

SIXTY SECOND REVIEW

UK PLATFORM INDUSTRY

4TH QUARTER 2014



FUNDSCAPE

After a slow third quarter, business picked up in the fourth with record highs in gross and net flows. Pensions were the main sales driver and with pension freedom coming into force in April 2015, platforms are cementing their role in financial services.

ASSETS

Assets were up £17bn (5.3%) to £347bn in Q4. However, annual growth was a healthy £50bn – a 17% uplift on 2013 .

HIGH FIVE!

Cofunds topped for quarterly gross sales (once again), but Zurich surprised its peers with a fivefold increase in quarterly net flows, beating its peers for the first time on record.

OLD DOGS...

Transact was home to strong asset growth in 2014 and a 22% rise in gross sales, proving that old dogs still have plenty of new tricks (and good service).

STANDING OUT

Old Mutual is largest retail advised platform by AUA and annual gross sales, but Standard Life led the field for net sales. Vertical integration is making its mark.

RECORD

QUARTER

Two new sales records were set. Gross flows for the quarter were £22bn and net flows were £12bn.

ANNUAL APPRAISAL

Cofunds outperformed in the gross annual stakes, but Fidelity topped the leader board with a YOY rise in net flows of 200% to £6.6bn.

PENT-UP PENSION DEMAND

Pension freedom has galvanised demand. Pension assets account for 35% of platform AUA and 51% of net annual sales. Q115 will be an eye-opener.

D2C

Increased uncertainty has had an impact on D2C business. D2C assets account for 20% of total AUA, but gross and net flow shares fell to 14% in the fourth quarter.

AND RECORD YEAR!

Despite increased volatility, platforms registered their best annual sales. Gross sales were up 21% to £82bn and net sales were up 16% to £42bn on 2013.

FROM A TO Z

Clear strategies paid off for Aviva, Alliance Trust and Zurich, all of which registered 100%+ uplifts in net flows compared to 2013. Zurich's sales were up 992%!

RETAIL ADVISED

Retail advised remains the largest distribution channel with 60% of AUA. Its share of gross and net flows has slipped to 50% thanks to strong corporate savings.

PREGNANT PAUSE

Although full of promise, the first half of 2015 could be slower than expected. Investors may hold off on ISAs and pension freedom until after the General Election.