

PRESS RELEASE

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SIZZLING SUMMER FOR PLATFORMS

The summer period is usually one of the quieter quarters of the year, but an improving economic outlook and the ongoing effect of the Retail Distribution Review (RDR) led to a bumper quarter for platforms. Total platform assets under administration were £267bn, up 7% on the second quarter, and comfortably ahead of FTSE All Share growth of 5%.

The largest platforms by assets under administration are Cofunds, Fidelity and Hargreaves Lansdown*. In terms of percentage growth, however, the fastest growing platforms in the third quarter were Nucleus with growth of 8.8%, Ascentric with growth of 8.7% and in joint third place, Axa Elevate and Cofunds with growth of 8.5%.

TOP 3 PLATFORMS BY ASSETS IN Q313 (£bn)	
Cofunds	£58.3bn
Fidelity	£45.9bn
Hargreaves Lansdown*	£39.3bn

TOP 3 PLATFORMS BY ASSET GRTH IN Q313 (%)	
Nucleus	8.8%
Ascentric	8.7%
Axa Elevate/Cofunds	8.5%

Gross platform flows were marginally down on the previous quarter to £17.2bn, but compared to the same quarter in 2012, were up by a substantial 45%. Bella Caridade-Ferreira, CEO of Fundscape, said “The third quarter of 2012 was moribund for the industry as a whole, so the uplift looks pretty good. Nonetheless, a combination of improving economic fundamentals, the feel-good factor that comes with a warm summer, and the fact that RDR has been great for the platform industry, has meant that gross flows stayed on an even keel despite the traditional holiday period.”

TOP 3 PLATFORMS BY GROSS FLOWS IN Q313 (£bn)	
Cofunds	£6.1bn
Fidelity	£2.1bn
Standard Life	£1.2bn

TOP 3 PLATFORMS BY NET FLOWS IN Q313 (£bn)	
Cofunds	£3.3bn
Hargreaves Lansdown*	£1.3bn
Standard Life**	£0.6m

It was an even rosier picture for net flows which totalled £8.9bn for the third quarter – marginally down on the ISA-boosted second quarter, but up a whopping 75% on the same quarter of 2012. Caridade-Ferreira said, “Adviser charging has meant that platforms are now capturing much more adviser business than before. In addition, a swathe of re-registrations has boosted platform activity. However, the reality is that investor sentiment has been improving quarter on quarter and that’s what’s driving sales.”

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

*For timing reasons, Hargreaves Lansdown always reports its figures to Fundscape a quarter in arrears. The figures shown here have been taken from Hargreaves Lansdown’s Interim Management Statement, October 2013.

**Standard Life reports gross figures only. Its net flows are estimated based on the sales pattern in other platforms.

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