

# SIXTY SECOND REVIEW

## UK PLATFORM INDUSTRY

### 4<sup>th</sup> QUARTER 2011



FUNDSCAPE

#### SEVEN

Platform assets increased by £12bn (7%) to £174bn in the last quarter thanks largely to performance growth and the inclusion of one platform (Alliance Trust).

#### TWENTY NINE

Over 2011, platform assets expanded by £29bn or 20% in percentage terms. Two platforms were added during the period.

#### TWENTY THREE

Despite asset growth in Q4, gross sales dropped 23% to £9.5bn. All but one platform experienced a drop in flows.

#### SKANDIA

Skandia bucked the gross trend with an 8% uplift in flows primarily in pension business.

#### FORTY SIX

Net flows dropped 46% to £4.1bn. The switching in the third quarter had given way to a far leaner sales environment in the fourth.

#### COFUNDS

Cofunds topped the gross and net sales rankings for the quarter. It was the only platform with net sales of £1bn+.

#### FIDELITY

The Fidelity platform was the only platform to increase net sales in the fourth quarter (+3.4%).

#### ANNUAL

Gross annual flows totalled £46bn, up 30% on 2010 sales. Net sales for the year were £25bn. Cofunds topped for both.

#### WRAPPING UP

Elevate, Ascentric and Nucleus expanded assets significantly during 2011 with growth rates of between 44% and 79%.

#### JISA

Junior ISAs were launched in the fourth quarter but have yet to make their mark. We estimate they represent 2-2.5% of gross flows or ~£20m.

#### 2016

Our realistic projection for platform assets is £293bn by 2016. This cautious projection is based on the current environment being a prolonged drag on the industry.

#### OPTIMISTIC

The optimistic scenario puts assets at £378bn by 2016, a growth rate of 17%. Growth in the last five years was 25% so this projection could well be outperformed.