

Analysis of Wrap, Platform and Master Trust Managed Funds at September 2015

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\$43.0bn Increase in Funds Under Management over the year to September 2015

Masterfunds ended the year to 30 September 2015 up 7.2% or \$43.0bn to total \$640.5bn. However during the September quarter they actually fell back \$12.7bn, or 1.9%. Despite volatile and generally negative investment market during the past six months, investment earnings on underlying fund assets over the whole of the past year still accounted for circa 60% of this increase in funds. Year on year reported Inflows into Masterfunds were relatively little changed only decreasing 2.6% to \$140.6bn while corresponding Outflows similarly fell slightly 3.0% from \$120.2bn to \$116.6bn. All the leading companies reported in their Masterfund business with some of the better performances being recorded by Macquarie (10.7%), AMP (8.4%), Commonwealth / Colonial (8.0%) and BT (7.7%).

Wraps \$259.0bn of funds under management (40.4% of the total Masterfunds market) climbed 11.3% over the past 12 months. Inflows were \$68.3bn (48.6%) with resultant Net Fund Flows totalling \$19.4bn (80.6%) after deducting Outflows of \$49.0bn (42.0%). Four companies AMP (\$50.5bn), Macquarie (\$45.0bn), BT (\$42.6bn) and National Australia / MLC (\$28.0bn) continue to account for almost 2/3rds of the total; from an administrator perspective the market is even more concentrated with the Top 4 responsible for almost 83% of all business with in particular BT's relative share more than doubling from 16.4% to 38.3%.

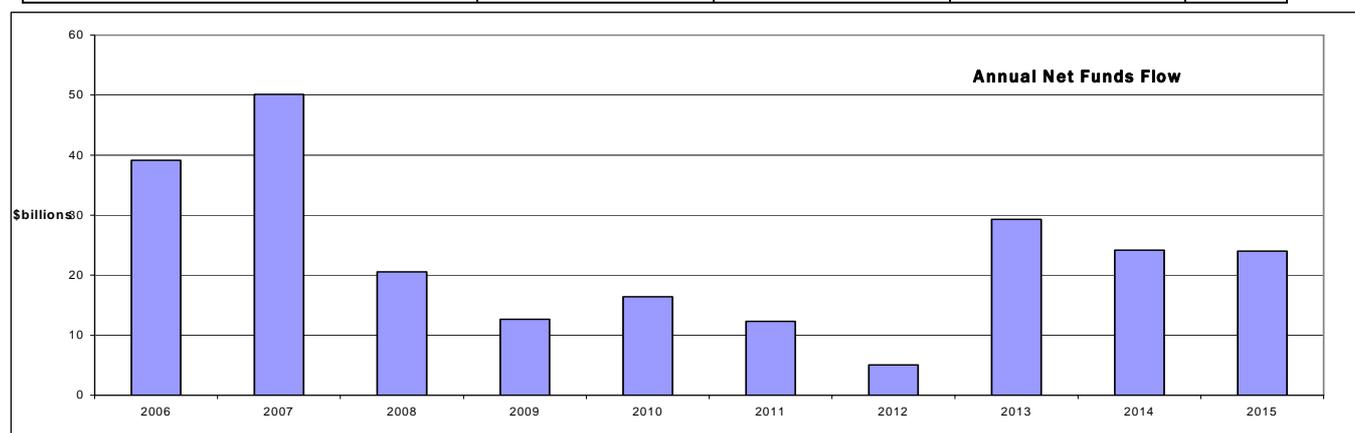
Platforms \$287.7bn of funds (44.9%) ended the year up 3.7% with the vast majority of the increase due to investment earnings. Annual Inflows of \$54.7bn (38.9%) were closely matched by Outflows of \$54.0bn (46.3%) so Net Fund Flow was only \$0.6bn (2.6%). Major Platform players include Commonwealth / Colonial (\$72.6bn), National Australia / MLC (\$72.0bn), AMP (\$54.0bn), IOOF (\$29.2bn), ANZ (\$21.9bn) and Mercer (\$19.5bn).

Master Trusts \$93.8bn funds (14.6%) increased 7.6%. Annual Inflows were little changed at \$17.7bn (12.6%) up just 1.1% following on from the major 37.8% hike in the previous year. Meanwhile corresponding Outflows rose 7.5% to \$13.6bn and as a result overall Net Fund Flows into Master Trusts amounted to \$4.0bn (16.8%). The Top 2 companies, BT (\$27.2bn) and AMP (\$26.3bn), between them control almost 60% of the overall Master Trust market.

Funds Under Management – Total Masterfunds Administrator View

\$millions	Sep 15		Sep 14		Sep 13		Annual Growth
BT Financial Group	127,263	19.9%	118,195	19.8%	107,292	19.8%	7.7%
AMP Group	119,475	18.7%	110,199	18.4%	96,494	17.8%	8.4%
National Australia / MLC Group	102,803	16.1%	98,965	16.6%	93,203	17.2%	3.9%
Commonwealth / Colonial Group	96,818	15.1%	89,618	15.0%	79,974	14.7%	8.0%
Macquarie Group	47,840	7.5%	43,200	7.2%	39,090	7.2%	10.7%
ANZ Wealth Group	42,627	6.7%	41,459	6.9%	38,818	7.1%	2.8%
IOOF Group	29,848	4.7%	28,754	4.8%	27,034	5.0%	3.8%
Mercer	19,460	3.0%	18,558	3.1%	17,774	3.3%	4.9%
StatePlus	14,703	2.3%	13,746	2.3%	11,978	2.2%	7.0%
Perpetual Group	8,838	1.4%	8,242	1.4%	7,813	1.4%	7.2%
Others	30,796	4.8%	26,514	4.4%	23,543	4.3%	16.2%
Totals	640,471	100.0%	597,451	100.0%	543,012	100.0%	7.2%

Analysis By Market							
Wrap	258,999	40.4%	232,767	39.0%	203,573	37.5%	11.3%
Platform	287,723	44.9%	277,586	46.5%	261,166	48.1%	3.7%
Master Trust	93,750	14.6%	87,098	14.6%	78,272	14.4%	7.6%
Totals	640,471	100.0%	597,451	100.0%	543,012	100.0%	7.2%



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Data Collection and Estimation Techniques

Data is collected from companies in the managed funds market covering funds under management, gross inflows, gross outflows, net inflows unit prices and investment return rates. Gross Inflows represents an indication of new business sales. Data is thoroughly checked and queries are raised with data providers if data is significantly different from trends or compared to other companies. Where inflow or outflow data is unavailable, we make estimates based on market behaviour from similar investments in compatible markets. When companies provide actual inflow and outflow data these replace estimates. This estimation procedure, coupled with our rigorous direct data collection, enables us to prepare high quality, reasonable and comprehensive data for every Manager.

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