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ROLLERCOASTER RIDE FOR PLATFORMS IN Q2

Stock markets were up and down like a rollercoaster in the second quarter and platform industry assets lost ground, falling -0.3% to £189bn. But despite the volatility, according to Fundscape’s confidential Platform Report gross sales for the second quarter were up by 1.3% on the previous quarter to £12.2bn, while net sales rose 5% to £6.2bn.

The closing stages of the ISA season helped to boost sales, but the real driver of growth this quarter was re-registered business — platforms that experienced asset growth all reported strong business wins. Cofunds was a case in point. It moved into first place as the largest platform in the UK with assets of £40.7bn, its 4% growth this quarter pushing it ahead of Skandia in the platform ranking by AUA.

But it was among the wrap cohort that growth was strongest. Bella Caridade-Ferreira, Director of Fundscape said “The transition to a fee-based model is driving adviser firms to wraps’ doors. As a result, the wrap cohort is outperforming traditional fund platforms in growth terms.”

For the 13th consecutive quarter, Cofunds topped the platform leader boards for gross and net sales. Wraps were also a dominant presence in the net sales tables with Standard Life and Axa Elevate in third and fourth place ahead of more mature fund platforms. “Business is stickier among the wraps, so they’re punching above their weight in net sales terms,” said Caridade-Ferreira.

However, the third quarter is likely to be subdued. The Olympic Games combined with the summer holiday season has led to a quieter quarter overall, notwithstanding ongoing economic uncertainty. These factors are likely to result in lower gross and net sales than usual.

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Notes to Editors:

The Platform Report is a confidential report published by FundScape LLP in which platforms provide actual assets and flows on a quarterly basis. For further information about FundScape visit www.fundscape.co.uk.

A total of 15 platforms are included in the analysis.

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