



FUNDSCAPE

SIXTY SECOND REVIEW

UK PLATFORM INDUSTRY

3RD QUARTER 2014

With the new ISA allowance coming into effect, platforms and fund managers expected a bumper crop of sales. The quarter started well, but seasonal factors and the changing economic outlook meant that sales tailed off.

ASSETS

Asset growth for the industry was just 3% for the quarter, adding an extra £10bn and taking total AUA to £326bn.

SIXTY NINE

Cofunds' assets rise to just over £69bn. The platform's market share is 21% of total AUA.

RISING TREND?

Gross ISA flows were on a par with Q2, but net ISA flows were the best of the year. YTD flows stand at £6.7bn against £4.9bn in 2013.

NEW AND IMPROVED

The new ISA rules and allowance of £15,000 came into effect on 1st July, raising hopes for a bumper sales quarter.

ALL THE NINES

Despite the new ISA allowance and steady sales, gross and net sales fell back compared to last quarter. Gross sales totalled £19bn and net sales £9bn.

PENSIONS PAUSE

The summer holiday season led to pension business slowing in Q3, which is traditionally the quietest quarter of the year.

RUNNING TOTALS

Gross sales for the year are running at £60bn compared to £49bn in 2013, while net sales are £30bn against 2013 sales of £25bn.

CHANNEL MIX

Sales through the retail advised channel were robust while DC/Instit and D2C dropped. Retail Advised took 53% and 56% of gross and net sales.

PUTTING USERS FIRST

Platforms believe that user experience will be a key platform differentiator over the next five years.

2015

Realistic forecast for platform AUA:

£405bn

Optimistic forecast:

£450bn+

2017

Realistic forecast for platform AUA:

£592bn

Optimistic forecast:

£820bn+

2019

Realistic forecast for platform AUA:

£866bn

Optimistic forecast:

£1.5trn+