

## Analysis of Wrap, Platform and Master Trust Managed Funds at September 2013

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### \$91.6bn Increase in Funds Under Management over the year to September 2013

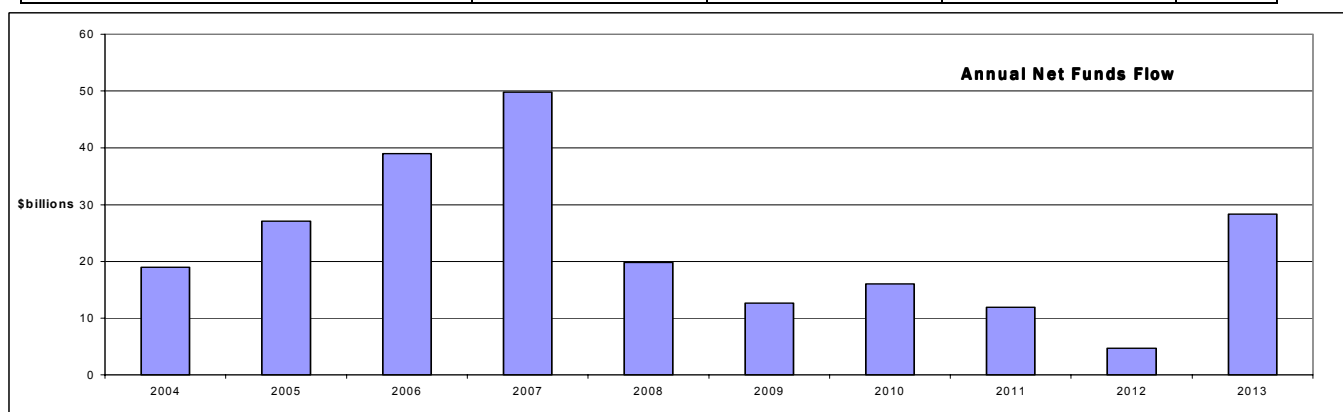
Masterfunds ended the year to 30 September 2013 jumping 20.4% or \$91.6bn to total \$541.6bn. During the September quarter alone they were up \$31.3bn, or 6.1%. All of this substantial growth was on the back of strong underlying investment markets bolstered by the fiscal stimulus and easy money policies being pursued by governments worldwide as they try to address serious and well-founded concerns about high unemployment and economic recession/stagnation. Year on year Inflows into Masterfunds were up very significantly by 31.3% to \$138.2bn while corresponding Outflows rose by a more modest 9.3% to \$109.9bn. All of the leading companies reported double digit percentage increases in their Masterfund business with some of the better performances recorded by Macquarie, Commonwealth / Colonial, National Australia / MLC and IOOF. Note, as mentioned last quarter, circa 40% of Macquarie's funds under management growth was due to its inclusion of the \$7.6bn Perpetual Private Wealth Platform into its Wrap business.

**Wraps** \$203.6bn of funds under management (37.6% of the total Masterfunds market) increased by more than a quarter or 28.4% over the past 12 months. Inflows were \$76.3bn (55.2%) with resultant Net Fund Flows of \$24.5bn (86.6%) after deducting Outflows of \$51.8bn (47.1%). Four companies Macquarie (\$36.1bn), BT (\$36.0bn), AMP (\$34.6bn) and National Australia / MLC (\$25.9bn) account for close to 2/3rds of the total; from an administrator perspective the market is even more concentrated with the top 4 responsible for over 83% of all business and in particular BT's share more than doubles from 17.7% to 41.3%.

**Platforms** \$261.1bn of funds (48.2%) ended the year up 17.9%. Annual Inflows of \$51.2bn (37.1%) exceeded Outflows of \$48.2bn (43.9%) resulting in a relatively modest Net Fund Flow of \$3.0bn (10.6%). Major Platform players include National Australia / MLC (\$67.3bn), Commonwealth / Colonial (\$61.9bn), AMP (\$51.4bn), IOOF (\$26.8bn), OnePath (\$20.5bn) and Mercer (\$17.8bn).

**Master Trusts** \$77.0bn funds (14.2%) increased 9.9%. Year on year Inflows of \$10.7bn (7.7%) were down slightly by 3.3% while corresponding Outflows increased a little by 2.3% to \$9.9bn as result Net Fund Flows were only \$0.8bn (2.9%). The Top 3 of AMP (\$23.6bn), BT (\$22.2bn) and OnePath (\$12.4bn) control over 75% of the overall Master Trust market.

Funds Under Management – Total Masterfunds Administrator View							
\$millions	Sep 13		Sep 12		Sep 11		Annual Growth
BT Financial Group	107,292	19.8%	91,643	20.4%	83,942	20.7%	17.1%
AMP Group	96,494	17.8%	81,576	18.1%	67,191	16.6%	18.3%
National Australia / MLC Group	93,203	17.2%	76,983	17.1%	73,231	18.1%	21.1%
Commonwealth / Colonial Group	79,974	14.8%	64,701	14.4%	56,018	13.8%	23.6%
Macquarie Group	39,090	7.2%	26,063	5.8%	23,944	5.9%	50.0%
OnePath Australia Group	38,818	7.2%	34,910	7.8%	32,986	8.1%	11.2%
IOOF Group	27,284	5.0%	22,594	5.0%	20,924	5.2%	20.8%
Mercer	17,774	3.3%	16,089	3.6%	14,452	3.6%	10.5%
State Super Financial Services	11,960	2.2%	9,845	2.2%	8,714	2.1%	21.5%
Perpetual Group	7,813	1.4%	7,023	1.6%	6,764	1.7%	11.3%
Others	21,934	4.0%	18,619	4.1%	17,363	4.3%	17.8%
<b>Totals</b>	<b>541,635</b>	<b>100.0%</b>	<b>450,047</b>	<b>100.0%</b>	<b>405,529</b>	<b>100.0%</b>	<b>20.4%</b>
Analysis By Market							
Wrap	203,573	37.6%	158,587	35.2%	139,914	34.5%	28.4%
Platform	261,085	48.2%	221,423	49.2%	202,455	49.9%	17.9%
Master Trust	76,977	14.2%	70,037	15.6%	63,159	15.6%	9.9%
<b>Totals</b>	<b>541,635</b>	<b>100.0%</b>	<b>450,047</b>	<b>100.0%</b>	<b>405,529</b>	<b>100.0%</b>	<b>20.4%</b>



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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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