



FUNDSCAPE

# SIXTY SECOND REVIEW

## UK PLATFORM INDUSTRY

### 1<sup>ST</sup> QUARTER 2015

*The first quarter felt sluggish as investors awaited the outcome of the general elections before making further investments. The forthcoming pension freedom and the newly launched pensioner bonds also slowed proceedings.*

#### **ASSETS**

Assets were up £27bn ( 8%) to £371bn in Q1. YOY growth was a healthy £67bn – a 22% uplift on Q1 2014 .

#### **POLITICS & PENSIONS**

Despite asset growth, the election and pensions were a drag on platform sales.

#### **PRODUCT PREFERENCES**

ISAs and pensions maintained their overall momentum, but unwrapped flows shrank to lowest level since Q1 2012.

#### **OMG**

Old Mutual is the largest retail advised platform in the market. Fidelity and Cofunds are second and third (with pension and institutional business stripped out).

#### **SMALL BUT**

#### **PERFECTLY FORMED**

Aviva, Zurich and Alliance Trust were the fastest growing with 19%, 12% and 10% respectively.

#### **GROSSING IT UP**

Gross sales were a solid £21.4bn, down marginally on previous quarter but stronger than Q114 sales of £19.9bn.

#### **UNLEASHING THE PENSION WITHIN**

The market share of combined pension products rose dramatically to 38% of gross sales and 53% of net.

#### **D2C**

D2C gross and net sales improved on the back of ISAs and pent-up pension demand. With the surprise election win, investor confidence likely to improve dramatically in Q2.

#### **STOCKING UP**

Alliance Trust could be even bigger in a few months' time having announced the acquisition of Brewin's Stockintrade platform.

#### **NETTING IT OFF**

With net flows falling to £9.3bn, assets were less sticky overall. Fund switching accounted for a higher proportion of net sales than unusual.

#### **BENEFITS OF ADVICE**

The retail advised channel strengthened its hold on platform flows. It accounted for 54% of gross sales and 61% of net — the highest on record.

#### **COPING WITH DEMAND**

The second quarter will be home to a flurry of use-it-or-lose-it ISA business and the demands of pension freedoms. Platforms are in for a busy time!