PRESS RELEASE

Investment funds and government bonds top the preferences of ‘do-it-yourself’ investors

Prudent profile and risk aversion: this is the identikit that emerges from the latest Consob survey on administered savings

He is a prudent saver, who tends to allocate his money mainly in investment funds and government bonds. He has a marked aversion to risk. He tries to keep away from complex and illiquid financial instruments. Most of the time, he follows the advice of his bank and does not seem to be concerned by conflicts of interest that may affect the advice of his trusted intermediary.

This is the identikit that emerges from Consob's latest survey on ‘do-it-yourself’ savings, i.e. savings administered by intermediaries on behalf of retail customers, in which, among other things, the composition of portfolios over a thirteen-year period, from June 2010 to June 2023, is examined.

The lion's share is held by investment funds, whose incidence has gradually increased from 16.6% in 2010 to 53.8% in 2023 (down from a peak of 61% in 2022).

In second place, albeit with a wide gap, are government bonds, whose weight over the reference period has remained more or less stable, swinging from 19.3% in 2010 to 22.5% in 2023, with a sharp jump compared to 2022 (15%).

The Occasional Paper ‘Analysis of the main characteristics of retail savings administered by banks’, (“*Analisi delle principali caratteristiche del risparmio retail amministrato dalle banche*”,) published today on www.consob.it website, also shows that between 2010 and 2023 savers chose to radically reduce their exposure to bonds, mostly bank bonds, from 50% to 8%.

The data analysed by the authors, Francesco Adria and Francesco Quaranta, also show a sharp reduction in illiquid securities (down from 30.7% to 3.1%) and complex securities (down from 17.5% to 6.3%). On the other hand, the share of the equity component held outside of investment funds remained stable, at just 14%, a substantially stable incidence over the period under review.

Investments characterised by a potential conflict of interest were on the rise (from 41% to 58.8%), the nature of which gradually shifted from offering financial instruments issued by the banks themselves to placement incentives.

The study highlights the crucial role and thus also the responsibility of banking intermediaries in steering their clients' investment choices, an activity that takes place in a context of information and cognitive asymmetry between the two parties. The authors conclude by emphasising, inter alia, the relevance for intermediaries to pursue, in the provision of investment services, the overriding objective of client interests.

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