143.118.418	28,48%	43.649.657	8,69%	0	0,00%
Fondazione CR Trento e Rovereto	472.553.159	0	0,00%	39.771.820	8,42%	1.112.336	0,24%
Fondazione di Piacenza e Vigevano	413.391.005	79.703.042	19,28%	64.169.589	15,52%	1.688.913	0,41%
Fondazione di Venezia	389.398.221	64.424.036	16,54%	43.568.646	11,19%	1.426.659	0,37%
Fondazione Friuli	363.300.129	101.636.165	27,98%	12.731.868	3,50%	406.879	0,11%
Fondazione Cassa di Risparmio di Carpi	310.941.682	11.171.107	3,59%	8.721.550	2,80%	0	0,00%
Fondazione CR Ascoli Piceno	310.832.381	0	0,00%	0	0,00%	695.824	0,22%
Fondazione Cassa di Risparmio di Biella	300.237.617	106.051.168	35,32%	8.725.313	2,91%	1.178.134	0,39%
Fondazione Carispezia	270.059.629	115.049.193	42,60%	12.053.771	4,46%	0	0,00%
Fondazione Cassa di Risparmio di Trieste	269.872.008	146.152.356	54,16%	27.367.229	10,14%	0	0,00%
Fondazione Livorno	221.930.296	0	0,00%	5.620.359	2,53%	561.373	0,25%
Totale Attivo	**41.394.556.232**	**10.124.061.351**	**24,46%**	**1.481.006.956**	**3,58%**	**154.791.781**	**0,37%**

Figure 7.2 shows the breakdown of the 26 banking foundations' investments in their transferee banks in terms of amounts invested and as a share of the total (out of the total of the 30 foundations

examined). The share of these investments grew from 24.46% to 25.50%, accounting for 90% of all the assets invested by the 86 banking foundations in their transferee banks.

Figure 7.3 - Holdings of the 30 foundations surveyed in their transferee banks



The management of direct investments, accounting for **70.66%** of all the assets, that is for a significant share for these foundations, changed in the years following the 2008 crisis; in fact, unlike other institutional investors, the banking foundations do not have new inflows, members, and membership fees and can only rely on their own assets and on their proceeds from dividends, interests and performance.

Therefore, their investment strategies and policies are mainly designed to protect and enhance the real value of their portfolio over time 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 due to the long period of low returns on bond investments caused by market uncertainty and volatility, to the sharp reduction in their dividends, exacerbated in 2020 by the consequences of the pandemic and in 2022 by the geopolitical tensions triggered by Russia's war against Ukraine. So, banking foundations, starting with the large ones, started reducing their overall risks 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, specialized management companies, risk management, and with an overall view of their portfolio and specific hedging instruments; moreover, they worked to streamline their administrative procedures, reduce their operating costs and optimize their tax profile.

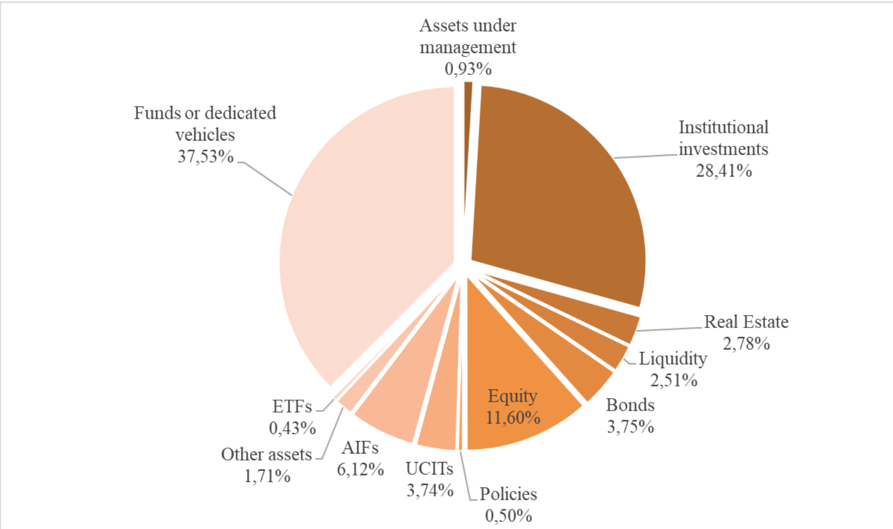
As already highlighted in past editions of the Report, banking foundations continued to use ***dedicated platforms*** and ***sub-funds (table 7.8)***. These are SICAV UCITS funds or sub-funds, but more often SIFs (Financial Intermediation Companies), qualified as alternative funds under Luxembourg law, independent containers with dedicated investment objectives, even for individual foundations, where to allocate part or all of their non-strategic investments (transferee banks, CDP, Italian equity) or investments in specialized closed funds. Out of the ***30 foundations, 22 used dedicated platforms*** or ***funds,*** accounting for about **53%** of direct investments.

Table 7.3 shows the high degree of diversification of the banking foundations' direct investments, which amounted to **29.25** billion euros in 2022, of which 1.15 billion in real estate and 28.1 billion in financial investments (i.e. not mandated to asset management companies). Of these investments, 19.72 billion euros were allocated to collective management products (UCITS, ETFs and AIFs, including dedicated funds and vehicles). Government bonds accounted for 1.6% of the total, of which Italian government bonds for 1.23% and foreign government bonds for 0.38%.

Table 7.2 - Direct and indirect investments in 2022

Foundation	Real estate	Liquidity	Bonds	Equity	Policies	Direct UCITS investments	Direct AIF investments	ETFs	Other assets	Funds and dedicated vehicles	Management perimeter
Compagnia di San Paolo	45.336.436	124.186.084	500.000	365.340.184	0	39.809.904	123.079.898	0	100.674.144	3.435.334.000	40.370.874
Fondazione Banca del Monte di Lombardia	25.775.883	13.099.238	8.000.000	174.947.063	0	40.754.958	4.486.392	0	4.986.753	0	43.628.704
Fondazione Cariparma	22.939.132	7.241.493	171.244.388	96.141.009	0	36.500.000	51.357.864	24.980.249	38.032.907	0	0
Fondazione Carispezia	13.797.449	3.862.481	0	48.394.519	0	0	12.859.318	0	2.053.856	61.989.042	0
Fondazione CR di Forlì	15.898.108	3.495.022	2.173.541	81.015.953	0	747.847	46.372.943	0	5.790.786	252.134.722	0
Fondazione CR di Ascoli Piceno	24.214.171	3.843.813	0	176.503.685	0	0	8.973.624	0	3.789.828	0	92.811.436
Fondazione CR di Biella	29.472.844	677.526	16.798.611	82.592.627	15.258.128	2.502.848	20.248.737	0	3.185.754	0	13.545.927
Fondazione CR di Bolzano	81.003.167	3.046.717	64.500.000	23.046.464	41.269.662	37.280.657	18.300.123	12.377.222	5.166.880	0	0
Fondazione CR di Carpi	26.209.587	93.412.614	34.376.529	90.858.268	19.404.920	3.842.859	10.804.666	501.304	2.241.791	0	9.396.487
Fondazione CR di Cuneo	27.219.831	69.303.436	139.693.313	366.542.447	68.638.257	80.758.069	107.047.556	4.359.297	43.457.144	241.077.254	0
Fondazione CR di Firenze	130.672.357	25.482.688	42.720.575	28.571.772	5.377.700	20.954.851	169.438.421	0	66.175.541	731.826.755	67.947.822
Fondazione CR di Lucca	89.745.000	32.417.591	15.693.380	304.985.223	0	132.794.422	246.166.212	11.749.300	26.597.484	239.847.773	54.692.106
Fondazione CR di Modena	39.850.203	50.326.702	5.723.250	274.621.118	0	0	47.969.330	13.001.530	18.974.305	478.210.000	0
Fondazione CR di Padova e Rovigo	0	141.106.121	0	87.016.687	0	853.780.000	845.340.000	0	23.771.748	0	3.525.079
Fondazione CR di Perugia	26.953.963	25.266.436	0	19.446.671	257.636	0	6.964.896	0	23.883.747	320.921.957	15.684.911
Fondazione CR di Pistoia e Pescia	29.311.562	75.832.765	161.768.570	127.349.719	10.000.000	952.691	15.670.809	58.612.272	15.183.823	23.219.871	655.847
Fondazione CR di Torino	1.339.557	48.838.567	497.918.101	1.262.730.872	0	0	155.408.460	29.322.017	26.334.702	173.260.955	0
Fondazione CR di Trento e Rovereto	15.242.672	31.338.651	41.025.273	105.439.004	5.575.466	19.800.000	2.140.248	23.561.249	14.033.867	173.512.573	0
Fondazione CR di Trieste	33.945.217	28.694.340	17.652.245	471.068	0	7.300.148	2.312.798	1.296.061	4.680.546	0	0
Fondazione CR di Verona, Vicenza Belluno e Ancona	136.622.070	71.731.080	59.483.833	49.946.069	0	0	104.654.904	0	38.084.912	1.011.525.971	25.592.453
Fondazione CR in Bologna	22.926.571	9.713.335	5.991.956	203.289.083	0	0	31.957.567	0	40.530.293	578.563.516	0
Fondazione Cariplo	34.042.462	25.110.942	6.145.473	372.257.733	0	0	353.384.401	0	94.022.008	4.865.333.773	0
Fondazione di Piacenza e Vigevano	21.092.472	9.744.849	16.493.536	19.351.824	25.901.981	10.000.000	4.445.165	0	5.754.853	140.565.929	14.478.852
Fondazione di Sardegna	21.464.906	53.762.349	17.802.250	75.349.947	0	42.496.474	81.604.812	0	17.086.568	216.406.687	2.672.259
Fondazione di Venezia	15.917.441	12.432.131	0	106.716.456	0	0	2.402.875	0	12.376.872	130.133.105	0
Fondazione Friuli	902.829	23.745.991	11.234.853	17.257.522	8.905.315	4.813.345	15.402.966	0	8.082.282	158.180.114	0
Fondazione Livorno	17.445.993	7.562.296	21.159.459	40.218.760	4.704.349	22.273.642	21.930.024	0	5.394.041	75.060.000	0
Fondazione Monte dei Paschi di Siena	35.114.719	20.881.327	35.146.875	113.807.456	0	14.156.586	12.296.254	0	11.144.313	411.049.340	0
Fondazione Pisa	26.008.329	19.086.653	157.625.191	85.878.573	0	98.067.131	2.312.326	0	21.104.665	270.219.121	0
Fondazione Roma	138.690.791	4.183.388	0	2.154.628	0	76.937.819	6.262.952	0	27.261.214	1.546.592.642	0
Total	**1.149.155.722**	**1.039.426.626**	**1.550.871.202**	**4.802.242.403**	**205.293.414**	**1.546.524.251**	**2.531.596.541**	**179.760.501**	**709.857.627**	**15.534.965.100**	**385.002.757**
as a % of total assets	**2,78%**	**2,51%**	**3,75%**	**11,60%**	**0,50%**	**3,74%**	**6,12%**	**0,43%**	**1,71%**	**37,53%**	**0,93%**

Figure 7.4 - Investments as a percentage of total assets



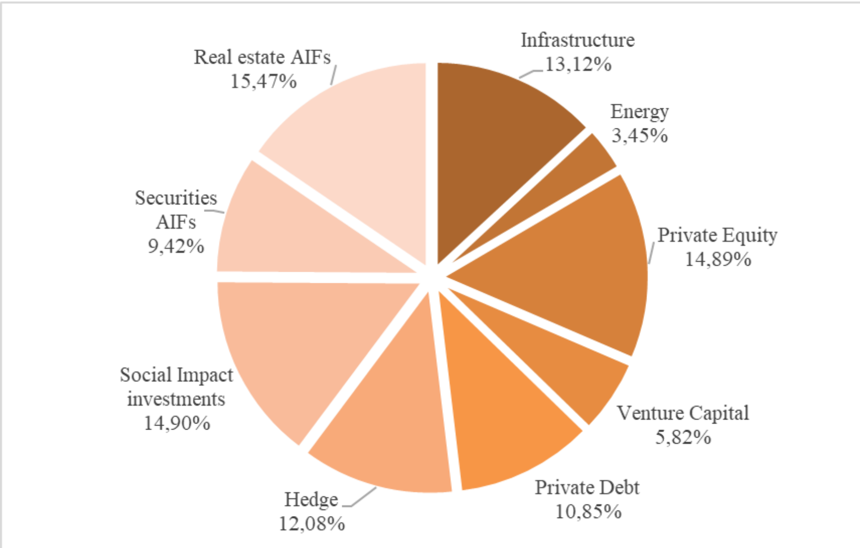
The level of direct investment diversification of the 30 Foundations was very high with 178 (159 in 2021) ***management companies*** selected to provide different financial instruments: 62 managing UCITS, 15 ETFs, 117 AIFs (several companies managed several instruments). It is important to mention not only the considerable amount of their alternative investments (compared to other institutional investors), but also their significant number of management companies (117): mainly private equity companies (51), followed by private debt (25) and venture capital (24) companies and investors in infrastructures and renewable energies, 10 traditional social impact fund and alternative fund management companies. ***Alternative instruments*** increased from 2.44 billion euros in 2021 to 2.53 billion in 2022, net of the investments in dedicated funds or vehicles, mostly **SIF** platforms**.** There was a significant growth in social impact investments (health housing, social housing, regeneration programmes, etc.), accounting for almost 15% of all AIF investments (***Table 7.4***).

Table 7.3 - Breakdown of AIFs of banking foundations in 2021 and in 2022

Type	2022	%	2021	%
Infrastructures	332,095,351	13.12%	272,158,725	11.13%
Energy	87,319,873	3.45%	87,664,439	3.59%
Private Equity	376,919,557	14.89%	307,445,484	12.58%
Venture Capital	147,360,457	5.82%	123,357,097	5.05%
Private Debt	274,758,538	10.85%	235,945,139	9.65%
Hedge	305,696,875	12.08%	272,241,286	11.14%
Social impact investments	377,320,521	14.90%	352,471,324	14.42%
Securities AIFs	238,467,865	9.42%	367,375,527	15.03%
Real-estate AIFs	391,657,504	15.47%	425,643,791	17.41%
Total	**2,531,596,541**	**100.00%**	**2,444,304,832**	**100.00%**

Note: the 2021 figures have been recalculated excluding investments in dedicated funds and vehicles (platforms)

Figure 7.5 – AIFs of banking foundations in 2022



UCITS direct investments, net of the investments in funds and dedicated vehicles, rose from 1.39 billion euros in 2021 to 1.55 billion in 2022. In ***Table 7.5,*** UCITs are broken down by type, showing, over the past few years, a gradual reduction in the share of balanced, bond and pure equity funds in favour of more flexible and broader spectrum instruments, such as multi-asset funds (included in the 'other' category). All UCITS were managed by 62 different companies with considerable differentiation and specialisation.

Table 7.4 - Types and amounts of UCITS investments of banking foundations in 2021 and in 2022

UCITS	2022	%	2021	%
Bond	545,139,068	35.25%	455,674,853	32.72%
Balanced	58,366,984	3.77%	56,820,156	4.08%
Equity	694,555,445	44.91%	685,164,523	49.20%
Other	248,462,754	16.07%	194,896,294	14.00%
Total	**1,546,657,356**	**100.00%**	**1,392,555,826**	**100.00%**

Note: the 2021 figures have been recalculated excluding investments in dedicated funds and vehicles (platforms)

Table 7.6 shows the top five management companies by assets under management (UCITS, ETFs and AIFs, including platforms), which together accounted for 80% of the total. The first three positions in the ranking were occupied by the major platform management companies: Quaestio Capital Management, Fondaco and Eurizon, followed by Amundi in the fourth place with a great jump forward and by Azimut in the fifth**.**

Table 7.5 – The top 5 management companies by assets under management

Management company	Total	As % of the total
Fondaco sgr	6,276,380,378	34.75%
Quaestio Capital Management Sgr	5,754,464,144	31.86%
Eurizon Capital	1,403,268,018	7.77%
Amundi	753,999,499	4.17%
Azimut	402,796,459	2.23%
TOTAL for the top 5 management companies	**14,590,908,498**	**80.79%**

In 2022, the assets under management of the 37 foundations surveyed amounted to 825 million euros, accounting for 1.7% of all the assets of the 86 Foundations. With reference to the sample analysed, ***Table 7.7*** shows the figures under the accounting heading "*financial instruments mandated to individual asset management companies*" as provided for by the industry regulations: the share of the assets under management continued to drop from 1.07% in 2021 to 0.93% with respect to the total for the 30 foundations examined in 2022; 13 foundations entrusted their assets to **20** management companies with 33 mandates (three of which for yield enhancement on a single security); below is the list of the top five management companies by number of mandates.

Table 7.6 – The top 5 management companies by number of mandates

Management company	Assets under management	as %	No. of mandates
Credit Suisse	58,390,327	15.19%	3
Fideuram	51,748,390	13.47%	2
Eurizon capital	51,345,370	13.36%	4
Fondaco	43,895,953	11.42%	2
Banca Generali	28,723,648	7.47%	2
Total for the top 5 management companies	**234,103,688**	**60.92%**	**13**

Platforms – In recent years, platforms have been chosen by banking foundations to manage their resources, first by large foundations and then smaller ones; platforms allow for economies of scale and for accounting and operating advantages. The total number of platforms used by the 22 Foundations (out of the 30 examined) accounted for 44.25% of total assets, with 5 Foundations for over 50% (***Table 7.8***). 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 and 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. As a reminder, the first dedicated platforms (or dedicated funds) began operating in the early 2000s (first with the GEO fund, later to become Polaris, then with Quaestio and Fondaco). In a context of low bond yields and high equity volatility, these instruments allowed these foundations to obtain 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 them to customize their sub funds for ***limited investments*** with ***their own name***, thus making it possible to create sub-fund ***advisory committees***, with the participation of their advisors;

furthermore, through SIFs, these foundations were able to ***allocate their illiquid investments*** and their AIFs and to invest in a broader universe of instruments (commodities, hedge, currencies).

Table 7.7 - Investment platforms of banking foundations in 2022

Fondation	Resources invested in Piattaforms/Dedicated Funds	Total assets	Share of Platforms vs. total assets	Management Company
Fondazione Roma	1,546,592,642	1,891,523,338	81.76%	Fondaco
Fondazione C.R. Perugia	320,921,957	521,516,656	61.54%	Fondaco
Fondazione Cariverona	1,011,525,971	1,661,434,992	60.88%	Vari
Fondazione Cariplo	4,865,333,773	8,081,745,446	60.20%	Quaestio
Fondazione Monte Paschi di Siena	411,049,340	705,506,111	58.26%	Quaestio
Fondazione C.R. Modena	478,210,000	985,979,543	48.50%	Eurizon/Vari
Compagnia di San Paolo	3,435,334,000	7,180,943,578	47.84%	Fondaco
Fondazione C.R. Bologna	578,563,516	1,224,160,712	47.26%	Eurizon
Fondazione C.R. Forlì	252,134,722	547,790,191	46.03%	Quaestio/Fondaco
Fondazione Friuli	158,180,114	363,300,129	43.54%	Quaestio
Fondazione Pisa	270,219,121	680,301,989	39.72%	Vari
Fondazione C.R. Firenze	731,826,755	1,928,422,983	37.95%	Eurizon
Fondazione C.R. Trento e Rovereto	173,512,573	472,553,159	36.72%	Fondaco/Quaestio
Fondazione di Piacenza e Vigevano	140,565,929	413,391,005	34.00%	Quaestio/Eurizon
Fondazione Livorno	75,060,000	221,930,296	33.82%	Piattaforma Fondazioni
Fondazione Venezia	130,133,105	389,398,221	33.42%	Valeur
Fondazione C.R.della Spezia	61,989,042	270,059,629	22.95%	Piattaforma Fondazioni
Fondazione Sardegna	216,406,687	1,102,493,673	19.63%	Valeur/Piattaforma Fondazioni
Fondazione C.R. Lucca	239,847,773	1,357,957,760	17.66%	Fondaco
Fondazione C.R. Cuneo	241,077,254	1,605,727,303	15.01%	Fondaco
Fondazione C.R. Torino	173,260,955	2,939,837,205	5.89%	Fondaco
Fondazione C.R. Pistoia e Pescia	23,219,871	565,124,947	4.11%	Piattaforma Fondazioni
TOTAL	**15,534,965,100**	**35,111,098,866**	**44.25%**	

Banking Foundations and the Real Economy

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' refers to investments in Italy or in Italian companies, excluding government securities, capital and non-capital real estate investments, liquidity and other assets (credits, accruals, etc.); government bonds as a form of investment that were excluded from our calculation seemed to be insignificant, since, with **507** million euros, they accounted for only a small percentage of their total amount of assets.

Even if the use of dedicated vehicles, platforms and funds makes it increasingly difficult to identify investments in the Italian real economy, interesting figures still emerge from the analysis. Overall, the 30 Foundations examined, allocated **18.2 *billion euros*** or **43.99%** of their ***total assets*** to the Italian real economy out of a total of 41.4 billion ***(Table 7.9)***; it should be noted that, out of the 18.2 billion euros, as much as 10 billion (55.6%) were invested by these foundations in their transferee banks.

Table 7.8 - Investments in the Italian real economy

Investments	**2022**	**% of total assets of the 30 Foundations**
Transferee Bank	10,124,061,351	*24.46%*
Institutional invest. in CDP	1,481,006,956	*3.58%*
Institutional invest. in Fond con Sud	154,791,781	*0.37%*
Italian corporate bonds	638,988,585	*1.54%*
Italian equity	4,403,235,599	*10.64%*
Direct AIF investments		*0.00%*
Infrastructures	304,481,314	*0.74%*
Renewable energies	75,463,624	*0.18%*
Private Equity	101,998,032	*0.25%*
Venture Capital	88,970,290	*0.21%*
Private Debt	147,240,670	*0.36%*
Social impact investments	351,753,868	*0.85%*
Real-estate AIFs	336,980,458	*0.81%*
TOTAL	**18,208,972,529**	***43.99%***

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 their annual flow of disbursements, another major instrument available to banking foundations. This flow amounted to 1 billion a year, on average, from 2011 to 2022; 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 to fight against child educational poverty created in 2015 and the Fund for the Digital Republic launched in 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, precisely the local communities in which the Foundations have their roots.

8. The Privatised Schemes for the liberal professions: activities, members, pensioners, assets and management companies

In 2022, the number of privatised schemes for the liberal professions, established under Legislative Decrees no. 509/1994 and no. 103/1996, was equal to 20, excluding Casagit Salute analysed among the health funds[1]. The 20 privatised funds manage 22 different pension schemes, and no longer 23, considering that INPGI, the scheme replacing AGO, was integrated into INPS as of July 1 2022.

Number of members and pensioners - At the end of 2022, the total number of members registered with the privatized schemes was 1,853,219 compared to 1,860,777[2] in 2021, accounting for about 7.7% of the total workforce in Italy (***Table 8.1*** and ***Figure 8.1***) with significant differences among the funds; the schemes with the highest percentage membership growth were ENPAP, the fund for psychologists (+ 6.21%), ENPAB, the fund for biologists (+ 4.56%), ENPAIA, the fund for agrotechnicians (+ 6.17%), FASC, the fund for haulers (+ 5.13%) and ENPAPI, the fund for professional nurses (+ 4.78%).

Table 8.1 – The privatized schemes for the liberal professions by number of members in 2022

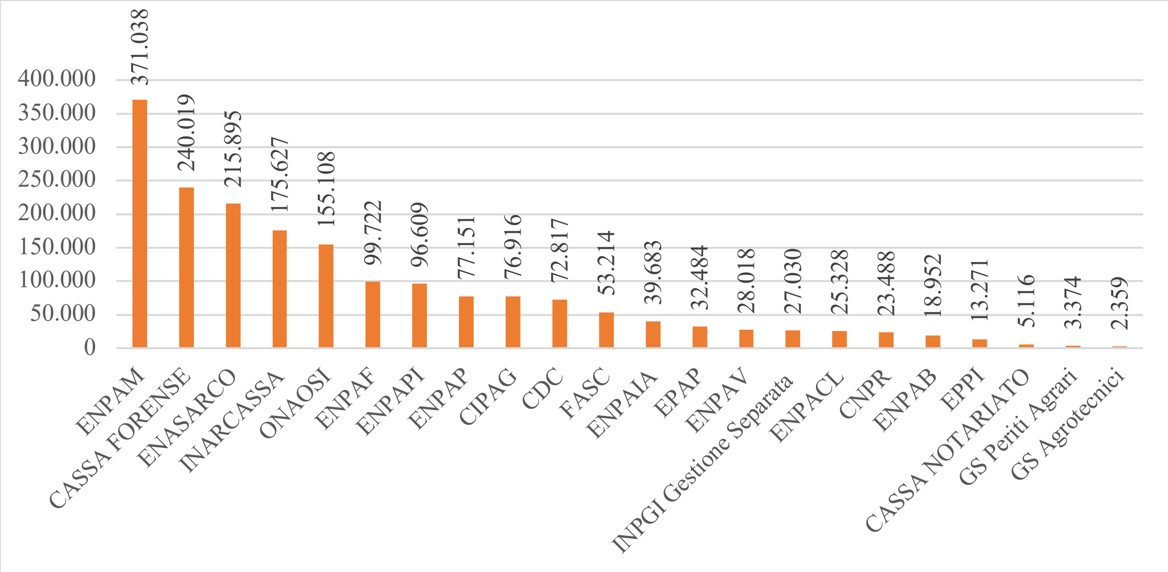
	Scheme	No. of members	% var.		Scheme	No. of members	% var.
1	ENPAM	371,038	-0,63%	13	EPAP	32,484	1,86%
2	CASSA FORENSE	240,019	-0,75%	14	ENPAV	28,018	-2,56%
3	ENASARCO	215,895	-0,94%	15	INPGI Gest. Separata	27,030	-1,69%
4	INARCASSA	175,627	0,96%	16	ENPACL	25,328	-0,47%
5	ONAOSI	155,108	-0,37%	17	CNPR	23,488	-2,73%
6	ENPAF	99,722	0,65%	18	ENPAB	18,952	4,56%
7	ENPAPI	96,609	4,78%	19	EPPI	13,271	-0,02%
8	ENPAP	77,151	6,21%	20	CASSA NOTARIATO	5,116	1,89%
9	CIPAG	76,916	-1,48%	21	ENPAIA Periti	3,374	1,72%
10	CNPADC	72,817	1,05%	22	ENPAIA Agrotecnici	2,359	6,17%
11	FASC	53,214	5,13%		Totale	1,853,219	-0,41%
12	ENPAIA	39,683	1,74%				

Instead, CNPR, the fund for accountants (-2.73%) and ENPAV, the fund for veterinary doctors (-2.56%) had the largest percentage reduction in membership, among others.

[1] It is the scheme for orphans of health-care professionals (doctors, surgeons, dentists, veterinary surgeons and pharmacists); it does not manage any form of social security scheme but it provides educational benefits to these subjects and to their members if they are vulnerable or not self-sufficient. Casagit is included in the list of funds under Legislative Decree no. 509/94.

[2] For the sake of a homogeneous comparative analysis, the 2021 total figure includes the number of the INPGI substitutive fund members, which grew by 0.38% in 2022.

Figure 8.1 – The privatized schemes for the liberal professions by number of members in 2022



Gender ratio and pay gap of professionals - According to the data published by AdEPP, a gender balance was almost reached, with the number of ***professional women*** equal to **42%** of the total number of registered members in 2021; the number of these professional women under 40 evenly rose to 54% in all the regions of Italy, and they managed to outnumber their male colleagues in the regions of the Centre-North. So, the gender gap is almost over, but the pay gap was still high, very high in the 40 to 60 age group (around 40%), unlike for professionals under 30 with a 5% difference.

Number of pensioners – The number of pensioners reached **483,373** with an increase by about 9,000 (+ **1.95%**) vs. 2021, below the growth in 2021 (+2.89%)[3]. Therefore, the ***ratio of the number of members to the number of pensioners*** was 3.83 ***active workers per pensioner***, (slightly higher than 3.59 in 2021). 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.

Contributions and benefits - In 2022, the total contributions revenues of privatized schemes for professionals amounted to **12.35 billion** euros (11.53 billion in 2021), while pension and welfare benefit expenditure to **7.69 billion** (7.70 billion in 2021); the ***ratio of contributions vs. pension benefits*** was equal to 1.60, higher than the 1.49 in 2021 and in line with previous years (1.59 in 2020 and 1.62 in 2019). Unlike in previous years, no schemes featured a deficit between contributions and benefits because the INPGI separate scheme performed well and the INPGI substitutive scheme was integrated into INPS as of July 1, 2022.

Assets - In 2022, the privatised schemes totalled **100.714 *billion euros'*** worth of ***assets***, + 2.5 billion (+3.6 billion if the 2021 figure does not include the assets of the INPGI substitutive fund). So, the resources available to these institutional investors grew by 2.55% despite the financial market turbulence caused by the still ongoing geopolitical tensions. ***Table 8***.2 and ***Figure 8.2*** show the ranking of the funds by assets and by their percentage growth with respect to 2021. The scheme with the highest growth was ENPAP with +14.30% (+11.98% in 2021), followed by ENPAIA, the fund for agrotechnicians with +13.8% and by ENPAPI with +10.64% (only +1.98% in 2021); very good

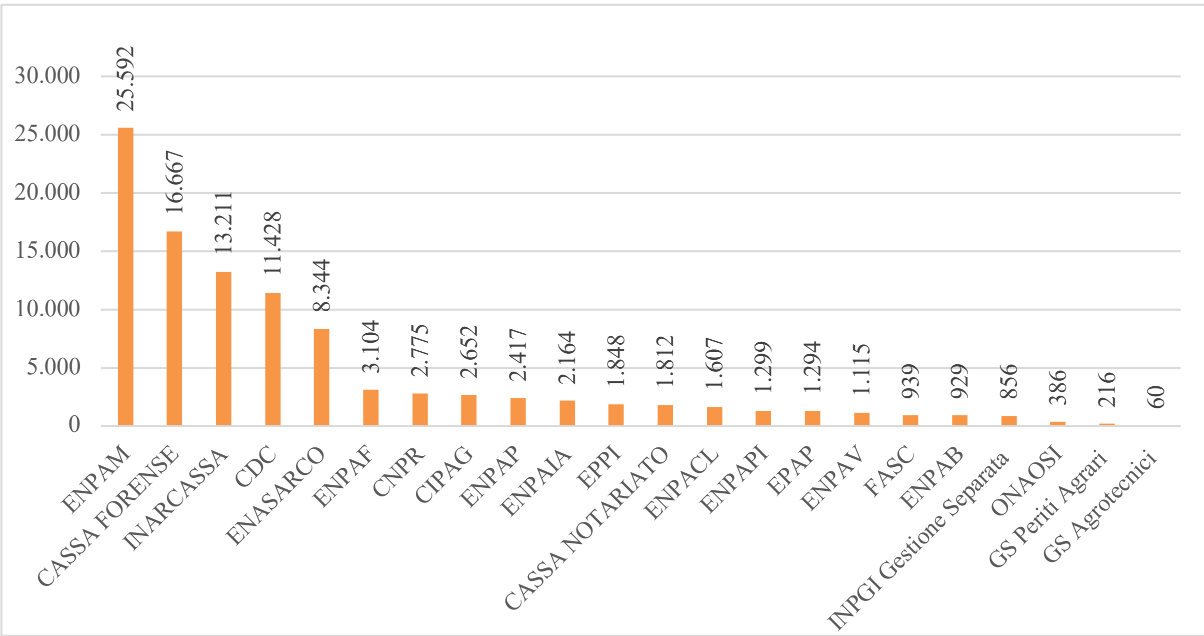
[3] The total number of members refers to all the funds surveyed. It is important to bear in mind that FASC and ONAOSI do not have any pensioners, since FASC, the fund for forwarding agents and couriers, only provides lump-sum benefits and ONAOSI does not provide any pension benefits.

performance levels were also reached by CDC with +7.57% and by ENPAB +7.15%. FASC had a poor performance (-6.28%).

Table 8.2 - The schemes for the liberal professions by total assets in 2022 (millions of euros)

	Scheme	Assets	% var.		Scheme	Assets	% var.		Scheme	Assets	% var.
1	ENPAM	25,592	0.65%	**9**	ENPAP	2,417	14.30%	**17**	FASC	939	-6.28%
2	CASSA FORENSE	16,667	5.71%	**10**	ENPAIA	2,164	3.37%	**18**	ENPAB	929	7.15%
3	INARCASSA	13,211	2.68%	**11**	EPPI	1,848	5.95%	**19**	INPGI G. Separate scheme	856	6.78%
4	CDC	11,428	7.57%	**12**	CASSA NOTARIATO	1,812	4.22%	**20**	ONAOSI	386	0.63%
5	ENASARCO	8,344	1.77%	**13**	ENPACL	1,607	6.50%	**21**	ENPAIA Surveyors	216	5.99%
6	ENPAF	3,104	2.36%	**14**	ENPAPI	1,299	10.64%	**22**	ENPAIA Agrotechnicians	60	13.79%
7	CNPR	2,775	3.21%	**15**	EPAP	1,294	6.76%				
8	CIPAG	2,652	3.95%	**16**	ENPAV	1,115	5.48%		**Total**	**100,714**	**2.55%**

Table 8.2 - The schemes for the liberal professions by total assets in 2022 (millions of euros)



The ***net worth*** of these funds amounted to **87.55** billion euros compared to **85.32** billion in 2021**,** an increase by 2.61% (+ 6.11% in 2021)[4] .

Table 8.3 shows that two schemes had an increase in their net worth by over 10% with respect to 2021 and that ENPAB, ENPAPI and FASC suffered a drop in their net worth (-12%, -7.85% and -2.26 respectively.

[4] As to assets, as of 2022, the net worth figure also includes that of ONAOSI.

Table 8.3 - Assets of the schemes for the liberal professions in 2022 vs. 2021

Schemes with a net worth growth above 6%			
Scheme	**Assets 2021**	**Assets 2022**	**% var.**
ENPAP	210,621,911	236,980,146	**12.51%**
ENPAIA agrotechnicians	48,551,761	5,461,133	**12.56%**
Cassa Forense	15,217,081,434	16,222,673,423	**6.61%**
Enpacl	1,433,026,908	1,533,164,991	**6.99%**

Total invested In line with previous years, the data on the asset investments of the 20 privatised schemes confirm an increasing trend towards ***direct investments***, accounting for **83%** of the **100.714** billion euros' worth of assets (82% in 2021), equal to **83.510 *billion*** in 2022. ***Indirect investments***, through management mandates, amounted to **17.203 *billion,*** slightly down with respect to 17.399 billion in 2121.

More than half of direct investments (55.14%) was allocated to UCITS or AIFs, but not so much as in 2021 (57.6%) with an increase in the share of bond and equity investments accounting for 11.05% and 5.95% of direct investments respectively.

Direct investments - The **83.51 *billion euros'*** worth of direct investments illustrated in ***Figure 8.3,*** were allocated to the following asset classes: **(a)** real estate accounting for 2.75%; **(b)** monetary for 6.74%; **(c)** bonds (11.05%); **(d)** equity (5.95%); **(e)** policies (0.67%); **(f)** UCITS (30.09%; **g)** AIFs (25.05%), which are now consistently present in these funds' portfolios; **h)** ETFs (4.38%); **i)** other assets (13.32%). Furthermore, UCITS and AIFs remained the preferred choice of these schemes, for over 46 of the 100 billion euros' worth of assets, accounting for 83.5 billion euros' worth of direct investment; however, compared to 2021, there was a downward trend for UCITS investments (from 35.04% in 2021 to 30,09% in 2022) and an upward trend for bond (+ 11.05% in 2022 vs. + 8.46% in 2021) and equity investments (+5.95% in 2022 vs. + 5.04% in 2021), for investments in other assets (+ 13.32% in 2022 vs. + 12.33% in 2021) and for ETFs (+ 4.38% in 2022 vs. + 3.65% in 2021).

Figure 8.3 - Direct investments by the schemes for the liberal professions in 2022

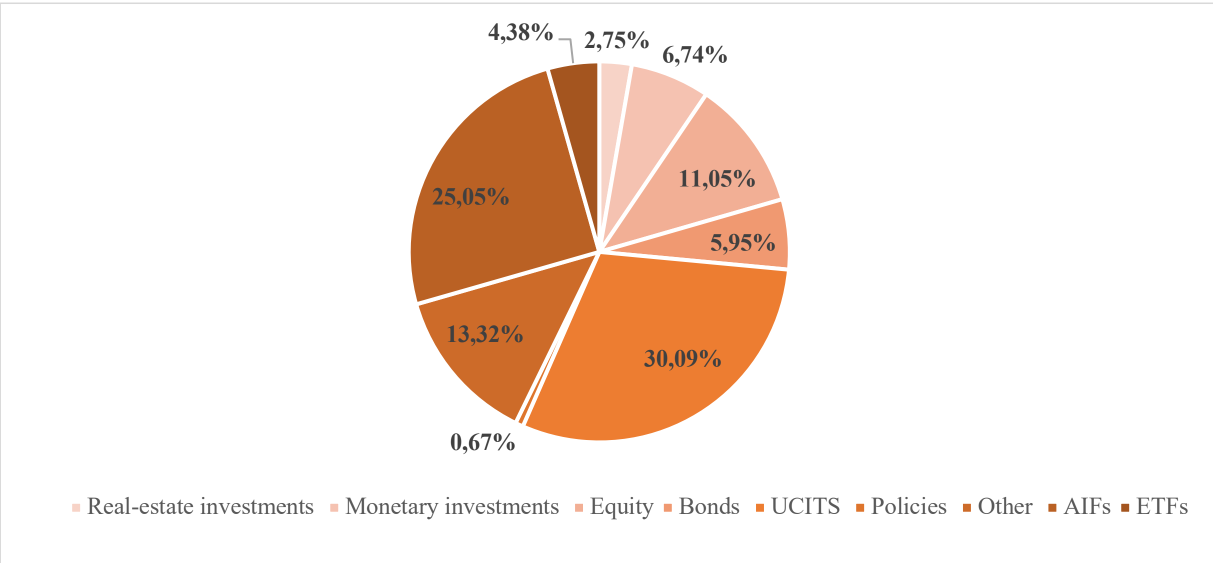
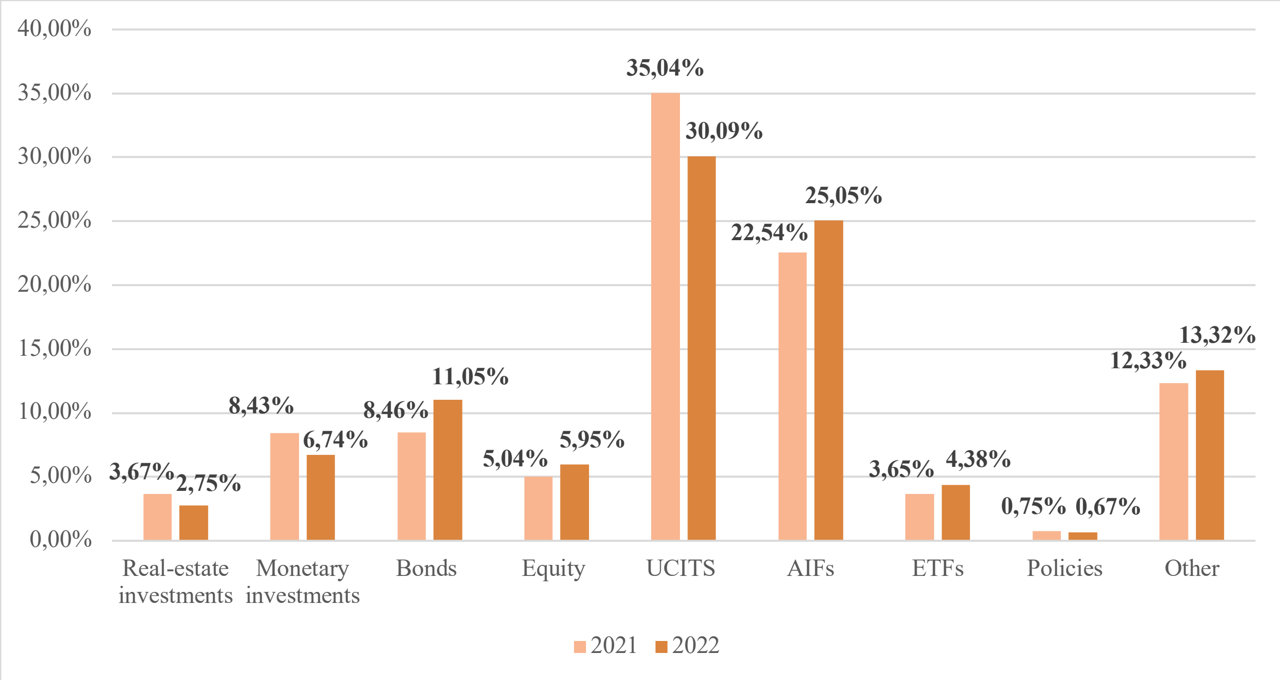
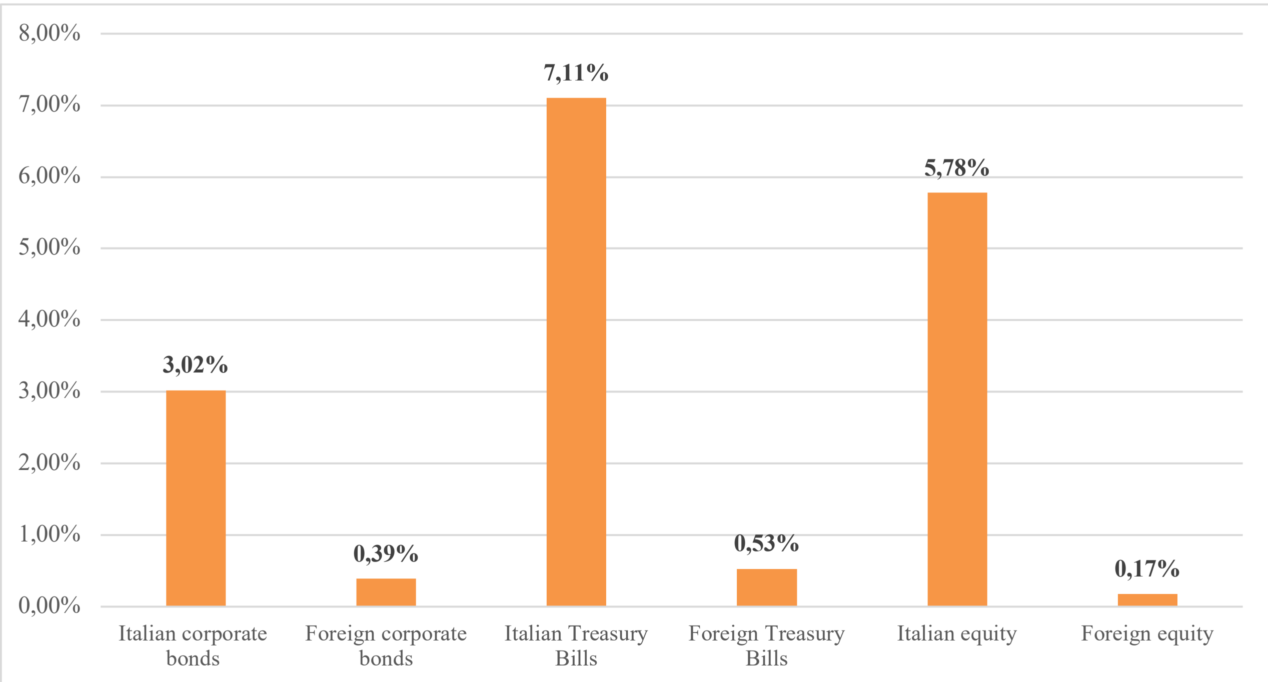


Figure 8.3.1 - Detailed comparative analysis of direct investments in 2022 vs. 2021



Equity and bond investments –Traditional financial instruments (equity and bonds) remained important asset classes in the portfolios of these schemes, accounting for 17% of total direct investments, up from 2021 (13.5%) and 2020 (14.46%) and in line with 2019 (17.62%). ***Figure 8.4*** shows the equity and bond investments in detail. ***Italian government bonds*** remained the leading investment instruments with almost 6 billion euros' worth of investments, followed by Italian equity with 4.8 billion euros.

Figure 8.4 - Equity and bond direct investments in 2022



Italy was still the preferred country for equity and bond investments. Italian equity accounted for 97% of all equity investments, with a slight increase compared to 2021 (96.56%), also including the shares invested in the Bank of Italy, while Italian corporate bonds accounted for 27.36% of the total bond portfolio (corporate and government). If Italian government bonds are taken into consideration (equal to 64.32%), the share of bond investments in Italy reached 91.68%, bringing the total portfolio allocation to Italian equity and bonds to around 94% of all these asset classes. Direct Italian ***equity*** and corporate ***bond*** investments amounted to 8.8% (7.35 billion euros) of the ***total*** direct investments.

Investments in the Bank of Italy and Cassa Depositi e Prestiti - The Banca d'Italia's shares held by these pension funds amounted to **1.93 *billion euros***, accounting for **38.9%** of their ***equity portfolio*** and 40.1% of all ***Italian equity investments***. Each scheme holds a different equity profile (***Table 8.4)***. Cassa Forense was still the only scheme invested in **Cassa Depositi e Prestiti,** for an amount of 140 million euros.

Table 8.4 - Investments of the privatized schemes for the liberal professions in the Bank of Italy

Scheme	Investments in the Bank of Italy	Scheme	Investments in the Bank of Italy
INARCASSA	€ 370,018,000	CNPR	€ 53,000,000
CASSA FORENSE	€ 370,000,000	ENPAB	€ 15,000,000
CDC	€ 275,025,000	ENPAPI	€ 40,000,000
ENPAM	€ 370,000,000	ENPAP	€ 10,000,000
ENPAIA	€ 188,500,000	EPPI	€ 100,000,000
ENPACL	€ 90,000,000	ENPAIA Agrotechnicians	€ 3,500,000
FASC	€ 50,000,000		
		Total	**€ 1,935,043,000**

Direct UCITs investments - Investments in traditional UCITs (as bond, balanced bond, balanced, equity and other types) amounted to **25.125 *billion euros*** (8.186 billion in 2021), a year-on-year decrease by -10.9% (as against a very marked growth by 18.4%, in 2021 and by 14.58% in 2020). The financial statements published by these funds provided the detailed UCITs allocation of 25 billion euros (aggregate breakdown by asset class); however, the same financial statements did not analytically report the details of individual funds and their management companies for an amount of 5 billion euros.

Of the 25 billion euros' worth of UCITS, about **16% (3.99 billion) were funds or dedicated vehicles (SICAV sub-funds under Luxembourg law)**. Overall, the most popular forms of investments (***figure 8.5***) were bonds for over 13 billion (51.82%, up with respect to 50.13% in 2021), followed at a distance by "equity" for 6.56 billion (26.13%) and by other types and mixed (other) forms of investments for about 4 billion euros or 15.89% (e.g. absolute return).

Figure 8.5 - Traditional UCITS by underlying investment

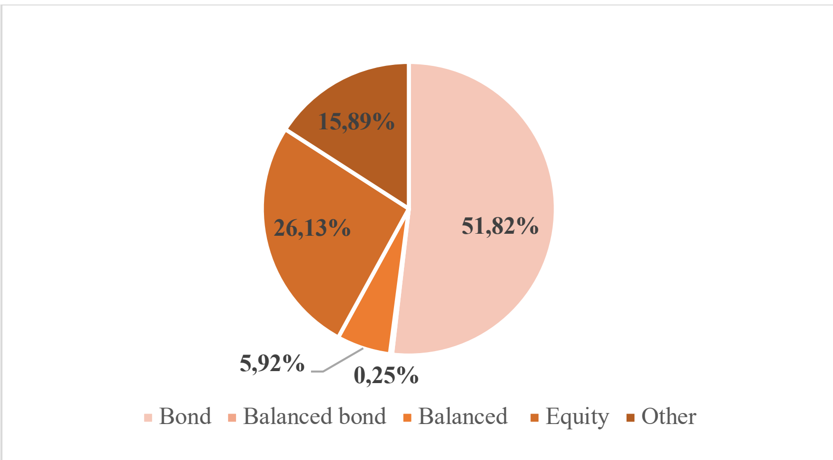


Figure 8.5.1 - Traditional UCITS by underlying investment in 2022

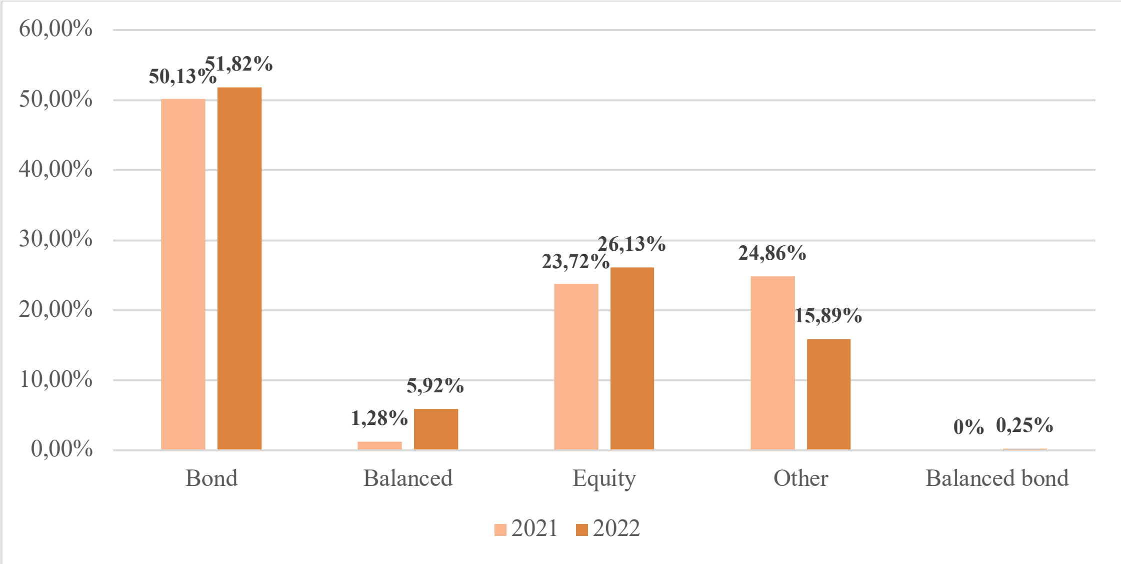


Table 8.5 shows the top five management companies of ***traditional UCITS*** by assets under management and by type of instrument. The above-mentioned lack of transparency of 5 billion euros' worth of investments in mutual funds defined as 'traditional' does not allow for precisely assigning these investments to the management companies surveyed, thus possibly underestimating the market share of each individual management company. UBS Global AM confirmed its leading position in the ranking, Eurizon slipped to the lowest step of the podium leaving the second place to Blackrock (in third place in 2021), Pictet&Cie remained in the fifth place preceded by Vontobel (third place in 2021).

Table 8.5 - Ranking of the top 5 management companies of traditional direct UCITS investments by the privatized schemes in 2022

Management company	Bonds	Balanced	Equity	Other	TOTAL
UBS Global AM	39,144,799	1,122,121,096	62,140,565	0	1,223,406,460
BlackRock	800,319,978	0	151,959,249	142,399,946	1,094,679,174
Eurizon	217,004,109	0	0	833,089,529	1,050,093,638
Vontobel	253,457,515	0	556,260,503	19,174,461	828,892,479
Pictet&Cie	488,945,036	7,300,916	91,519,739	154,263,753	742,029,445

Direct investments in Alternative Investment Funds - AIFs – In 2022, the AIF investments by the privatized schemes amounted to **20.923 *billion euros*,** (up from 18.32 billion in 2021), accounting for 25% of direct investments (22.54% in 2021) and for 20.8% of total assets. Out of these, 20.923 billion, around 16.1% (3.37bn), were dedicated real estate funds and vehicles. As already specified for traditional UCITs, the details of the individual products and management companies are not known for approximately 2.48 billion euros' worth of AIF investments, but there are data on all the asset classes for the entire amount invested in these alternative funds.

Figure 8.6 shows the different types of alternative real estate and securities investments. In 2022, AIF investments remained real estate-oriented for an amount of 13.29 billion euros, or 63.54% of the total, although this figure has been steadily decreasing since 2017 (71.5% in 2021 and 75.65% in 2020 and 78.63% in 2019); these were followed by private equity investments with 2.67 billion (12.75%) mainly in SMEs and large companies (classic private equity), with a steady upward trend since 2020. Infrastructural investments too went up in percentage terms with respect to 2021, and reached 1.52 billion (7.25%) outnumbering the "Securities AIFs - Other" category; the latter category featuring all the alternative investments that do not fall into the categories indicated had a value of over 1.41 billion (6.76%). Lastly, private debt investments amounted to 1.33 billion euros (6.38%), while the share of other investments was small.

Figure 8.6 - Types of AIFs purchased by the schemes for the liberal professions

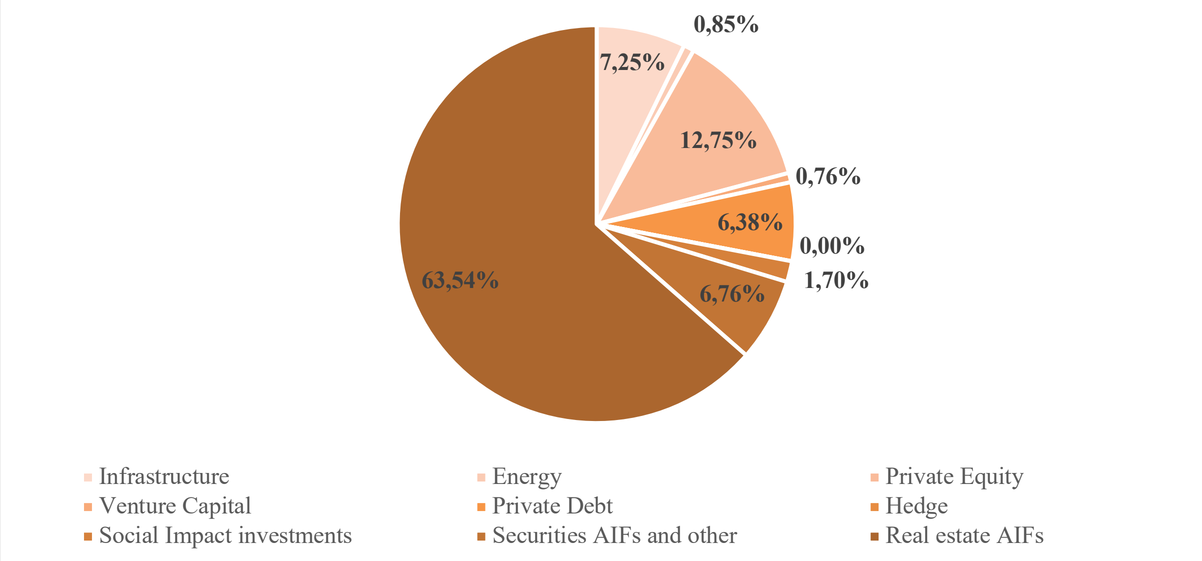


Figure 8.6.1 shows the comparison with the previous year.

Figure 8.6.1 - Types of AIFs purchased by the schemes for the liberal professions in 2022 vs. 2021

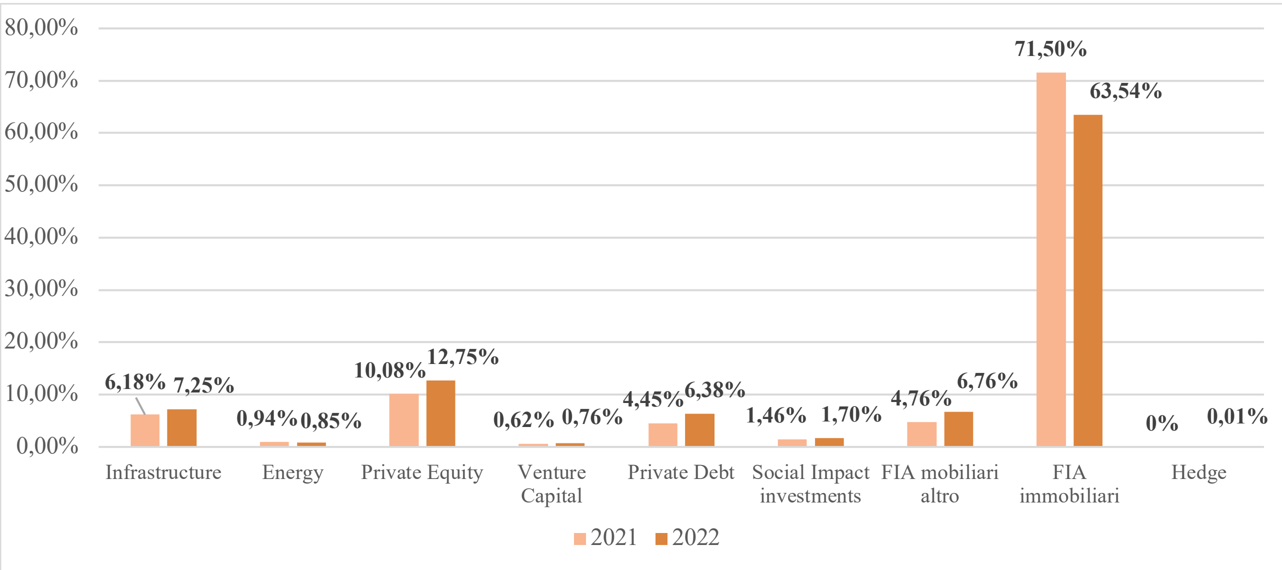


Table 8.6 lists the top 5 alternative investment management companies by assets under management in which the privatised schemes invested. The ranking was substantially the same as in previous years, with only a few changes: Antirion climbed with respect to Dea Capital and Prelios with respect to Investire Sgr.

Table 8.6 – The top 5 AIF management companies by assets under management

Management company	Social impact	Real-estate AIFs	TOTAL
Fabrica Immobiliare Sgr Spa	0	2,885,339,760	2,885,339,760
Antirion Sgr Spa	0	2,380,180,199	2,380,180,199
Dea Capital Real Estate Sgr	0	2,293,205,695	2,293,205,695
Prelios	0	1,184,408,847	1,184,408,847
Investire Sgr	91,189,286	950,063,958	1,041,253,244

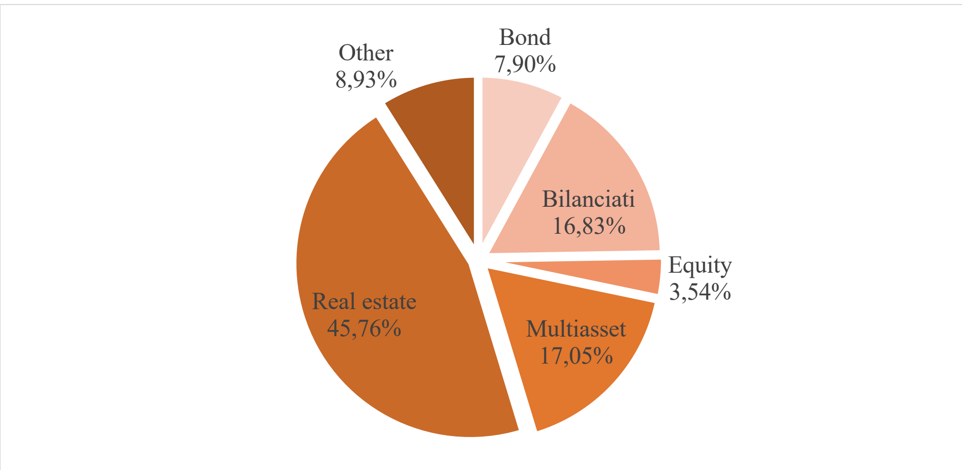
Exchange Traded Funds - ETFs – ETF investments accounted for 4.38% of total direct investments, up from 3.65% in 2021. ***Table 8.7*** lists the top 5 ETF management companies; there were no changes in the first two positions of the ranking compared to 2021, while UBS Global climbed from the fifth place to the third, and Lyxor and Invesco moved up to the fourth and the fifth position respectively. Also in the case of the 3.66 billion euros' worth of ETF investments, there are no details of the individual products for an amount of approximately 221 million.

Table 8.7 – The top 5 ETF management companies

Management company	Bonds	Equity	Other	Total
iShares	967,666,651	428,411,900	8,658,202	1,404,736,753
Vanguard	99,612,166	470,602,793	0	570,214,959
UBS Global AM	102,119,878	164,318,508	151,013,093	417,451,479
Lyxor	136,757,561	244,304,208	12,469,279	393,531,047
Invesco	0	0	367,784,332	367,784,332

Dedicated funds and vehicles - Nine privatized schemes featured dedicated funds or vehicles in their portfolios, for a total amount of around 7.4 billion euros, accounting for 8.81% of direct investments. ***Figure 8.7*** shows the breakdown of dedicated funds by category; as can be seen, ***more than 45% of the total was invested*** in ***real estate funds*** or ***vehicles***, followed by ***multi-asset funds*** with just more than 17% and ***balanced funds*** with 16.8%. In fact, apart from ad hoc real estate funds, these schemes used reserved vehicle instruments, generally Luxembourg-based SICAVs or SICAV sub-funds to manage their liquidity.

Figure 8.7 - Dedicated funds and vehicles by category in 2022



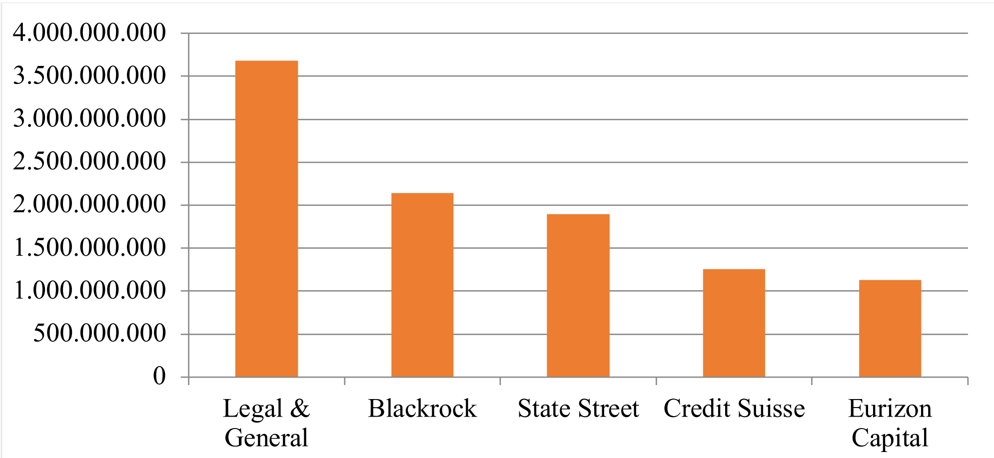
<u>Indirect investments</u> - <u>Management mandates</u> – In 2022, the resources mandated to management companies amounted to **17.2 *billion euros,*** down from 17.39 billion in 2021. ***Table 8.8*** shows the top 5 management companies that accounted for over 60% of all the resources mandated by these schemes in terms of number of mandates, assets under management, market share and average value of the mandate.

Table 8.8 – The top 5 management companies of the schemes for the liberal professions by assets under management in 2022

Management company	No. of Mandates	AUM	% Resources	Average Mandate
Legal & General	1	4,335,477,271	25.20%	4,335,477,271
Blackrock	1	2,065,711,171	12%	2,065,711,171
State Street	1	1,764,910,990	10.26%	1,764,910,990
Eurizon Capital	3	1,301,639,331	7.56%	433,879,777
Amundi	4	1,285,614,304	7.47%	321,403,576

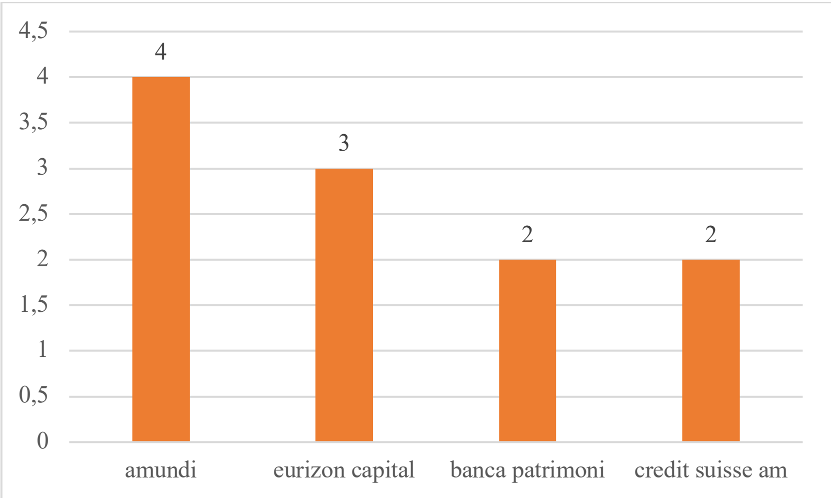
The ***2022 ranking by AUM (figure 8.8)*** is similar to that of 2021, again led by Legal & General. Eurizon Capital climbed to the fourth place (fifth place in 2021), replaced by Amundi. Instead, Credit Suisse disappeared.

Figure 8.8 – The top 5 management companies of the schemes for the liberal professions by assets under management in 2022 (millions of euros)



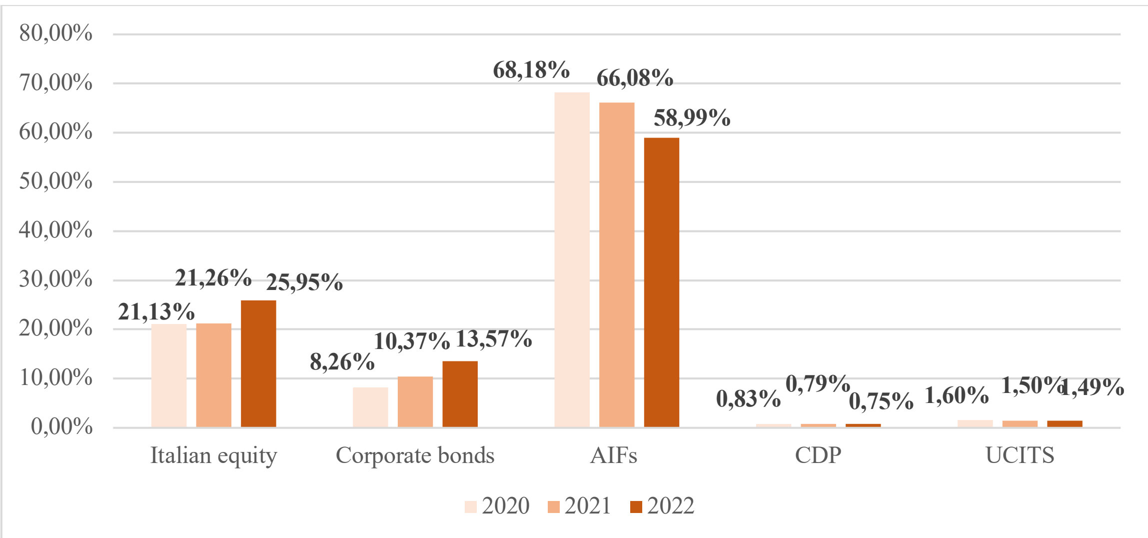
As to the ***number of mandates (Figure 8.9),*** Amundi leads the ranking with 4 (3 in 2021), followed by Eurizon Capital with 3 (unchanged from 2021), by another two management companies (Banca Patrimoni and Credit suisse am) with 2 mandates and then by all the others with 1 mandate. By dividing the total number of mandates by the total amount of assets under management, it is possible to calculate the average mandate that was equal to **614 *million euros*** (669 million in 2021).

Figure 8.9 - The top 4 management companies of the schemes for the liberal professions by number of mandates in 2022



Direct investments in the domestic real economy – The data on the investments in the ***domestic real economy*** allow us to understand to what extent pension and welfare savings are reinvested to support and develop the Italian economy, the welfare system, employment and income levels for the 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 of the Bank of Italy, and Italian corporate bonds ***excluding government bonds***. In 2022, the total share of these investments reached **18.6 *billion euros*** (about **1 *billion*** more than in 2021), accounting for **22.27%** of ***all direct investments*** by these funds and **18.5%** of ***all assets***. The investments allocated to government bonds should be added to this total, (since they also finance the national economy with 5.93 billion euros). ***Figure 8.9*** shows the percentage breakdown of the individual investments in the domestic real economy made by these funds with respect to 2021 and 2020. AIFs although slightly down to 58.99% with respect to the total, around -7% compared to 2021, due to the absence of INPGI in 2022 and of any details about one fund (unlike in 2021). In addition, there was an increase in Italian equity investments both in absolute and relative terms (from 21.26% of the total in 2021 to 25.95% in 2022) and in Italian corporate bond investments (from 10.37% in 2021 to 13.57% in 2022 and close to the pre-COVID-19level), followed by UCITS investments (1.50%)

Figure 8.10 – Comparative analysis of the domestic real economy investments by type of instrument in 2021 and in 2022



To conclude the analysis of the privatised pension schemes, a brief mention of the subjects involved in the management of the assets of these funds, i.e. custodian banks and advisors (for more details please visit the reserved area on the website).

As far as the **administrative service** is concerned, unlike pension funds, privatized schemes carry out it their day-to-day business on behalf of their members internally, directly through their departments.

Custodian Bank - There are a dozen or so schemes that use a custodian bank even in the absence of a regulatory obligation. The main ones are BNP Paribas Securities Services, Societe Generale Securities Service, Depobank and Caceis.

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

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

9. Supplementary Health-Care Funds and Schemes in 2022

The supplementary healthcare system is continuously expanding, although not at a sustained pace and the growing importance of the sector has not been matched by an equal amount of attention on the part of decision-makers. In fact, there is not yet a framework law on supplementary health care schemes providing for their monitoring and supervision. The latest significant regulatory innovations in this sector can be traced back to the Draghi government and to the former Minister of Health, Roberto Speranza, who issued two ministerial decrees; one Decree was designed to establish and organise the Permanent National Observatory of Supplementary Health Funds (Ofsi), within the Directorate-General for Health Planning of the Ministry of Health (Ministerial Decree of September 15, 2022); the second Decree was aimed to launch the Health Fund Performance Dashboard and its operating procedures within the New Health Information System (Nsis) for monitoring purposes, as an interface with the current Health Fund Registry Information System (Siaf) (Ministerial Decree of September 30, 2022). However, the Dashboard will operate on an experimental basis until 2024, and these funds will be obliged to provide the required data as of 2025, if they are not able to be accredited in the Health Fund Registry. Although the step taken by the previous Government goes in the right direction of ensuring greater transparency and availability of data and information on the sector, there is still a long way to go considering that to date, the latest available information on the second health pillar is that contained in the second reporting system of the Registry of Health Funds of the Ministry of Health dated October 2021 and related to the fiscal years from 2017 to 2019.

The data contained in the last Report showed interesting growth rates for these schemes both in terms of their number and, above all, in terms of their membership and amount of benefits provided, and hence of their overall assets. In the last period, this upward trend was 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 significant 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.

However, as already emphasised in the last edition of the Report, and also conceded by the Ministry of Health, even the little information contained in the last Registry Report can only be considered as indicative of a framework without monitoring and supervision; in fact, health funds are the only schemes of the Italian complementary *welfare* sector that are not required to publish their accounts or that provide the Registry with only very partial information; there is no information either about their collateral assets. So, a large proportion of these funds make their accounts and the data on their membership, total contributions and benefits, technical reserves and types of investments inaccessible. Of course, all this jeopardises the smooth functioning of the system.

As a result, the analysis that follows suffers from the lack of comprehensive data, from the disclosure of financial accounts, and from sporadic communications from the Ministry of Health. For this reason, the data shown below on the number of certified funds, of their members, and of their total amount of benefits updated until 2019, were indeed obtained from the Registry of Health Funds; instead, for the subsequent years, the detailed data about benefits, financial management, amount of assets as well as on the flow of contributions were derived from the financial statements submitted by these schemes, but above all from the websites of the contracts that established them.

Number of accredited funds - According to the data released by the Registry of the Ministry of Health in October 2021 on the occasion of the publication of the Second Reporting System, the number of ***accredited funds*** was equal to 318 at the end of 2019 (latest available data) and steadily growing compared to the previous two years (313 in 2018 and 311 in 2017). Of these 318 funds, **306**, or 96%, were "Schemes under former art. 51 of the Income Tax Framework Law (TUIR)" and "Mutual aid societies " (the so-called Type B Funds), while the remaining **12**, or 4%, were "National Health System Supplementary Funds established pursuant to Article 9 of Legislative Decree no. 502/92 (Type A Funds). Since no new data were unfortunately available, we deemed it useful to propose again the estimates for 2020 and 2021 charted last year by our Study Centre on the basis of new contracts and new supplementary health schemes. In particular, Itinerari Previdenziali estimated that the situation in 2020 would remain almost unchanged, and that, in 2021, it would be characterised by a slight growth by 3 units (***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 high and no longer sustainable charges on this system; so, the legislator should draw the consequences of this situation and allow for some tax reliefs.

Amount of benefits - The second reporting system provides only some information about the general amount of ***benefits*** provided. In 2019, these benefits amounted to **2.83 *billion euros***, of which 928 million (32.8%) were allocated exclusively to the provision of extra-LEA services. 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. These two amounts increased again in 2019, albeit to a lesser extent with respect to the two previous years: the general amount rose from 2.72 billion to 2.83 billion (+ 4%), and the partial amount from 877 million to 928 million (+ 5.7%). In this case too, due to the lack of updated data, we have proposed again the estimate of these two total amounts finalized in 2021 on the basis of our survey data, in order to have at least an order of magnitude with respect to the total amount managed by supplementary healthcare funds and schemes. In 2020, the overall amount of benefits was expected to be around 2.9 billion, while the partial amount to reach almost 960 million. On the other hand, in 2021, the general amount was expected to exceed 3 billion euros and the partial amount to go beyond the 1-billion threshold (***table 9.1***).

As already pointed out in the previous edition of the Report, in addition to the lack of periodic updates, the Reporting System of the Ministry of Health has another serious shortcoming: it does not provide any information on contribution revenues. This data is of fundamental importance to assess the health of the system and, we hope that, with the introduction of the New Health Information System platform, it will be possible to make this assessment.

Number of members - The last official data from the Ministry of Health on the number of members broken down by employed workers, self-employed workers, dependents and pensioners with their family members dates back to as far as 2016 when their number totalled **10.616,847** broken down as follows: 6,680,504 employed workers (62.9%) 1,074,038 self-employed workers (10.11%), 2,160,917 dependents, 251,955 of whom related to self-employed workers; 527,716 pensioners and 173,672 pensioners' family members. The second edition of the Reporting System, unlike the first, does not provide any separate data on employed and self-employed workers, pensioners or on their registered dependents; it features the total number of registered members in 2019, including workers, their family members and pensioners with their family members, amounting to **14,715,200,** with a growth rate by **38.6%** from 2016 to 2019.

Table 9.1 - Healthcare funds registered at the Ministry of Health: number of funds, members and amount of general and dedicated benefits

Year **	Accredited funds	Type A	Type B	Total no. of members	Overall amount	Partial amount (20%) *	Partial amount / Overall 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%
2020	**318**	**12**	**306**	**15,303,808**	**2,941,844,038**	**964,933,565**	**32.80%**
2021	**321**	**12**	**309**	**15,609,884**	**3,059,517,799**	**1,003,530,908**	**32.80%**

Source: 2nd Reporting System of the Register of Health Funds held at the Ministry of Health. The figures in green are estimates prepared by Itinerari Previdenziali.

* Amount of extra-LEA benefits, which must be at least 20% of total benefits under the law; ** The year indicated in the table is the fiscal year to which the data are related; these data are generally collected the year following the financial statements submitted by these funds (thus, for example, the data related to the fiscal year 2016 were collected by the Ministry at the end of 2017.

The 2020, 2021 and 2022 data on the total number of members of these funds were not available, as was the case for the total number of schemes.; again, on the basis of the historical series available, it seems reasonable to expect a further increase in the number of members in this period by 588,608 between 2019-2020, from 14.715 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***).

In the absence of official public data, we produced ***table 9.2*** which lists the main **50** ***health funds*** and ***schemes*** for each company or group of companies, by category of workers or by sector, and the main mutual aid societies which were estimated to account for about **75%** of the ***entire supplementary health care system*** in terms of benefits provided; that is about **321** supplementary health care schemes which were estimated to have disbursed 3.059 billion euros in 2021 (***table 9.2.1***) on the basis of the data of the Registry.

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, ***benefit*** expenditure, operating costs and on technical reserves of these supplementary health-care funds. The data related to the fiscal year 2019 reached an overall amount of 2.83 billion; but considering the large health funds launched in 2020 and 2021 and the new contractual or unilateral initiatives, we reviewed this figure up to 3.059 billion euros for 2021 after the partial freeze on the provision of benefits in 2020.

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

ANIA – Insurance sector employed workers – LTC	**FASDA** – Environmental service sector, employed workers
ASDEP – Public sector employed workers (INPS, INAIL, ex INPDAP, ACI)	**FASDAC** – Commercial executives
ASEM – Energy and Multiservice sector, employed workers	**FASDAPI** – SME managers and executives
ASIM – Cleaning services, integrated/multiservice companies	**FASI** – Managers of companies producing goods and services
ASSIDA – Telecom Group, executives	**FASIE** - Energy and oil sector, employed workers
ASSIDAI – Industrial sector, managers and executives	**FASIF** - FCA e CNH Industrial Groups, employed workers
ASSILT – Telecom Group, employed workers	**FISDE** - ENEL Group, employed workers
CADGI – IBM Group, employed workers	**Fondo Altea** – Stones, wood, tiles, bricks, finished products, cement, handles, employed workers
CADIPROF – Professional firms, employed workers	**Supplementary health fund for ExxonMobil executives**
CAMPA – Mutual aid societies, professionals, artists and self-employed workers	**Fondo Est** – Retail, Tourism and service sector, employed workers
CASAGIT – Journalists	**Fondo FIA** – Farming sector, employed workers
CASDIC – Credit – LTC sectors, employed workers	**Intesa Sanpaolo supplementary health fund,** employed workers
CASPIE – Banking and financial institutions, Industry, Retail and public sectors, employed workers	**Insieme Salute** – Mutual-aid society
Caspop e **CMA** - Banco Popolare e Banca Popolare di Milano health funds	**Luxottica Cassa Solidarietà**
Cassa Galeno – Doctors and Dentists	**MBA Mutua**
Cassa Mutua Nazionale - Banche di Credito Cooperativo, employed workers	**MètaSalute** – Metalworking industry, employed workers
Cassa Sanitaria BNL - BNL and BNP Paribas Groups, employed workers	**Poste Vita Fondo**
Coopersalute – Cooperative distribution companies, employed workers	**QuAS** – Middle managers
EBM Salute – Metalworking SMEs, employed workers	**Sanimoda – Fashion industry,** employed workers
EMAPI –Mutual-aid society, Italian professionals	**San.Arti.** – Artisans, employed workers
ENFEA – Unimatica textile and chemicalproducts, employed workers	**Sanimpresa** – Lazio Region employed workers
Ente Mutuo Regionale – Lombardy Confcommercio entrepreneurs and professionals	**Cesare Pozzo National mutual-aid society**
FAS - Banco Popolare health fund	**UBI Fondo Asi of the Group**
FACI	**UNI.C.A.** UniCredit, employed workers
FASCHIM – Chemicals, Lubricants, LPG, Mining and insulation products, employed workers	**WILA** – Lombardy Region Artisan sector, employed workers

Therefore, in order to provide additional information, Itinerari Previdenziali has managed to obtain some specific data on the different types of supplementary health-care funds[1] from institutional websites, from the contracts that regulate them and from its databases; we have constructed ***Table 9.2.1*** in which we show the 2020, 2021 and 2022 data on the ***number of members, contribution revenues*** and ***benefit expenditure*** of the main 50 funds, schemes and mutual aid societies. The ***total number of members*** of the 50 organisations for which we were able to obtain the data for 2022, was equal to 9.577 million, compared to 9.044 in 2021, with an increase by 5.92%, accounting for **58%**

[1] 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.

of the total number of members of the health fund system estimated on the basis of the data provided by the Registry.

The ***total revenues*** from the contributions paid by members and employers amounted to 2.86 billion euros, an increase by about 120 million vs. 2021 (+ 4.4%). Finally, the ***total amount of benefits*** reached 2.37 billion, a 6.5% growth with respect to 2021, that is about an increase by 140 million.

Table 9.2.1 – Healthcare funds and schemes: membership, contributions and benefits in 2020/2021 and in 2021/2022

Members	Contributions (mln of euros)	Benefits (mln of euros)	Members	Contributions (mln of euros)	Benefits (mln of euros)	Members	Contributions (mln of euros)	Benefits (mln of euros)
2020			2021			% growth 2020-2021		
8,310,666	2,182.92	1,759.70	9,044.554	2,739.91	2,225.96	8.8%	25.5%	26.5%
2021			2022			% growth 2021-2022		
9,044,554	2,739.91	2,225.96	9,577.093	2,861.63	2,369.58	5.9%	4.4%	6.5%

Based on then 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 was Fondo Est, the schemes gathering all commercial and service companies, accounting for more than one fifth of the total (20.73%), followed by MetaSalute, the health fund for metalworkers with 14.2%, and Emapi for all the members of the privatised schemes for liberal professions (13.05%); the fourth and fifth place were occupied by Sanarti (artisans) and MBA, the largest mutual aid society. These top five entities accounted for over 58% of the total.

Table 9.3 - The top 10 funds and schemes by members, contributions and benefits

Type of fund or scheme	Name of the fund scheme and mutual aid society	Number of members in 2022	as % of the total	Name of the fund scheme and mutual aid society	Contributions (millions of euros)	as % of the total	Name of the fund scheme and mutual aid society	Benefits (millions of euros)	as % of the total
2 B	Fondo Est (c)	1.985.034	20,73%	Fondo Est (c) *	€ 516,11	18,04%	Fondo Est (c) *	€ 385,10	16,25%
2 B	Metasalute	1.359.587	14,20%	FASI	€ 393,88	13,76%	FASI	€ 323,55	13,65%
2 B	Emapi	1.304.583	13,54%	Metasalute	€ 223,65	7,82%	Metasalute	€ 198,13	8,36%
2 B	Sanarti (h)	627.154	6,55%	Intesa Fondo Sanitario	€ 196,12	6,85%	Intesa Fondo Sanitario	€ 189,86	8,01%
-	MBA Mutua (b)	400.000	4,18%	FASDAC	€ 143,30	5,01%	FASDAC	€ 120,90	5,10%
-	FASI	300.317	3,14%	Casdic sanità + LTC bancari (a) (c) *	€ 109,20	3,82%	Casdic sanità + LTC bancari (a) (c) *	€ 81,90	3,46%
1 B	Sanimpresa (a,b,c) *	300.000	3,13%	Sanarti (h)	€ 87,40	3,05%	Sanarti (h)	€ 76,66	3,24%
-	EBM salute metalm PMI	276.538	2,89%	Casagit	€ 81,06	2,83%	Unicredit (Unica)	€ 72,48	3,06%
2 B	Cadiprof	243.204	2,54%	Sanimpresa (a,b,c) *	€ 78,00	2,73%	Casagit	€ 70,53	2,98%
2 B	ASIM servizi pulizia e integrati (b-c) *	239.678	2,50%	MBA Mutua (b)	€ 69,01	2,41%	Assidai *	€ 65,62	2,77%

The amount of benefits is not available for all the funds, and often it does not correspond to their benefit expenditure; (2) For funds exclusively targeted to LTC, the significant difference between contributions and benefits is linked to the characteristics of the insurance, which presupposes annual provisions for the entire life of the member in view of future benefits

Type of Funds: A = Corporate; B = Sectoral, contractual; C = Open-ended funds and Mutual-aid societies; D = LTC funds

Management approach: 1 = Self-management; 2 = Insured: (1) = in the insured funds, benefits correspond to 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 260 euros and estimated average benefit per year of 194 euros; (d) including part of the premium paid with the balance

* In the absence of available data, we have replicated the data received or estimated in 2021

The ranking for ***contributions*** is different: Fondo Est was still at the top with 18.0% for the total of the 50 healthcare funds, equal to about 516 million euros, followed by Fasi (the fund for managers of industrial companies) with more than 393 million euros' worth of contributions and 13.7% of the total; MetaSalute was in the third place with 224 million euros, equal to 7.82%; the IntesaSanpaolo Group's healthcare fund and Fasdac, the fund for managers of commercial and service companies, occupied the fourth and the fifth place respectively. Finally, the ranking by ***benefits provided*** was identical to that related to contributions, with the top five funds accounting for just over 50% of the total, equivalent to 1.217 billion euros.

Benefit/contribution ratio – In 2022, the ***average contribution*** was estimated to be 298.8 euros per year, in line with the figure for 2021 (302.93 and 262.66 in 2020), even though there are some health funds, especially older ones, with average contributions even above 1,000/1,500 per year and in some cases even 2,000. In reality, the annual rate is often obviously related to the age of the members, even if it is not always the case in many contractual schemes, to the type of benefits, the nomenclature, as well as to the type of membership: worker, dependent family member, pensioner, voluntary or collective. The ***average per capita benefit*** for the 50 funds estimated or analysed was equal to 247.4 euros, almost identical to the figure in 2021 (246.11 euros vs. 211 euros in 2020) with huge differences among the funds depending on the types of benefits and the nomenclature. The estimated average contribution was higher for self-insured funds (603 euros) than for insured funds (217 euros), which, since they have different nomenclatures and are more likely to have contractual collective membership. Therefore, the average benefits amounted to 495 euros for self-insured funds and to 181euros for insured funds.

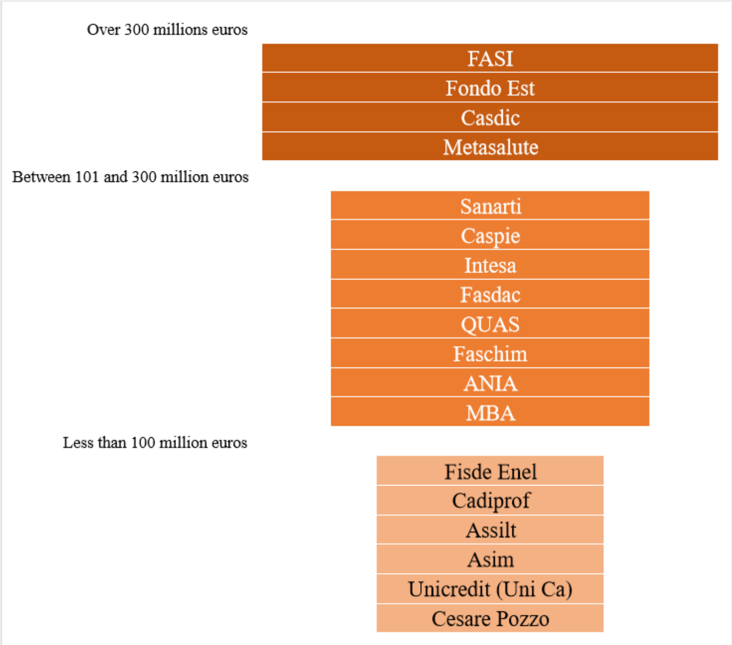
Although partially significant, the ***benefits provided*** accounted for **82.8%** of ***total revenues*** with a ***ratio of contribution revenues vs. benefit expenditure*** equal to **120%;** this shows that these schemes are highly attractive, even if this is not yet completely true for all the funds, especially for the recently established ones. In 2022, this ratio was similar for both insured and self-insured funds.

The ***balance between contributions and benefits*** of these 50 funds was equal to 492 million, down slightly from the over 510 million euros of 2021, which were partly used to offset the operating and insurance costs and partly for capitalisation purposes. As is well known, the pandemic significantly reduced the use of the benefits provided by healthcare 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 de facto blocked most specialist visits, laboratory analyses, treatments for serious illnesses and non-essential procedures. However, in 2021 and 2022, benefits continued to catch up as can be derived from the increase in the benefit/contribution ratio.

Total Assets - Since neither the Registry nor supplementary health funds generally provide information on the amount of their assets and reserves, or on how they are used, it is quite complex to estimate the ***net assets*** of these funds; however, taking into account the average amount of contributions, the number of members and benefit expenditure, the total net amount of assets of these ***321 operators*** is estimated to be about ***5 billion,*** with respect to **4.85 *billion*** in 2021 and to **4.75 *billion*** in 2020, of which about 3.9 billion euros 'worth of ***net assets to be invested*** in securities and real-estate instruments and 1.1 billion in tangible and intangible fixed assets (IT programmes, office buildings, equipment, devices, accruals and deferrals and other). The ***assets*** of the ***50 funds*** considered in ***Table 9.2*** amounted to just over **4 *billion*** out of the estimated total of 5.0 billion in 2022, and they accounted for about **80% *of all the assets of these funds***.

Figure 9.1, made on the basis of available or retrievable data, shows the health schemes with the largest amount of assets, subdivided into three classes.

Figure 9.1 - Health funds by total 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, and 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***; many of these funds prefer ***direct management*** solutions through the purchase of 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 investment mix of health funds for 2022 broken down into: **1)** ***liquidity*** (bank accounts, short-term investments, postal securities) accounting for **32%** (39% in 2021); **2)** ***Bonds*** and ***government securities*** accounting for 43% (24% in 2021 and 40.5% in 2020); in 2022, these funds invested a total of over **75%** in liquidity, monetary instruments and bonds (63% in 2021).

Figure 9.2 – Breakdown of assets under management in 2021

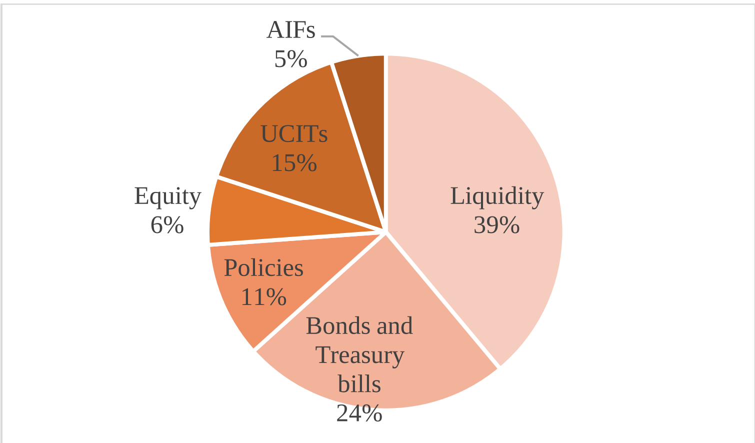
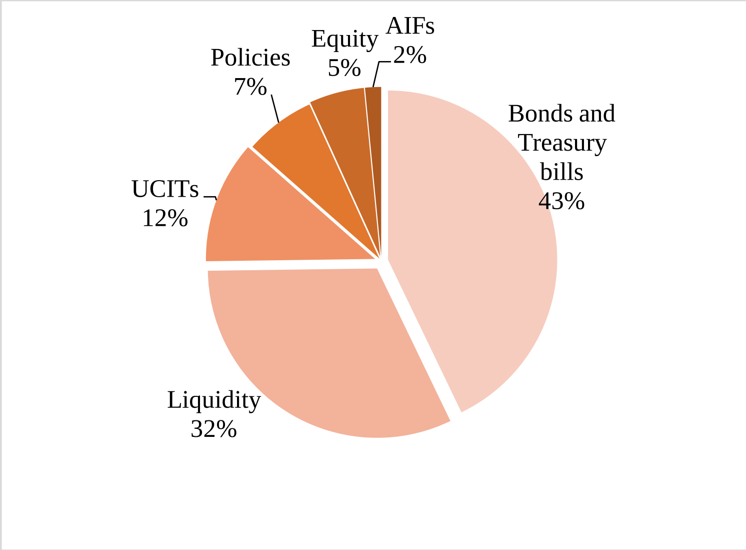


Figure 9.3 - Breakdown of assets under management in 2022



3) Investments in ***insurance policies***, generally branch I or V policies, amounted to 7% (11% in 2021). As already mentioned, the more established funds with more assets invest like other institutional investors, by diversifying their assets also to improve the returns that cannot be obtained with previous management solutions; **4)** ***Equity*** investments accounted for **5%** (6% in 2021 and 5.2% in 2020); ***UCITS*** investments for **12%** (15% in 2021and 9.5% in 2020)**.** Some health schemes invested in ***alternative funds*** estimated to account for 3.7-5%.

These investments are consistent with the specific activities of health 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 fewer 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 significant growth of health funds in terms of membership, the analysis of the 2022 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. Moreover, 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, there may be more investments in residential homes for the elderly, operating facilities, call centres, telemedicine, and the provision of devices for the Silver Economy.

Methodological Note

<u>Sample</u> - The Report analyses all occupational pension funds (33 in 2022) and all privatized schemes for professionals, the main pre-existing pension funds (38 funds accounting for 94% of all assets and 98.3% of the total number of members) and the major banking foundations (the first 30 out of 86, accounting for 87% of all assets).

<u>Data</u> - 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.

<u>Classification of investments</u> - 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 ***<u>indirect</u>*** 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 ***<u>direct</u>*** 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 fi (acquisitions, sales, coupons, dividends, etc.).

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.