

## ASSET ALLOCATION IN EUROPE:

### What challenges and opportunities lie ahead?



3<sup>rd</sup> TASK FORCE MEETING

Brussels, 20 March 2018

#### AGENDA

12:00 – 12:30

[Registration & lunch](#)

12:30 – 13:00

[Introductory remarks](#)

Chairman: Jean-Pierre Pinatton, Supervisory Board, Oddo BHF

13:00 – 14:45

[Session 1. Retail investors](#)

Retail investors are and should remain at the core of the CMU project. To this end, a more balanced and diversified allocation of their financial assets is needed. Compared to the US, European households have more than double the amount of their savings in deposits, but only half as much in investment funds and shares. Moreover, due to a variety of reasons – savings rates/net financial wealth, investor preferences/behavioural aspects, market structure and access, regulatory/supervisory frameworks and tax regimes – the composition varies considerably across Europe. Retail capital markets services are also barely developed on a cross-border basis, and this translates into very limited cross-border holdings of financial assets.

- What are the main factors influencing demand for savings/investment products across Europe? How to foster (in)direct retail participation in capital markets?
- Is the current supply fit for purpose, i.e. products with a rewarding risk-return profile, transparent pricing and cost/fee structures?
- Are the developments in manufacturing, marketing, distribution and financial advice moving into the right direction? How to tackle the lack of financial literacy?
- How effectively are the ESAs and NCAs overseeing the interaction among the different sectoral EU rules affecting retail investors?

[Keynote address \(20 min\)](#)

Steffen Kern, Head of Risk Analysis and Economics Department, ESMA

[Panel debate \(40 min\)](#)

Ole Stæhr, Executive Advisor, Nordea Wealth Management

Claire Castanet, Head of Retail Investors Relations, Autorité des marchés financiers (AMF)

Guillaume Prache, Managing Director, Better Finance

Emmy Labovitch, Principal Administrator, Directorate for Financial and Enterprise Affairs, OECD

[Discussion & wrap-up \(45 min\)](#)

14:45 – 15:15

[Coffee break](#)

15:15 – 17:00

## Session 2. Sustainable/ESG investment

In Europe, the capital markets ecosystem is expected to further develop in line with the overall objective of enhancing long-term value creation in the real economy. Institutional investors and asset managers have a fiduciary duty to act in the best interest of their end investors, and therefore should be equipped to seize the opportunities and tackle the risks arising from materially relevant ESG factors. Retail investors have also been increasing their direct presence in this segment. With respect to non-financial data and integrated reporting, there seems to be a huge learning curve for companies, investors, service providers, policymakers and other stakeholders. Transparency, proportionality, reliability, and ultimately financial performance will allow the market to develop in size and maturity.

- Are investors mainstreaming the integration of sustainability factors? What are their approaches to ESG assessments, preferred asset classes and investment strategies?
- Is there a real 'scarcity' of sustainable assets/projects in Europe? Would fully-fledged taxonomies, labels and standards improve the conditions for investments?
- What drives the take-up of sustainability ratings/scoring, indices and benchmarks? How to ensure that SMEs are not underrepresented in the investors' portfolios?
- How will the Action Plan for Sustainable Finance translate into practice? Should prudential regulation incentivise such investments?

### Keynote address (20 min)

Diego Valiante, Senior Economist, DG FISMA, European Commission

### Panel debate (40 min)

Andrea van Dijk, Director of Client Relations, Sustainalytics

Martina Macpherson, Board Member, Network for Sustainable Financial Markets

Jean-Francois Coppenolle, Senior Manager, Credit/Investments, Aviva

Jean-Philippe Desmartin, Head of Responsible Investment, Edmond de Rothschild

### Discussion & wrap-up (45 min)

17:00 – 17:30

### Conclusions

Rapporteurs: Karel Lannoo, CEO, CEPS and Cosmina Amariei, Researcher, ECMI

**Venue:** CEPS Conference Room  
1 Place du Congrès  
1000 Brussels – BE