

Analysis Of Wholesale Funds as at March 2017

Release Date: 14 June 2017

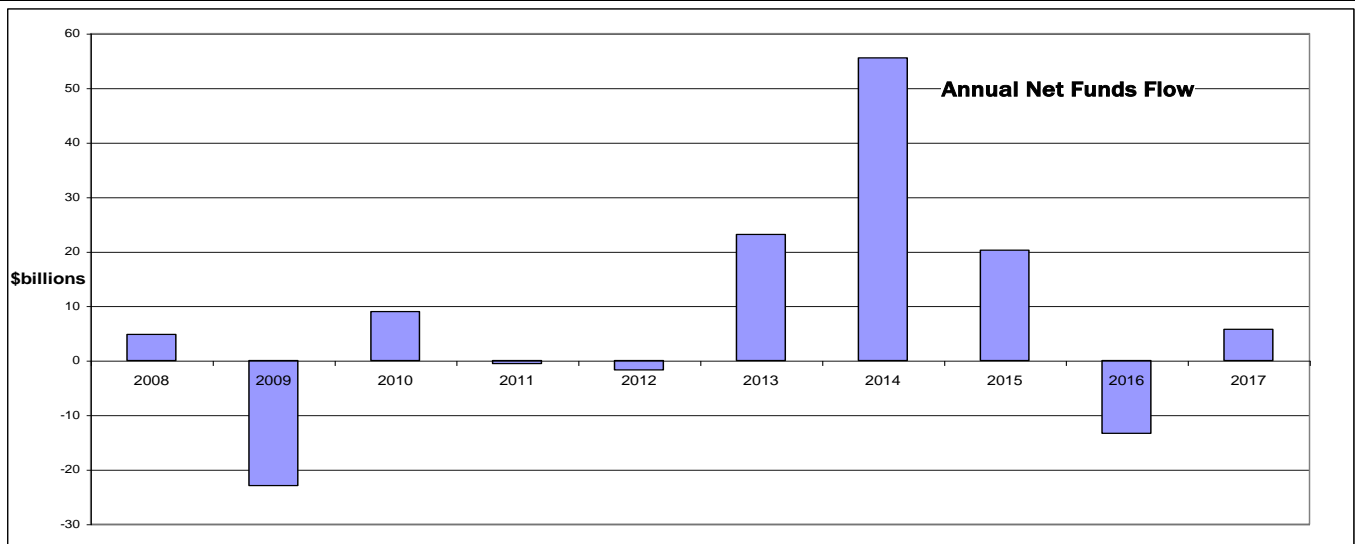
\$19.7bn Increase in Wholesale Funds during March Quarter 2017

Overall Wholesale Funds at the end of March totalled \$938.0bn, up 9.0% over the past year. Positive underlying investment earnings together with higher reported Inflows and lower Outflows, resulted in a sharp drop in overall offsetting net Outflows and saw Wholesale Funds grow 2.1% during the latest quarter. The two main Wholesale Institutional and Investment sub-markets both ended the last twelve months up by 9.6% however the much smaller Wholesale Super & Pensions continued to decline in relevance, down a further 7.0%. Most of the leading managers reported growth in their Wholesale business led in percentage terms by UBS, National Australia / MLC, Challenger, State Street, Victorian Funds Management, BlackRock and Commonwealth / Colonial.

During the March quarter reported Gross Inflows increased 4.2% to \$62.2bn while over the whole of the last twelve months they jumped almost a quarter or 23.3%. Large to very large percentage increases in annual Inflows were reported by National Australia / MLC (164.4%), BlackRock (130.1%), UBS (91.7%), Vanguard (31.4%), State Street (26.6%) and Perpetual (20.4%) which were only partially offset by the couple of falls reported by Macquarie (-27.2%) and Challenger (-21.5%).

Funds Under Management								
\$millions	Mar-17		Dec-16		Mar-16		Growth Rates	
							Qtrly	Annual
State Street Global Advisors	156,601	16.7%	171,164	18.6%	144,963	16.8%	-8.5%	8.0%
BlackRock	73,650	7.9%	70,625	7.7%	68,408	8.0%	4.3%	7.7%
Commonwealth / Colonial	60,564	6.5%	58,617	6.4%	56,567	6.6%	3.3%	7.1%
Victorian Funds Management	55,500	5.9%	54,300	5.9%	51,400	6.0%	2.2%	8.0%
National Australia / MLC	53,798	5.7%	47,866	5.2%	45,002	5.2%	12.4%	19.5%
Challenger Limited	48,409	5.2%	46,712	5.1%	42,687	5.0%	3.6%	13.4%
UBS Asset Management	46,846	5.0%	30,949	3.4%	33,273	3.9%	51.4%	40.8%
AMP	41,327	4.4%	41,728	4.5%	40,216	4.7%	-1.0%	2.8%
Vanguard Investments	38,680	4.1%	37,200	4.1%	39,770	4.6%	4.0%	-2.7%
MFS Investment Management	30,396	3.2%	31,834	3.5%	30,348	3.5%	-4.5%	0.2%
Others	332,215	35.4%	327,339	35.6%	307,780	35.8%	1.5%	7.9%
Totals	937,988	100.0%	918,334	100.0%	860,414	100.0%	2.1%	9.0%

Analysis By Market								
Wholesale Institutional	545,797	58.2%	537,928	58.6%	497,769	57.9%	1.5%	9.6%
Wholesale Investment	363,458	38.7%	352,222	38.4%	331,741	38.6%	3.2%	9.6%
Wholesale Superannuation & Pension	28,732	3.1%	28,184	3.1%	30,903	3.6%	1.9%	-7.0%
Totals	937,988	100.0%	918,334	100.0%	860,414	100.0%	2.1%	9.0%



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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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