

Analysis of Wrap, Platform and Master Trust Managed Funds at December 2018

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\$10.6bn Decline in Funds Under Management during 2018

Overall Masterfund business was down slightly by 1.3% or \$10.6bn during 2018 to stand at \$811.2bn. A significant sell-off on global stock markets saw them fall between 10-20% in the December quarter more than wiping out all of the rest of the year's investment earnings however since then they have recovered much of what was lost but remain highly volatile. Masterfund Inflows of \$149.1bn fell 9.8% in 2018 while Outflows rose slightly 1.2% to \$145.6bn giving an overall Net Flow of \$3.6bn, down sharply on the \$21.4bn posted in 2017. Reported funds under management of the major companies included AMP (\$150.1bn down 2.5%), National Australia / MLC (\$110.8bn down 5.7%), Commonwealth / Colonial (\$103.3bn down 0.3%), BT (\$89.9bn up 5.4%), Macquarie (\$72.7bn up 2.0%), ANZ (\$45.0bn down 7.3%), IOOF (\$33.6bn down 0.9%), Mercer (\$24.9bn down 2.2%) and netwealth (\$19.0bn up 23.0%).

Wraps \$361.8bn of funds under management (44.6% of the overall Masterfunds total) were up by a modest 2.6% over the past year. Annual Inflows of \$85.1bn (57.1%) declined 6.7% but still exceeded corresponding Outflows of \$71.2bn (48.9%) that were up slightly by 1.9% resulting in the reported Net Fund Flow falling sharply by 34.7% to \$14.0bn. AMP (\$72.9bn), Macquarie (\$71.5bn), BT (\$58.0bn) and National Australia / MLC (\$31.2bn) dominate the Wrap market accounting for close to 65% of the overall total while from an administrator point of view Wraps are even more concentrated with BT (\$114.7bn) alone being responsible for almost 32%.

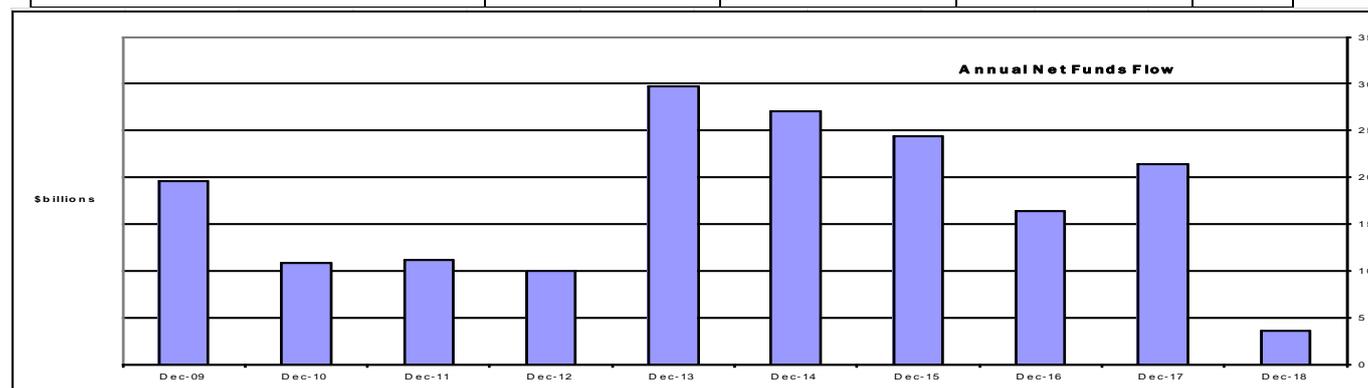
Platforms \$321.0bn of funds (39.6%) decreased 4.5% during 2018. Year on year Inflows of \$46.7bn (31.3%) fell 13.4% and were more than offset by Outflows of \$55.4bn (38.0%) that were down only slightly by 2.2% resulting in an overall negative Net Fund Flow of \$8.7bn which was more than triple the \$2.7bn Net Outflow recorded in 2017. Commonwealth / Colonial (\$86.7bn), National Australia / MLC (\$65.3bn), AMP (\$48.1bn), IOOF (\$32.7bn) and Mercer (\$22.7bn) lead the Platform market.

Master Trusts \$128.4bn funds (15.8%) also declined 3.6% over the past year. Reported Inflows decreased 13.8% to \$17.3bn (11.6%) while by contrast offsetting Outflows were up 9.3% to \$19.0bn (13.1%) and as a result Master Trusts suffered an overall Net Outflow of \$1.8bn compared with the corresponding Net Inflow of \$2.6bn recorded in 2017. BT (\$31.4bn) and AMP (\$29.2bn) dominate the Master Trust market and account for 47% of the overall total.

Funds Under Management – Total Masterfunds Administrator View

\$millions	Dec 18		Dec 17		Dec 16		Annual Growth
BT Financial Group	146,533	18.1%	151,454	18.4%	139,587	19.0%	-3.2%
AMP Group	142,699	17.6%	144,695	17.6%	133,244	18.2%	-1.4%
Commonwealth / Colonial Group	121,003	14.9%	121,761	14.8%	108,263	14.7%	-0.6%
National Australia / MLC Group	110,762	13.7%	117,432	14.3%	108,919	14.8%	-5.7%
Macquarie Group	81,118	10.0%	80,479	9.8%	70,435	9.6%	0.8%
ANZ Wealth Group	37,520	4.6%	40,440	4.9%	37,958	5.2%	-7.2%
IOOF Group	34,249	4.2%	34,380	4.2%	31,703	4.3%	-0.4%
Mercer	22,726	2.8%	23,107	2.8%	21,728	3.0%	-1.6%
netwealth	18,988	2.3%	15,436	1.9%	9,772	1.3%	23.0%
StatePlus	16,914	2.1%	17,474	2.1%	16,702	2.3%	-3.2%
Others	78,651	9.7%	75,118	9.1%	55,817	7.6%	4.7%
Totals	811,163	100.0%	821,776	100.0%	734,128	100.0%	-1.3%

Analysis By Market							
Wrap	361,758	44.6%	352,575	42.9%	307,510	41.9%	2.6%
Platform	321,046	39.6%	336,039	40.9%	305,193	41.6%	-4.5%
Master Trust	128,360	15.8%	133,162	16.2%	121,425	16.5%	-3.6%
Totals	811,163	100.0%	821,776	100.0%	734,128	100.0%	-1.3%



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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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