Milan, 26 January 2026

Italian Equity Research – Equity Focus

Italian Market

Sector Update

FNSI: First 4 Funds Authorised, Plus Encouraging Pipeline

by Intermonte Research Team

Italian Equity Market

On January 23 there was an event at Borsa Italiana headquarters to update market players on progress with the National Strategic Fund - FNSI. The CDP official in charge of FNSI said that fund launches are going well: as things stand, 4 funds (Eurizon, Generali Investment, Amundi and Miriam) have obtained approval from the CPD board, with a further fund from Arca in the process of being approved. 3 funds (Algebris, Anima and Equita) have been authorised by the Supervisory Authority and 6 other funds (AcomeA, Anthilia, Azimut, Ersel, Quaestio and Banor) are in the process of gaining such approval. Total AuM could therefore exceed Eu1bn, given that the minimum size of each fund is Eu70mn. One of the main ambitions of the initiative is clearly to revive the IPO market, considering that the funds will be able to carry out IPOs if the value of the shares offered exceeds Eu10mn. In this report we confirm our expectations that this initiative, especially if accompanied by other projects and a revitalisation of PIR funds, can actively help reinforce interest in the Italian mid/small caps sector. The launch should help increase demand from patient investors with a long-term approach. We believe this is all the more necessary in a segment affected by numerous de-listings and a worrying lack of IPOs. Furthermore, we believe many companies on the relevant markets offer attractive investment opportunities.

FNSI: a fund of funds supporting listed SMEs. FNSI has been created as a fund of funds with the aim of sparking public and private investments: CDP will subscribe up to 49% of newly-formed funds that invest at least 70% of their capital in companies listed on indexes other than the FTSE MIB, with financial sector companies excluded. It has a medium to long-term investment horizon (5-7 years), with the deadline for liquidation of the fund being YE32.

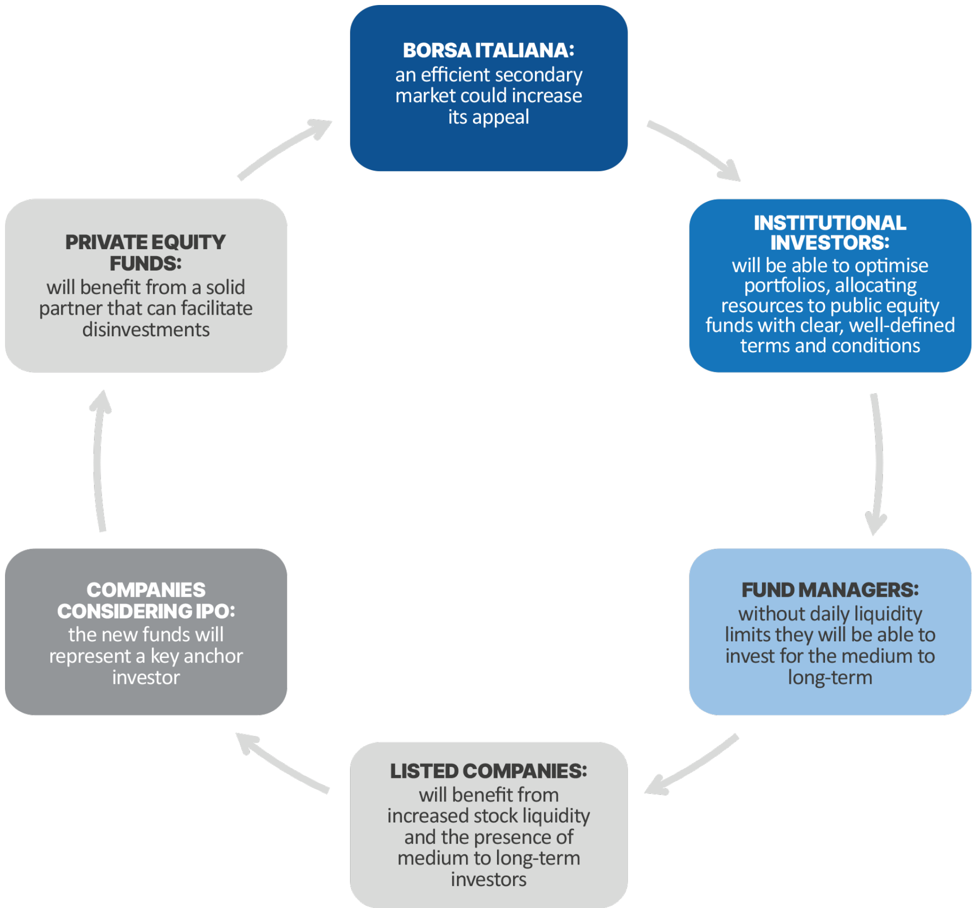
Main interventions at the conference. Fabrizio Testa, CEO & General Manager of Borsa Italiana, first of all pointed out that Italy's fundamentals are good, but at the same time SMEs, which have always been the backbone of the national economy, have continued to trade at discounted valuations since Covid, with little liquidity and a real shortage of IPOs, especially in the mid-caps segment. In this sense, according to Testa, the FNSI initiative may be the key to reversing the trend, thanks to a flywheel effect. The second speaker was Federico Freni, Undersecretary at the Ministry of Economy and Finance, who reiterated the government's commitment to supporting the promotion of SMEs on the Stock Exchange, ensuring continuous and constant maintenance of financial market regulations in order to make the FNSI project sustainable, which can only happen if investors perceive attractive returns. Fabio Barchiesi, CEO and General Manager of CDP Equity, underlined CDP's role in creating the conditions for strategic investments and therefore for growth, a commitment that could also include new initiatives in the future. The day ended with an interview with Giancarlo Giorgetti, Minister of Economy and Finance, who said that the government believes that a large and efficient capital market is an enabler for the country's growth, noting that SMEs have a predominant presence in the national production system..

How NSF can help revitalise the mid/small cap sector. Initiatives such as FNSI respond to the need to increase the number of investors with long-term investment horizons and who can also act as anchor investors in IPOs. In broad terms, we welcome the fact that Italian institutions and the political world are taking an active interest in developing capital markets. This kind of initiative can help reduce gaps in the Italian market, encouraging new listings and helping rebalance the portfolios of institutional and retail investors towards activities more related to the real economy, creating a virtuous circle. Although the initial endowment may appear limited, in the long run it could generate momentum thanks to further instruments, including support for research into mid/small caps, new incentives for PIR funds and the concrete involvement of institutional investors such as pension funds in these asset classes

FNSI: Main Features

The National Strategic Fund was created to support the capitalisation of Italian companies through development of the Italian capital market. This objective may be pursued by subscribing for units or shares of UCITS that are newly established in Italy and managed by AM firms and/or authorised managers whose investment policy is in line with the end-uses of the funds held in the UCITS. FNSI is aimed at investing in Italian public companies and will act as an anchor investor in support of the Italian stock market. The initiative directly involves the Treasury and CDP with the involvement of leading asset management firms.

- **FNSI** is technically a closed-end fund of funds, entirely held by the Finance Ministry and managed by CDP; it will **subscribe for units in newly established UCITS managed by Italian and international AMs**
- **FNSI may subscribe for up to 49% of the units in such funds, which must be newly established and governed by Italian law; the investment ticket will be at least €35m**
- At least 51% of the resources must therefore be subscribed on an equal footing by private investors
- **The funds will have a minimum duration of 5 years** and in any case **must be liquidated by 31/12/2032** (the duration of the funds cannot exceed the duration of the Relaunch Fund)).
- The funds are closed-end, because as stated, they are designed to **guarantee stability for the system and freedom for fund managers** to make investment choices from a trading point of view, like a traditional PIR fund. However, at the same time, active management strategies - typical of mutual funds such as PIRs - will be needed for the funds.
- Managers will enjoy a high degree of discretion, provided that at least 70% of the total managed assets be allocated to securities listed in Italy issued by small/mid-cap issuers (not on the FTSE MIB) that do not carry out insurance, banking or financial business;
- **No security** held may account for more than 10% of the portfolio and the top 5 securities may not add up to more than 40%. The UCITS may not hold more than 10% of the capital of individual issuers (and no more than 15% of the group to which an issuer belongs).
- Managers may take part as anchor investors in IPOs by issuers **that have successfully completed the process for admission** to trading on markets, **have a firm commencement date for trading, and a primary offering of at least €10mn. Each fund may acquire up to 5% of the securities offered at the time of listing.** FNSI will therefore hopefully be able to set up a nucleus of about ten funds able to help relaunch IPOs.
- To avoid risks of "overbuying" during the subscription phase and "overselling" during liquidation, the funds will have six months to invest and fifteen months to divest.



Main interventions at the event at Borsa Italiana

On January 23 there was an event at Borsa Italiana headquarters to update market players on progress with the FNSI.

Fabrizio Testa, CEO & General Manager of Borsa Italiana, first of all pointed out that Italy's fundamentals are good, with the deficit standing at around 3% in 2025, and forecast to narrow in 2026, and the BTP/Bund spread reaching new lows at just over 60bp, but at the same time SMEs, which have always been the backbone of the national economy, have continued to trade at discounted valuations since Covid, with little liquidity and a real shortage of IPOs. In this sense, according to Testa, the FNSI initiative may be the key to reversing the trend, thanks to a flywheel effect.

The second speaker was Federico Freni, Undersecretary at the Ministry of Economy and Finance, who reiterated the government's commitment to supporting the promotion of SMEs on the Stock Exchange, ensuring continuous and constant maintenance of financial market regulations in order to make the FNSI project sustainable, which can only happen if attractive returns are ensured for investors.

Fabio Barchiesi, CEO and General Manager of CDP Equity, underlined CDP's role in creating the conditions for strategic investments and therefore for growth. Italian SMEs are dynamic, innovative and deeply rooted in their local areas, but they could grow more if they were more highly capitalised. In this sense, CDP's commitment could also lead to the development of new initiatives in the future.

Mauro Baragiola, CDP official in charge of FNSI, briefly reiterated the main characteristics of the initiative: a fund of funds, with CDP taking a stake of less than 50%, with 70% of the resources invested in Italian equity outside the FTSE MIB, with banks and insurers excluded; no individual position can have a weight of over 10%, and the top 5 must be below 40%, with no active role played in governance. Baragiola said that fund launches are going well and confirmed that the first round closes in June 2026, but funds will then have until June 2027 to raise capital.

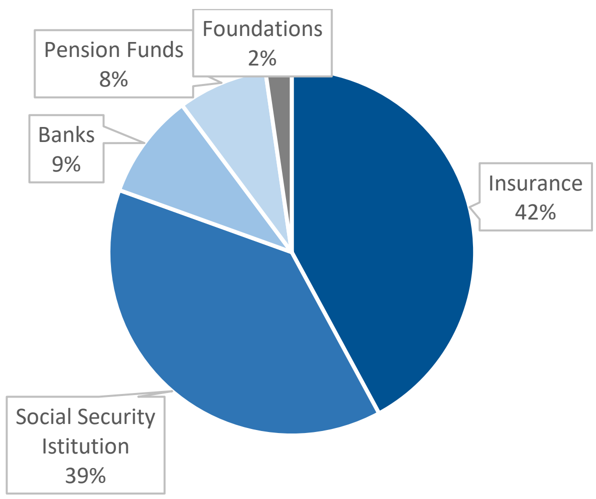
The day ended with an interview with Giancarlo Giorgetti, Minister of Economy and Finance, who stressed that the FNSI is a significant lever for modernising the national financial system. He affirmed that the government believes a large and efficient capital market is a key enabler for the country's growth, also pointing to other initiatives such as the reform of the Consolidated Finance Act, which is close to completion. Finally, the Minister noted that SMEs have a predominant presence in the national production system.

Funds on the Launch Pad: Investor Response

To date, CDP has approved the subscription of four UCITs by the FNSI. The funds will begin to invest from February.

Private third party investors in the form of banks, insurers, pension funds and foundations have signed commitments of ~€216mm.

FNSI - Third Party Investor Commitment



Source: Intermonte SIM

The targeted amount may appear limited, considering that in Italy there are 289 institutional investors managing total assets of more than €1tn, so it is possible that the minimum funding targets may be exceeded if a large portion of investors currently not present in the mid-small caps segment become engaged.

As things stand, 4 funds (Eurizon, Generali Investment, Amundi and Miriam) have obtained approval from the CPD board, with a further fund from Arca in the process of being approved. 3 other funds (Algebris, Anima and Equita) have been authorised by the Supervisory Authority and 6 other funds (AcomeA, Anthilia, Azimut, Ersel, Quaestio and Banor) are in the process of gaining such approval. Total AuM could therefore exceed Eu1bn, given that the minimum size of each fund is Eu70mn. One of the main ambitions of the initiative is clearly to revive the IPO market, considering that the funds will be able to carry out IPOs if amount placed exceeds Eu10mn.

FNSI – State of Play

	Fund Managers
Approved by CDP's BoD	Eurizon, Generali Investment, Amundi, Miria
In the process of gaining CDP BoD approval	Arca
Approved by Supervisory Authority	Algebris, Anima, Equita,
In the process of gaining Supervisory Authority approval	AcomeA, Anthilia, Azimut, Ersel, Quaestio, Banor

Source: Intermonte SIM

The investable universe

We have analysed the investable universe for funds supported by the NSF fund of funds, based on the available official indications.

Assets will mainly be invested in Italian securities not listed on the main FTSE MIB index or pertaining to the financial sector (banks, insurers, diversified financial securities).

The table shows there are a total of 297 companies in this universe, with a total market cap of €140.3bn and an overall free float of €55.9bn.

Investable Universe: All Shares ex-FTSE MIB and ex-Financials

No. of Companies (#)	Market Segment	Aggregate Mkt Cap. (€mn)	Free-Float (%)	Free-Float Mkt Cap. (€mn)
53	**STAR**	40,787	48.0%	19,588
81	**MTA ex-STAR**	91,001	37.9%	34,533
163	**FTSE Italia Growth**	8,484	20.9%	1,776

Source: Intermonte SIM on FactSet Data

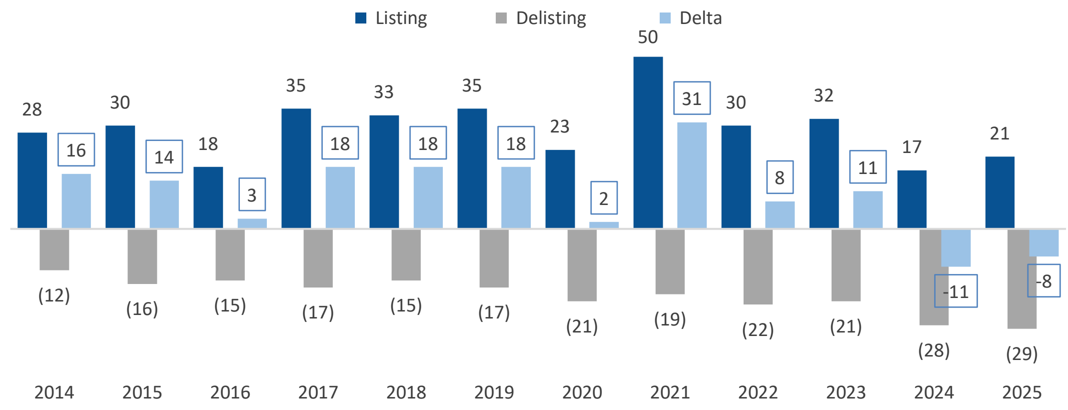
NSF as IPO anchor Investor

Another interesting aspect of NSF's potential role is the possibility of investing in future mid/small-cap IPOs. The presence of a respected long-term investor could potentially by a very important factor for facilitating access to the market for Italian companies, and the recent resumption of IPOs in Europe is encouraging.

Analysing listing and de-listing trends on the Italian market over the last ten years, a significant deterioration emerges that has worsened over the last two. The balance between new listings and de-listings was strongly negative in 2024-25 in terms of raw numbers and even more so regarding net market capitalisation. New listings were almost entirely restricted to the EGM segment and issuers with very small capitalisations. By contrast, some of the de-listings involved very large companies, either because of M&A deals or shareholders' decisions to withdraw stocks from trading.

In the last two years, the capitalisation balance between new listings and delistings was negative by €15.0bn.

Ten years of IPOs and delistings, numbers of companies (2014-2025)



Data do not include business combinations, transfers and triple listings. Source: Borsa Italiana

Source: Intermonte SIM

Conclusions

NSF can spark renewed interest in an area where there is no shortage of opportunities

We believe the NSF can be an important positive catalyst for the Italian mid/small cap market. While the initial expected size is not enough to be a game-changer, the NSF could be the first tangible component of a public-private partnership to relaunch interest in long-term capital investments in SMEs.

We therefore expect the initiative to have a positive impact, especially if it is backed up by supporting elements, such as those under discussion on supporting equity research on listed SMEs and on relaunching PIRs. Finally, more active involvement by other major investors such as pension funds could further expand the demand side. The combination of these tools and the current attractive stock prices of many mid/small caps could enable a significant recovery by the asset class.

The initial experience with PIRs demonstrated the size of the pool of potential investors, but also how the offer needs to be expanded with new listings of medium-sized companies, which for various reasons have so far preferred to pursue other routes. Recently-approved legislation to cut red tape and the presence of a new long-term investor are two excellent aspects capable of raising hopes of a healthier flow of new listings in the future.

.

Intermonte

DISCLAIMER

IMPORTANT DISCLOSURES

The reproduction of the information, recommendations and research produced by Intermonte SIM contained herein and of any its parts is strictly prohibited. None of the contents of this document may be shared with third parties without authorisation from Intermonte. This report is directed exclusively at market professional and other institutional investors (Institutions) and is not for distribution to person other than "Institution" ("Non-Institution"), who should not rely on this material. Moreover, any investment or service to which this report may relate will not be made available to Non-Institution. The information and data in this report have been obtained from sources which we believe to be reliable, although the accuracy of these cannot be guaranteed by Intermonte. In the event that there be any doubt as to their reliability, this will be clearly indicated. The main purpose of the report is to offer up-to-date and accurate information in accordance with regulations in force covering "recommendations" and is not intended nor should it be construed as a solicitation to buy or sell securities. This disclaimer is constantly updated on Intermonte's website www.intermonte.it under LEGAL NOTICES. Valuations and recommendations can be found in the text of the most recent research and/or reports on the companies in question. For a list of all recommendations made by Intermonte on any financial instrument or issuer in the last twelve months consult the web page CUSTOMER AREA.
Intermonte distributes research and engages in other approved activities with respect to Major U.S. Institutional Investors ("Majors") and other Qualified Institutional Buyers ("QIBs"), in the United States, via Plural Securities LLC under SEC 15a-6 guidelines. Intermonte is not registered as a broker dealer in the United States under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and is not a member of the Securities Investor Protection Corporation ("SIPC"). Plural Securities LLC is registered as a broker-dealer under the Exchange Act and is a member of SIPC.

ANALYST CERTIFICATION

For each company mentioned in this report the respective research analyst hereby certifies that all of the views expressed in this research report accurately reflect the analyst's personal views about any or all of the subject issuer (s) or securities. The analyst (s) also certify that no part of their compensation was, is or will be directly or indirectly related to the specific recommendation or view in this report. The analyst (s) responsible for preparing this research report receive(s) compensation that is based upon various factors, including Intermonte's total profits, a portion of which is generated by Intermonte's corporate finance activities, although this is minimal in comparison to that generated by brokerage activities. Intermonte's internal procedures and codes of conduct are aimed to ensure the impartiality of its financial analysts. The exchange of information between the Corporate Finance sector and the Research Department is prohibited, as is the exchange of information between the latter and the proprietary equity desk in order to prevent conflicts of interest when recommendations are made. The analyst responsible for the report is not a) a resident of US; b) an associated person of a U.S. broker-dealer; c) supervised by a supervisory principal of a U.S. broker-dealer. This Research Report is distributed in the U.S. through Plural Securities LLC, 950 3rd Avenue, Suite 1702, NY 10022, USA.

GUIDE TO FUNDAMENTAL RESEARCH

The main methods used to evaluate financial instruments and set a target price for 12 months after the investment recommendation are as follows:

- Discounted cash flow (**DCF**) model or similar methods such as a dividend discount model (**DDM**)
- Comparison with market peers, using the most appropriate methods for the individual company analysed: among the main ratios used for industrial sectors are price/ earnings (P/E), EV/EBITDA, EV/EBIT, price /sales
- Return on capital and multiples of adjusted net book value are the main methods used for banking sector stocks, while for insurance sector stocks return on allocated capital and multiples on net book value and embedded portfolio value are used
- For the utilities sector comparisons are made between expected returns and the return on the regulatory asset base (RAB)

Some of the parameters used in evaluations, such as the risk-free rate and risk premium, are the same for all companies covered, and are updated to reflect market conditions. Currently a risk-free rate of 4.0% and a risk premium of 5.5% are being used.
Frequency of research: quarterly.
Reports on all companies listed on the FTSEMIB40 Index, most of those on the MIDEX Index and the main small caps (regular coverage) are published at least once per quarter to comment on results and important newsflow.
A draft copy of each report may be sent to the subject company for its information (without target price and/or recommendations), but unless expressly stated in the text of the report, no changes are made before it is published.

Explanation of our ratings system:

BUY: stock expected to outperform the market by over 25% over a 12 month period;
OUTPERFORM: stock expected to outperform the market by between 10% and 25% over a 12 month period;
NEUTRAL: stock performance expected at between +10% and - 10% compared to the market over a 12 month period;
UNDERPERFORM: stock expected to underperform the market by between -10% and -25% over a 12 month period;
SELL: stock expected to underperform the market by over 25% over a 12 month period.
Prices: The prices reported in the research refer to the price at the close of the previous day of trading

INTERMONTE SIM is MIFID compliant - for our Best Execution Policy please check our Website https://www.intermonte.it/it/avvertenze-legali/mifid-ii.html
Further information is available.