Global Asset Management Study

2022 Insights Partner Report

▶ Italy

June 2023

About

NMG Consulting

▶ NMG Consulting is a specialist multi-national consulting firm focused on investments and insurance

▶ Founded in Singapore in 1992, NMG Consulting now has 150+ employees operating from primary hubs in Sydney, Toronto, New York, London and Singapore as well as satellite offices

ASSET MANAGEMENT

WEALTH MANAGEMENT

PROTECTION

CONSULTING

INSIGHTS

DATA ANALYTICS

The Global Asset Management Study

▶ The Global Asset Management study was implemented by NMG Consulting in 2015 and runs on an annual cycle

▶ Every year, we conduct face-to-face or telephone interviews with more than 1,000 institutional investors and retail fund buyers around the world

▶ In addition, over 2,000 retail advisors across the globe participate in the Study annually

Coverage of the Global Asset Management study

Introduction, an independent global perspective
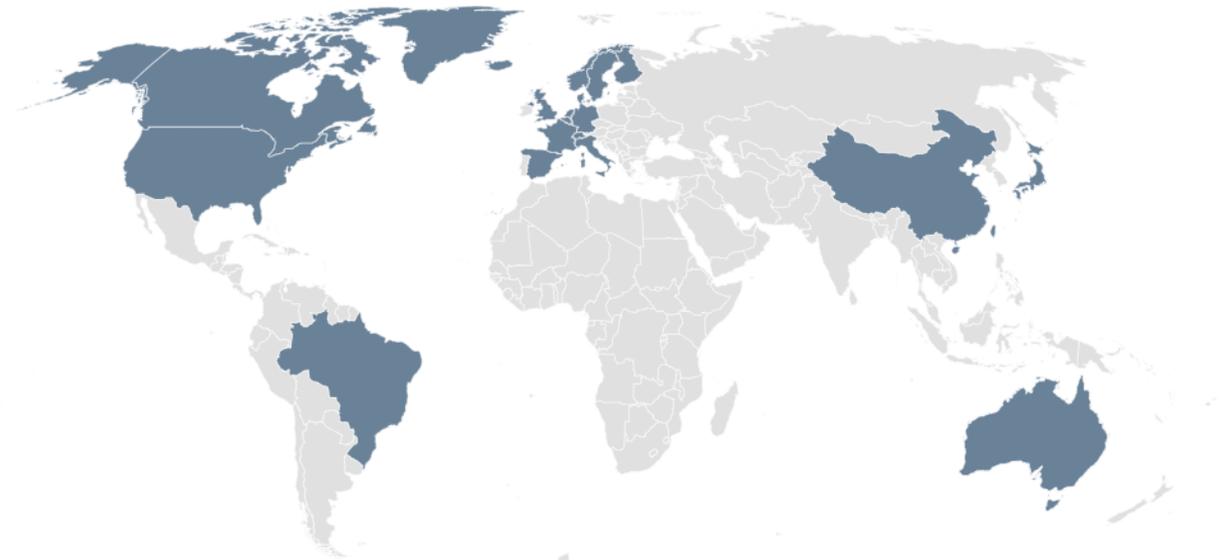
Study Overview

Purpose
The purpose of the study is to objectively inform asset managers and investment buyers of client needs, behavioural drivers and competitive strengths and weaknesses

Approach
An annual independent study built on structured interviews with investment decision makers within institutional asset owners, asset consultants, retail fund buyers and retail advisers

This report
This report shares findings with the 307 Italy participants who took part in the study during the period September to December 2022

Summary insights

Manager performance
BlackRock was the 1st ranked brand amongst institutional and retail investors on NMG's unprompted brand ranking

Thought leadership
Asset allocation and inflation are key areas of interest for further thought leadership in Italy. Insights on cryptocurrency and ESG are also valued by retail fund buyers and advisers respectively

Asset allocation
Institutional investors intend to increase allocations to alternatives. Retail investors were optimistic towards equity and fixed income

Key challenges
Performance, market uncertainty, growth and inflation are prominent current challenges for institutional and retail investors in Italy

Investment factors
Long-term performance was the most important investment factor across all investor types. Institutional investors and retail fund buyers also highlighted ESG integration for manager selection

BlackRock is the leading brand in institutional and moved ahead of Pictet amongst retail audiences in Italy

Top-10 Asset Managers Brand Ranking (Italy)

Institutional Brand Rank
(out of 112 asset managers)

Retail Brand Rank
(out of 213 asset managers)

The Italian asset management market is dominated by international managers

1	**BlackRock**
2	Amundi Asset Management
3	J.P. Morgan AM
4	PIMCO
5	Eurizon Capital
6	Schroders
7	M&G Investments
8	ANIMA
9	BNP Paribas Investment Partners
10	Goldman Sachs (GSAM)

1	**BlackRock**
2	Pictet Asset Management
3	Fidelity Investments
3	J.P. Morgan AM
5	Morgan Stanley IM
6	PIMCO
7	Amundi Asset Management
8	Nordea
8	Schroders
10	Invesco

Eurizon Capital is the leading Italian based asset manager with strength in domestic/European equity and fixed income capabilities and recognition for select capabilities (ease of doing business, trusted, transparent)
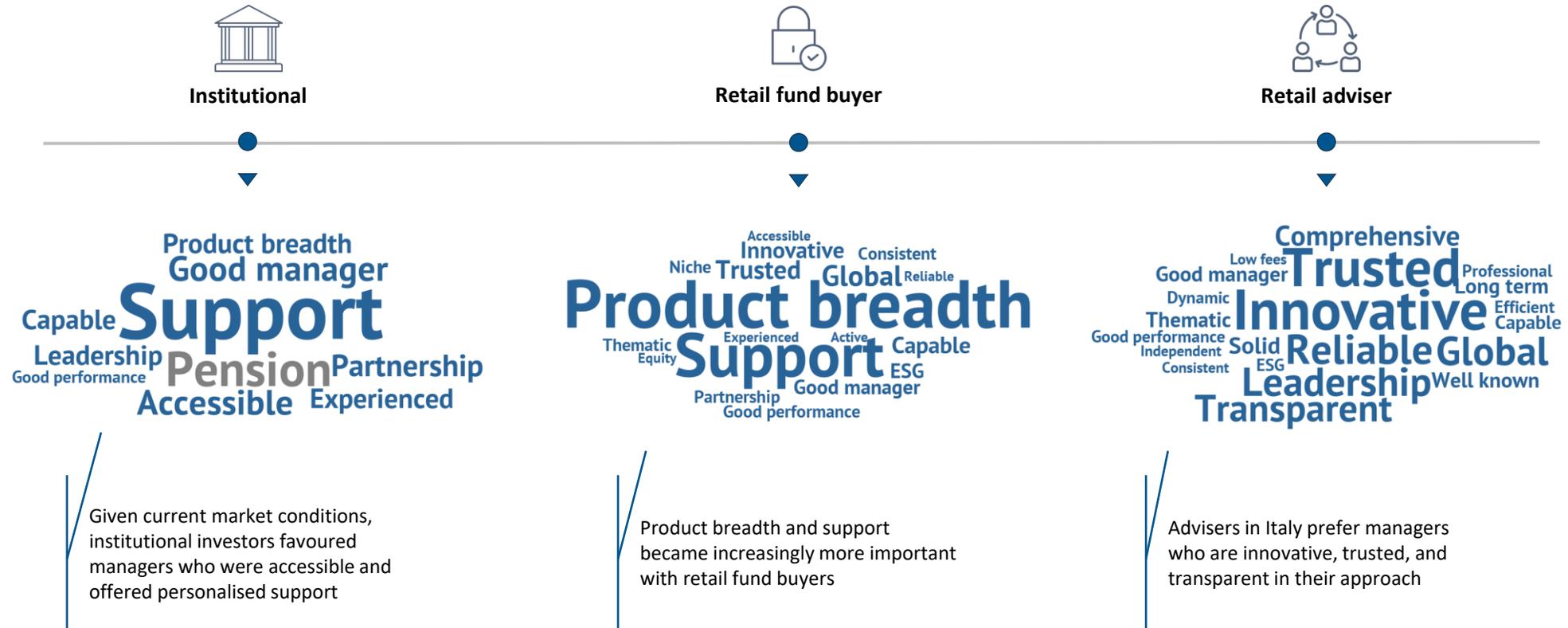
Goldman Sachs (GSAM) rose into the leading top-10 managers (from 12th) with private equity strength and recognition for being client focused

BlackRock rose to 1st with retail audiences (from 2nd) in Italy, with notable recognition with retail advisers for liquid alternatives, thought leadership, global perspectives, and overall industry leadership

Notes: 1. Brand ranking is determined based on top of mind nominations for the asset manages across overall brand awareness, asset class offerings, and capabilities, averaged over 2021 and 2022.
   2. Overall retail rank is calculated by giving equal weighting to rank in retail fund buyer and retail adviser.

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Institutional investors and retail fund buyers associate lead active managers for support and product breadth. Retail advisers favour managers for being innovative

Lead active manager brand profile (Italy)

Institutional

Retail fund buyer

Retail adviser

Given current market conditions, institutional investors favoured managers who were accessible and offered personalised support

Product breadth and support became increasingly more important with retail fund buyers

Advisers in Italy prefer managers who are innovative, trusted, and transparent in their approach

Notes: 1. Change from prior year: ☐ Increase ☐ Decrease ☐ Stay the same
2. The Active Leader is defined as the most important asset manager for active for a given respondent

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Inflation related content was of high interest with all audiences. There is demand for more thought leadership around cryptocurrency and ESG with retail investors

Thought leadership topics of interest in the next 12 months (Italy)

Top 5 topics

Institutional

2022 Rank	Topic	Change in rank
1	Inflation	=
2	Interest rates	↑
2	Asset allocation	↑
4	Alternatives	↓
5	Insurance	↑

Given current market conditions, all audiences would like to learn more about asset allocation in the face of inflation and rising interest rates
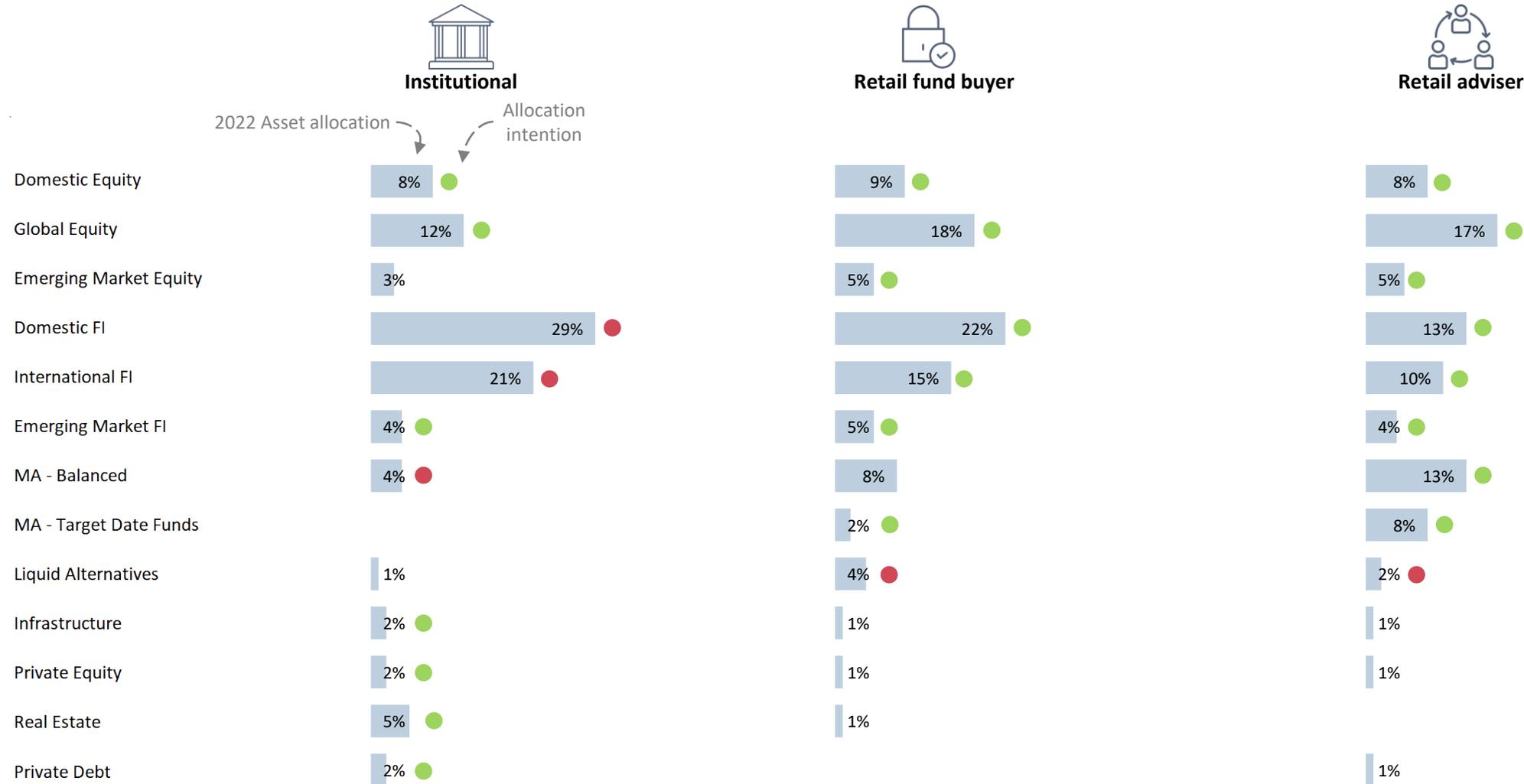
Retail fund buyer

2022 Rank	Topic	Change in rank
1	Asset allocation	↑
2	Inflation	↑
3	Interest rates	↑
4	Alternatives	=
5	Cryptocurrency	↑

Pieces around better understanding cryptocurrency and the impact of ESG investing were more prominent topics amongst retail fund buyers and advisers

Retail adviser

2022 Rank	Topic	Change in rank
1	ESG	=
2	Inflation	↑
3	Asset allocation	=
4	Fixed income	↑
5	Metaverse	↑

Institutional investors intend to increase allocations to alternatives. Retail investors were optimistic towards equity and fixed income classes

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Reported asset mix and asset allocation intentions (Italy)

	Institutional	Retail fund buyer	Retail adviser
	2022 Asset allocation ⟶ Allocation intention		
Domestic Equity	8% ●	9% ●	8% ●
Global Equity	12% ●	18% ●	17% ●
Emerging Market Equity	3%	5% ●	5% ●
Domestic FI	29% ●	22% ●	13% ●
International FI	21% ●	15% ●	10% ●
Emerging Market FI	4% ●	5% ●	4% ●
MA - Balanced	4% ●	8%	13% ●
MA - Target Date Funds		2% ●	8% ●
Liquid Alternatives	1%	4% ●	2% ●
Infrastructure	2% ●	1%	1%
Private Equity	2% ●	1%	1%
Real Estate	5% ●	1%	
Private Debt	2% ●		1%

Note: 1. Allocation intention shows the asset classes with the highest proportion of respondents who intend to increase/decrease allocations to in the next 12 months (allowing for an allocation of >1%): ● Increase ● Decrease

Performance, market uncertainty, growth and inflation are prominent current challenges for institutional and retail investors in Italy

Top 5 greatest challenges expected in next 12 months (Italy)

Change in rank

Institutional

1	Performance	=
2	Client acquisition	↑
3	Growth	↑
3	Inflation	↑
5	Asset allocation	↑

> *"Maintaining profitability in line with the parameters of the pension fund and the chosen benchmarks.*
> **Pension Fund, Italy**

Retail fund buyer

1	Growth	=
2	Performance	↑
3	Digitalisation	↑
4	Client retention	↑
5	Product breadth	↑

> *"Maintaining the assets under management and increasing the advisory activity of the Italian branch.*
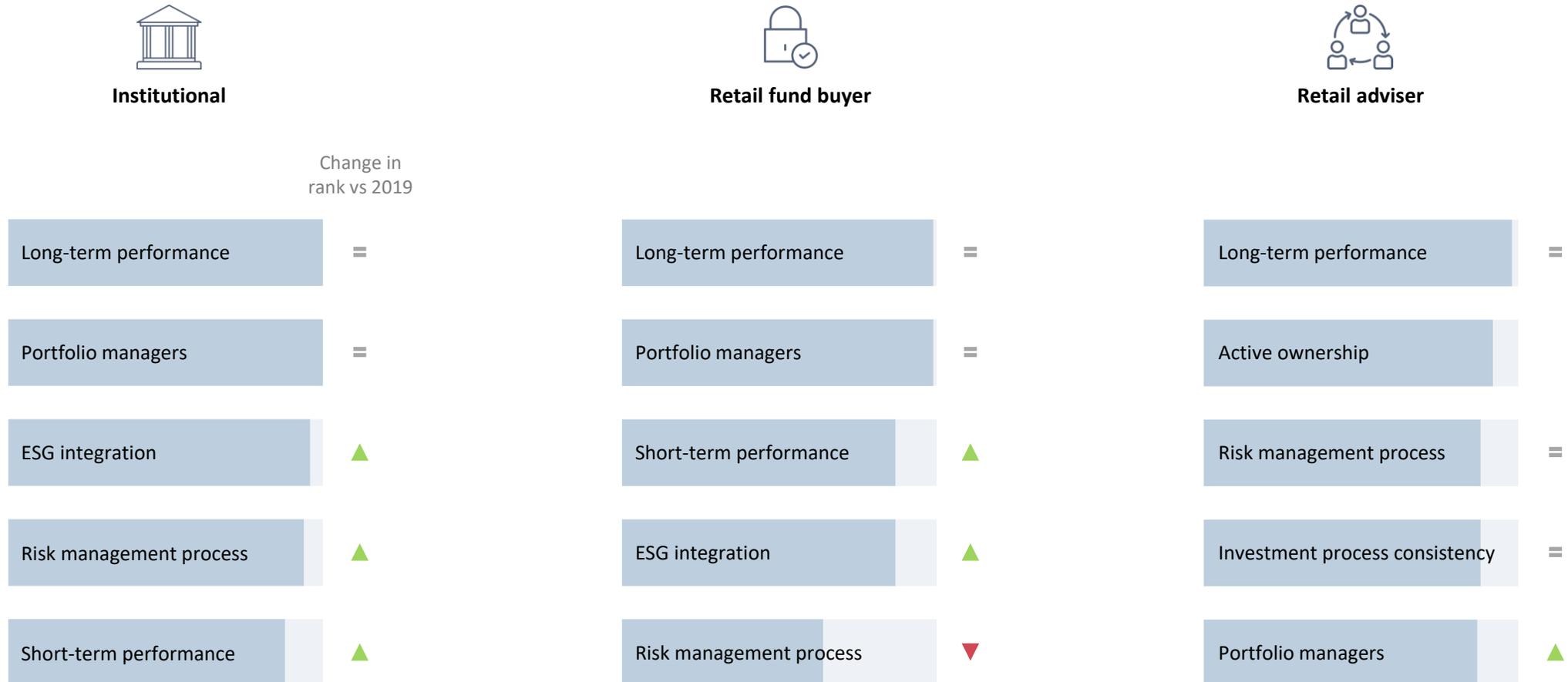> **Retail Fund Buyer, Italy**

Retail adviser

1	Growth	=
2	Market uncertainty	↑
2	Market downturn	↑
4	Inflation	↑
5	Client reassurance	↑

> *"Managing customer concerns after the two consecutive crises and maintaining adequate profitability for the masses.*
> **Retail Adviser, Italy**

Long-term performance was the leading investment driver across all audiences. ESG integration rose in importance for institutional and retail fund buyers

Top 5 most important investment factors (Italy)

Institutional

Change in rank vs 2019

Factor	Change
Long-term performance	=
Portfolio managers	=
ESG integration	▲
Risk management process	▲
Short-term performance	▲

Retail fund buyer

Factor	Change
Long-term performance	=
Portfolio managers	=
Short-term performance	▲
ESG integration	▲
Risk management process	▼

Retail adviser

Factor	Change
Long-term performance	=
Active ownership	
Risk management process	=
Investment process consistency	=
Portfolio managers	▲

Note: 1. The top 5 investment factors are based on the proportion of respondents who stated this was important in 2022
2. Arrows to the right of the bar graph show the change in their rank from 2019. Note Active ownership is a new factor added in 2022: ▲ Increase ▼ Decrease = Stay the same

Italian audiences have returned to attending conferences in-person. Topics of interest, quality of speakers and networking are leading drivers to attend in-person

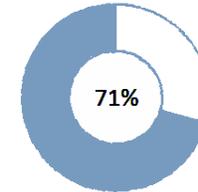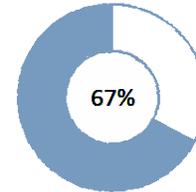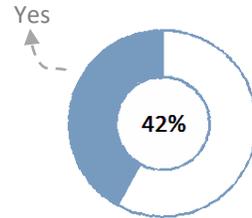**Attending conferences in-person (Italy)**

Institutional

Retail fund buyer

Retail adviser

Proportion of investors who attended a conference in-person in the last 6 months

Yes

42%

67%

71%

Top 2 reasons for attending in-person

The topics were of interest	The topics were of interest	The topics were of interest
To network with colleagues and peers	To network with colleagues and peers	The quality of speakers

97% of Italian retail advisers use social media on a consistent basis, and on average use 3 platforms; most commonly WhatsApp, LinkedIn, and Facebook

Social media platforms – Retail adviser (Italy)

Social media platforms regularly used
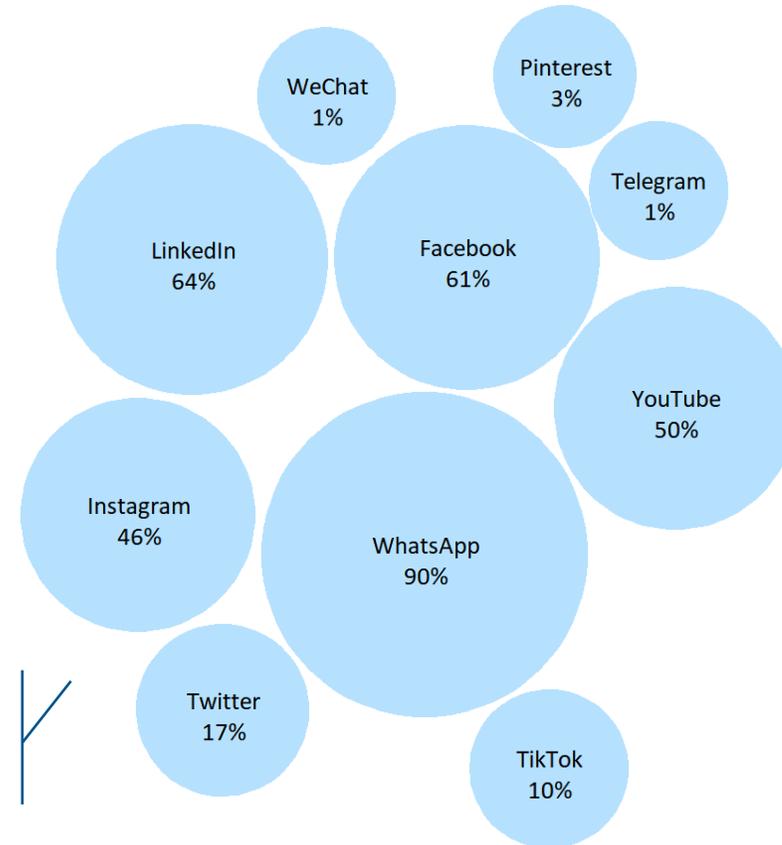(% of respondents who use social media)

97% of Retail advisers leverage social media platforms regularly (weekly basis) for personal or professional use

3 Platforms are used by retail advisers on average

Out of the top 3 most widely used platforms, more advisers intend to use WhatsApp and LinkedIn more and shift away from Facebook

WeChat 1%

Pinterest 3%

Telegram 1%

LinkedIn 64%

Facebook 61%

YouTube 50%

Instagram 46%

WhatsApp 90%

Twitter 17%

TikTok 10%

Thank you

For more information about NMG, visit www.nmg-consulting.com

For more insights or further information on our Global Asset Management Study, please contact Karen Lau at karen.lau@nmg-group.com

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