

## Analysis of Wrap, Platform and Master Trust Managed Funds at September 2016

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### \$57.9bn Rise in Funds Under Management over the year to September 2016

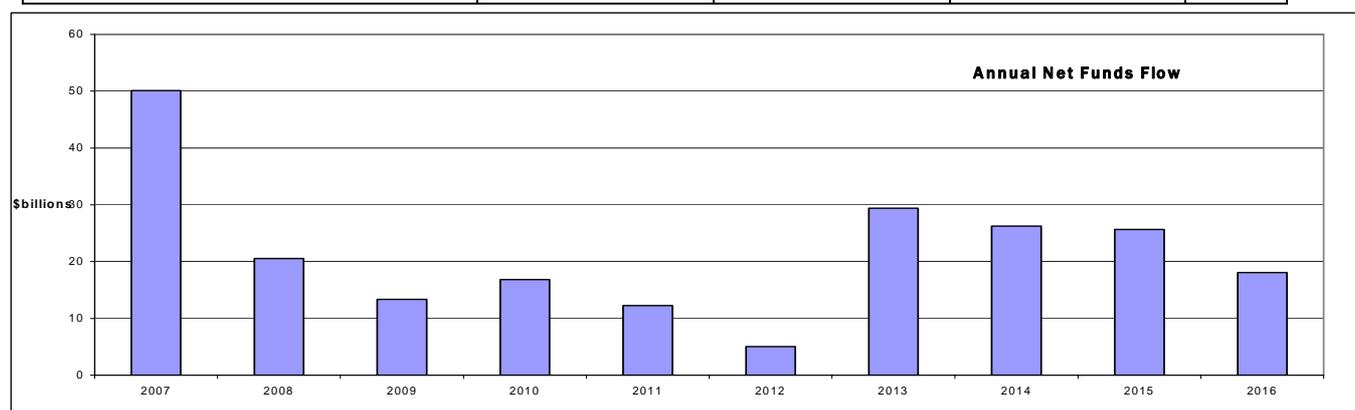
Masterfunds ended the year to 30 September 2016 up 8.8% or \$57.9bn to total \$713.4bn. During the September quarter they rose \$23.6bn, or 3.4%. Investment earnings on underlying assets over the past year accounted for circa 2/3rds of this increase in funds. Year on year reported Inflows into Masterfunds decreased 4.7% to \$136.9bn while corresponding Outflows were relatively little changed up just slightly by 0.8% to \$118.9bn. All leading companies reported increases in their Masterfund business with some of the better performances recorded by Macquarie (36.5%), partly due to an internal transfer into Masterfunds of \$10.4bn previously unreported assets in late 2015, also Commonwealth / Colonial (9.0%), BT (7.3%), Mercer (6.9%), AMP (5.8%) and Perpetual (5.5%).

**Wraps** \$299.1bn of funds under management (41.9% of the total Masterfunds market) climbed 15.4% over the past 12 months. Inflows were \$66.1bn (48.3%) with resultant Net Fund Flows totalling \$15.3bn (84.7%) after deducting Outflows of \$50.8bn (42.8%). Four companies Macquarie (\$62.5bn), AMP (\$55.6bn), BT (\$45.6bn) and National Australia / MLC (\$29.4bn) 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 over 82% of all business with in particular BT's relative market share more than doubling from 15.3% to 35.8%.

**Platforms** \$304.3bn of funds (42.7%) ended the year up 3.8% with all of this increase due to investment earnings. Annual Inflows of \$51.9bn (37.9%) were exceeded by Outflows of \$54.1bn (45.5%) and as a result the overall Net Fund Flow was negative \$2.2bn. Major Platform players include Commonwealth / Colonial (\$77.4bn), National Australia / MLC (\$73.2bn), AMP (\$53.8bn), IOOF (\$30.1bn), ANZ (\$22.0bn) and Mercer (\$20.8bn).

**Master Trusts** \$110.0bn funds (15.4%) increased 6.6%. Annual Inflows were more or less flat at \$18.9bn (13.8%) up a marginal 0.8% following on from a 5.4% decrease in the previous year. Corresponding Outflows were also relatively little changed declining 1.8% to \$14.0bn and as a result overall Net Fund Flow into Master Trusts amounted to \$5.0bn (27.4%). The Top 2 companies BT (\$28.8bn) and AMP (\$27.8bn) between them control over half of the Master Trusts market.

Funds Under Management – Total Masterfunds Administrator View							
\$millions	Sep 16		Sep 15		Sep 14		Annual Growth
BT Financial Group	136,504	19.1%	127,263	19.4%	118,195	19.4%	7.3%
AMP Group	126,421	17.7%	119,526	18.2%	110,233	18.1%	5.8%
National Australia / MLC Group	106,845	15.0%	102,803	15.7%	98,965	16.2%	3.9%
Commonwealth / Colonial Group	105,510	14.8%	96,818	14.8%	89,618	14.7%	9.0%
Macquarie Group	65,301	9.2%	47,840	7.3%	43,200	7.1%	36.5%
ANZ Wealth Group	44,112	6.2%	42,627	6.5%	41,459	6.8%	3.5%
IOOF Group	31,039	4.4%	29,848	4.6%	28,754	4.7%	4.0%
Mercer	20,811	2.9%	19,460	3.0%	18,558	3.0%	6.9%
StatePlus	16,466	2.3%	15,793	2.4%	14,205	2.3%	4.3%
Perpetual Group	9,325	1.3%	8,838	1.3%	8,242	1.4%	5.5%
Others	51,066	7.2%	44,732	6.8%	38,172	6.3%	14.2%
<b>Totals</b>	<b>713,399</b>	<b>100.0%</b>	<b>655,548</b>	<b>100.0%</b>	<b>609,603</b>	<b>100.0%</b>	<b>8.8%</b>
Analysis By Market							
Wrap	299,096	41.9%	259,124	39.5%	232,966	38.2%	15.4%
Platform	304,268	42.7%	293,193	44.7%	281,701	46.2%	3.8%
Master Trust	110,035	15.4%	103,230	15.7%	94,936	15.6%	6.6%
<b>Totals</b>	<b>713,399</b>	<b>100.0%</b>	<b>655,548</b>	<b>100.0%</b>	<b>609,603</b>	<b>100.0%</b>	<b>8.8%</b>



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