

Analysis of Wrap, Platform and Master Trust Managed Funds at June 2020

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\$38.4bn Fall in Funds Under Management over the year to June 2020

The overall Masterfund market declined 4.5% over the whole of the 2019/20 financial year to total \$824.3bn. During the June quarter it bounced back 6.3% or \$48.9bn regaining almost half the loss incurred in the March quarter when worldwide investment markets suffered corrections triggered by the corona virus pandemic. Subsequently while some markets like the US S&P 500 have almost fully recovered others including those in Australia & the UK have not and the situation remains very volatile with the previously high flying US NASDAQ tech index diving 10% in the past couple of weeks. Reported Inflows into Masterfunds of \$164.1bn were up 6.8% but were still exceeded by Outflows that increased by 2.6% to \$162.2bn. All Top 4 players recorded reduced funds under management with AMP (\$137.4bn down 12.1%), National Australia / MLC (\$110.8bn down 7.5%), Commonwealth / Colonial (\$108.3bn down 4.1%) and BT (\$102.4bn down 1.1%). Meanwhile a couple of mid-sized players netwealth (\$31.5bn up 35.0%) and HUB24 (\$17.2bn up 33.7%) posted 30% plus growth rates while IOOF (\$78.7bn up 111.4%) saw its business more than double after it acquired ANZ's Masterfunds.

Wraps \$408.6bn of funds under management (49.6% of the total Masterfunds market) finished little changed over the past year, down just 0.3%. Inflows totalled \$105.2bn (64.1%) which after deducting Outflows of \$83.9bn (51.7%) resulted in Net Fund Flows of \$21.3bn. AMP (\$69.9bn), BT (\$68.9bn), Macquarie (\$44.9bn), National Australia / MLC (\$33.2bn), netwealth (\$31.5bn) and IOOF (\$27.8bn) account for over 2/3rds of the Wrap market while from an administrator point of view the Wraps market is even more concentrated with in particular the BT and Macquarie shares jumping from 16.9% and 11.0% to 28.9% and 20.6% respectively.

Platforms \$319.1bn of funds (38.7%) fell 7.5%. Annual Inflows of \$44.7bn (27.3%) were exceeded by Outflows of \$57.5bn (35.5%) resulting in a negative Net Flow of \$12.8bn. Commonwealth / Colonial (\$90.8bn), National Australia / MLC (\$77.6bn), AMP (\$41.6bn), IOOF (\$32.6bn) and Mercer (\$24.3bn) are responsible for over three quarters of the overall Platform total.

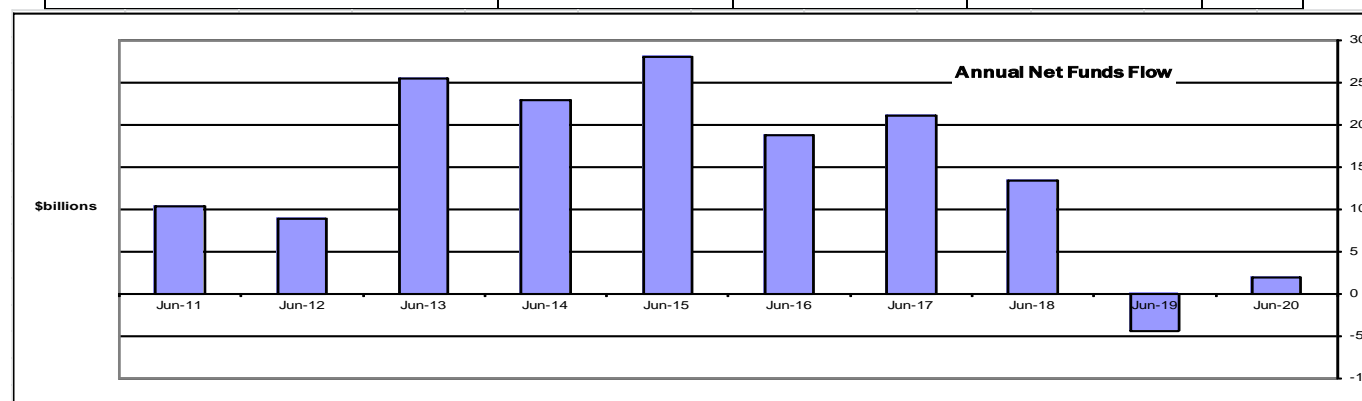
Master Trusts \$96.5bn funds (11.7%) fell 10.6% over the past year. Reported Inflows into Master Trusts of \$14.2bn (8.7%) dropped 22.9% but Outflows rose 4.1% to \$20.8bn and as a result there was a negative Net Fund Flow of \$6.6bn, over 4 times the \$1.6bn recorded in 2018/19. Master Trust market leaders BT (\$33.2bn), AMP (\$25.9bn) and IOOF (\$18.4bn) control over 80% of the total.

Funds Under Management – Total Masterfunds Administrator View

\$millions	Jun 20		Jun 19		Jun 18		Annual Growth
BT Financial Group	151,626	18.4%	161,345	18.7%	156,815	18.7%	-6.0%
AMP Group	131,787	16.0%	148,888	17.3%	148,194	17.7%	-11.5%
Commonwealth / Colonial Group	125,454	15.2%	131,957	15.3%	125,970	15.0%	-4.9%
National Australia / MLC Group	110,775	13.4%	119,813	13.9%	117,896	14.1%	-7.5%
Macquarie Group	85,610	10.4%	87,562	10.2%	85,387	10.2%	-2.2%
IOOF Group	72,503	8.8%	38,042	4.4%	35,449	4.2%	90.6%
netwealth	31,502	3.8%	23,337	2.7%	17,960	2.1%	35.0%
Mercer	24,341	3.0%	24,850	2.9%	23,911	2.9%	-2.0%
HUB24	17,217	2.1%	12,875	1.5%	8,345	1.0%	33.7%
Xplore Wealth	15,120	1.8%	14,379	1.7%	13,090	1.6%	5.2%
Others	58,336	7.1%	99,617	11.5%	104,565	12.5%	-41.4%
Totals	824,271	100.0%	862,664	100.0%	837,581	100.0%	-4.5%

Analysis By Market

Wrap	408,638	49.6%	409,712	47.5%	378,819	45.2%	-0.3%
Platform	319,099	38.7%	344,988	40.0%	322,376	38.5%	-7.5%
Master Trust	96,535	11.7%	107,964	12.5%	136,387	16.3%	-10.6%
Totals	824,271	100.0%	862,664	100.0%	837,581	100.0%	-4.5%



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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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