

PRIVATE CAPITAL REPORT

# Private wealth in the UK and Europe

Mapping the wealth landscape across  
the French, UK, German and Italian markets

MACFARLANES

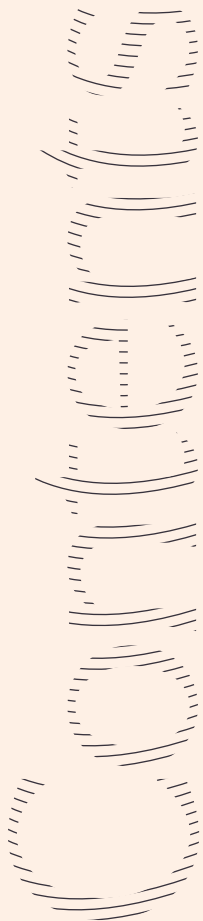
# Introduction

Over the past five years, the "democratisation" or "retailisation" of private markets has become a central theme as managers look beyond traditional institutional investor segments.

While private capital managers (sponsors) aim to diversify their investor bases, there is also rising demand from wealth managers, and governments are eager to facilitate broader participation in private markets to achieve stated policy aims.

In this report we provide an overview of the structural differences in private wealth capital sources across Europe's largest economies: Germany, the UK, France, and Italy. We explore how these dynamics impact distribution and product design and examine private market adoption by private wealth investors, policy tailwinds, and existing barriers.

Finally, we discuss the product types used in this space and how managers can employ a "building blocks" approach to accommodate the diverse landscape of European private wealth investors.



Introduction	02
01 Overview of wealth distribution in Europe's largest markets	04
02 Country focus	07
France	08
United Kingdom	11
Germany	14
Italy	17
03 Private markets products for European wealth	20
Key takeaways and contacts	25
Endnotes	26

01

# Overview of wealth distribution in Europe's largest markets

# Structural differences shape the private wealth opportunity across Europe

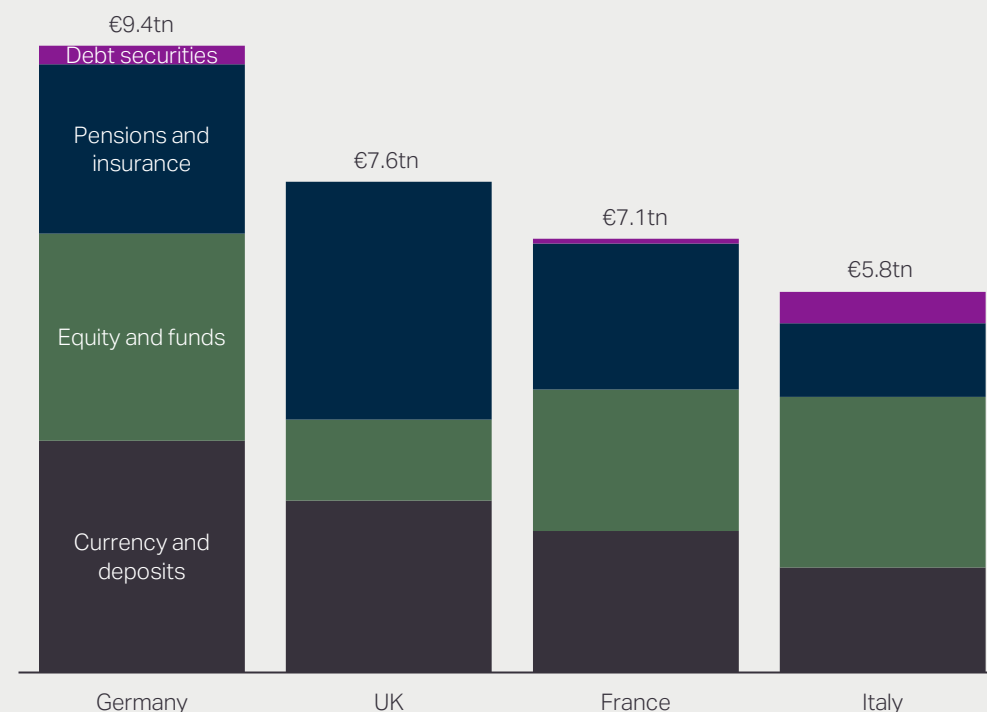
Germany, the UK, France and Italy together account for nearly three-quarters of the financial assets of households across the Eurozone and the UK.<sup>1</sup> However, these markets are not homogenous, they are built on different institutional foundations, which in turn shape the distribution channels through which private market products must integrate.

In the UK, almost half of household financial wealth is held through pensions and insurance retirement wrappers, making the UK by far the most institutionalised savings system of the four jurisdictions. Household wealth is mainly intermediated through large, funded pension schemes and long-term insurance vehicles, which pool capital and invest it on behalf of savers. This reflects decades of a shift towards funded workplace pension schemes, a pattern also seen in countries such as the Netherlands, Sweden and Denmark (although all with quite different pension structures).

Similarly to the UK, France also has a significantly institutionalised system with insurance companies playing a fundamental role. However, this is driven by insurance savings contracts rather than by retirement products, as is the case in the UK.

By contrast, Germany and Italy have less institutional intermediation. In both countries, households hold a larger share of their wealth directly, rather than through pension or insurance products. This reflects the absence of large, funded pension systems; while the same is true of France, Germany and Italy differ by lacking a strong insurance-based savings market.

Figure 1 – Composition of household financial assets in Europe's four largest markets



Notes: Financial derivatives (AF.7) and other accounts receivable/payable (AF.8) are excluded from the percentage bars but included in total asset values; Pensions and insurance (F.6) exclude PAYG state pensions but includes funded pension and insurance claims that households hold on pension schemes or insurers (primarily across occupational or voluntary pensions).

Sources: Eurostat; ONS datasets for Households.

## OVERVIEW









The composition of household financial assets shown above gives us some indication of how wealth is distributed; however, it includes a great number of assets that are not considered addressable. For the purpose of this article, which is to consider the private wealth market through the lens of private capital distribution, we consider the target addressable market of private wealth to include:

**Voluntary retirement assets** – this includes voluntary individual pensions, also known as Pillar Three pensions. State pensions (Pillar One) and occupational pensions (Pillar Two) are excluded for the purpose of this article. In some countries, and particularly in the UK, there is a large Pillar Two market where individuals can make investment decisions. However, there are generally low levels of direct engagement between individuals and their Pillar Two pensions, with the majority of asset allocation decisions falling to employers and/or the pension providers they select.

**Invested savings** – this mainly includes direct investments in equities and investments in funds. We subdivide these by where the capital is coming from (tax-advantageous savings accounts and general savings accounts) to better understand the constraints and limitations that capital might be subject to. We do not consider cash as addressable, nor direct shares in unlisted businesses (for example, where a person is a business owner). Insurance products are included where they are marketed as investment wrappers and excluded where they are more akin to traditional life insurance.

Finally, we acknowledge that there can be some overlap between these two categories, particularly where certain types of tax-advantageous wrappers can also be held within retirement products. The estimates of wealth throughout this article should be seen in light of these definitions and are ultimately indicative.

Figure 2 – Key finding summary for each jurisdiction

	France	UK	Germany	Italy
Estimated size of addressable private wealth <sup>2</sup>				
Household financial assets				
Main source of addressable capital	Tax advantageous accounts (assurance-vie)	Mixed – tax advantageous accounts (ISAs) and voluntary pensions	General investment account	General investment account
Main distribution channel	Insurers (direct and bancassurance)	Financial advisers and platforms	Banks	Banks

02

# Country focus – France, UK, Germany and Italy

# France

France, by contrast with the UK, does not have a large, funded occupational pension system as the core complement to the state pension. Until reforms in 2019, voluntary pensions were also not a meaningful element of the private wealth architecture.

Instead, most long-term investable wealth in France is concentrated inside insurance savings wrappers - assurance-vie. Assurance-vie is a tax-advantageous investment account (if assets are held for the long term), which does not have contribution limits and has important benefits as an inheritance vehicle through tax-free allowances. These favourable terms justify its popularity – currently, assurance-vie contracts in France amount to approximately €2tn. Although a great part of this value is in products with guarantees (non-unit-linked), we consider them addressable because they are mainly marketed as investment wrappers – this distinguishes the French market from Germany and Italy, where non-unit-linked products are marketed more closely to traditional life insurance.

Bancassurance is the primary distribution model for assurance-vie, representing c.60% of AUM, followed by traditional insurance (37%)<sup>3</sup>. Bancassurance can refer to either a partnership between an independent bank and insurer or, more commonly in France, to integrated corporate groups that combine both activities. Assets are moderately concentrated

Figure 3 – Sources of capital and key channels, France

	Wrappers	Summary	AUM (YE 2024)
<b>Voluntary pensions – Pillar 3</b>	PER	<ul style="list-style-type: none"> <li>Plan d'Épargne Retraite (PER) is a private retirement savings plan created in 2019 that replaced older schemes like the PERP and Madelin. It is a long-term savings vehicle with tax advantages, allowing individuals to save for retirement. Deductible contributions are capped at 10% of professional income.</li> </ul>	€120bn
<b>Tax advantageous accounts</b>	Assurance-vie	<ul style="list-style-type: none"> <li>Offers tax-deferred growth and significant income tax reductions after eight years. It is a highly flexible "wrapper" that can hold diverse assets (funds, bonds, or private equity) and is a primary tool for inheritance planning.</li> <li>Assurance-vie can be unit-linked or euro-denominated. There is a very significant difference as euro-denominated contracts have outcomes that are guaranteed by the insurance firm who bears the investment risk and holds assets on its own balance sheet. This has significant impact on asset allocation.</li> </ul>	€2tn (€1.4tn = euro-denominated, €600bn = unit-linked)
	PEA	<ul style="list-style-type: none"> <li>The PEA (Plan d'Épargne en Actions) offers income and capital gains tax exemptions after five years. Must invest in European companies or qualifying funds. Also includes a wrapper for PEAs dedicated to small/medium businesses – PEA-PME. Lifetime limit of €150,000 per person, €225,000 for PEA-PME.</li> </ul>	€117bn
<b>General investment accounts</b>	N/A	<ul style="list-style-type: none"> <li>Other listed shares and investment funds</li> </ul>	~€600bn
<b>Total</b>			<b>~€2.8tn (€1.4tn excl. euro-denominated assurance-vie)</b>

Note: Some PER programs are arranged by employers and technically fall under occupational pensions – Pillar 2.  
Sources: Ministère des Finances, France Assureurs, Fédération bancaire française; Eurostat.



among top players – including Crédit Agricole, BNP Paribas, Group BPCE and CNP Assurances among others. This means that private wealth investment in France benefits from the institutional layer of insurance manufactured portfolios, which may allow investors to access a broader range of products, particularly within discretionary mandates, but also exposes managers to the more complex regulatory landscape of insurance products.

Voluntary pensions are also growing in importance. Since its launch in late 2019, the French retirement savings plan, PER has grown rapidly, with total AUM rising to €130bn by early 2025. PER is predominantly managed by insurers – approximately 75% of PER AUM<sup>4</sup>.

## Adoption of private assets

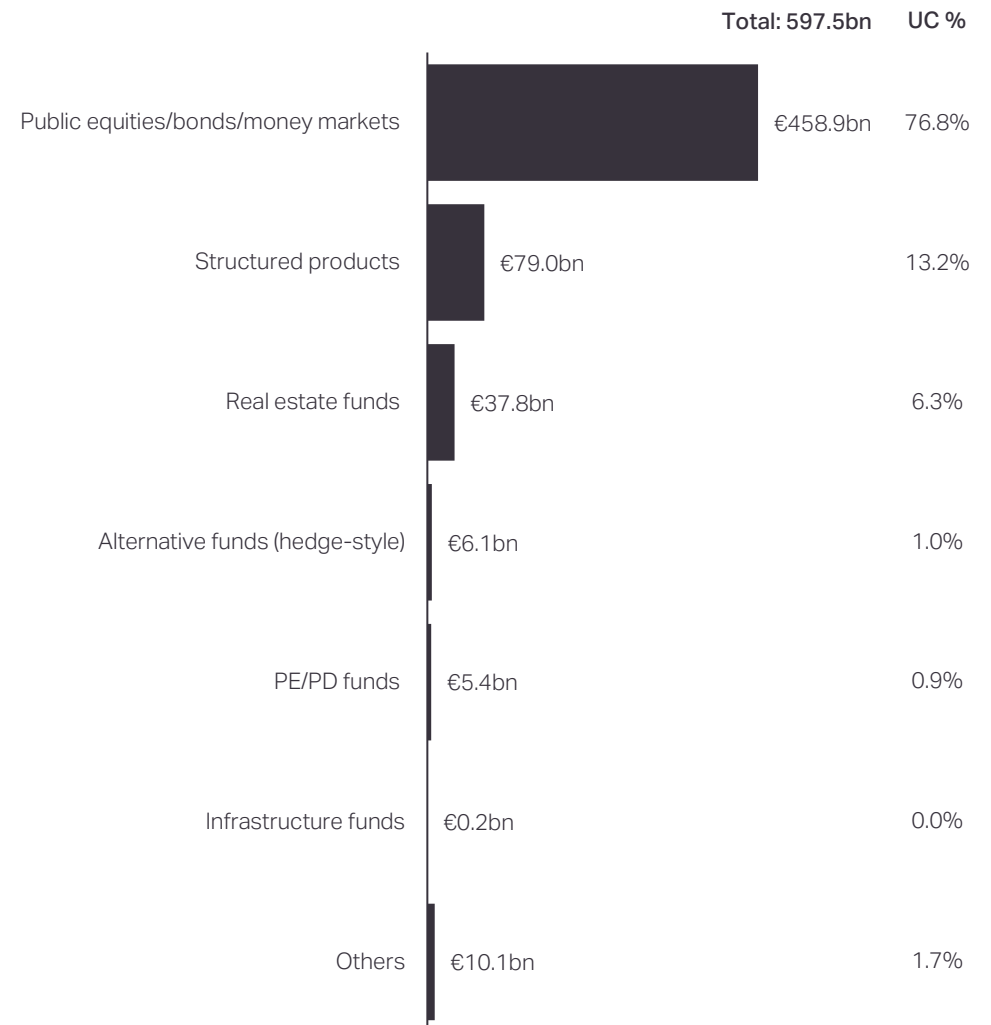
Historically, the French Government has encouraged private wealth investors to allocate to private assets through tax-advantageous wrappers and investment products. For example:

- **PEA-PME:** a variant of the tax-advantaged Plan d'Épargne en Actions specifically dedicated to investments in small and medium-sized enterprises (often unlisted);
- **FCPR (Fonds Commun de Placement à Risque):** a private capital vehicle required to invest at least 50% in unlisted companies. Provides a full exemption from income tax on capital gains at exit, provided the units are held for at least five years;
  - **FIP (Fonds d'Investissement de Proximité):** a subset of FCPR that must invest at least 70% in unlisted SMEs located in a specific geographic zone. This product also offers an upfront income tax reduction,
  - **FCPI (Fonds Commun de Placement dans l'Innovation):** a subset of FCPR that must invest at least 70% in unlisted innovative SMEs. This product also offers an upfront income tax reduction.

While the PEA-PME is an investment wrapper, the FCPR, FIP and FCPI are products which can be included in any of the wrappers – PER, assurance-vie or PEA. All these structures were introduced in France over 10 years ago and have helped build familiarity with private markets for private wealth investors. For example, assets under management in FCPR<sup>5</sup> increased from €628m in 2017, to €9.2bn in 2024<sup>6</sup>.

Most private assets in French private wealth are held through unit-linked insurance contracts, which represent 30% of assurance-vie. Importantly, the rest of assurance-vie is in guaranteed products, rather than unit-linked, meaning assets are invested via insurers' own balance sheets and are much more focused on public fixed income (see Figure 4).

**Figure 4 – Composition of French unit-linked investments**

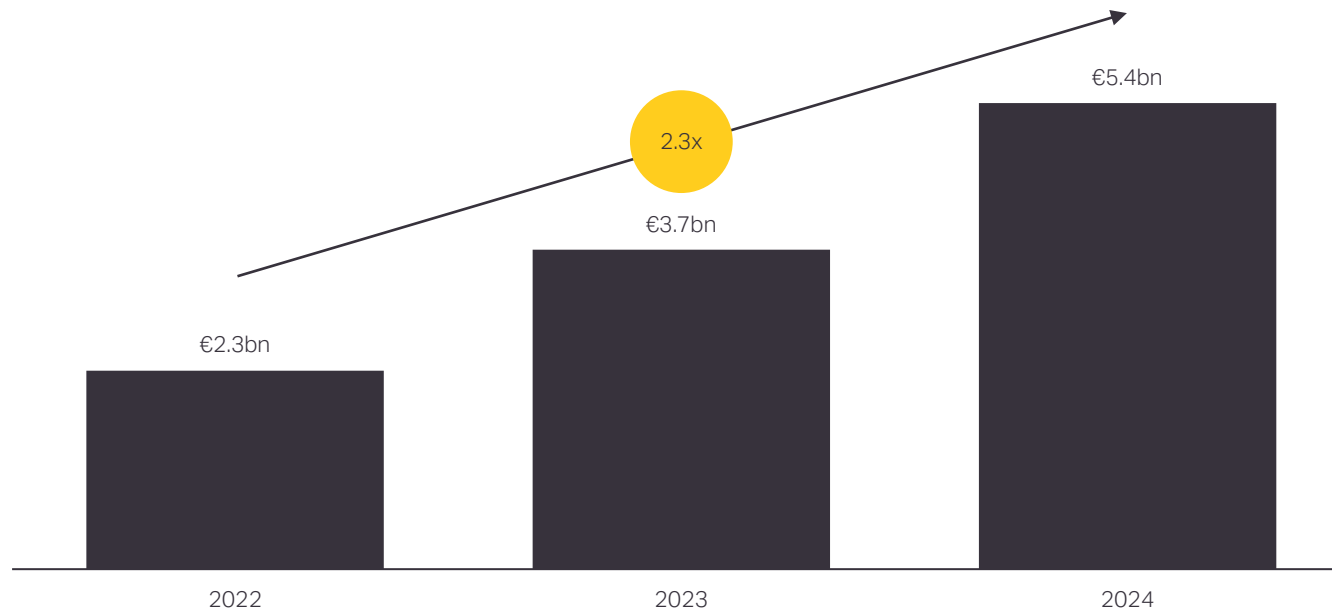


Source: France Assureurs, L'assurance Vie En Unités De Compte, 2024.

Unit-linked products had 8.2% invested in alternative assets by December 2024, with the vast majority in real estate. However, private equity and private debt funds have had the highest growth in the last couple of years. Albeit from a low base, these funds have more than doubled in French unit-linked portfolios from 2022 to 2024 (see Figure 5).

ELTIFs have become popular for inclusion within assurance-vie contracts. As of 2025, French investors represented 37% of all investment volume into ELTIFs, making France the largest market for these products. In part, this is being driven by the 2024 Green Industry Act which introduced minimum unlisted-asset allocation requirements for managed assurance-vie and retirement savings plans (including PER). Managed portfolios for balanced and dynamic investors must allocate 4% and 8% to unlisted assets, respectively.

Figure 5 – PE/PD funds within French unit-linked contracts



Source: France Assureurs, L'assurance Vie En Unités De Compte, 2022, 2023 and 2024.



## Key policy tailwinds and barriers

- ▲ **The Government continues to support more investment in private assets by private wealth:** the Green Industry Act was enacted to simultaneously encourage investment in green projects and support the wider economy. One of the measures included in the Act directs private pension schemes (PER) and assurance-vie (life assurance) products to invest in unlisted investments through the introduction of a minimum threshold of unlisted holdings, which varies depending on the investor's risk profile.
- ▲ **Tibi scheme promoting French private capital:** although more focused on institutional capital than private wealth, it is worth mentioning the French Tibi scheme, under which the Government encouraged institutional investors to commit capital to French venture and growth funds. Over €15bn has been raised through this initiative, further legitimising private capital.
- ▲ **ESMA guidance on ELTIF domiciles:** recent clarifications issued by ESMA on its ELTIF guidance underline the European Commission's view that Member States should not impose domicile requirements on the ELTIF or the AIFM. This clarification may help challenge the prevailing market practice whereby products distributed into the French private wealth market are generally expected to be French-domiciled.
- ▼ **Strong market preference for French-domiciled products:** French investments are heavily influenced by tax incentives. These benefits are strictly tied to the "base" legal category of the fund (the domestic tax advantageous product e.g. FCPR), or the fund's ability to be included in assurance-vie. Consequently, there is a strong market preference for French-domiciled products. While European regulations theoretically allow for cross-border equivalence, French-domiciled vehicles supervised by the AMF are effectively "pre-vetted" for inclusion within assurance-vie policies and result in seamless tax reporting, whereas foreign products often face more rigorous due diligence and technical hurdles.

# United Kingdom

Voluntary pensions in the UK are much larger and offer significantly greater investment flexibility than is typically available in European countries.

Bespoke SIPP, which hold £184bn in assets<sup>7</sup>, offer the highest level of autonomy, including the ability to hold non-standard assets such as commercial property. These wrappers are frequently utilised by private wealth investors and are often managed via discretionary mandates by wealth managers or private banks.

An interesting feature of the UK market is that, while European fund distribution is dominated by banks, UK fund distribution is dominated by other types of intermediaries. In the UK, banks represent only 10% of the advisory channel, compared with an average of 45% across Europe (see Figure 7).

As a result, UK fund distribution is led by discretionary managers and financial advisers. Their heavy reliance on third party investment platforms, together with the prominence of large direct-to-consumer (D2C) providers, means that platforms are a far more significant feature of the UK market than in France, Italy or Germany.

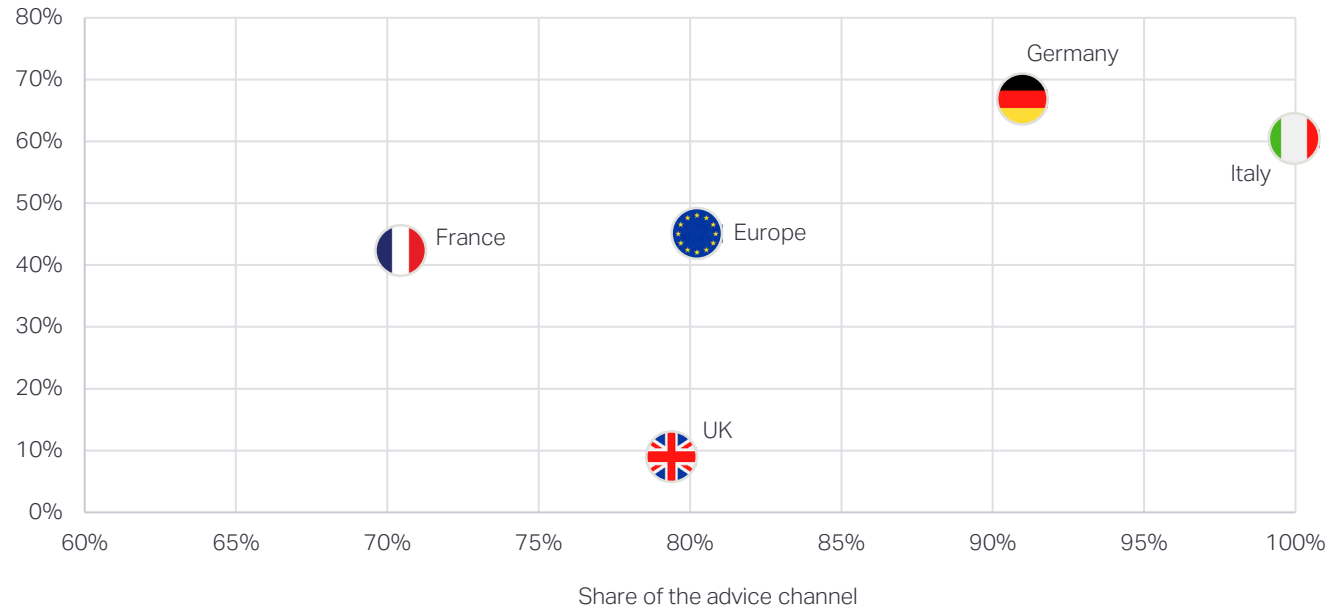
Figure 6 – Sources of capital and key channels, UK

	Wrappers	Summary	AUM (YE 2024)
Voluntary pensions – Pillar 3	Self invested personal pensions (SIPPs)	<ul style="list-style-type: none"><li>A flexible personal pension that allows individuals to choose and manage a wide range of investments designed for individuals who want more granular control. Most popular with higher income investors.</li></ul>	£567bn
Tax advantageous accounts	Other personal pensions	<ul style="list-style-type: none"><li>A streamlined, provider-managed retirement account offering a restricted selection of internal funds, designed for individuals who prefer a more passive, low-intervention investment approach.</li></ul>	~£250bn
	Individual savings account (ISA)	<ul style="list-style-type: none"><li>Individual Savings Accounts (ISAs) are tax-efficient "wrappers" that allow individuals to invest up to £20,000 per year without paying any income or capital gains tax.</li><li>The two main types of ISAs are Cash ISAs and Stocks &amp; Shares ISAs.</li></ul>	£871bn (£360bn = cash, £511bn = stocks & shares)
General investment accounts	N/A	<ul style="list-style-type: none"><li>Other listed shares and investment funds.</li></ul>	~£500bn
Total			~£2.2tn (€2.5tn)

Sources: FCA; The Investment Association; HM Revenue & Customs.

**Figure 7 – Share of the advice channel and banks, 2022**

Share of banks



Source: European Fund and Asset Management Association, published in 2024 referring to 2022 data.

As a result, maximising distribution of investment products to private wealth investors in the UK typically requires alignment across multiple gatekeepers:

1. the product should ideally be available on investment platforms;
2. it should be capable of being included within the portfolios/ models of Discretionary Fund Managers (DFMs); and
3. it should be capable of being recommended by a financial adviser, either as a standalone selection or as part of a DFM's managed portfolio.

While some private banks and large wealth managers use a vertically integrated model, combining advice, management, and platform infrastructure, the market remains fundamentally

fragmented. This fragmentation poses significant challenges for "non-standard" products like private assets. Many platforms are currently set up for onboarding products with "daily-dealing" liquidity and are not yet operationally equipped to handle less frequent dealing terms and liquidity management tools, requiring extensive education and operational build across the entire distribution chain.

However, there are signs of progress in the UK, such as the adoption of the Long-Term Asset Funds (LTAFs) by several large investment platforms, albeit mainly on the occupational pension side. LTAFs are new open-ended, FCA authorised products that allow a broader range of investors to invest in private markets.

The UK private-wealth distribution is fragmented, requiring alignment across advisers, discretionary managers, and platforms.



## Adoption of private assets

Several factors contribute to the UK lagging behind other European countries in the adoption of private markets by private wealth investors: a fragmented distribution model, the operational complexities of integrating illiquid assets into daily-dealing platforms, and a historical preference for immediate liquidity (which is why listed investment trusts have always been popular). According to a 2025 survey of fund selectors by Research in Finance, only 4.4% of UK client assets are currently invested in private equity markets, compared to 9% in Germany<sup>8</sup>.

However, throughout 2025 and 2026, two significant developments relating to LTAFs are expanding private markets to the private wealth audience:

### 1. Platform adoption

Hargreaves Lansdown, the UK's largest D2C platform (over £170bn AUA), partnered with Schroders Capital in late 2025 to make two LTAFs, one investing in private equity and one in infrastructure, available to its two million clients. The platform indicated it would also be looking to onboard further LTAFs offering a range of private market strategies.

### 2. ISA Eligibility

Following Government reforms, LTAFs became a qualifying investment for Stocks & Shares ISAs for the first time, with full operational rollout across major platforms beginning in April 2026.

The adoption of private markets by UK occupational pensions is also a major contributor. Many of these schemes have recently committed to increasing private market investment to a minimum of 10% (under the Mansion House Accord), which has increased general familiarity with these products. Most insurers providing Pillar Two pensions already have LTAFs in place and are likely to move towards including these products as part of their Pillar Three offerings. Read our previous pensions report: [Spotlight on Defined Contribution pension schemes](#).

In terms of individual investor sentiment, recent research by the Investment Association indicates that 3 in 5 adults in the UK would consider investing in illiquid assets through LTAFs – a figure that rises to over 70% for Millennials and Gen Z<sup>9</sup>.



## Key policy tailwinds and barriers

In addition to the LTAF changes there have been a number of other policy changes supporting private market adoption, however, there remains some structural challenges.

- ▲ **Lower Cash ISA limits:** the ISA wrapper is popular in the UK, but investors have historically overallocated to Cash ISAs (41% of total ISA assets)<sup>10</sup>. To encourage investment, the Government announced in 2025 that the Cash ISA allowance would be reduced to £12k from April 2027 (Stocks and Shares ISAs will remain at £20k) for under 65-year-olds.
- ▲ **FCA bridging the advice gap:** the Advice Guidance Boundary Review (AGBR) is a joint FCA–Treasury initiative to make pensions and investment support more accessible by broadening the scope of support firms can provide without giving full regulated advice. It introduces targeted support (guidance for “people like you”) and simplified advice (focused help on specific needs), aiming to improve consumer outcomes while preserving key protections.
- ▼ **Regulatory requirements and fragmentation:** the UK has onerous consumer duty requirements on product manufacturers and distributors requiring significant reporting to demonstrate suitability. It is also significantly easier to distribute an FCA authorised product to UK private wealth investors than to distribute an overseas product. This, paired with the fragmented nature of wealth distribution in the UK, can be a significant hurdle for wider private markets adoption when compared to the vertically integrated models seen in other countries.

# Germany

Germany does not have a significant tax advantageous wrapper similar to the UK ISA or the French assurance-vie and PEA.

Instead, Germany has a flat tax rate of 25% on capital gains to incentivise investment and some tax breaks for unit-linked contracts that are held long term – making them more akin to retirement products.

Voluntary pensions have stagnated, with contract numbers falling in recent years<sup>11</sup>, partly due to low returns driven by strict capital – guarantee requirements – 100% of the contribution amount must be guaranteed.

Instead, most German private wealth sits in general brokerage accounts (c. €1.9tn)<sup>12</sup> rather than in pensions or insurance wrappers. This leads to more direct investor ownership and far less intermediation than in countries such as France, even though distribution still largely runs through banks and advisers.

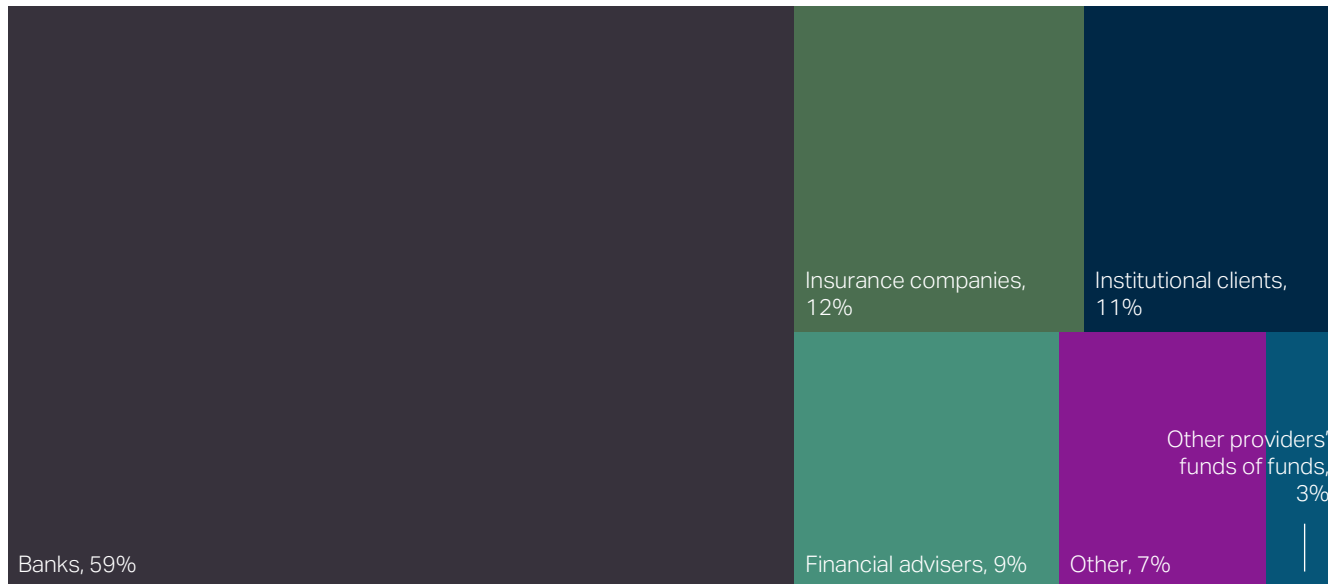
Banks control nearly 60% of retail fund distribution in the country. Germany has a fragmented banking landscape – there are over 1,200 banks in Germany<sup>13</sup> vs 150 in the UK<sup>14</sup>. However, asset management is centralised for both savings banks (through Deka Investments), and for cooperative banks (through Union Investment). This leaves approximately 200 investment banks where a few large players, such as Deutsche Bank and Commerzbank, hold a disproportionate share of distribution capacity.

Figure 8 – Sources of capital and key channels, Germany

	Wrappers	Summary	AUM (YE 2024)
<b>Voluntary pensions - Pillar 3</b>	Riester	<ul style="list-style-type: none"> <li>Private pensions enhanced by state subsidies. Available as bank savings plans, insurance policies, or investment funds. Both the subsidies and the contribution amounts are always guaranteed. Approximately 65% of Riester contracts are held with life insurers, 20% with asset managers, and 15% with banks.</li> </ul>	€224bn
	Rürup	<ul style="list-style-type: none"> <li>Voluntary pension, mainly for the self-employed, seeking significant tax deductions.</li> <li>Must be converted to annuities at retirement. The classic Rurup provides a guaranteed return while the fund-based Rurup is exposed to investment risk.</li> </ul>	< €15bn
<b>Tax advantageous accounts</b>	Fondgebundene - Unit-linked insurance	<ul style="list-style-type: none"> <li>Not all unit-linked policies provide tax benefits. They can only offer beneficial tax treatment under certain conditions - gains may be partially tax-exempt if the policy term is longer than 12 years and the policyholder is at least 62 years old.</li> <li>There is also a separate 15% partial tax exemption for unit-linked contracts in Germany that invest exclusively in investment funds.</li> </ul>	€218bn
<b>General investment accounts</b>	N/A	<ul style="list-style-type: none"> <li>Other listed shares and investment funds.</li> </ul>	€1.9tn
<b>Total</b>			<b>~ €2.4tn</b>

Note: Although German households lead in total financial assets, the comparatively higher allocation to cash and the lower prevalence of unit-linked insurance contracts and pillar 3 pensions explain why we estimate this to be a slightly smaller private wealth market compared to the UK and France. Sources: Pensions Research Council, IPE, Gesamtverband der Deutschen Versicherungswirtschaft and Eurostat.

Figure 9 – Share of distribution channels in retail fund sales



Note: Values subject to rounding.  
Sources: BVI survey; GDV.

## Adoption of private assets






Given private wealth is invested mainly through general brokerage accounts, it is difficult to find accurate figures for the adoption of private assets in Germany. According to the 2025 survey of fund selectors by Research in Finance, 9% of German client assets are currently invested in private equity, compared to 4.4% in the UK<sup>15</sup>.

An analysis of some of the largest banks in Germany shows that they are increasingly opening private assets opportunities to private wealth investors. German neo-banks have been particularly bold in leading this charge, with Trade Republic famously offering access to private markets from €1.

Beyond banks, some insurance companies are starting to offer ELTIFs through unit-linked products. One example is Swiss Life Germany which launched an ELTIF-based unit-linked policy – Swiss Life Privado Policy. This is a classic unit-linked contract where instead of regular premiums, it has a one-off minimum payment of €10,000<sup>16</sup>.

Germany's private wealth is held directly, with capital concentrated in general investment accounts versus personal pensions or tax advantageous accounts. This impacts product development and distribution models.

Figure 10 – Recent key public partnerships

		AUM	Private market access	Minimum
Investment banks	 Deutsche Bank	€1.6tn (group total assets)	<ul style="list-style-type: none"> <li>Launched an ELTIF with DWS and Partners Group in 2025. Only available through advisory channels and for clients with at least €200k in assets under management.</li> </ul>	€10,000
	 COMMERZBANK	€400bn (group total assets)	<ul style="list-style-type: none"> <li>Private markets are only available through the private banking channel and wealth management channels, not the D2C platform – Comdirect.</li> <li>Their key retail product is the KlimaVest ELTIF – Germany's largest ELTIF.</li> </ul>	€10,000
	 ING	€200bn (German Entity Assets)	<ul style="list-style-type: none"> <li>Historically only available through the private banking channel with minimums of €125k – mainly UCI Part II products. Managers include Partners Group, KKR Blackstone EQT, HarbourVest, LGT, Brookfield, Alpinvest and Macquarie.</li> <li>ING started offering ELTIFs in January 2026 in the Netherlands. These will soon be rolled out to Germany and will be available for clients with at least €200k in assets under management.</li> </ul>	€125,000 soon to be €25,000
Neo-banks	 TRADE REPUBLIC	€150bn (group total assets)	<ul style="list-style-type: none"> <li>Private assets are available to all clients. They distribute Apollo and EQT ELTIFs and have developed an internal marketplace for increased liquidity.</li> </ul>	€1
	 Scalable Capital	€30bn (group total assets)	<ul style="list-style-type: none"> <li>Private assets are available to all clients. The only product currently available is BlackRock's private equity fund – UCI Part II with an ELTIF label.</li> <li>They plan to expand their private markets offering.</li> </ul>	€10,000

Source: Companies' reports and press releases.



## Key policy tailwinds and barriers

▲ **Pension reforms:** Germany introduced a new pensions package in December 2025, with more fundamental reform to follow in 2026. Amongst the measures proposed, it is anticipated that a certified retirement savings account (Altersvorsorgedepot) that does not require capital guarantees will be offered to savers, inspired by the US 401k and UK SIPP models. We expect this to lead to increased interest in pension products and provide greater scope to invest in higher yielding assets.



# Italy

Italy has the smallest pillar of voluntary pensions when compared to the other countries analysed. Plans with guarantees, which are naturally heavily tilted towards fixed income, have been the norm.

The current trend of new contracts is moving towards truly defined contributions schemes and unit-linked products, which points towards a larger addressable market in the future.

Although relatively small in total AUM, Italy's individual savings plans wrappers (PIR), are worth highlighting in the context of private markets. These were specifically designed to direct retail savings into Italian companies to "self-finance" the national economy and support small and medium enterprises. Alternative PIRs became operational in 2021, and although their AUM is still modest, it is almost entirely dedicated to private markets.

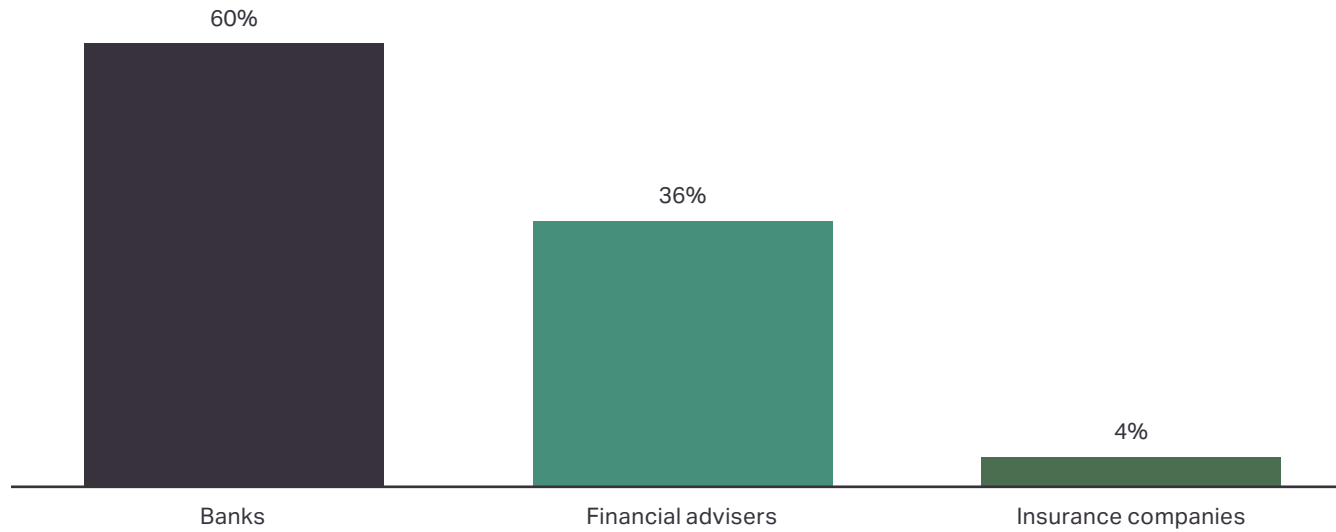
Most Italian household capital remains within general investment accounts where distribution is dominated by bank-led networks and financial advisers (see Figure 12). A key difference compared to the UK is that Italian advisers typically use bank-operated platforms to invest their clients' assets, rather than independent third-party platforms; thus, reducing complexity.

Figure 11 – Sources of capital and key channels, Italy

	Wrappers	Summary	AUM (YE 2024)
<b>Voluntary pensions – Pillar 3</b>	Fondi pensione aperti – Open Pension Funds	• Supplementary, voluntary retirement savings plans mainly offered by banks and asset management companies.	€37bn
	PIP – Individual Pension Plans	• Mainly offered by insurance companies. These contracts can be unit-linked or "with profits" i.e. with a guaranteed minimum rate of return. The latter make up 75% of AUM.	€55bn
<b>Tax advantageous accounts</b>	PIR – Individual Savings Plan	• Individuals can invest up to £40,000 per year without paying any tax on gains, or inheritance tax, if the following conditions are met: <ul style="list-style-type: none"> <li>– At least 70% of the PIR portfolio must be invested in eligible Italian assets (or EU/EEA companies with a permanent establishment in Italy). Of this 70%: <ul style="list-style-type: none"> <li>&gt; At least 25% must be invested in Italian SMEs (not listed on large cap Italian indices).</li> <li>&gt; At least 5% must be invested in unlisted Italian SMEs.</li> </ul> </li> <li>– Five-year minimum holding period.</li> </ul>	€21bn
	Alternative PIR	• Individuals can invest up to £300,000 per year without paying any tax on gains, or inheritance tax, if the following conditions are met: <ul style="list-style-type: none"> <li>– At least 70% must be invested in unlisted Italian SMEs.</li> <li>– Five-year minimum holding period.</li> </ul>	€3bn
	Unit-linked assicurazioni vita	• Beyond tax deferrals, which are common to all unit-linked product, the key benefit of Italian unit-linked (and other life insurance) contracts is that they are exempt from inheritance tax.	€282bn
<b>General investment accounts</b>	N/A	• Other listed shares and investment funds.	€985bn
<b>Total</b>			<b>€1.4tn</b>

Sources: Commissione di Vigilanza sui Fondi Pensione, Banca D'Italia, Equita, Istituto per la Vigilanza sulle Assicurazioni; Eurostat.

Figure 12 – Italy private wealth distribution channels



Source: European Fund and Asset Management Association, 2024.

## Private markets adoption





Italy's private markets ecosystem has seen great development over the past 10 years, supported by tax incentives that have expanded access beyond institutions to include HNW and retail investors. In particular, alternative PIRs have seen strong adoption since their introduction in 2021 and by 2030, the industry expects Alternative PIRs to reach €10-15bn from c.3bn in 2025<sup>17</sup>. The PIR regime has played a decisive role in shaping the ELTIF market, with most Italian ELTIFs structured to comply with PIR requirements.

Italy now accounts for 17.5% of total ELTIF investment volume, making it the second largest market after France.

Private market investments are primarily conducted through Italian banks, which offer a range of products to private wealth investors. Below are notable examples of Italian banks providing access to private markets.

Partnerships between Italian banks and private markets managers are central to Italian private wealth distribution. There is a focus on products that fit within PIR – Italy's advantageous tax wrapper – despite its local investment restrictions.

Figure 13 – Notable examples of Italian banks providing access to private markets

Bank	AUM	Private market access	Target investors
 FIDEURAM INTESA SANPAOLO PRIVATE BANKING	€354bn	<p>Developed the Fideuram Alternative Investments (FAI) platform dedicated to private markets across private equity, credit, real estate and special opportunities.</p> <p>Launched two ELTIFs through Eurizon, the asset management division of the Intesa Sanpaolo group. One of the ELTIFs is compliant with Alternative PIR wrapper.</p> <p>Key partnerships include:</p> <ul style="list-style-type: none"> <li>• Tikehau Capital (2019) to launch a private markets fund available to HNW clients, raising €400m; and</li> <li>• CVC Capital Partners and iCapital (2024) to launch a private debt fund.</li> </ul>	<ul style="list-style-type: none"> <li>• Mainly HNWI investors.</li> </ul>
 FINECO BANK	€122bn	<p>Launched the Fineco AM ELTIF Private Equity Fund in partnership with Neuberger Berman (2025). Structured as an Irish ELTIF.</p>	<ul style="list-style-type: none"> <li>• Retail investors.</li> </ul>
 BANCA GENERALI	€103bn	<p>Distributes private markets products to its HNW clients through an umbrella fund (BG Private Markets Sicav-SIF) which has sub-funds for different strategies.</p> <p>Private equity and real estate are managed by Generali while the private debt product was instead developed in partnership with Carlyle.</p>	<ul style="list-style-type: none"> <li>• “Well-informed” investors under Luxembourg laws (includes retail who can invest &gt;€100,000).</li> <li>• Minimum investment of €125,000.</li> </ul>
 MEDIOBANCA	€99bn (wealth management arm)	<p>For some time, private banking clients have had access to private equity and private debt managers, most recently:</p> <ul style="list-style-type: none"> <li>• Blackstone European Private Credit (ECRED);</li> <li>• Morgan Stanley European Private Income Fund (EPIF); and</li> <li>• Apollo European Private Credit (AEPC).</li> </ul> <p>In 2025, Mediobanca started distributing private markets to mass-affluent clients through the Amundi agri-food ELTIF which also fits into the Italian alternative PIR wrapper – “Agritaly Pir III Lux”.</p>	<ul style="list-style-type: none"> <li>• Mediobanca distributes private markets products through both its Private Banking and Premier (mass affluent/HNW) divisions.</li> <li>• Mediobanca Premier – clients with between €100,000 and €5m of total financial assets.</li> <li>• Mediobanca Private Banking – clients with total financial assets above €5m.</li> </ul>

Source: Companies' reports and press releases.



## Key policy tailwinds and barriers

- ▲ **Promotion of private capital through tax exemptions:** Italy continues to promote investment in private market assets by offering considerable tax exemptions on their returns from qualifying investments (from the usual 26% tax on capital gains and investment returns). The Government is also pushing Italian pension funds (Pillar One and Pillar Two pensions) to increase their investments in venture capital assets through dedicated tax exemptions.
- ▲ **Growth in supplementary pensions:** from July 2026, the mandatory severance pay (Trattamento di Fine Rapporto “TFR”) that is put aside for employees will now be automatically enrolled in industry-wide pension funds unless the employee chooses another pension fund – some €32bn of accrued severance pay could be deployed. This is accompanied by greater portability so it will become easier for people to move these assets to more flexible Pillar Three pensions.
- ▼ **Protectionist measures:** Italy’s wrappers and regulatory framework tend to prioritise domestic investment.
  - **Focus on domestic companies:** to qualify for attractive tax exemptions, PIR wrappers must be invested in Italian companies. Due to pressure from the EU, this was later amended to include EU/EEA companies with a permanent establishment in Italy.
  - **Wealth tax of foreign investment:** Italian taxpayers who hold financial assets abroad may be subject to an additional tax – IVAFE<sup>18</sup>. Assets in blacklisted in jurisdictions such as Cayman or Jersey pay double this tax.



# Private markets products for European wealth

# Structure, distribution and investor classification matter

A key consideration when targeting private wealth investors globally is that the definitions of who constitutes a “professional” versus an “individual” investor are very different in different jurisdictions.

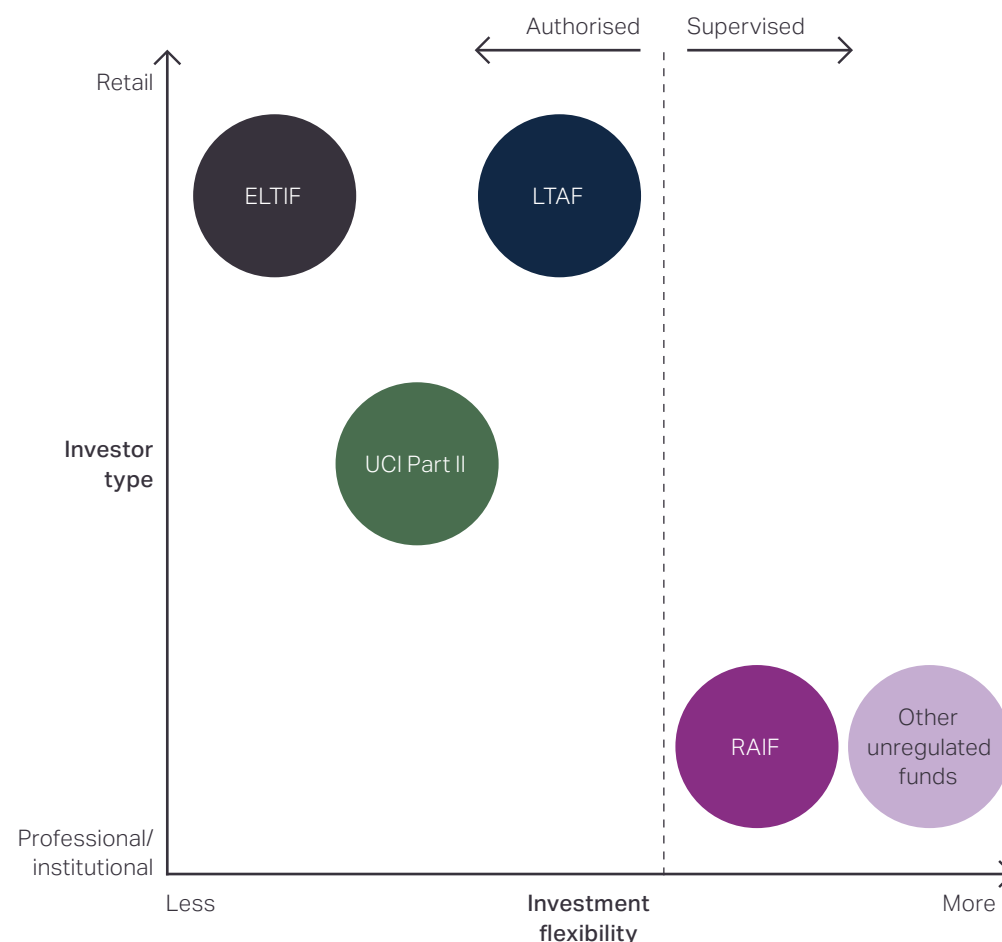
Even within the European Union, where a “professional” investor is defined in the pan-European Markets in Financial Instruments Directive of 2014 (MiFID II), different approaches are still taken to “private placements” of funds to non-professional investors – for example, certain jurisdictions have adopted a category of “semi-professional” investors, streamlining cross-border offering provided that individuals invest greater than a specified amount and/or meet other tests.

As a result, to comply with applicable local regulations when marketing to individual investors, sponsors often find that they are unable to use a “one size fits all” fund structure, as they might be accustomed to doing for their institutional products. Instead, private wealth products should be viewed as “building blocks”, often with a principal initial fund vehicle intended to be offered into as many jurisdictions as possible, but with the ability to quickly and efficiently bolt on other vehicles, such as feeder vehicles and parallel vehicles, so as to react to capital becoming available within new jurisdictions or from different categories of individual investors who are unable to access the initial fund vehicle, whether for legal, tax or regulatory reasons.

Private wealth fundraising succeeds or struggles primarily based on its distribution channels – which may then also import different product requirements, including fund terms such as investor liquidity rights. These will vary depending on the stipulations or recommendations of potentially multiple distributors targeting different types of investors in different jurisdictions.

With that in mind, in this section we consider some of the vehicles we have seen used by sponsors seeking private wealth investment in Europe.

Figure 14 – Key private capital products for European wealth

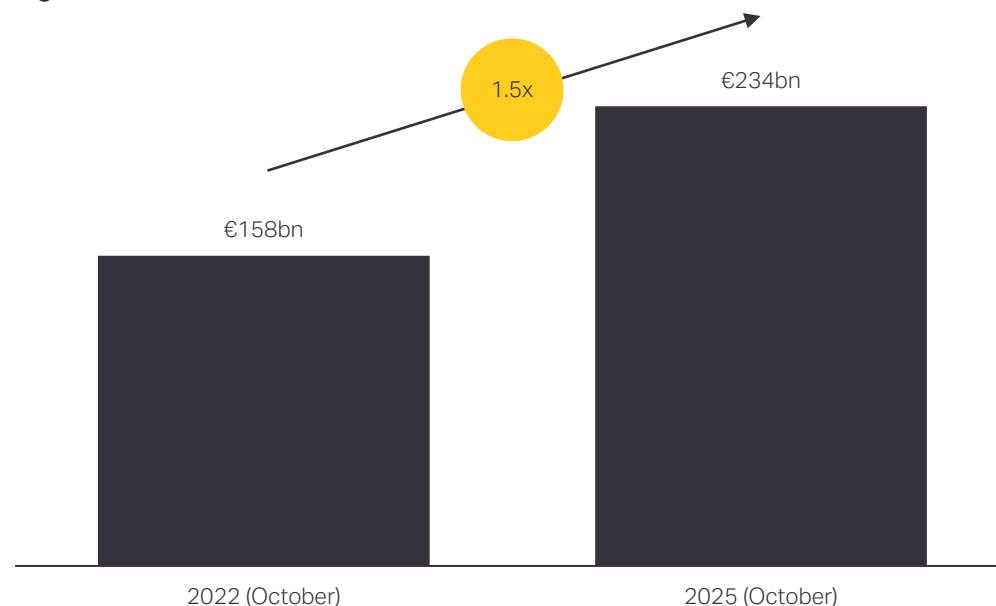


## Luxembourg UCI Part II funds and RAIFs

Funds established under Part II of the Luxembourg Law of 17 December 2010 on undertakings for collective investment (commonly known as “UCI Part II” funds) have increasingly become the standard vehicle for private wealth investment strategies. By October 2025, these funds represented more than €230bn in net assets (see Figure 15).

UCI Part II funds offer a combination of flexibility and accessibility: they impose no minimum number of investors, are subject to relatively limited mandatory investment constraints, and can be structured using a broad range of legal forms, whether open-ended or closed-ended. In practice, the most frequently used structures are corporate partnerships (sociétés en commandite par actions – SCAs) and public limited companies (sociétés anonymes – SAs), as both allow an unrestricted number of investors. The SCA structure further enables the general partner to maintain control through a dedicated management share class, whereas an SA, as a public company, must issue voting shares to investors, which in theory could allow them to remove the board appointed by the GP.

**Figure 15 – Net assets in UCI Part II funds**



Source: Commission de Surveillance du Secteur Financier, Luxembourg.

These structural benefits come at the cost of full authorisation and ongoing supervision by the Luxembourg financial regulator, the Commission de Surveillance du Secteur Financier (CSSF). This entails additional time and expense, although such burdens may be partly offset by the comfort that regulated status provides to distributors and end-investors. However, the CSSF has now reviewed and approved a significant number of UCI Part II funds and generally applies a practical and proportionate supervisory approach.

The principal unregulated alternative to the UCI Part II regime is the Luxembourg Reserved Alternative Investment Fund (RAIF). While the RAIF itself is not subject to direct regulatory approval, it must still comply with certain requirements, including the appointment of an EU-authorized alternative investment fund manager (AIFM). Aside from the obligation to respect the principle of risk diversification, there are no formal investment restrictions. However, participation in a RAIF is limited to “well-informed investors”, which typically implies a minimum subscription of €100,000.

For managers pursuing a serious private wealth distribution strategy, it is important to recognise that distributor requirements will often determine whether this minimum investment threshold of €100,000 is workable or whether a lower entry level is needed. Sponsors should also note that, in addition to Luxembourg (or other domicile) eligibility rules, further thresholds and regulatory conditions may apply when marketing funds cross-border. For instance, a Luxembourg AIF such as a UCI Part II fund or RAIF can be offered in Germany to non-professional investors only if they qualify as “semi-professional investors”, which includes, among other criteria, a minimum commitment of €200,000.

Whilst a UCI Part II is not considered a retail fund outside of Luxembourg, its regulatory status does mean that it is typically able to be used to reach mass affluent investors in many European jurisdictions. In contrast, a RAIF’s unregulated status makes it difficult to use in this context, however it can work as a master fund if private banks (as professional investors) are willing to establish their own feeder fund for their client base to access the RAIF.

ELTIF wrapper

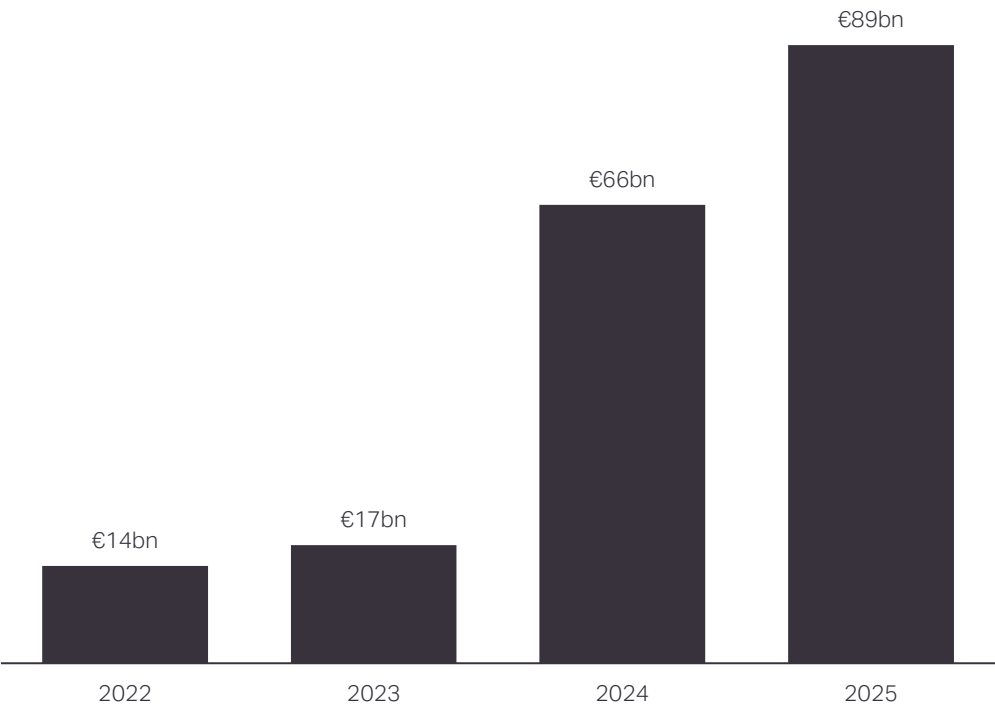
Within the EU, the European Long Term Investment Fund (ELTIF) rules offer a means to obtain a “passport” to market an AIF to non-professional investors (which will include most private wealth investors) without having to comply with the local private placement rules in each member state. The ELTIF designation may be applied to an EU AIF managed by an EU AIFM (or, depending on local interpretations of the rules, such as in Ireland, may be considered a separate category of AIF in its own right), and imports various portfolio composition requirements and restrictions, borrowing limits, mandatory disclosures and other regulatory burdens, in exchange for the enhanced marketing passport.

The first iteration of the ELTIF regulations, published in 2015, was generally considered to be unsuccessful, with the strict rules on eligible assets, restrictions on feeder and fund of funds ELTIFs and limited permissible investor liquidity rights (among other drawbacks) resulting in low industry take-up and only a few ELTIFs being launched. However, the revisions to the ELTIF regulations which were applied in January 2024 (generally referred to as ELTIF 2.0), substantially relaxed many of the most onerous provisions. In particular, ELTIFs may now offer true investor liquidity rights – a feature which most distributors have indicated is critical for a successful private wealth fundraising. These changes led to a very significant uptake in the number of ELTIF launches – launches quadrupled from 2023 to 2024, albeit from a low base. The ELTIF market reached nearly €28bn by the end of Q3 2025<sup>19</sup> and according to a scope survey<sup>20</sup>, the expectation is that ELTIF assets will double by 2027.

Regarding domiciliation, Luxembourg and France have historically dominated the ELTIF market, accounting for 56% and 27% of all ELTIFs launched to date. Since 2024, however, Ireland has emerged as a meaningful alternative, becoming the third largest domiciliation market with 9% of ELTIFs outstanding and 12% of new launches in 2025.<sup>21</sup>

In the long term, we anticipate that ELTIFs will be used considerably more widely among sponsors focused on EU investors.

Figure 16 – Value of ELTIF launches



Source: ESMA register of authorised European long-term investment funds (ELTIFs).



## Local structures

Notwithstanding the ELTIF 2.0 rules, not all investment strategies may lend themselves to the UCI Part II or ELTIF wrapper, or there may be operational, regulatory or other reasons why those products are not a suitable vehicle to sell cross-border to EU investors. In certain countries, there may also be local tax or other advantages to investing in a local fund vehicle, and some EU member states currently impose restrictions on inbound marketing of such products to certain categories of investors (albeit ESMA has indicated in its latest draft Q&A that it is likely that these sorts of restrictions will no longer be permissible). There are also, clearly, many non-EU jurisdictions in which sponsors may seek private wealth investment, such as the UK, Switzerland and Australia, in some of which a local vehicle may be advantageous.

In the UK, for example, neither UCI Part IIs nor ELTIFs can be distributed to retail investors. Instead, LTAFs, are the main equivalent local structure:

**LTAFs:** FCA authorised products that must invest at least 50% in long-term assets and may invest in broad range of asset types, including limited partnerships and interests in loans originated by the fund. Key benefits of the LTAF regime are the broad investment and borrowing powers (borrowing limited to 30% of scheme property) and the flexibility afforded to the manager in determining the dealing mechanics and liquidating management tools, provided at least 90 days' notice is required for redemptions which can be no more frequent than monthly.

Challenges may arise where local structures import different regulatory requirements, such as minimum investor liquidity rights, threshold investment amounts, borrowing restrictions, or restrictions on investing through subsidiary aggregator vehicles (as is currently the case for French ELTIFs). Sponsors will wish to ensure that the terms of their principal private wealth fund vehicle enable sufficient flexibility to add feeder vehicles, parallel vehicles and differing subsidiary investment holding structures, to react to fundraising demand.

## Self-directed vs discretionary management – impact on products

Across France, the UK, Germany and Italy, private wealth investors can access most savings and pensions products either on a self-directed basis, via model or risk-profile portfolios, or through fully discretionary portfolio management.

Where clients choose self-directed investing, the products that can be offered are generally restricted to retail-authorised instruments that are individually approved for distribution to non-professional investors (for example, retail ELTIFs/LTAFs, UCITS, or other retail-eligible funds).

By contrast, where assets are held within a managed or discretionary mandate, regulatory tests usually shift from product level eligibility to portfolio level suitability. This may allow for professional or institutional grade investment vehicles to be used inside client portfolios; provided the overall mandate, risk profile, and governance framework ensure the allocation is suitable for the end investor.

The key challenge in private wealth fundraising is often investor access rather than product availability. Distribution models and advisory frameworks play a decisive role in determining which private market exposures investors can actually reach.



# How managers should navigate European private wealth markets

1

**Europe's private wealth market is large but structurally fragmented, driving country-specific distribution and product design.**

Germany, the UK, France and Italy hold most European household assets, yet distinct pension/insurance vs. direct-holding patterns can require modular, jurisdiction-tailored structures as well as distribution and marketing approaches.

2

**There is considerable government support for broadening access to private markets.**

This sentiment is felt across Europe and has been a key driver behind the development of the ELTIF label. Among the countries analysed, policy intervention stands out in the UK, where LTAFs have been granted ISA eligibility, and in France, where recent reforms have introduced minimum allocation requirements to unlisted assets for certain retirement and savings products.

3

**Managers should adopt either highly targeted or deliberately flexible product strategies.**

There is no single product type or label that works across all markets. A clear understanding of the relevant regulatory frameworks and distribution channels is therefore essential. In practice, we tend to see managers either (i) consciously design products for one or two specific jurisdictions, or (ii) for those seeking to access multiple markets, develop structures that are sufficiently flexible to accommodate the later addition of bolt on feeder vehicles or parallel vehicles.

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## Learn more about our expertise

For more information, please contact one of the listed contacts, or your usual Macfarlanes contact.

## Legal contacts



**Lora Froud**  
Partner, Head of Regulated Funds  
DD +44 (0)20 7849 2409  
lora.froud@macfarlanes.com



**Harriet Miller**  
Partner  
DD +44 (0)20 7849 2362  
harriet.miller@macfarlanes.com



**Chris Daniel**  
Partner  
DD +44 (0)20 7849 2972  
chris.daniel@macfarlanes.com

## Beyond Legal contributors



**Margarida Ferreira**  
Investor Intelligence Lead  
DD +44 (0)20 7791 4375  
margarida.ferreira@macfarlanes.com



**Rhiannon Kinghall Were**  
Head of Tax Policy  
DD +44 (0)20 7791 4131  
rhiannon.kinghallwere@macfarlanes.com



**Rozhin Keshavarzi**  
Senior Analyst, Investor Intelligence  
DD +44 (0)20 7849 2315  
rozhin.keshavarzi@macfarlanes.com

## Endnotes

1. 72%, calculated by combining the Eurozone and UK.
2. Includes third pillar pensions and non-retirement investments. Excludes cash, unlisted equities (primarily direct shareholdings in businesses) and other equities, based on the ESA 2010 financial instruments classification.
3. France Assureurs. [Revalorisation des contrats d'assurance-vie en 2024](#), 2025.
4. In September 2025, life insurance premiums amounted to €14.9bn. [France Assureurs](#), 2025.
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6. [Autorité des marchés financiers \(AMF\)](#). [Performance of unlisted financial asset funds aimed at non-professional clients](#), 2025
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21. European Securities and Markets Authority. ELTIF register, January 2026.

# Who we are

97

Partners

522

Other fee earners

916

Total staff

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