

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

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### \$79.9bn Rise in Funds Under Management over the year to June 2018

The overall Masterfund market was up 10.4% over the 2017/18 financial year to total \$847.3bn as at 30 June 2018 with investment earnings responsible for almost 70% of this increase. During the June quarter Masterfunds rose 4.4% or \$35.5bn. Reported Inflows into Masterfunds of \$147.8bn fell back 10.0% after previously jumping 22.0% in 2016/17 to a record \$164.3bn; annual Inflows continue to exceed corresponding Outflows that also declined 5.8% from \$142.9bn to \$134.6bn. All of the major companies reported increases in funds under management led in percentage terms by Macquarie (14.7%), Commonwealth / Colonial (10.0%), IOOF (8.8%), BT (8.2%) and Mercer (7.7%); off a lower base netwealth (40.9%) posted very significant growth in its Masterfund business.

**Wraps** \$371.2bn of funds under management (43.8% of the total Masterfunds market) climbed 13.7% over the past year. Inflows totalled \$82.1bn (55.5%) which after deducting Outflows of \$64.5bn (47.9%) resulted in Net Fund Flows of \$17.6bn (133.0%). Macquarie (\$74.9bn, 20.2%), AMP (\$70.9bn, 19.1%), BT (\$56.6bn, 15.2%) and National Australia / MLC (\$33.2bn, 9.0%) dominate, while from an administrator point of view the Wraps market is even more concentrated with BT's share in particular jumping to 33.1%.

**Platforms** \$341.0bn of funds (40.2%) increased 8.8%. Annual Inflows of \$48.7bn (32.9%) were exceeded by Outflows of \$53.2bn (39.5%) resulting in a negative overall Net Fund Flow of \$4.5bn. Leading companies Commonwealth / Colonial (\$90.3bn, 26.5%), National Australia / MLC (\$70.1bn, 20.5%), AMP (\$54.3bn, 15.9%), IOOF (\$34.1bn, 10.0%), Mercer (\$23.9bn, 7.0%) and ANZ (\$21.2bn, 6.2%) between them are responsible for 86% of the overall Platform total.

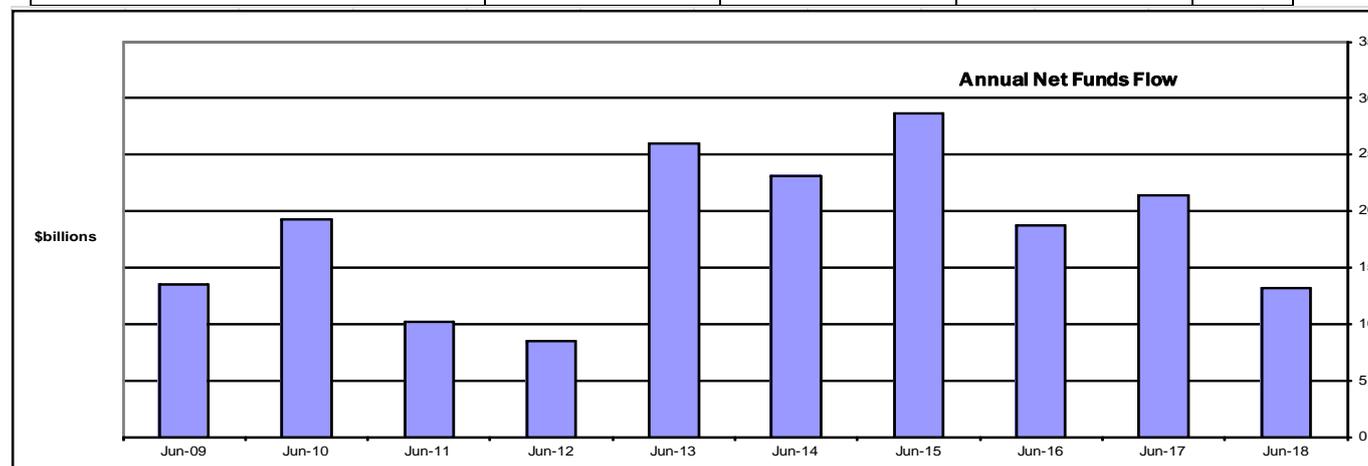
**Master Trusts** \$135.1bn funds (15.9%) increased 6.1% over the past year. Reported Inflows into Master Trusts of \$17.1bn (11.5%) dropped 19.6% however corresponding Outflows only declined 3.2% to \$16.9bn so as a result annual Net Flows dived sharply from \$3.8bn to just \$0.2bn. Master Trust market leaders include BT (\$33.5bn, 24.8%), AMP (\$31.3bn, 23.2%) and ANZ (\$19.3bn, 14.3%).

Funds Under Management – Total Masterfunds Administrator View

\$millions	Jun 18		Jun 17		Jun 16		Annual Growth
BT Financial Group	156,815	18.5%	144,946	18.9%	131,119	19.0%	8.2%
AMP Group	147,773	17.4%	138,301	18.0%	123,113	17.8%	6.8%
Commonwealth / Colonial Group	125,970	14.9%	114,492	14.9%	102,021	14.7%	10.0%
National Australia / MLC Group	117,896	13.9%	111,743	14.6%	104,451	15.1%	5.5%
Macquarie Group	85,387	10.1%	74,426	9.7%	61,574	8.9%	14.7%
ANZ Wealth Group	40,544	4.8%	39,012	5.1%	43,311	6.3%	3.9%
IOOF Group	35,449	4.2%	32,586	4.2%	30,398	4.4%	8.8%
Mercer	23,911	2.8%	22,210	2.9%	19,737	2.9%	7.7%
netwealth	17,960	2.1%	12,747	1.7%	8,142	1.2%	40.9%
StatePlus	17,330	2.0%	17,228	2.2%	16,235	2.3%	0.6%
Others	78,264	9.2%	59,728	7.8%	51,613	7.5%	31.0%
<b>Totals</b>	<b>847,298</b>	<b>100.0%</b>	<b>767,420</b>	<b>100.0%</b>	<b>691,714</b>	<b>100.0%</b>	<b>10.4%</b>

Analysis By Market							
Wrap	371,166	43.8%	326,561	42.6%	282,149	40.8%	13.7%
Platform	341,014	40.2%	313,492	40.9%	300,303	43.4%	8.8%
Master Trust	135,118	15.9%	127,367	16.6%	109,263	15.8%	6.1%
<b>Totals</b>	<b>847,298</b>	<b>100.0%</b>	<b>767,420</b>	<b>100.0%</b>	<b>691,714</b>	<b>100.0%</b>	<b>10.4%</b>



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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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