

SIXTY SECOND REVIEW

UK PLATFORM INDUSTRY

3rd QUARTER 2015



FUNDSCAPE

The significant stock market correction was offset by robust pension activity in the third quarter as the industry continued to adapt to pension freedom.

SEVEN PERCENT

A 7% stock market correction could have spelled disaster, but platform AUA fell by just 0.7% (£2.5bn) in Q3 to £377bn.

PLUS AND MINUS EIGHT

Despite stock market performance of -8% since the start of year, platform AUA has expanded by 8% (£31bn).

IT COULD HAVE BEEN WORSE...

If James Hay and Alliance Trust hadn't brought their acquisitions on platform (Towry Sipp and Stocktrade).

PENSION DIMENSION

The third quarter is usually the quietest thanks to holidays, but pensions boosted gross sales to £24bn.

THE BIG LEAGUE

The four largest platforms had the four largest gross sales, between them accounting for 50% of total flows.

NETTING OFF STEAM

Net flows were even better, steaming ahead to a record high of £13bn and a net/gross ratio of 54%.

TOP DOGS

James Hay and Cofunds were best for net sales. The transfer of Towry sipp to James Hay was a factor, while Cofunds benefited from institutional (but ultimately pension) flows.

STICKY BUSINESS

Acquisitions helped, but pensions were the main driver of net flows across all types of platforms.

RISING TO THE CHALLENGE

Having averaged 34% for the past 2 years, Old Mutual saw its net/gross ratio rise to 46% as changes start to gain traction.

TAKE MY ADVICE

Retail advised remained consistently strong with 57% of gross and 63% of net flows.

TAKING FRIGHT

In absolute terms, D2C flows have doubled year on year. But in the adverse Q3 climate, market share slipped slightly. Q4 is unlikely to be better.

NEXT QUARTER?

A slowdown in global growth and higher volatility *should* be offset by ongoing pension activity.