

As multi-manager pioneer Mediolanum marks 25 year anniversary EMEA fund assets delegated to third-party managers reach €2.19trn

- 2023 Allfunds Data Analytics (ADA) new report highlights the continued growth of sub-advised funds in the funds industry, reaching €1.38trn in assets delegated to third party managers and 11% of the entire UCITS funds universe.
- Interest in boutiques has gone from strength to strength - mandates in June 2023 grew by 2.5% to 44.4% marking a 16.7% increase in the last 3 years in sub-advised mandates. This has been mainly driven by the multimanager approach where boutiques' mandates grew 26.8% overall in the last 3 years.
- MIFL ranked as top fund platforms belonging to banking groups, with €46 billion AUM in H1 2023 delegated to third party managers.
- Multimanager strategies continue to rise driving almost entirely the growth of sub-advised fund assets in the overall industry. 68% of MIFL's AuM are run with a multimanager approach.
- ESG funds are driving growth representing 45% increase in EMEA sub-advised mandates, with MIFL having experienced 94% growth in ESG mandates making it the industry's highest growth among the funds platforms belonging to banking groups.

Dublin 11th October 2023 - On its 25th anniversary, Mediolanum International Funds Limited (MIFL) has positioned itself as EMEA's leading banking group funds' platform ("Banking Distribution channel") for delegated assets, as sub-advised funds continue to grow reaching €1.38trn at end-June 2023, representing 11% of the UCITS funds universe and confirming the attractiveness of the model for clients and distributors.

These are some of the key findings of a report produced by Allfunds Data Analytics - and presented during the MedMe event in Dublin on 11th October, in the presence of Ms Jennifer Carroll MacNeill, the Irish Minister of State at the Department of Finance, Mr Michael D'Arcy - CEO of Irish Association of Investment Managers (IAIM), Mr Kieran Donoghue - Global Head of International Financial Services, Strategy and Public Policy at IDA Ireland, Mr Danny McCoy – CEO of Irish business representative group IBEC and many others.

MIFL held its leading position across EMEA for sub advisory mandates within the Banking Distribution Channel, having grown its assets by 9% in the last year to reach €46bn AuM in H1 2023.

The report, titled [*"Bringing boutique talent closer to investors through delegated fund managers"*](#) investigated key trends in the delegated fund industry across both fund-of-fund structures and sub-advisory fund agreements, and found that the growth of sub-advised fund assets over the last year was driven almost entirely by multimanager mandates, which represent 68% of MIFL's total AuM.

Another key finding from the report is the growing interest in boutiques¹ and ESG in the sub-advisory space, the latter representing 45% of the net increase in EMEA mandates over the last year. While the total sub-advisory ESG market grew by 12%, MIFL experienced a 94% increase in ESG mandates

¹ Allfunds Data Analytics defines investment managers with <= \$20 billion AUM globally as boutiques.

making it the industry's highest growth among the funds platforms belonging to banking groups, both on a one-year and three-year basis.

Speaking on the report and the firm's 25th anniversary, Furio Pietribiasi, CEO of MIFL, said: *“MIFL was set up 25 years ago in Ireland with the strong vision of building a business able to attract, develop the best talent and to invest in the most innovative tools and technology in the market by being domiciled in one of the fastest growing and most competitive funds’ centre in the world.”*

“Pioneering the sub-advisory model has really made the difference for our clients and distributors, allowing for unique product innovation adapted to on-going financial markets conditions and capturing the best long-term opportunities for the investors.

“Today, supported by Ireland’s thriving financial ecosystem, which we are proud to be an integral part of, we have 113 sub-advisory mandates, of which 45 are with boutique managers, which accounts for €12.1 billion, corresponding to 26.3% of our total AuM. These results have been possible thanks to one of the largest and most experienced manager selection teams in Europe and growing sophistication in our investment processes and risk management.

“We have always believed in the benefits of the multimanager approach, which allows investors to access open architecture at a more competitive price where the manager selection and allocation are decided by long-standing investment professionals; distributors have full transparency and control of their clients investments at any time, resulting also in a longer clients’ investment holding period thanks to the constant product evolution which adapts to market trends or investment opportunities. As highlighted in this report, the continued growth in the funds’ industry, despite market volatility, is a testament to the benefits of sub-advisory and multimanager.”

Ends

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Note to Editors

The full report titled *Bringing boutique talent closer to investors through delegated fund management* can be found through the following [link](#).

Other key findings, trends and themes within the report include:

- Amongst delegated mutual funds, sub-advised funds are typically preferred over Fund Of Funds for accessing active managers. This is mostly because of the lower regulatory restrictions and higher commercial leverage that the sub-advised fund model can offer (the average mandate size is €351m while the average fund-in-fund allocation to third-party funds is €79m).
- Mediolanum has more exposure to sub-advised funds (71% of its delegated fund assets) than to fund-in-funds (29%). This reflects Mediolanum’s ambition to deliver market outperformance for investors by appointing best-in-class active managers, including boutique managers as explained in the paper.
- The use of boutique managers by sub-advised fund sponsors is often associated with the adoption of a multi-manager structure for running mandates.

- These multimanager mandates are becoming increasingly popular amongst sponsors looking to reduce concentration risk within their sub-advisory programmes. The growth of sub-advised fund assets over the last 12 months was driven almost entirely by multimanager mandates, with these assets now accounting for 37% of the EMEA sub-advisory market.
- In line with its ambition to access the best boutique managers, Mediolanum is well ahead of the market in the use of multi-manager mandates with 68% (EMEA is 37%) of its sub-advised assets managed under this approach.
- In the last twelve months, mandates relating to funds within ESG sectors accounted for 45% of the net increase in mandates (29 out of 65). The notable weight of ESG-related mandates is being driven by a combination of new art. 8 and 9 fund launches as well as existing/new mandates being put out to tender following changes in the funds' investment approach.