

SIXTY SECOND REVIEW

UK PLATFORM INDUSTRY

1st QUARTER 2016



FUNDSCAPE

It was a rocky start to the year for platforms. Chinese concerns and Brexit fears spooked the stock markets and investors took cover. Platform business was muted, and ISAs paid the price.

THIRTEEN

Despite volatile stock markets, platform industry rose by £13bn (3%) to £415bn during Q116. Stock markets achieved 1% growth.

SEVEN!

Gross sales of £21bn were slightly higher than Q415 but down by 7% on Q115. The lack of ISA activity dragged on sales.

WHAT A RELIEF!

The fear that pension relief would be withdrawn led to strong pension flows. Pensions accounted for 36% of gross and 60% of net platform sales.

DIRECT BUSINESS

Direct business was sluggish in response to market fears and the lack of ISA business was noticeable.

ALL THE As

In percentage terms, the fast growing platforms of the quarter were Aegon, Aviva and Alliance Trust.

NET CURTAINS

The lack of ISA business also made its mark on net sales, which registered a lacklustre £9bn – the lowest sales since Q314.

TAKE A SIPP

Aegon, Old Mutual and Standard Life recorded the best pension sales of the quarter. All three have a clearly delineated pension strategy.

VERTICAL ADVICE

In terms of pure retail advised activity, Old Mutual led for AUA and gross flows, while Standard Life led for net, showing that vertical integration is making its mark.

MILESTONES

Cofunds and Hargreaves Lansdown hit new asset milestones of £80bn and £60bn respectively.

TRIUMVIRATE

The top three by gross sales were Cofunds, Fidelity and Hargreaves Lansdown. Hargreaves also topped for net sales followed by Standard Life and Aegon.

ON ICE

On the other hand, ISAs failed to cut ice with investors. As a result of volatility and Brexit fears, investors put ISA investments on ice until after the referendum.

BREXIT FUTURE

How the third quarter will pan out depends on the vote. If the UK votes to leave, we do not expect an improvement in flows this year.