

PRESS RELEASE

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PENSIONS PUSH PLATFORMS TO RECORD HIGHS IN 2014

Geopolitical clouds gathered for the fund industry in the second half of the year, but platforms weathered the storm thanks in particular to robust pension product flows. As a result, platform flows rose to record highs in the fourth quarter, with gross sales totalling £22bn and net sales coming in at just over £12bn.

According to the Fundscape Platform Report, it was a remarkable year for the industry. Platform assets rose by £50bn to reach £343.7bn at the end of the year, a growth rate of 17% that overshadowed the FTSE 100's -2.7% for the same period. Pension freedom and the ongoing demand for income were the two main factors that drove flows and worked in the industry's favour. Gross sales for the year rose by 21% to £82bn from £68bn in 2013, while net sales were up by 16% to £42bn from £36bn in 2013.

TOP 3 PLATFORMS BY ASSETS IN 2014 (£bn)	
Cofunds	£71.9bn
Fidelity	£56.7bn
Hargreaves Lansdown*	£49.1bn

TOP 3 PLATFORMS BY ASSET GRTH IN 2014 (%)	
Aviva	87.9%
Zurich	69.5%
7im	40.3%

Bella Caridade-Ferreira, CEO of Fundscape and author of the Platform Report said "Asset growth in 2014 highlights the emphatic shift to platforms and their role in delivering financial solutions for investors. In previous years, flows were more closely correlated to market performance, but that is no longer the case. With pension freedom coming in April, platforms will come into their own as the most effective way to manage and deliver complex array of retirement solutions as investors move from accumulation through to decumulation and beyond."

The largest platforms by assets are Cofunds, Fidelity and Hargreaves Lansdown* and they were also the platforms with the largest asset growth in absolute terms. In percentage terms, however, the fastest growing platforms in 2014 were Aviva, Zurich and 7im.

TOP 3 PLATFORMS BY GROSS FLOWS IN 2014 (£bn)	
Cofunds	£20.9bn
Fidelity	£14.4bn
Hargreaves Lansdown*	£9.3bn

TOP 3 PLATFORMS BY NET FLOWS IN 2014 (£bn)	
Fidelity	£6.6bn
Hargreaves Lansdown*	£5.8bn
Cofunds	£5.2bn

The top three platforms by asset size were also the largest for gross and net flows for the year. Fidelity, in particular, has made huge strides in 2014 with a 66% increase in gross flows to £14.4bn. Its net flows were up 200% to £6.6bn and it topped the net sales leader board for the year. Much of this activity was pension driven.

Channels**	Retail Advised	Corp/Instit	D2C/XO	Total
AUA (£bn)	£203.7bn	£71.4bn	£68.6bn	£343.7bn
AUA (%)	59.3%	20.8%	20.0%	100.0%
Gross sales (£bn)	£40.6bn	£27.3bn	£14.2bn	£82.1bn
Gross sales (%)	49.4%	33.3%	17.3%	100.0%
Net sales (£bn)	£20.6bn	£13.4bn	£7.7bn	£41.7bn
Net sales (%)	55.5%	24.2%	20.3%	100.0%

Channel leaders**	Retail Adv	Corp/Instit	D2C/XO
AUA	Old Mutual	Cofunds	Hargreaves Lansdown
Gross sales	Standard Life	Cofunds	Hargreaves Lansdown
Net sales	Standard Life	Fidelity	Hargreaves Lansdown

Most large platforms have several discrete propositions making like-for-like comparisons difficult. As well as overall platform trends, Fundscape analyses platform data by overarching distribution channel. As the year has progressed, the corporate/institutional channel — a combination of workplace and institutional activity — has gradually encroached on other channels' market share.

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Notes to Editors:

The Platform Report is a confidential report published by Fundscape LLP. To subscribe to the report, platforms must contribute asset and sales data on a quarterly basis. For further information about the report and Fundscape, please visit www.fundscape.co.uk.

A total of 19 platforms are included in the analysis. Platform coverage is estimated at 98% of the platform universe.

*For timing reasons and because the data is market sensitive information, Hargreaves Lansdown reports its figures to Fundscape a quarter in arrears. The figures shown here have been taken from Hargreaves Lansdown's Interim Results Statement, February 2015. Gross sales and net sales for Q4 have been estimated.

**The channel mix has been estimated for some platforms.

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