

\$78.2bn Drop in Funds Under Management over the year to March 2020

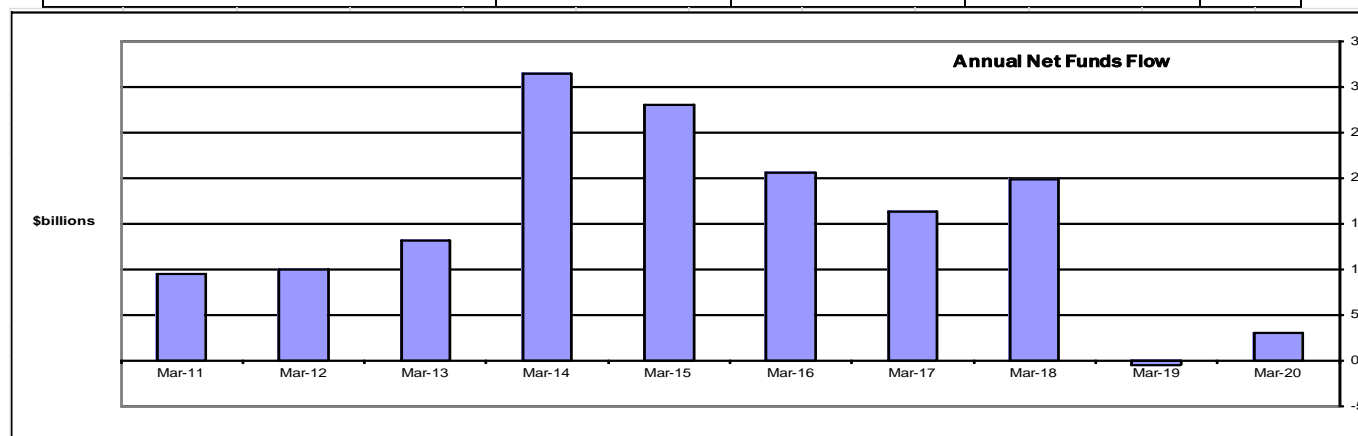
Masterfunds ended the year to March 2020 down 9.1% to \$777.4bn after diving \$112.0bn or 12.6% in the latest quarter due to a dramatic slump on global investment markets triggered by all the quarantine measures adopted to control the corona virus pandemic. They have since partially recovered but remain very volatile and fragile owing to a weak economic outlook with the spread of COVID-19 still out of control in many countries. Annual Masterfund Inflows of \$167.7bn were up 11.1% from the previous year's \$151.0bn however corresponding Outflows also rose 8.8% from \$151.5bn to \$164.8bn resulting in a relatively small Net Fund Inflow of \$2.9bn compared to the \$0.5bn Outflow reported for the previous twelve months. While medium sized players netwealth (\$27.9bn up 32.4%), HUB24 (\$15.1bn up 31.5%) and Xplore (\$14.5bn up 9.2%) saw substantial increases, market leaders AMP (\$136.7bn down 13.0%), National Australia / MLC (\$104.6bn down 10.3%), Commonwealth / Colonial (\$101.5bn down 7.3%) and BT (\$95.0bn down 3.2%) were all lower. Meantime IOOF (\$74.8bn up 110.3%) more than doubled its business following the acquisition of ANZ's Masterfunds.

Wraps \$362.2bn of funds under management (46.6% of the overall Masterfunds total) decreased 4.3% over the past year. Inflows were \$106.2bn (63.3%) which after deducting Outflows of \$85.2bn (51.7%) resulted in a Net Fund Inflow of \$20.9bn. Five companies AMP (\$68.6bn), BT (\$62.9bn), Macquarie (\$40.4bn), National Australia / MLC (\$30.5bn) and netwealth (\$27.9bn) control almost 64% of the total while from an administrator perspective these same companies account close to 85%; BT alone managing over 30%.

Platforms \$319.5bn of funds (41.1%) ended the year to March 9.9% lower. Inflows of \$47.9bn (28.5%) were offset by corresponding Outflows of \$62.4bn (37.9%) so that overall there was a very significant Net Fund Outflow of \$14.6bn. Major Platform players include Commonwealth / Colonial (\$85.1bn), National Australia / MLC (\$74.0bn), IOOF (\$47.7bn), AMP (\$40.5bn) and Mercer (\$22.3bn).

Master Trusts \$95.7bn funds (12.3%) dropped 22.0%. Annual Inflows fell sharply by 30.3% to \$13.7bn (8.2%) and were exceeded by Outflows that were 16.6% lower to total \$17.1bn resulting in an overall Net Outflow from Master Trusts of \$3.4bn. The Top 3 companies BT (\$31.7bn), AMP (\$27.6bn) and IOOF (\$17.7bn) are between them responsible for over 80% of the Master Trusts total.

Funds Under Management – Total Masterfunds Administrator View							
\$millions	Mar 20		Mar 19		Mar 18		Annual Growth
BT Financial Group	141,633	18.2%	155,801	18.2%	151,617	18.9%	-9.1%
AMP Group	130,859	16.8%	149,480	17.5%	143,496	17.9%	-12.5%
Commonwealth / Colonial Group	117,952	15.2%	128,188	15.0%	120,791	15.1%	-8.0%
National Australia / MLC Group	104,568	13.5%	116,533	13.6%	115,365	14.4%	-10.3%
Macquarie Group	78,047	10.0%	84,608	9.9%	76,716	9.6%	-7.8%
IOOF Group	68,806	8.9%	36,338	4.2%	33,868	4.2%	89.3%
netwealth	27,875	3.6%	21,055	2.5%	16,008	2.0%	32.4%
Mercer	22,311	2.9%	24,111	2.8%	22,888	2.9%	-7.5%
HUB24	15,110	1.9%	11,487	1.3%	7,368	0.9%	31.5%
Xplore Wealth	14,510	1.9%	13,290	1.6%	12,830	1.6%	9.2%
Others	55,734	7.2%	114,722	13.4%	101,366	12.6%	-51.4%
Totals	777,405	100.0%	855,613	100.0%	802,313	100.0%	-9.1%
Analysis By Market							
Wrap	362,214	46.6%	378,461	44.2%	338,996	42.3%	-4.3%
Platform	319,507	41.1%	354,520	41.4%	331,171	41.3%	-9.9%
Master Trust	95,685	12.3%	122,632	14.3%	132,146	16.5%	-22.0%
Totals	777,405	100.0%	855,613	100.0%	802,313	100.0%	-9.1%



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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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