

## Analysis Of Wholesale Funds as at March 2018

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### \$6.1bn Decrease in Wholesale Funds during March Quarter 2018

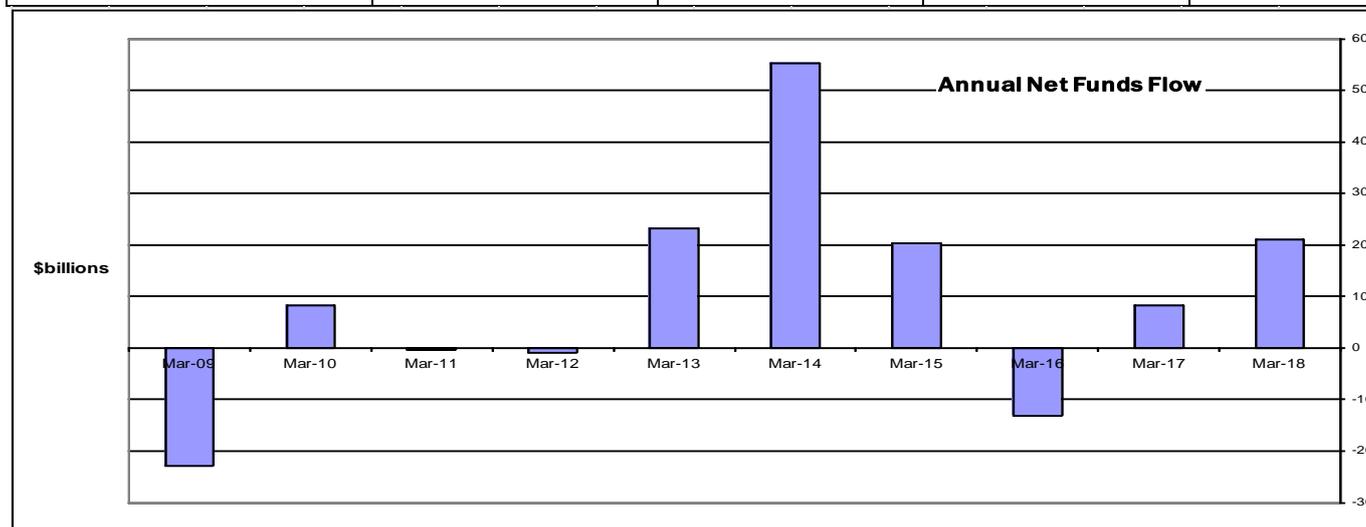
Overall Wholesale Funds at the end of March totalled \$1,098.9bn. Year on year a combination of positive underlying investment earnings together with lower Outflows and consequent increased net Inflows drove the Wholesale Funds market higher by circa 7%. Note the balance of the headline 14.9% annual growth rate shown in the table below is due to the inclusion of over \$71bn of previously unreported Institutional Wholesale business by Vanguard Investments for which we only have two quarters of history at this stage. All of the Wholesale sub-markets ended the last twelve months higher with both of the main Wholesale Institutional (adjusted for Vanguard inclusion) and Wholesale Investment markets up by 7.5% while the much smaller Wholesale Super & Pensions market also increased but by a more modest 3.1%. Most of the leading managers reported growth in their Wholesale business led in percentage terms by Vanguard of course along with AMP, State Street, Challenger and BlackRock.

During the March quarter reported Gross Inflows fell 10.7% to \$61.8bn while over the whole of the last year they were 4.1% lower. Large to very large percentage increases in annual Inflows were reported by Challenger (76.2%), Schroders (65.7%), Pental (36.3%), which is the new name of BT Investment Management, Vanguard (32.3%) and Victorian Funds Management (19.4%) but these were fully offset by the falls reported by UBS (-57.0%), BlackRock (-23.8%) and State Street (-12.2%).

Funds Under Management								
\$millions	Mar-18		Dec-17		Mar-17		Growth Rates	
							Qtrly	Annual
State Street Global Advisors	177,173	16.1%	171,456	15.5%	156,601	16.4%	3.3%	13.1%
Vanguard Investments	114,508	10.4%	114,712	10.4%	38,680	4.0%	-0.2%	196.0%
BlackRock	80,315	7.3%	79,718	7.2%	73,650	7.7%	0.7%	9.1%
Victorian Funds Management	60,335	5.5%	60,300	5.5%	55,500	5.8%	0.1%	8.7%
Commonwealth / Colonial	57,898	5.3%	63,148	5.7%	60,564	6.3%	-8.3%	-4.4%
National Australia / MLC	57,617	5.2%	58,242	5.3%	55,164	5.8%	-1.1%	4.4%
Challenger Limited	54,427	5.0%	54,320	4.9%	48,409	5.1%	0.2%	12.4%
UBS Asset Management	49,220	4.5%	49,623	4.5%	46,846	4.9%	-0.8%	5.1%
AMP	46,953	4.3%	46,974	4.3%	41,327	4.3%	0.0%	13.6%
MFS Investment Management	31,782	2.9%	33,130	3.0%	30,396	3.2%	-4.1%	4.6%
Others	368,671	33.5%	373,372	33.8%	349,637	36.5%	-1.3%	5.4%
<b>Totals</b>	<b>1,098,900</b>	<b>100.0%</b>	<b>1,104,995</b>	<b>100.0%</b>	<b>956,775</b>	<b>100.0%</b>	<b>-0.6%</b>	<b>14.9%</b>

Analysis By Market								
Wholesale Institutional	669,274	60.9%	671,310	60.8%	555,954	58.1%	-0.3%	20.4%
Wholesale Investment	399,998	36.4%	403,792	36.5%	372,089	38.9%	-0.9%	7.5%
Wholesale Superannuation & Pension	29,628	2.7%	29,892	2.7%	28,732	3.0%	-0.9%	3.1%
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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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