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attribute this ranking to the fact that reliance on plain vanilla Italian government debt, BOTs, is no longer tenable, rather than to faith in riskier asset classes per se.

But even though Italians are changing their investment tune, it would be a mistake to write off fixed income. Bonds are still a significant part of the average open-ended portfolio; the asset class was the second most popular in the third quarter, with €8 billion in allocations. Fixed income represented around 46% of total assets under management at the end of the same quarter, with flexible funds as a distant second (21.2%). Circumspect diversification would explain these figures and the increasing interest in alternative investments as highlighted by a recent poll of financial advisers conducted by BNY Mellon Investment Management. Not coincidentally, allocations to Undertakings for Collective Investment in Transferable Securities (UCITS) IV alternative funds are growing too. Cerulli can see why UCITS would look like a welcome compromise to Italians foraying into alternative asset classes. These vehicles remove the risk of having to "lock-up" capital because they can be bought and sold daily or weekly. Liquidity is in fact their main selling point. Also impor-

Some IFAs are tackling this hurdle by exploiting modern technology. Independent financial consultancy SoldiExpert has intensified its program of "educating" clients through the use of timely market updates, Skype calls, video conferences and blogs.

In addition to helping calm jittery nerves, SoldiExpert is hopeful that this course of action will encourage savers to be more confident in diversifying beyond the norm. Independent advisor firms Studio Zanella and

Independent Financial Advisors' Clients by Main Investment Objectives, 2014

For the average Italian investor, choosing the right investment strategy is closer to an exercise in future damage containment than a quest to strike it rich.

Source: Cerulli Associates

