

Analysis of Wrap, Platform and Master Trust Managed Funds at June 2017

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\$75.3bn Rise in Funds Under Management over the year to June 2017

The overall Masterfund market was up significantly by 10.9% over the 2016/17 financial year to total \$765.2bn as at 30 June 2017 with investment earnings responsible for around 70% of this increase. During the June quarter Masterfunds rose 2.3% or \$16.9bn. Reported Inflows into Masterfunds of \$163.2bn jumped 21.7% on the 2015/16 total of \$134.1bn continuing to exceed corresponding Outflows which were similarly up by 23.0% from \$115.7bn to \$142.3bn. Most major companies reported substantial increases in their funds under management including Macquarie (20.9%), AMP (12.3%), Commonwealth / Colonial (12.2%) and BT (10.5%) however ANZ (-9.9%) was an exception; off lower bases netwealth (56.6%) and Mercer (12.5%) also both posted above average growth rates.

Wraps \$327.9bn of funds under management (42.9% of the total Masterfunds market) were up strongly by 15.4% over the past year. Inflows totalled \$85.2bn (52.2%) which after deducting Outflows of \$64.1bn (45.0%) resulted in Net Fund Flows of \$21.2bn (101.6%). Macquarie (\$65.0bn, 19.8%), AMP (\$62.4bn, 19.0%), BT (\$49.2bn, 15.0%) and National Australia / MLC (\$31.2bn, 9.5%) dominate while from an administrator point of view the Wraps market is even more concentrated with BT's share in particular jumping to 34.6%.

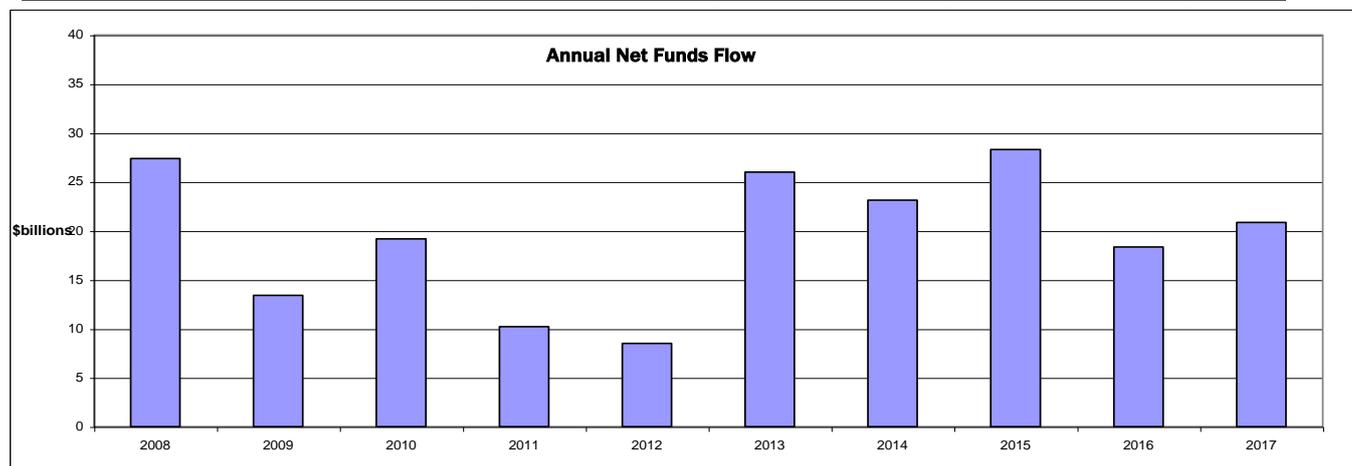
Platforms \$311.4bn of funds (40.7%) increased 4.3%. Annual Inflows of \$57.9bn (35.5%) were exceeded by Outflows of \$61.3bn (43.1%) resulting in a negative overall Net Fund Flow of -\$3.4bn. Leading companies Commonwealth / Colonial (\$82.4bn, 26.5%), National Australia / MLC (\$67.1bn, 21.5%), AMP (\$55.8bn, 17.9%), IOOF (\$31.5bn, 10.1%), Mercer (\$22.2bn, 7.1%) and ANZ (\$21.1bn, 6.8%) between them are responsible for virtually 90% of the overall Platform total.

Master Trusts \$125.9bn funds (16.5%) jumped 17.3% over the past year. Reported Inflows into Master Trusts of \$20.0bn (12.3%) rose 5.2% while corresponding Outflows climbed 9.7% to \$16.9bn resulting in a 14.0% decline in Net Flows year on year to \$3.1bn. Master Trust market leaders include BT (\$30.9bn, 24.5%), AMP (\$29.8bn, 23.7%) and ANZ (\$17.9bn, 14.2%).

Funds Under Management – Total Masterfunds Administrator View

\$millions	Jun 17		Jun 16		Jun 15		Annual Growth
BT Financial Group	144,946	18.9%	131,119	19.0%	129,998	19.5%	10.5%
AMP Group	138,301	18.1%	123,113	17.8%	120,994	18.1%	12.3%
Commonwealth / Colonial Group	114,493	15.0%	102,022	14.8%	97,997	14.7%	12.2%
National Australia / MLC Group	111,743	14.6%	104,451	15.1%	106,575	16.0%	7.0%
Macquarie Group	74,459	9.7%	61,574	8.9%	48,821	7.3%	20.9%
ANZ Wealth Group	39,012	5.1%	43,311	6.3%	43,721	6.5%	-9.9%
IOOF Group	32,586	4.3%	30,398	4.4%	30,869	4.6%	7.2%
Mercer	22,210	2.9%	19,737	2.9%	19,616	2.9%	12.5%
StatePlus	17,108	2.2%	16,235	2.4%	15,298	2.3%	5.4%
netwealth	12,747	1.7%	8,142	1.2%	6,735	1.0%	56.6%
Others	57,605	7.5%	49,813	7.2%	47,132	7.1%	15.6%
Totals	765,210	100.0%	689,915	100.0%	667,755	100.0%	10.9%

Analysis By Market							
Wrap	327,931	42.9%	284,111	41.2%	262,445	39.3%	15.4%
Platform	311,380	40.7%	298,510	43.3%	300,409	45.0%	4.3%
Master Trust	125,899	16.5%	107,293	15.6%	104,901	15.7%	17.3%
Totals	765,210	100.0%	689,915	100.0%	667,755	100.0%	10.9%



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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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