

Analysis Of Retail Managed Funds as at September 2020 – Marketer View

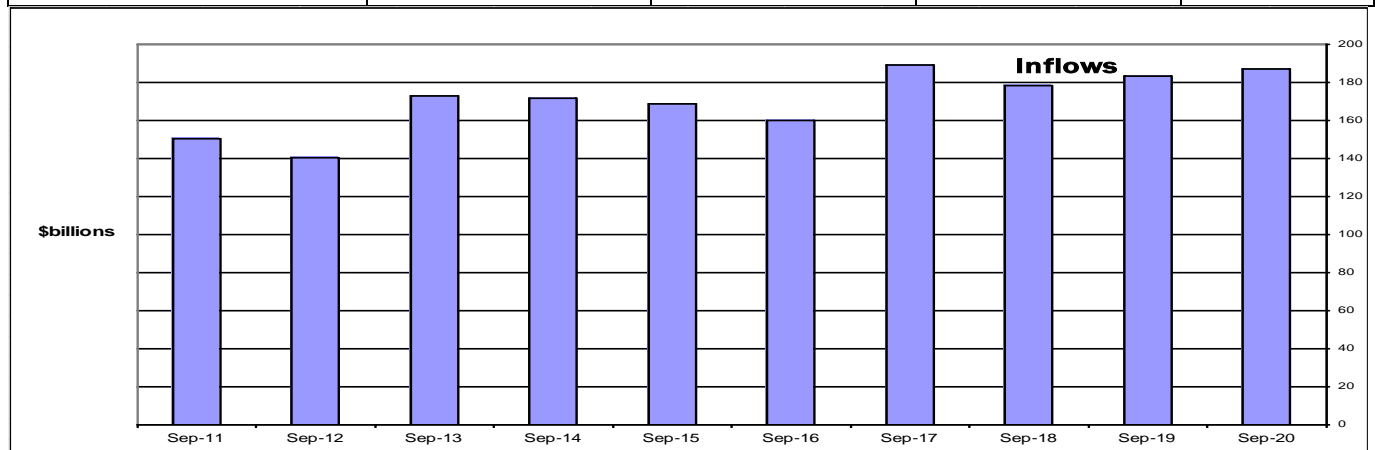
Release Date: 21 December 2020

\$11.1bn Increase in Retail Managed Funds during September 2020 Quarter

Overall Retail Managed Funds at the end of September totalled \$916.9bn, down 5.1% over the past year with the majority of this fall due to negative performances on underlying investment markets. During the latest quarter they actually rose 1.2% but overall have yet to fully recover from the COVID-19 stock market crash earlier in the year. While the Top 3 players AMP (-13.7%), Commonwealth / Colonial (-13.5%) and National Australia / MLC (-7.8%) were all lower, a couple of mid-sized players netwealth (33.1%) and HUB24 (32.2%) both continued to enjoy strong growth. Meanwhile IOOF (103.1%) doubled in size due to its takeover of ANZ Wealth's Retail business in early 2020 that has now been rebadged OnePath Australia.

Year on year Inflows rose slightly by 2.0% to \$186.8bn however during the September quarter they fell 6.0%. While the Retirement Income and Superannuation markets saw decreases in their respective Inflows of 12.9% and 3.3% by contrast those of the other main sub-market Unit Trusts & Investment Funds were up 10.0%. Year on year reported Inflows into the much smaller Cash Trusts and Investment Bonds markets rose by 39.1% and 12.5% with the Cash Trust jump reflecting increased turnover in that market.

Funds Under Management								
\$millions	Sep-20		Jun-20		Sep-19		Growth Rates	
							Qtrly	Annual
AMP	138,766	15.1%	137,618	15.2%	160,816	16.6%	0.8%	-13.7%
Commonwealth / Colonial	115,099	12.6%	116,410	12.9%	132,987	13.8%	-1.1%	-13.5%
National Australia / MLC	111,406	12.2%	110,818	12.2%	120,867	12.5%	0.5%	-7.8%
BT Financial	110,072	12.0%	108,614	12.0%	110,644	11.5%	1.3%	-0.5%
IOOF	80,852	8.8%	80,887	8.9%	39,805	4.1%	0.0%	103.1%
Macquarie	46,821	5.1%	45,250	5.0%	43,821	4.5%	3.5%	6.8%
netwealth	35,234	3.8%	32,685	3.6%	26,465	2.7%	7.8%	33.1%
Mercer	26,679	2.9%	26,469	2.9%	27,545	2.9%	0.8%	-3.1%
HUB24	19,015	2.1%	17,217	1.9%	14,387	1.5%	10.4%	32.2%
Xplore Wealth	15,530	1.7%	15,120	1.7%	14,987	1.6%	2.7%	3.6%
Badges	90,022	9.8%	89,588	9.9%	105,029	10.9%	0.5%	-14.3%
Others	127,421	13.9%	125,150	13.8%	168,510	17.4%	1.8%	-24.4%
Totals	916,918	100.0%	905,826	100.0%	965,861	100.0%	1.2%	-5.1%
Analysis By Market								
Superannuation & Rollovers	414,765	45.2%	411,194	45.4%	442,968	45.9%	0.9%	-6.4%
Retirement Income	194,289	21.2%	191,705	21.2%	206,005	21.3%	1.3%	-5.7%
Cash Trusts	1,959	0.2%	4,158	0.5%	6,580	0.7%	-52.9%	-70.2%
Unit Trusts & Investment Funds	297,054	32.4%	290,032	32.0%	301,255	31.2%	2.4%	-1.4%
Investment Bonds	8,852	1.0%	8,736	1.0%	9,052	0.9%	1.3%	-2.2%
Totals	916,918	100.0%	905,826	100.0%	965,861	100.0%	1.2%	-5.1%



About the Media Release

The Media Release is provided by Plan For Life, Actuaries and Researchers. Plan For Life 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 products from the administrator and assigns those funds to the 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 Plan For Life 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 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 Plan For Life, an ISS Market Intelligence brand (Asset International Australia Pty Ltd, ACN 147 440 140, ABN 42 147 440 140) ("Vendor").

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 Plan For Life. It combines a web-based database with a powerful analytical application that generates professional, presentation-ready fund industry analyses and reports in seconds. <https://www.simfund.com/SimfundWeb/>

Further Information:

Daniel Morris

Senior Manager

Email: Daniel.Morris@issgovernance.com

Tel: +61 3 9886 4400

Address: 217 Blackburn Road, Mt Waverley VIC 3149

Website: <https://www.pflresearch.com/>