

Analysis Of Retail Managed Funds as at December 2018 – Marketer View

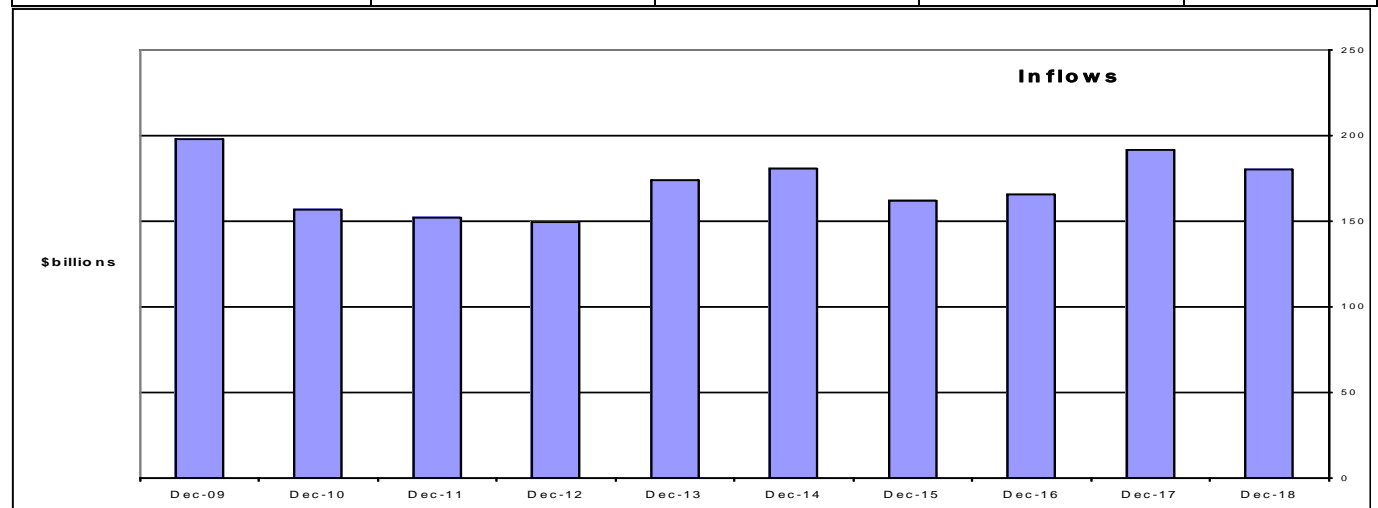
Release Date: 22 March 2019

\$52.4bn Drop in Retail Managed Funds reported during December Quarter 2018

In a rather tumultuous end to 2018 Retail Managed Funds dived 5.5% during the December quarter due to the effects of an arguably long overdue partial correction on global markets. This wiped out all of the gains made in the previous nine months and as a result over the whole of 2018 Retail funds under management fell 1.3% to \$894.1bn after allowing for \$5bn of reported Net Fund Flows. Mid-sized player netwealth (21.8%) again reported a significant jump in its Retail funds under management during 2018 while among the majors only BT (4.5%) and Macquarie (1.9%) managed to record increases in business with the rest all lower including in particular ANZ (-7.5%) and National Australia / MLC (-6.0%). Importantly it should be noted as at publication date global investment markets have subsequently all bounced back again to recover most of what was lost during the December quarter but remain very volatile.

Gross Inflows for 2018 totalled \$179.7bn down by 6.2% on the 2017 total. During the latest December quarter overall Inflows were 3.3% lower than for the corresponding September quarter.

Funds Under Management								
\$millions	Dec-18		Sep-18		Dec-17		Growth Rates	
							Qtrly	Annual
AMP	156,439	17.5%	164,849	17.4%	160,766	17.7%	-5.1%	-2.7%
Commonwealth / Colonial	119,135	13.3%	125,627	13.3%	121,130	13.4%	-5.2%	-1.6%
National Australia / MLC	110,962	12.4%	119,094	12.6%	118,013	13.0%	-6.8%	-6.0%
BT Financial	96,081	10.7%	99,678	10.5%	91,961	10.1%	-3.6%	4.5%
Macquarie	72,939	8.2%	77,882	8.2%	71,560	7.9%	-6.3%	1.9%
ANZ Wealth	46,333	5.2%	49,962	5.3%	50,094	5.5%	-7.3%	-7.5%
IOOF	35,718	4.0%	37,599	4.0%	36,821	4.1%	-5.0%	-3.0%
Mercer	24,872	2.8%	26,559	2.8%	25,441	2.8%	-6.4%	-2.2%
netwealth	19,906	2.2%	20,240	2.1%	16,340	1.8%	-1.7%	21.8%
StatePlus	17,961	2.0%	18,880	2.0%	18,531	2.0%	-4.9%	-3.1%
Badges	74,699	8.4%	83,528	8.8%	82,183	9.1%	-10.6%	-9.1%
Others	119,065	13.3%	122,572	13.0%	113,196	12.5%	-2.9%	5.2%
Totals	894,109	100.0%	946,470	100.0%	906,037	100.0%	-5.5%	-1.3%
Analysis By Market								
Superannuation & Rollovers	411,638	46.0%	436,661	46.1%	421,646	46.5%	-5.7%	-2.4%
Retirement Income	199,628	22.3%	210,990	22.3%	208,473	23.0%	-5.4%	-4.2%
Cash Trusts	5,725	0.6%	5,517	0.6%	5,987	0.7%	3.8%	-4.4%
Unit Trusts & Investment Funds	269,934	30.2%	285,876	30.2%	262,425	29.0%	-5.6%	2.9%
Investment Bonds	7,185	0.8%	7,425	0.8%	7,506	0.8%	-3.2%	-4.3%
Totals	894,109	100.0%	946,470	100.0%	906,037	100.0%	-5.5%	-1.3%



Release Date: 22 March 2019

About the Media Release

The Media Release is provided by Strategic Insight, Actuaries and Researchers. Strategic Insight are specialists in providing accurate statistical information and analyses covering the financial services, funds management and life insurance markets. This Media Release is designed to give managing directors, marketing managers and other senior managers a timely and comprehensive overview of the performance of individual companies and the overall market.

Marketer View

This Marketer View Media Release considers market share from the perspective of the company which badges, distributes and/or directly markets the product. The Marketer View separates any badged / white labelled products from the administrator and assigns those funds to the actual companies that distribute and market the product. Please note that for some products (e.g. BT Wrap) the actual detailed marketer splits have not been provided to Strategic Insight so instead aggregate estimates of the proportion of these products funds attributable to badges/marketers/originators have been made based on information provided by the respective administrators. We will continue where possible to endeavour to obtain detailed splits in this regard so that funds can be more precisely attributed to each marketer. Marketer View funds and flows will be lower than the corresponding administered figures for those organisations where badging is a large part of their activities (please refer to the Administrator View Media Release for further details of administered funds and flows).

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.

Disclaimer and Conditions of Use

This report and material has been prepared by Strategic Insight (Asset International Australia Pty Ltd, a Strategic Insight company, ACN 147 440 140, ABN 42 147 440 140) ("Vendor").

From September 2016, "Plan For Life, Actuaries & Researchers" will be known as "Strategic Insight, Actuaries & Researchers" as part of a company-wide global rebranding and growth strategy. For our clients, the only change will be in our name and logo. There will be no change to the products and services we currently provide. The company's legal entities in Australia will remain in place and there will be no change to existing agreements.

Vendor has taken all reasonable care in preparing this Report and takes no responsibility for inadvertent errors and omissions, or those due to information received from other parties. If any errors or omissions are found, these should be brought to our attention so that appropriate corrective action can be taken. Vendor takes no responsibility for the subsequent use of the material provided.

Vendor, its employees and associated persons make no recommendations, representations, warranties nor provide opinions, implied or otherwise about the suitability in general terms of a particular asset type or insurance and its suitability for any particular individual or organization. This report is provided as an information service and is not suitable to be acted upon as life insurance advice without additional input from an Authorised Representative of an Australian Financial Services Licence Holder. In particular, Vendor advises that in preparing this report it did not take into account the individual goals and objectives, anticipated resources, current situation, attitudes or other circumstances of any particular person. In this regard any such user must consult with an appropriate Authorised Representative of an Australian Financial Services Licence Holder. The information provided on financial products does not constitute financial product advice and users of this information should obtain independent advice before making any financial decision.

Vendor is an Australian Financial Services Licence Holder; none of its employees and associated persons are currently Authorised Representatives of a Licence Holder. Vendor is a research company. Actuarial services are provided by and under the independent control of Somari Systems Pty Ltd ABN 97 006 233 923 (Simon Solomon & Associates). No part of this publication may be reproduced or distributed in any form without express prior written consent from Vendor. Acknowledgement is given to APRA for cross-reference to items appearing in its Annual and Half-annual Reports on Life Companies.

Products and Services

Simfund Dash Australia is an online interactive reporting and analysis tool designed to support the financial industry in its product, marketing, distribution, benchmarking and research efforts covering Australian superannuation and investment markets with data provided by Strategic Insight. It combines a web-based database with a powerful analytical application that generates professional, presentation-ready fund industry analyses and reports in seconds. www.simfunddash.com

Further Information:

Daniel Morris Senior Manager

Email: Daniel.Morris@strategic-i.com

Tel: +61 3 9886 4400

Address: 217 Blackburn Road, Mt Waverley VIC 3149

Website: www.strategic-i.com.au