



October 8<sup>th</sup>, 2026

# Where does real investor value come from?

## Active funds vs active ETFs

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# Market Context

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1. **Market Context**
2. Demystifying Active ETF
3. Investing with method

# The Global ETF Landscape In a Nutshell

ETFs Today Represent Approximately **32%** of Global Fund Assets

**€19.6 T**

Total AUM

**€14.1 T**

Total AUM in the US

**€3.2 T**

Total AUM in Europe



# Fee Reduction In Active Funds and ETFs 10Y (2013-2023)

| Domicile   | Fee Change in Active Funds (2013-2023) | Active Annualized Avg. | Fee Change in ETF (2013-2023) | ETF Annualized Avg. |
|------------|----------------------------------------|------------------------|-------------------------------|---------------------|
| Ireland    | -17%                                   | ↓ 1,9%                 | -40%                          | ↓ 5,0%              |
| Luxembourg | -15%                                   | ↓ 1,6%                 | -57%                          | ↓ 8,1%              |
| UK         | -44%                                   | ↓ 5,7%                 | -73%                          | ↓ 12,3%             |
| US         | -32%                                   | ↓ 3,8%                 | -47%                          | ↓ 6,2%              |

1. Market Context



# The Fee Compression Trend Is Not Over

| Domicile   | Avg Annual Change Active (2013-2023) <sup>(1)</sup> | Avg Annual Change Active (2015-2025) <sup>(2)</sup> | Avg Annual Change ETF (2013-2023) <sup>(1)</sup> | Avg Annual Change ETF (2015-2025) <sup>(2)</sup> |
|------------|-----------------------------------------------------|-----------------------------------------------------|--------------------------------------------------|--------------------------------------------------|
| Ireland    | ↓ 1,9%                                              | ↓ 2,5%                                              | ↓ 5,0%                                           | ↓ 3,4%                                           |
| Luxembourg | ↓ 1,6%                                              | ↓ 1,8%                                              | ↓ 8,1%                                           | ↓ 4,7%                                           |
| UK         | ↓ 5,7%                                              | ↓ 3,0%                                              | ↓ 12,3%                                          | ↓ 6,5%                                           |

1. Market Context



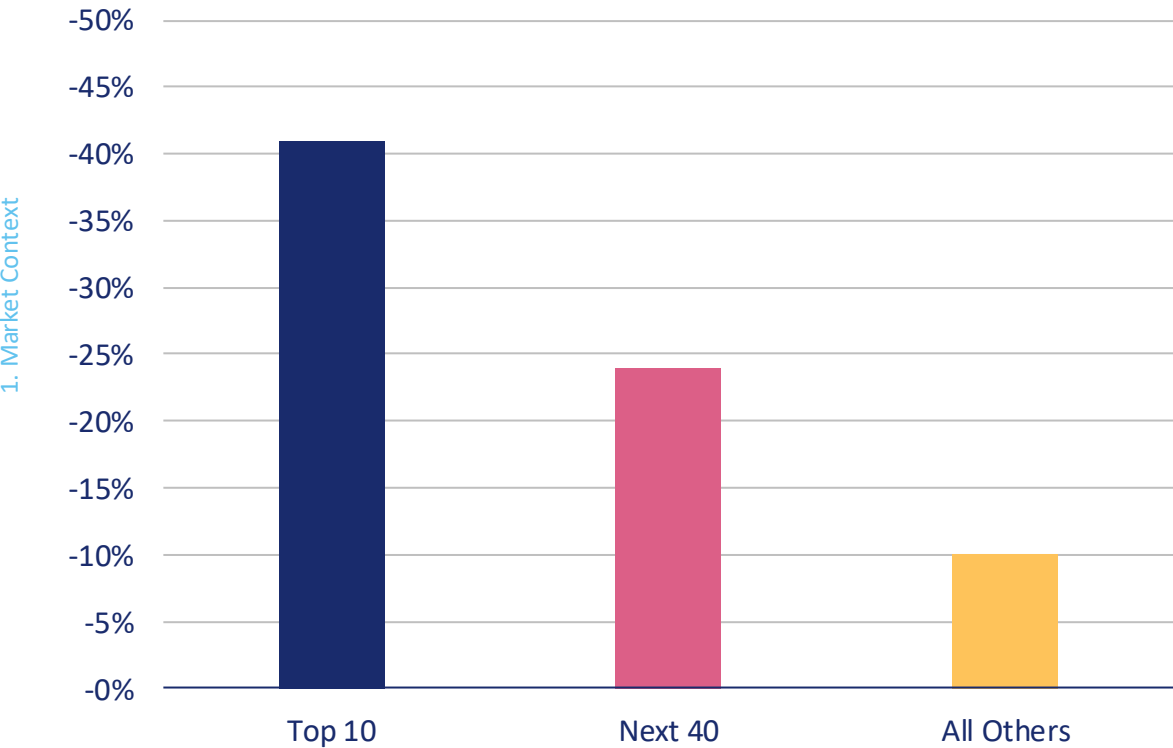
<sup>(1)</sup>Source: Broadridge Global Pricing Market Intelligence (2013-2023)

<sup>(2)</sup>Source: Morningstar’s European Fund Fee Study 2025

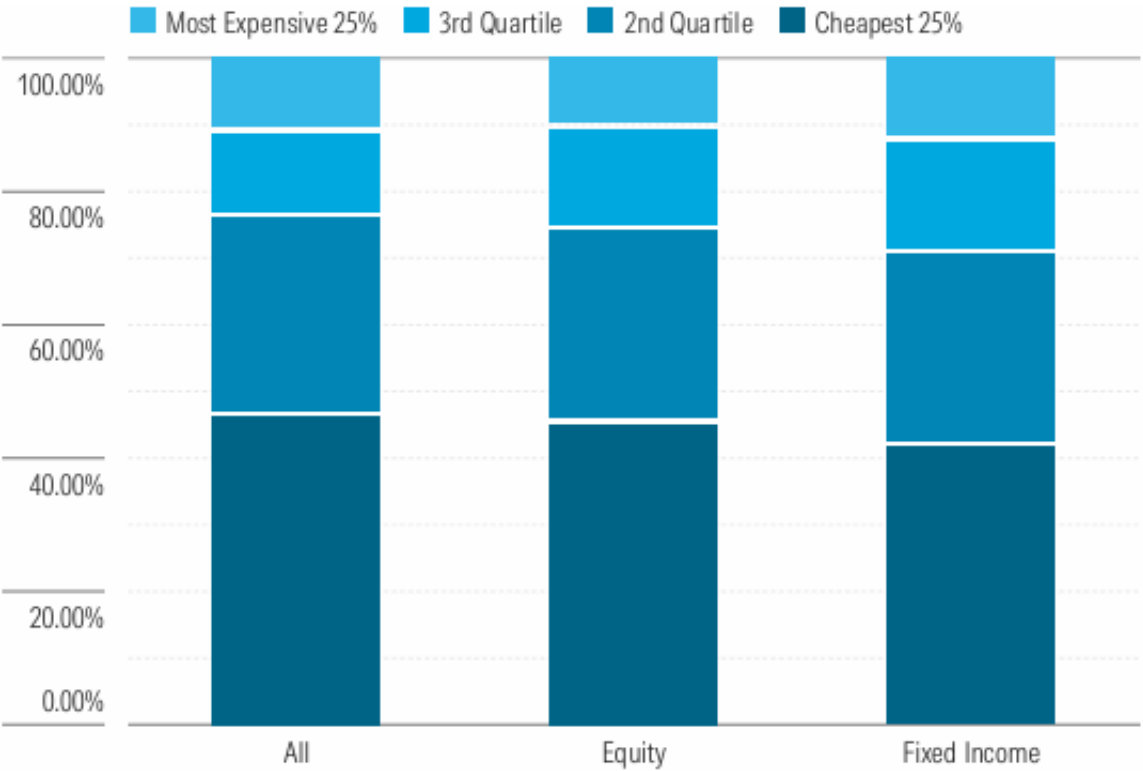
# The Race To The Bottom Drives Market Concentration

Intensifying race to the **lowest fees**. ETF flows toward a shrinking group of **scale players**

Asset-Weighted TER, % Change in Ireland 2013–2023<sup>(1)</sup>



ETF: Asset Distribution by Fee Quartile<sup>(2)</sup>

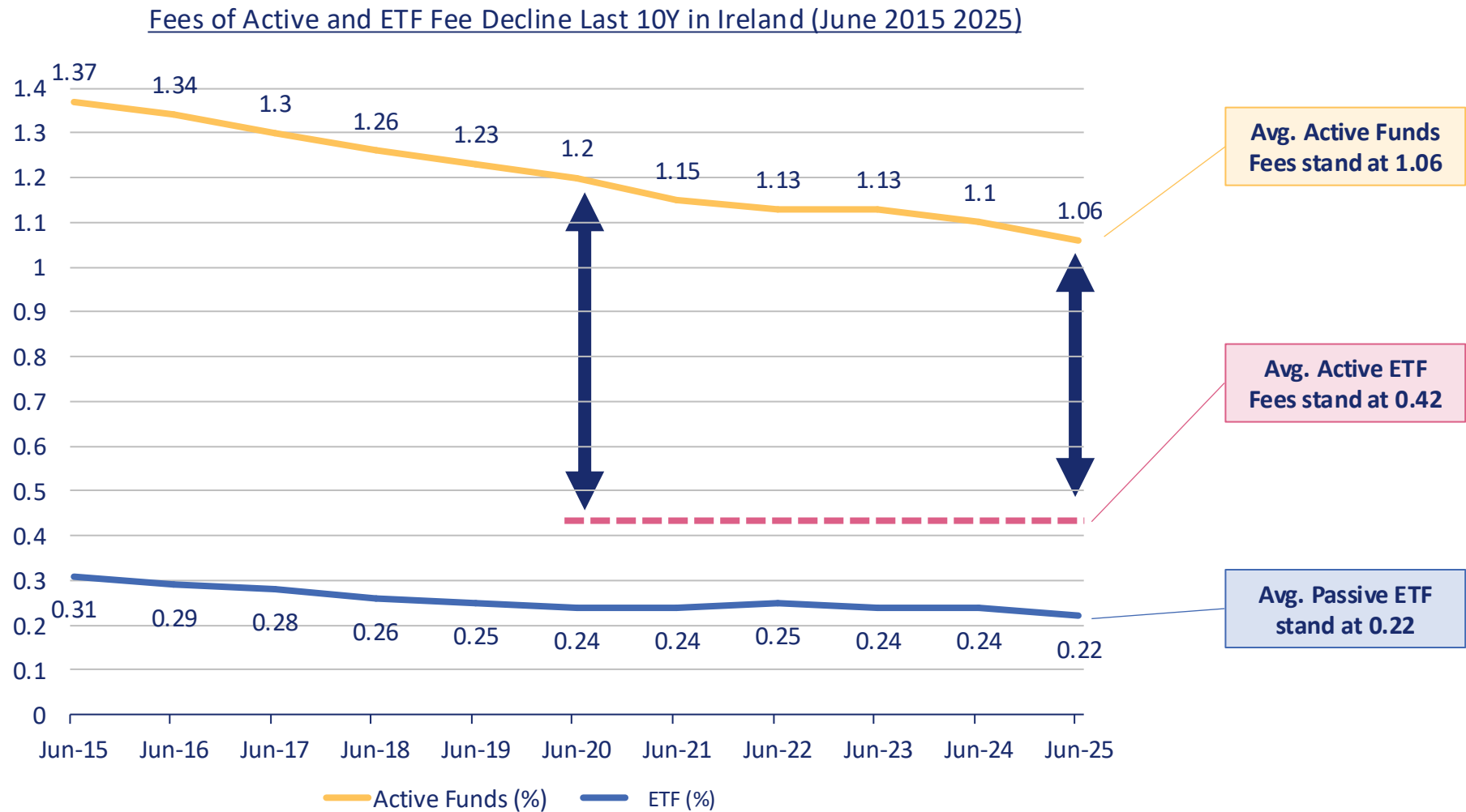


<sup>(1)</sup>Source: Broadridge Global Pricing Market Intelligence (2013-2023)

<sup>(2)</sup>Source: Morningstar’s European Fund Fee Study 2025

# The Fee Gap Between Active Funds and ETFs Continues To Narrow

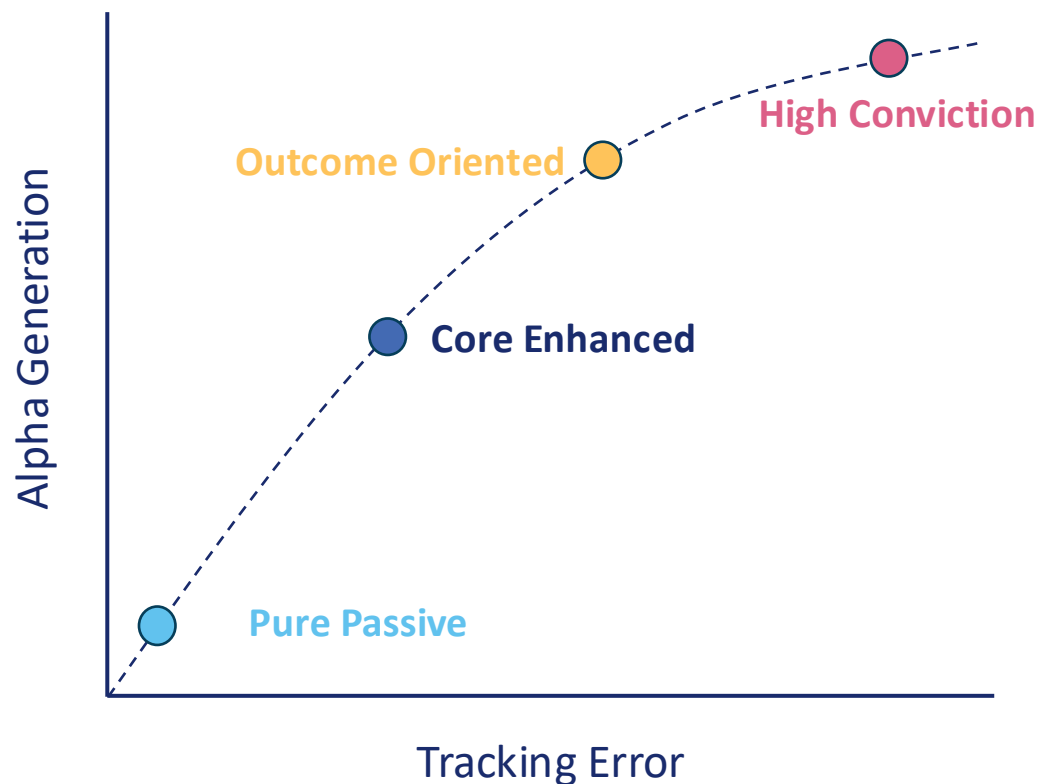
1. Market Context



# The Active ETF Landscape

## 1 The Different Types of ETFs

1. Market Context



## 2 The Active ETF Market Is Growing

**€2.0 T**

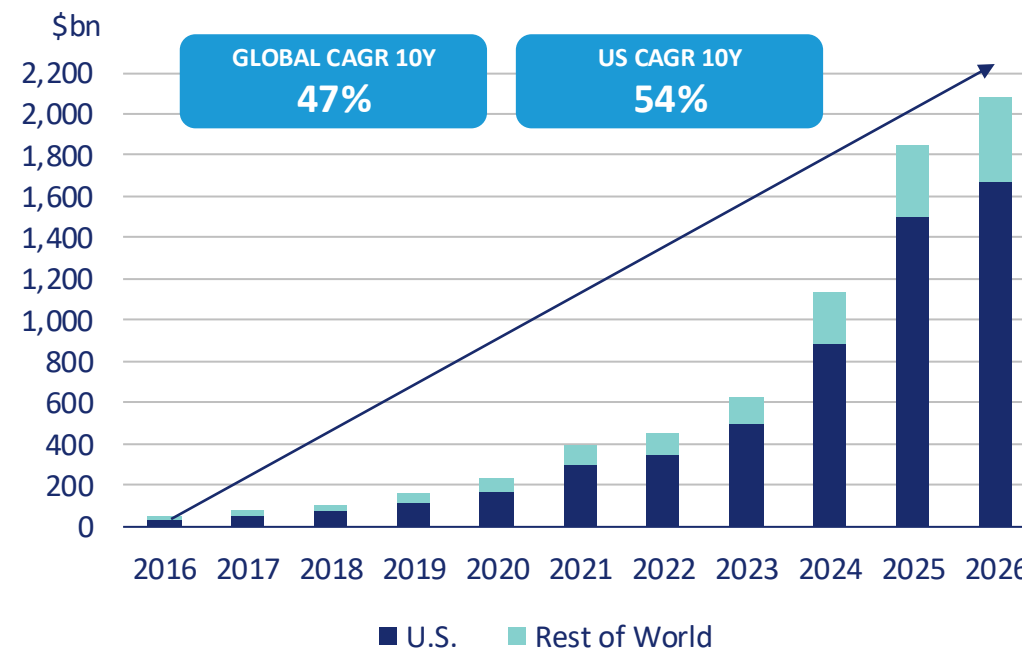
Total AUM (active)

**€1.8 T**

Total AUM in the US

**€110 bn**

Total AUM in Europe



# Active ETFs in Europe

## 1 Universe at a Glance

**313**

# of active ETFs

**45**

# of issuers

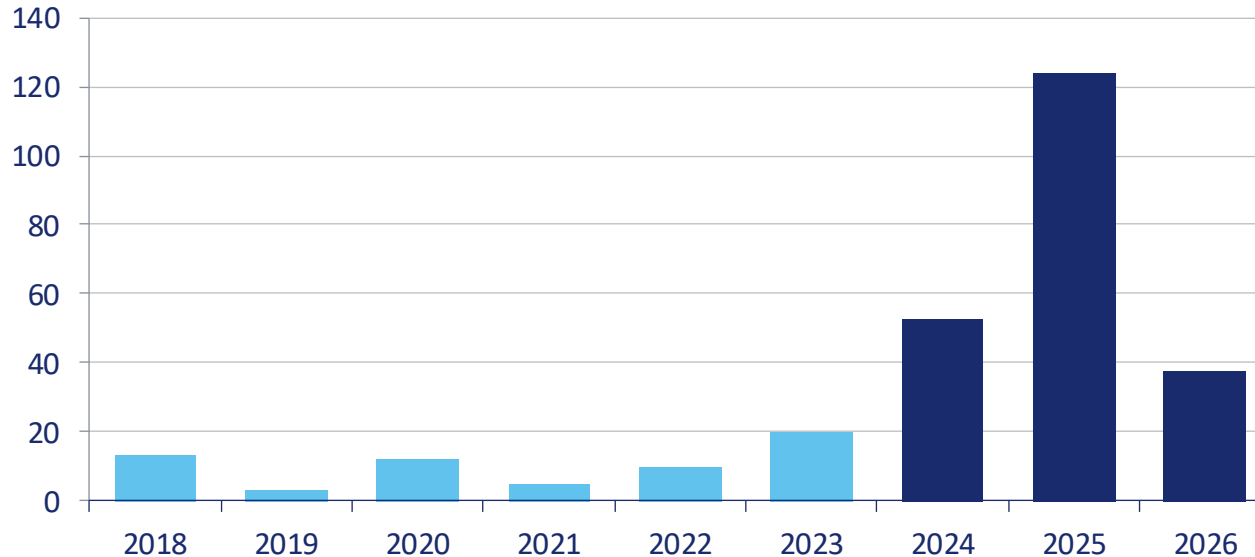
**€110 bn**

AUM

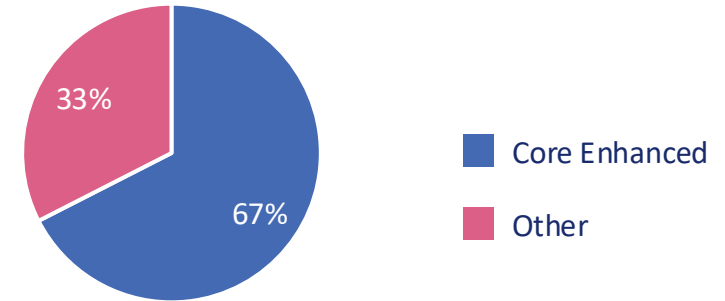
**81%**

% of launches in the last 3Y

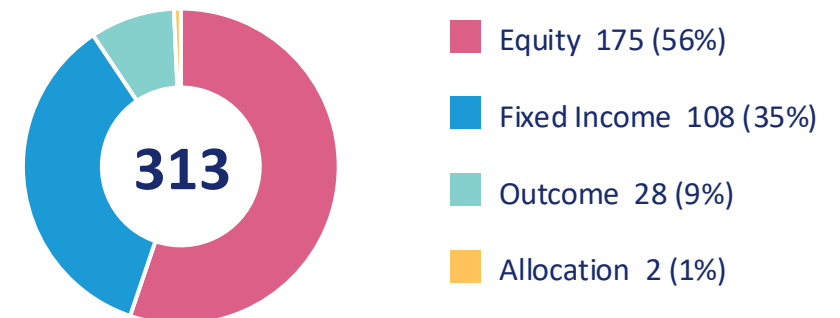
### New Active ETFs by Launch Year



## 2 AUM Split by Type



## 3 Asset-Class Split by Number of Funds





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# Demystifying Active ETF

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3. Investing with method

# Two Tests to gauge the Active ETF phenomenon

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## Test 1

**Does the ETF vehicle perform better?**

## Test 2

**Do ETF investors reach a better outcome?**

# Two Tests to gauge the Active ETF phenomenon

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## Test 1

**Does the ETF vehicle perform better?**

## Test 2

**Do ETF investors reach a better outcome?**

# Equity: Traditional vs Active ETF Success Rates

2. Demystifying Active ETF

|                     | <u>ALL ACTIVE FUNDS</u> |                                             | <u>CORE ENHANCED</u> |                                             |
|---------------------|-------------------------|---------------------------------------------|----------------------|---------------------------------------------|
|                     | Success rate, 3Y        | Winning Strategies<br>Avg. 3Y Net alpha (%) | Success rate, 3Y     | Winning Strategies<br>Avg. 3Y Net alpha (%) |
| Active Mutual Funds | 20.3%                   | +2.91                                       | 28.6%                | +1.09                                       |
| Active ETFs         | 31.0%                   | +1.95                                       | 28.6%                | +0.87                                       |



Source: Morningstar Active ETF dataset. Analysis based on 313 active UCITS ETF share classes, metrics as of 31 July 2026. Only 29 equity funds have a three-year track record and only 14 are core. The core enhanced category is based on a custom classification, in which tracking error is the primary differentiator: broadly, ETFs with TE lower than 2%. Alpha is net of fees.

# Fixed Income: Traditional vs Active ETF Success Rates

|                     | <u>ALL ACTIVE FUNDS</u><br>Success rate, 3Y | <u>ALL ACTIVE FUNDS</u><br>Winning Strategies<br>Avg. 3Y Net alpha (%) |
|---------------------|---------------------------------------------|------------------------------------------------------------------------|
| Active Mutual Funds | 51.1%                                       | +1.39                                                                  |
| Active ETFs         | 48.1%                                       | +0.55                                                                  |



Source: Morningstar Active ETF dataset. Analysis based on 313 active UCITS ETF share classes, metrics as of 31 July 2026. Only 27 fixed income funds have a three-year track record. Alpha is net of fees.

# Conclusions on Test 1

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- Active Equity ETFs: **different format, same success rate**. On a like-for-like basis, 28.6% of both active equity ETFs and mutual funds beat their benchmark after fees
- In bonds, **It is easier to select an overperforming mutual fund than an active ETF** (51.1% versus 48.1%, after fees)
- Among outperforming strategies, **mutual fund winners win by more**. The alpha generated by active ETFs is lower than that of active mutual funds
- **Pick the manager, not the label**: finding the winners takes expertise, in active ETF and mutual funds alike



# Two Tests to gauge the Active ETF phenomenon

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## Test 1

Does the ETF vehicle perform better?

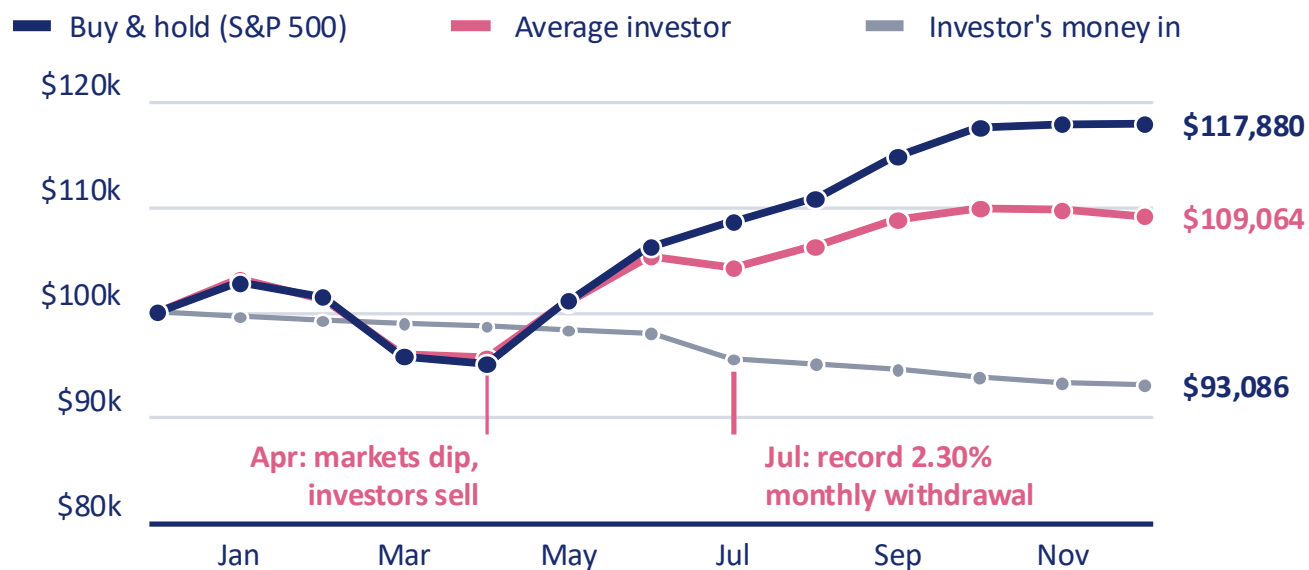
## Test 2

Do ETF investors reach a better outcome?

# Mind The Gap

**Market timing** cost investors 10.6% of 2025's gain

Hypothetical \$100,000 equity portfolio, 1 Jan – 31 Dec 2025



2025 return and money earned on \$100,000

Buy & hold · 17.88% return **\$17,880**

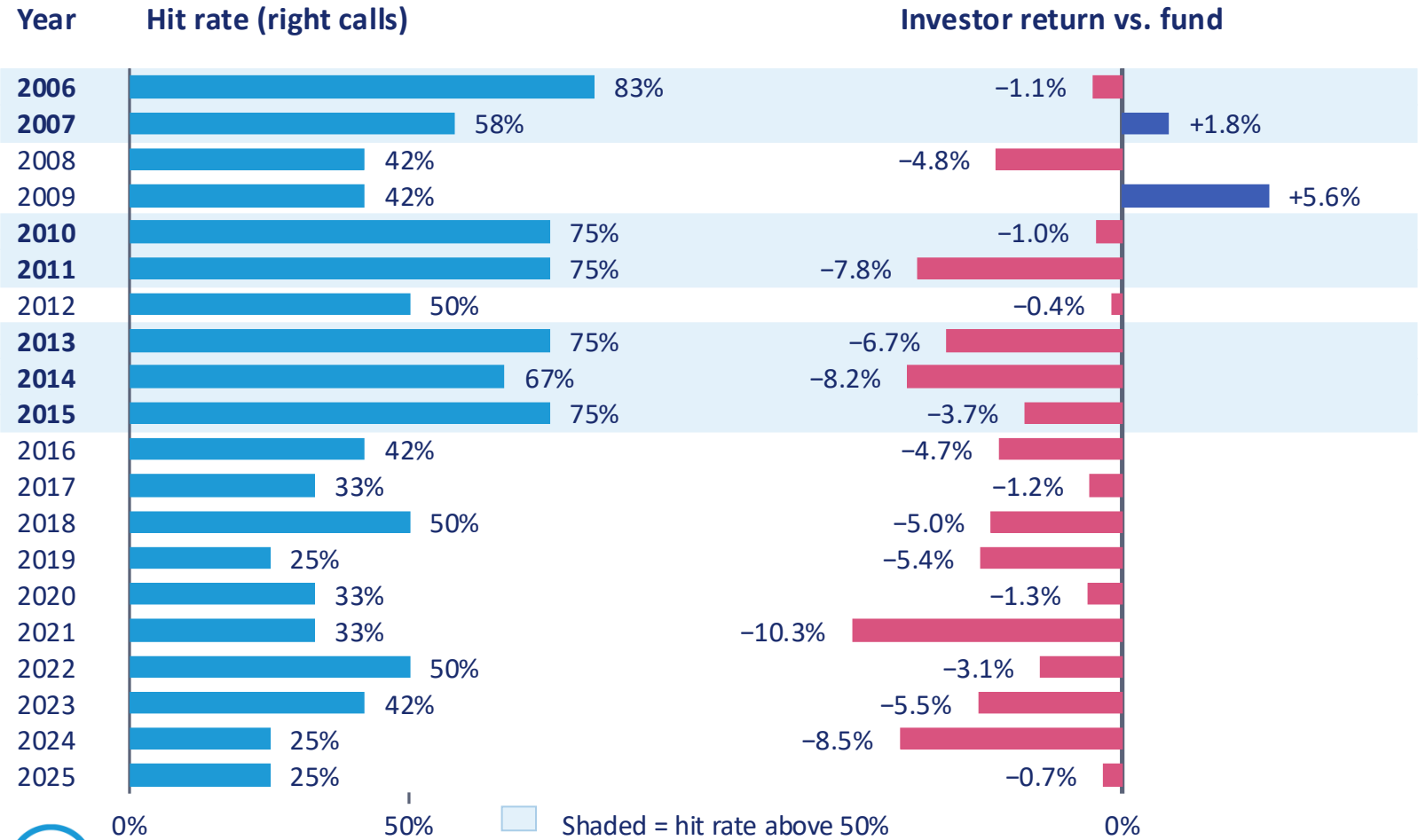
Average investor · 17.16% return **\$15,978**

**-10.6%** of the year's gain given up: \$1,902 of \$17,880



# Being Right ≠ Making Money

What matters is how much the **right calls earn** versus what the **wrong ones cost**



**18 of 20**

years lost money, whatever the hit rate  
(2006–2025)

**2 of 20**

years made money — roughly 1 in 10

**6 of 7**

years with hit rate >50% still lost money  
(2006–2025)

**+3.7% (2 times)/  
-4.4% (18 times)**

average winning vs. losing year

2. Demystifying Active ETF



# More Trading, A Wider Return Gap

ETF investors trade in and out more often than active-fund investors, so they keep less of the return their fund actually delivers

|                         |          | Total<br>return | Investor<br>return | Investor gap<br>(percentage points) |
|-------------------------|----------|-----------------|--------------------|-------------------------------------|
| Alternative             | ETF      | 4.2%            | -3.9%              | -8.1                                |
|                         | Open-end | 4.1%            | 3.3%               | -0.9                                |
| International<br>Equity | ETF      | 9.8%            | 7.3%               | -2.5                                |
|                         | Open-end | 8.6%            | 7.9%               | -0.7                                |
| Sector<br>Equity        | ETF      | 11.6%           | 9.8%               | -1.8                                |
|                         | Open-end | 9.8%            | 8.8%               | -1.0                                |
| Allocation              | ETF      | 5.4%            | 3.7%               | -1.7                                |
|                         | Open-end | 8.4%            | 7.8%               | -0.7                                |

4x

wider average investor gap for ETFs: 3.5 vs  
0.8 pp (avg for 4 categories)

Alpha needs time!

Hold active strategies for the  
long run. Don't trade them.



# Conclusion On Test 2

The story isn't ETF vs fund fees. It's investor behavior.

–10.6%

## Timing costs every investor

The average investor gave up \$1,902 of a \$17,880 gain in 2025, after fees.

6 of 7

## Being right is not enough

Years with a hit rate above 50% still lost money.  
Losing years average –4.4%; winning years +3.3%.

4×

## ETF investors trade more, keep less

Average investor gap of 3.5 pp for ETFs vs 0.8 pp for open-end funds, across four categories.





03

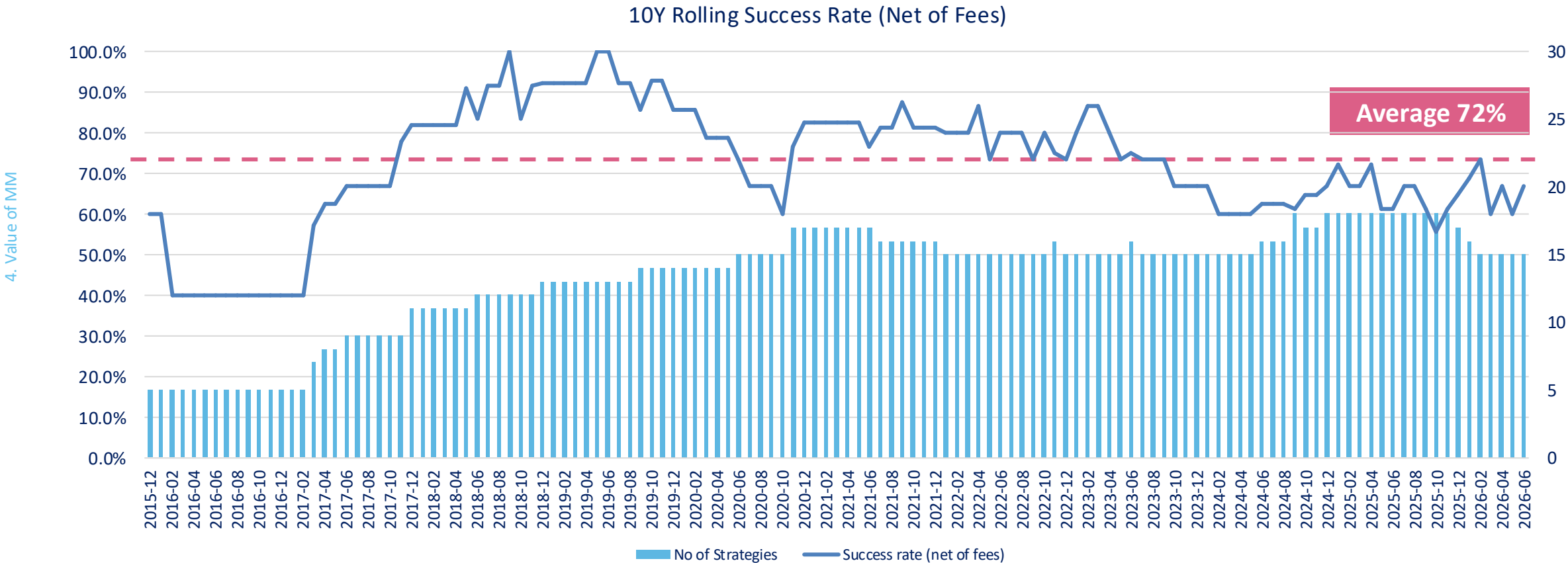
# Investing with method

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# The Real Value Is in Manager Selection

Average **72%** 10-year rolling success rate (net of fees) across the global equity strategies analysed



**m** Source: Managers, MIFL. Strategies and assigned Strategic Asset Allocations (SAAs)' returns are reported in Euros, net of fees, from 12/2005 to 06/2026. Success rate is determined as follows: for example, the success rate for June 2020 reflects the percentage of funds that have outperformed their assigned benchmarks over the 10 years ending in June 2020. This rate is calculated when there are at least 5 funds or strategies with a 10-year performance record. The data may also include extended track records of funds or strategies that share the same investment approach and portfolio managers.† The reported success rates include performance data from periods prior to our selection of these managers. While this reflects the overall quality of the strategies, it does not imply that all outperformance occurred during our holding period. Average time we have held these strategies is 3.5 years. Analysis based on 29 global equity funds.

# Big house or boutique?

## THE SKILL EFFECT

**Bigger funds can make outperformance harder**

As a fund grows, managers have less room to turn good ideas into extra returns

## MIFL'S APPROACH

Mediolanum's multi-manager approach: selecting the right managers for our portfolios, from large groups and boutiques alike

## THE SCALE EFFECT

**Bigger groups can give managers stronger support**

Better and broader research, technology and trading scale can help managers deliver more value



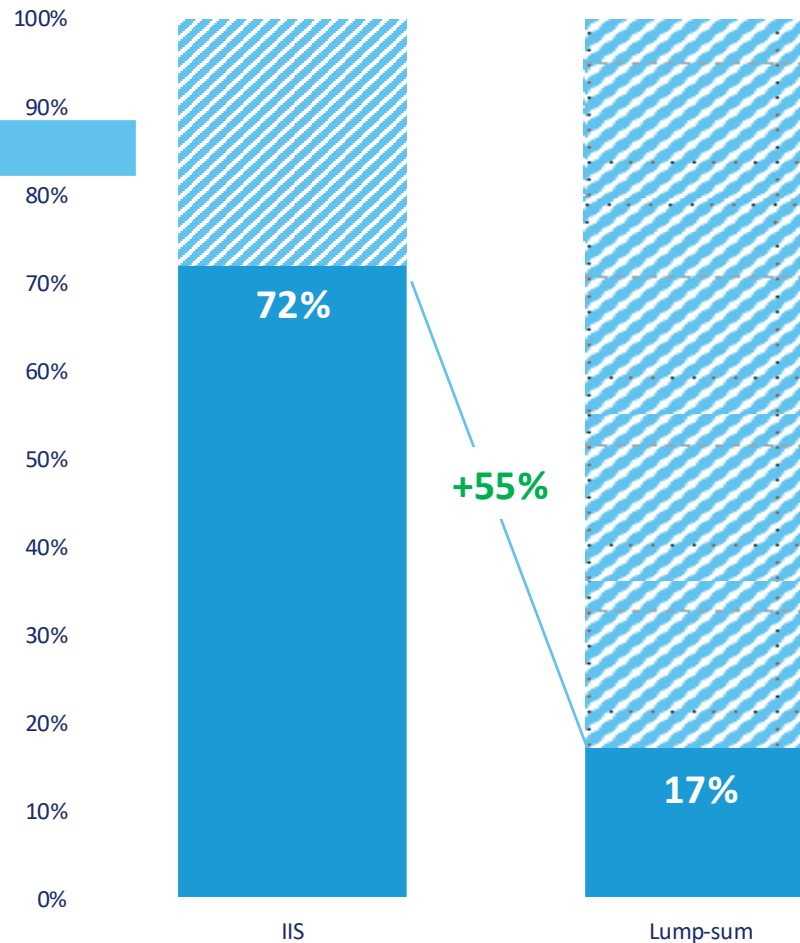
# The value of the method: Mediolanum IIS results

Since IIS Launch in 2016

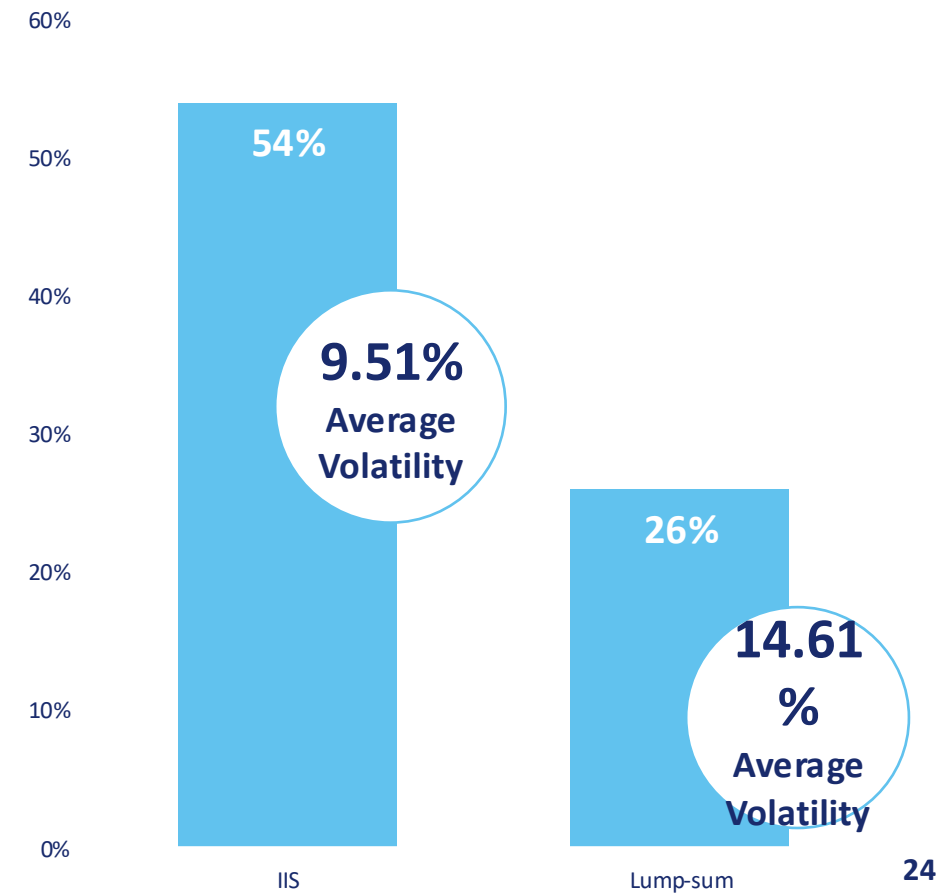
4. Value of MM

**7 years**  
Average holding  
period for  
clients who  
redeemed

% Of Clients who remain invested



Average Client Return



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