

# SIXTY SECOND REVIEW

## UK PLATFORM INDUSTRY

### 3<sup>rd</sup> QUARTER 2013



FUNDSCAPE

*The third quarter of the year is traditionally the quietest for the platform industry, but gross and net flows maintained their momentum. It's looking like a record-breaking year, YTD sales have already surpassed full-year totals for 2012.*

#### **SIXTEEN**

Stock market growth helped to push platform assets to £267bn at the end of Q313, a QOQ rise of 6.5%.

#### **GROWTH SPURT**

At end Q3, several platforms were on the cusp of their next big numbers. Cofunds and HL were close to £60bn and £40bn respectively.

#### **TROIKA**

Meanwhile the wrap troika (Nucleus, Axa and Ascentric) were moving into their next billions as well as topping the % growth charts for the quarter.

#### **GROSSING IT UP**

Gross sales were £17.2bn, up 45% on like-for-like sales in 2012.

#### **NETTING IT OFF**

Net sales for the quarter were £9bn, up a whopping 75% on Q312's sales.

#### **ANNUAL RECORD**

YTD gross and net sales already stand at £49bn and £25bn, ahead of full-year sales for 2012.

#### **COFUNDS**

Continues to lead by a significant margin in gross and net sales for the quarter and also for the year, accounting for ~third of all flows.

#### **THE INSTITUTIONAL EFFECT**

Thanks to Cofunds and its institutional activity, unwrapped flows accounted for more than 50% of sales flows.

#### **PENSIONS**

Combined pension business has been given a boost by workplace savings and auto-enrolment. In Q3, they accounts for 25% of gross and 30% of net sales.

#### **WRAPPING IT UP**

Wrap platforms accounted for 31% of total net flows, twice the volume of traditional fund platforms with a 15% share.

#### **STICKINESS**

But older platforms have substantial volumes of mature assets on their books so it is no surprise if their assets are less sticky. Sometimes investors want their cash.

#### **NEXT QUARTER**

We expect the industry to generate fourth quarter flows of around £18bn (£9bn net), with a strong chance of beating its Q213 sales highs.