

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

Release Date: 22 December 2020

\$37.9bn Fall in Funds Under Management over the year to September 2020

Masterfunds ended the year to 30 September 2020 down 4.3% or \$37.9bn, to total \$840.1bn however during the latest September quarter they actually increased \$14.7bn, or 1.8%. Almost three quarters of the decrease in funds under management was due to an overall negative investment return on underlying assets over the past year. Year on year Inflows into Masterfunds were unchanged, down just 0.1% at \$157.6bn to slightly exceed corresponding Outflows of \$155.6bn that were down by 4.2%. The Top 3 companies all reported decreases; AMP (\$138.6bn down 10.8%), National Australia / MLC (\$111.4bn down 7.7%) and Commonwealth / Colonial (\$109.1bn down 5.2%). No 4 BT (\$106.3bn) was up slightly by 2.0% while IOOF (\$78.7bn) jumped into 5th, doubling in size thanks to its ANZ acquisition. Mid-sized players netwealth (\$34.0bn up 34.4%) and HUB24 (\$19.0bn up 32.2%) were also sharply higher.

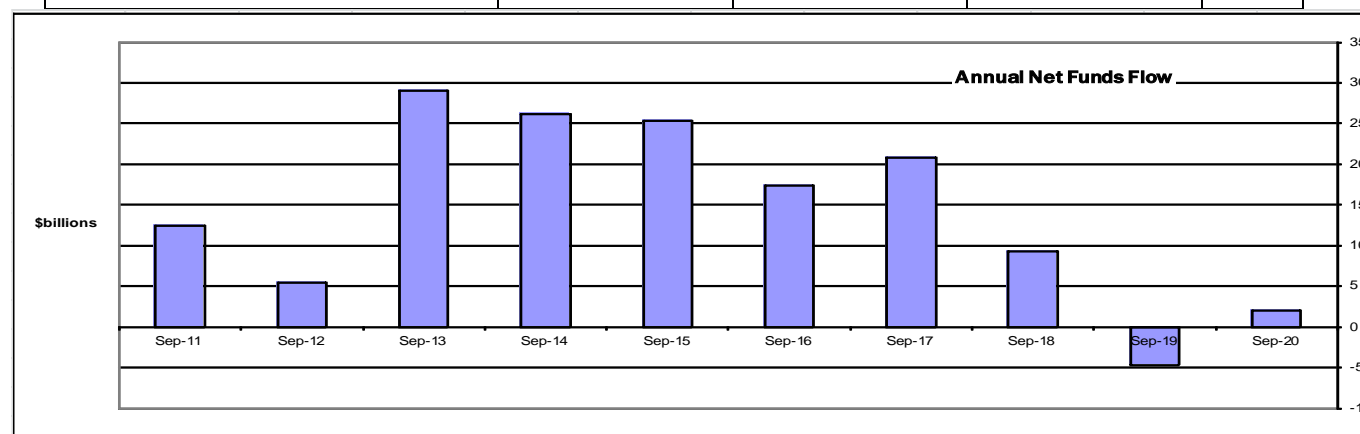
Wraps \$412.6bn of funds under management (49.1% of the total Masterfunds market) declined slightly by 1.9% over the past 12 months. Inflows were \$100.7bn (63.9%) which after deducting Outflows of \$78.6bn (50.5%) resulted in Net Fund Flows of \$22.2bn. Six companies AMP (\$71.7bn), BT (\$71.6bn), Macquarie (\$46.8bn), netwealth (\$34.0bn), National Australia / MLC (\$33.8bn) and IOOF (\$27.9bn) account for close to 70% of the total; from an administrator perspective the market is even more concentrated with the Top 6 responsible for over 90% with in particular the BT and Macquarie market shares jumping to 29.2% and 21.1% respectively.

Platforms \$329.1bn of funds (39.2%) ended the year down 5.6% due to a combination of negative Net Fund Flows and investment earnings. Annual Inflows of \$42.9bn (27.2%) were exceeded by Outflows of \$55.8bn (35.9%) resulting in an overall Net Outflow of \$12.9bn. Major Platform players include Commonwealth / Colonial (\$91.2bn), National Australia / MLC (\$77.6bn), AMP (\$40.4bn), IOOF (\$32.3bn), Mercer (\$24.5bn), Xplore (\$15.5bn) and Praemium (\$15.0bn).

Master Trusts \$98.4bn funds (11.7%) decreased 9.5%. Annual Inflows were also down 8.6% to \$14.0bn (8.9%) but corresponding Outflows rose 17.1% to \$21.3bn (13.7%) and as a result Master Trusts recorded a Net Outflow of \$7.3bn. The Top 4 companies BT (\$34.6bn), AMP (\$26.5bn), IOOF (\$18.5bn) and Russell (\$9.0bn) between them control just over 90% of the Master Trusts market.

Funds Under Management – Total Masterfunds Administrator View							
\$millions	Sep 20		Sep 19		Sep 18		Annual Growth
BT Financial Group	155,274	18.5%	163,687	18.6%	157,832	18.6%	-5.1%
AMP Group	133,073	15.8%	148,144	16.9%	150,355	17.7%	-10.2%
Commonwealth / Colonial Group	126,004	15.0%	134,283	15.3%	127,947	15.0%	-6.2%
National Australia / MLC Group	111,398	13.3%	120,660	13.7%	118,785	14.0%	-7.7%
Macquarie Group	87,988	10.5%	90,443	10.3%	86,727	10.2%	-2.7%
IOOF Group	72,581	8.6%	38,951	4.4%	36,051	4.2%	86.3%
netwealth	34,023	4.1%	25,320	2.9%	19,277	2.3%	34.4%
Mercer	24,520	2.9%	25,260	2.9%	24,237	2.8%	-2.9%
HUB24	19,015	2.3%	14,387	1.6%	9,136	1.1%	32.2%
Xplore Wealth	15,530	1.8%	14,987	1.7%	13,770	1.6%	3.6%
Others	60,665	7.2%	101,807	11.6%	106,532	12.5%	-40.4%
Totals	840,071	100.0%	877,929	100.0%	850,647	100.0%	-4.3%

Analysis By Market							
Wrap	412,628	49.1%	420,709	47.9%	387,250	45.5%	-1.9%
Platform	329,053	39.2%	348,531	39.7%	324,794	38.2%	-5.6%
Master Trust	98,390	11.7%	108,689	12.4%	138,603	16.3%	-9.5%
Totals	840,071	100.0%	877,929	100.0%	850,647	100.0%	-4.3%



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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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