



FUNDSCAPE

SIXTY SECOND REVIEW

UK PLATFORM INDUSTRY

1st QUARTER 2014

Despite increased volatility and stagnant markets, platforms were able to swim against the tide. Assets rose by 3% and gross and net flows were robust. The 2014 budget announcements consolidated platforms' role in financial services.

DOWN BUT UP

The FTSE was down 3% in the first quarter, but platforms swam against the tide and increased by £10bn to £304bn.

SALES DRIVER

Asset growth was driven by sales. Gross sales were almost £20bn, while net sales were £10bn.

WHAT'S IN A YEAR?

Relative to the same period in 2013, assets have jumped by 25% rising from £244bn to £305bn.

AY ARRIBA AVIVA!

There is no stopping Aviva, the fastest growing platform with a YOY rise of 109% to £3.3bn. QOQ assets were up 18%.

ALL-TIME HIGH

At £19,8bn, gross sales were the highest on Fundscape records, but net sales fell back to £9.7bn from last quarter's all-time high.

FAMOUS FIVE

Alliance Trust, Fidelity, James Hay, Nucleus and Standard Life recorded their best sales quarters ever.

ISA WISER

ISAs sales were good but not great, at £3.5bn and £1.7bn (net). Early bird investors mean that ISA flows are increasingly a Q2 sales phenomenon.

NICER ISA

However, the merger of the two ISA types and the increase in the annual allowance to £15K will make ISAs a Q3 sales phenomenon this year.

PUNCHY PENSIONS

All pension business combined accounted for 44% of net sales. Sipp alone took 29% of net sales.

ANNUITY IMMUNITY

The disappearance of the mandatory annuity will boost pensions and could lead to additional flows of £9-12bn a year.

CHANNEL CHANGES

Retail advised business represented 48% of net flows for the quarter. Corp/instit business, 27% and D2C, 25%

A TRILLION

Budgetary changes mean that our optimistic scenario of £1.3trn in 2018 is looking more realistic than the realistic scenario of £897bn.