

## Media Release

Release Date: 8 April 2021

### Analysis of Wrap, Platform & Master Trust Managed Funds at Dec-20

#### \$4.2bn Increase in Funds Under Management in 2020

After falling sharply in the first few months of 2020 due to the onset of the COVID-19 pandemic global investment markets then spent the rest of the year recovering. As a result, Masterfund business ended 2020 slightly higher up just 0.5%, or \$4.2bn to total \$894.6bn. Since then markets have continued to climb with in particular the US markets once again in record territory buoyed by hopes that the start of vaccination programs will eventually bring the pandemic under control but for now that seems like a long way off particularly in poorer third world countries.

Gross Inflows and Outflows almost counterbalanced each other at \$153.6b and \$154.1bn after falling year on year by 4.8% and 5.4%. Mid-sized players netwealth (\$38.8bn up 36.1%), HUB24 (\$22.0bn up 38.8%) and to a lesser degree Macquarie (\$51.5bn up 12.8%) all enjoyed some strong growth. Meanwhile the experience of the four market leaders was mixed with AMP (\$142.6bn down 8.1%), National Australia / MLC (\$117.4bn down 3.3%), Commonwealth / Colonial (\$116.8bn up 0.9%) and BT (\$114.6bn up 5.5%). Following its acquisition of ANZ's Masterfund business, IOOF (\$82.4bn up 112.6%) more than doubled in size.

| Funds Under Management – Total Masterfunds Administrator View |                |               |                |               |                |               |               |
|---|----------------|---------------|----------------|---------------|----------------|---------------|---------------|
| \$millions  | Dec 20         |               | Dec 19         |               | Dec 18         |               | Annual Growth |
| BT Financial Group  | 165,272        | 18.5%         | 166,267        | 18.7%         | 146,533        | 18.1%         | -0.6%         |
| AMP Group   | 138,810        | 15.5%         | 148,132        | 16.6%         | 143,067        | 17.7%         | -6.3%         |
| Commonwealth / Colonial Group                                 | 133,881        | 15.0%         | 134,954        | 15.2%         | 121,003        | 14.9%         | -0.8%         |
| National Australia / MLC Group                                | 117,371        | 13.1%         | 121,351        | 13.6%         | 110,762        | 13.7%         | -3.3%         |
| Macquarie Group   | 95,985         | 10.7%         | 90,554         | 10.2%         | 81,118         | 10.0%         | 6.0%          |
| IOOF Group  | 76,040         | 8.5%          | 39,592         | 4.4%          | 34,249         | 4.2%          | 92.1%         |
| netwealth   | 38,799         | 4.3%          | 28,511         | 3.2%          | 18,988         | 2.3%          | 36.1%         |
| Mercer  | 25,661         | 2.9%          | 25,457         | 2.9%          | 22,726         | 2.8%          | 0.8%          |
| HUB24   | 21,966         | 2.5%          | 15,829         | 1.8%          | 10,046         | 1.2%          | 38.8%         |
| Xplore Wealth   | 16,570         | 1.9%          | 15,890         | 1.8%          | 13,220         | 1.6%          | 4.3%          |
| Others  | 64,195         | 7.2%          | 103,826        | 11.7%         | 108,590        | 13.4%         | -38.2%        |
| <b>Totals</b>   | <b>894,552</b> | <b>100.0%</b> | <b>890,363</b> | <b>100.0%</b> | <b>810,302</b> | <b>100.0%</b> | <b>0.5%</b>   |
| Analysis By Market  |                |               |                |               |                |               |               |
| Wrap  | 444,551        | 49.7%         | 430,116        | 48.3%         | 375,280        | 46.3%         | 3.4%          |
| Platform  | 347,182        | 38.8%         | 349,817        | 39.3%         | 305,040        | 37.6%         | -0.8%         |
| Master Trust  | 102,819        | 11.5%         | 110,430        | 12.4%         | 129,982        | 16.0%         | -6.9%         |
| <b>Totals</b>   | <b>894,552</b> | <b>100.0%</b> | <b>890,363</b> | <b>100.0%</b> | <b>810,302</b> | <b>100.0%</b> | <b>0.5%</b>   |

Media Release

Release Date: 8 April 2021

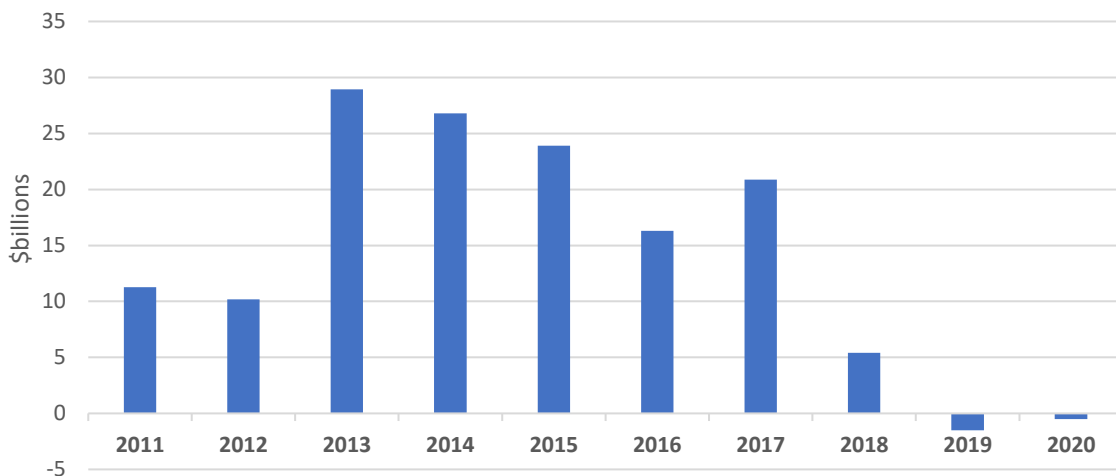
Analysis of Wrap, Platform & Master Trust Managed Funds at Dec-20

**Wraps** \$444.6bn of funds under management (49.7% or almost half the Masterfunds total) were up 3.4% over the past year. Year on year Inflows of \$98.0bn declined 3.0% but Outflows fell even more by 11.6% to \$76.8bn so there was an overall reported Net Fund Flow of \$21.2bn which was up 50% on the 2019 result. BT (\$77.5bn), AMP (\$73.5bn), Macquarie (\$51.5bn), netwealth (\$38.8bn), National Australia / MLC (\$36.0bn) and IOOF (\$29.7bn) dominate the Wrap market accounting for almost 70% of the total while from an administrator point of view Wraps are even more concentrated with BT (\$128.2bn) alone responsible for 29%.

**Platforms** \$347.2bn of funds (38.8%) declined by a marginal 0.8% during 2020. Inflows of \$42.3bn were down 6.4% and were more than offset by Outflows of \$56.5bn that were 3.8% lower. Commonwealth / Colonial (\$97.5bn), National Australia / MLC (\$81.4bn), AMP (\$42.4bn), IOOF (\$33.3bn) and Mercer (\$25.7bn) lead the Platform market ahead of Xplore (\$16.6bn) and Praemium (\$16.4bn).

**Master Trusts** \$102.8bn funds (11.5%) fell 6.9% over the past year. Reported Inflows of \$13.2bn dropped another 12.2% after previously falling 22.2% in 2019 however Outflows were up significantly by 20.7% to \$20.8bn resulting in an overall Net Outflow of \$7.6bn. BT (\$37.1bn), AMP (\$26.7bn), IOOF (\$19.3bn) and Russell (\$9.2bn) control almost 90% of the overall Master Trust market.

Annual Net Funds Flow



## Media Release

Release Date: 8 April 2021

### Analysis of Wrap, Platform & Master Trust Managed Funds at Dec-20

#### About the Media Release

This Media Release is provided by Plan For Life, Actuarial and Researchers. Plan For Life is an ISS Market Intelligence brand (ISS MI), part of Institutional Shareholder Services (ISS). [Read more about ISS.](#)

Plan For Life are specialists in collecting data and reporting accurate statistical information and analyses covering financial services, funds management and life insurance markets. This Media Release is designed to give managing directors, marketing managers and other senior managers a timely and comprehensive overview of the performance of individual companies and the overall market. Plan For Life is an ISS Market Intelligence brand (ISS MI), part of Institutional Shareholder Services (ISS). <https://www.pflresearch.com/>

#### Contact for more information:

Daniel Morris, Senior Manager, [Daniel.Morris@issgovernance.com](mailto:Daniel.Morris@issgovernance.com) Ph: +61 3 9886 4400

#### Disclaimer and Conditions of Use

This report and material have been prepared by Plan For Life, an ISS Market Intelligence brand (Asset International Australia Pty Ltd, ACN 147 440 140, ABN 42 147 440 140) ("Vendor"). Vendor has taken all reasonable care in preparing this Report and takes no responsibility for inadvertent errors and omissions, or those due to information received from other parties. If any errors or omissions are found, these should be brought to our attention so that appropriate corrective action can be taken. Vendor takes no responsibility for the subsequent use of the material provided.

Vendor, its employees and associated persons make no recommendations, representations, warranties nor provide opinions, implied or otherwise about the suitability in general terms of a particular asset type or insurance and its suitability for any particular individual or organization. This report is provided as an information service and is not suitable to be acted upon as life insurance advice without additional input from an Authorised Representative of an Australian Financial Services Licence Holder. In particular, Vendor advises that in preparing this report it did not take into account the individual goals and objectives, anticipated resources, current situation, attitudes or other circumstances of any particular person. In this regard any such user must consult with an appropriate Authorised Representative of an Australian Financial Services Licence Holder. The information provided on financial products does not constitute financial product advice and users of this information should obtain independent advice before making any financial decision.

Vendor is an Australian Financial Services Licence Holder; none of its employees and associated persons are currently Authorised Representatives of a Licence Holder. Vendor is a research company. Actuarial services are provided by and under the independent control of Somari Systems Pty Ltd ABN 97 006 233 923 (Simon Solomon & Associates). No part of this publication may be reproduced or distributed in any form without express prior written consent from Vendor. Acknowledgement is given to APRA for cross-reference to items appearing in its Annual and Half-annual Reports on Life Companies.

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.