

## Analysis of Wrap, Platform and Master Trust Managed Funds at September 2018

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### \$86.4bn Rise in Funds Under Management over the year to September 2018

Masterfunds ended the year to 30 September 2018 up 11.2%, or \$86.4bn, to total \$859.9bn. During the September quarter they rose \$12.4bn, or 1.5%. Investment earnings on underlying assets over the past year accounted for circa 70% of this increase in funds. Year on year reported Inflows into Masterfunds fell 9.9% to \$148.6bn while corresponding Outflows also decreased but by a more modest 2.7% to \$140.0bn. All the leading companies reported increases in their Masterfund business with the best performances being recorded by netwealth (40.6%), off a relatively lower base, Macquarie (16.8%), Commonwealth / Colonial (9.8%), IOOF (9.6%), Mercer (9.1%), BT (8.9%) and AMP (8.1%).

**Wraps** \$379.9bn of funds under management (44.2% of the total Masterfunds market) climbed 14.9% over the past 12 months. Inflows were \$83.2bn (56.0%) with resultant Net Fund Flows totalling \$15.7bn (183.1%) after deducting Outflows of \$67.5bn (48.2%). Four companies Macquarie (\$76.3bn), AMP (\$73.6bn), BT (\$58.6bn) and National Australia / MLC (\$33.6bn) account for almost 64% of the total; from an administrator perspective the market is even more concentrated with the Top 4 responsible for 81% of all business with in particular BT's relative market share close to doubling up from 15.4% to 32.5%.

**Platforms** \$343.5bn of funds (39.9%) ended the year up 9.1% with all of this increase due to investment earnings. Annual Inflows of \$47.7bn (32.1%) were exceeded by Outflows of \$54.5bn (38.9%) and as a result the overall Net Fund Flow was negative \$6.8bn. Major Platform players include Commonwealth / Colonial (\$91.5bn), National Australia / MLC (\$70.2bn), AMP (\$53.5bn), IOOF (\$34.6bn), Mercer (\$24.2bn) and ANZ (\$21.1bn).

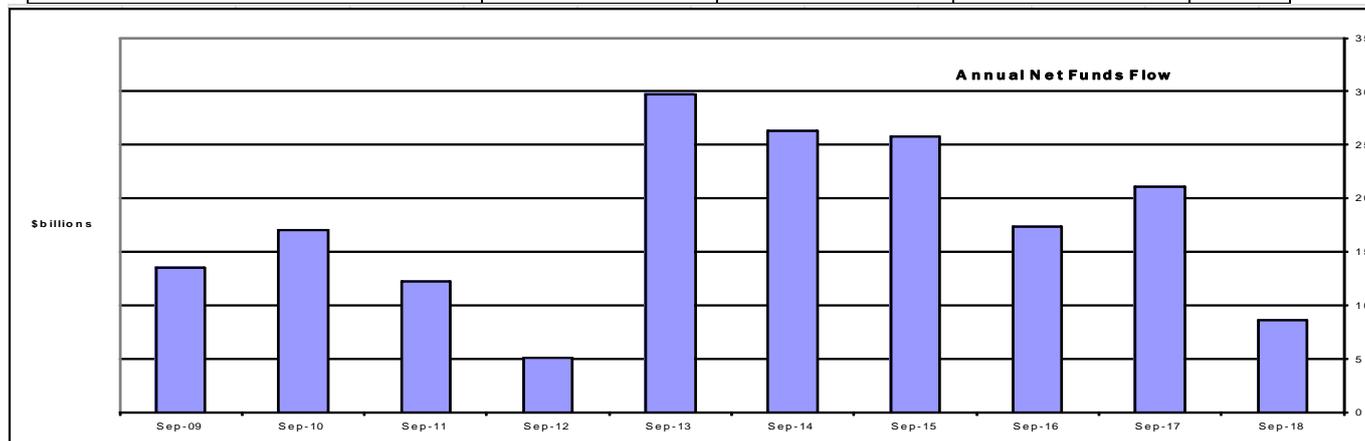
**Master Trusts** \$136.6bn funds (15.9%) increased 6.7%. Annual Inflows fell 12.4% to \$17.8bn (12.0%) but corresponding Outflows actually rose 3.6% to \$18.1bn (12.9%) and as a result overall Master Trusts recorded a marginally negative Net Fund Flow of \$0.3bn. The Top 2 companies BT (\$34.0bn) and AMP (\$31.3bn) between them control almost 48% of the Master Trusts market.

Funds Under Management – Total Masterfunds Administrator View

\$millions	Sep 18		Sep 17		Sep 16		Annual Growth
BT Financial Group	157,832	18.4%	144,901	18.7%	136,504	19.2%	8.9%
AMP Group	149,947	17.4%	138,743	17.9%	126,421	17.8%	8.1%
Commonwealth / Colonial Group	127,947	14.9%	116,489	15.1%	105,490	14.8%	9.8%
National Australia / MLC Group	118,785	13.8%	112,877	14.6%	106,845	15.0%	5.2%
Macquarie Group	86,727	10.1%	74,276	9.6%	62,052	8.7%	16.8%
ANZ Wealth Group	40,447	4.7%	39,101	5.1%	44,112	6.2%	3.4%
IOOF Group	36,051	4.2%	32,881	4.3%	31,039	4.4%	9.6%
Mercer	24,237	2.8%	22,218	2.9%	20,811	2.9%	9.1%
netwealth	19,277	2.2%	13,710	1.8%	9,014	1.3%	40.6%
StatePlus	17,800	2.1%	17,197	2.2%	16,466	2.3%	3.5%
Others	80,870	9.4%	61,081	7.9%	53,387	7.5%	32.4%
<b>Totals</b>	<b>859,919</b>	<b>100.0%</b>	<b>773,475</b>	<b>100.0%</b>	<b>712,139</b>	<b>100.0%</b>	<b>11.2%</b>

Analysis By Market							
Wrap	379,872	44.2%	330,551	42.7%	294,752	41.4%	14.9%
Platform	343,481	39.9%	314,933	40.7%	306,159	43.0%	9.1%
Master Trust	136,566	15.9%	127,991	16.5%	111,228	15.6%	6.7%
<b>Totals</b>	<b>859,919</b>	<b>100.0%</b>	<b>773,475</b>	<b>100.0%</b>	<b>712,139</b>	<b>100.0%</b>	<b>11.2%</b>



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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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