

Analysis of Wrap, Platform and Master Trust Managed Funds at September 2019

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\$26.0bn Rise in Funds Under Management over the year to September 2019

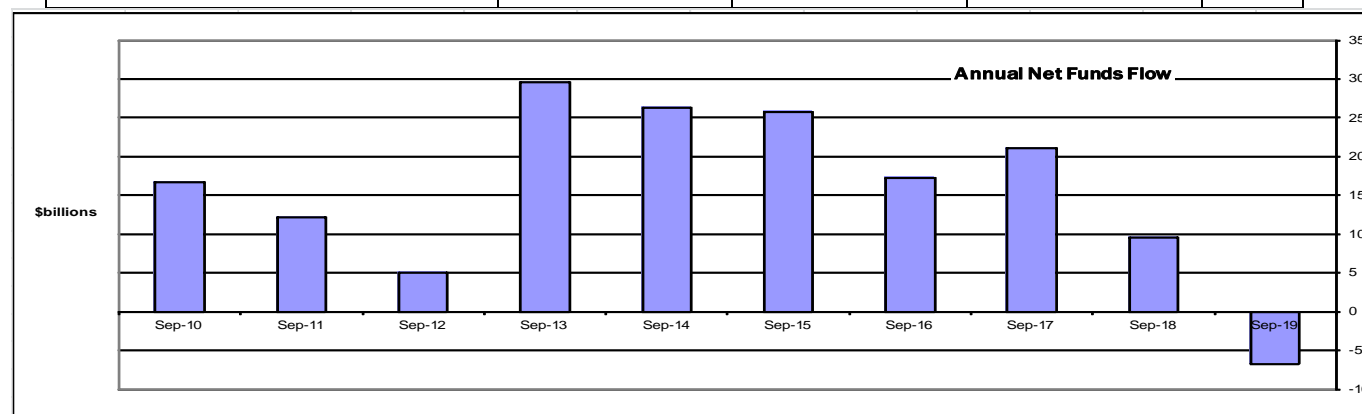
Masterfunds ended the year to 30 September 2019 up 3.0%, or \$26.0bn, to total \$887.8bn while during the September quarter they declined \$4.3bn, or a marginal 0.5%. However, these results were after the once-off transfer of \$18.6bn worth of StatePlus Masterfund business to First State Super, a Public Sector Super Fund, adjusted for this the underlying annual and quarterly growth rates are 5.2% and 1.6%. Investment earnings on underlying assets over the past year accounted for the increase in funds. Year on year while reported Inflows into Masterfunds rose 4.6% to \$157.9bn they were exceeded by corresponding Outflows that jumped 16.5% to \$164.6bn. Most leading companies reported increases in their Masterfund business led by netwealth (31.3%), Xplore Wealth (8.8%), IOOF (8.0%), Commonwealth / Colonial (5.0%), Macquarie (4.3%), Mercer (4.2%) and BT (3.7%).

Wraps \$414.2bn of funds under management (46.7% of the total Masterfunds market) climbed 8.8% over the past 12 months. Inflows were \$96.6bn (61.2%) with resultant Net Fund Flows totalling \$10.3bn after deducting Outflows of \$86.4bn (52.5%). Four companies AMP (\$74.8bn), BT (\$67.7bn), Macquarie (\$43.5bn) and National Australia / MLC (\$35.0bn) account for over 53% of the total; from an administrator perspective the market is even more concentrated with the Top 4 responsible for 77% of all business with in particular the market shares of BT and Macquarie more or less doubling from 16.3% to 30.7% and 10.5% to 21.5% respectively.

Platforms \$365.1bn of funds (41.1%) ended the year up 6.5% with all of this increase due to investment earnings. Annual Inflows of \$46.0bn (29.2%) were exceeded by Outflows of \$60.1bn (36.5%) and as a result the overall Net Fund Flow was negative -\$14.1bn. Major Platform players include Commonwealth / Colonial (\$96.0bn), National Australia / MLC (\$85.6bn), AMP (\$49.1bn), IOOF (\$35.8bn), Mercer (\$25.3bn), ANZ (\$19.5bn) and Xplore (\$15.0bn).

Master Trusts \$108.5bn funds (12.2%) decreased 21.6% due to the StatePlus transfer excluding this they were up a marginal 0.6%. Annual Inflows were also down 23.2% to \$15.2bn (9.6%) while corresponding Outflows only declined 4.5% to \$18.1bn (11.0%) and as a result overall Master Trusts recorded a negative Net Fund Flow of \$2.9bn. The Top 3 companies BT (\$36.2bn), AMP (\$31.6bn) and ANZ (\$20.1bn) between them control 81% of the Master Trusts market.

Funds Under Management – Total Masterfunds Administrator View							
\$millions	Sep 19		Sep 18		Sep 17		Annual Growth
BT Financial Group	163,687	18.4%	157,832	18.3%	144,901	18.7%	3.7%
AMP Group	148,144	16.7%	150,355	17.4%	139,187	18.0%	-1.5%
Commonwealth / Colonial Group	134,283	15.1%	127,947	14.8%	116,489	15.0%	5.0%
National Australia / MLC Group	120,660	13.6%	118,785	13.8%	112,877	14.6%	1.6%
Macquarie Group	90,443	10.2%	86,727	10.1%	74,276	9.6%	4.3%
ANZ Wealth Group	39,665	4.5%	40,447	4.7%	39,101	5.1%	-1.9%
IOOF Group	38,951	4.4%	36,051	4.2%	32,881	4.2%	8.0%
netwealth	25,320	2.9%	19,277	2.2%	13,710	1.8%	31.3%
Mercer	25,260	2.8%	24,237	2.8%	22,218	2.9%	4.2%
Xplore Wealth	14,987	1.7%	13,770	1.6%	2,163	0.3%	8.8%
Others	86,353	9.7%	86,309	10.0%	76,395	9.9%	0.1%
Totals	887,753	100.0%	861,735	100.0%	774,200	100.0%	3.0%
Analysis By Market							
Wrap	414,183	46.7%	380,518	44.2%	331,691	42.8%	8.8%
Platform	365,061	41.1%	342,791	39.8%	313,793	40.5%	6.5%
Master Trust	108,509	12.2%	138,426	16.1%	128,716	16.6%	-21.6%
Totals	887,753	100.0%	861,735	100.0%	774,200	100.0%	3.0%



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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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