

## **MEDIA ALERT – MEDIA ALERT – MEDIA ALERT**

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# **A DIFFICULT THIRD QUARTER FOR PLATFORMS**

The sovereign debt crisis rumbled on in the third quarter of the year and stock markets spiralled in response. The FTSE 100 fell 13.7% during the quarter, dragging platform industry assets in its wake. According to figures from Fundscape's confidential Platform Report, assets under administration fell by 2.3% to £163.9bn in the third quarter. However, a few platforms were able to buck the trend — Axa Elevate, Nucleus and Ascentric being the most noteworthy.

Despite the summer of discontent, gross sales rose by 1.4% to £12.5bn relative to the previous quarter, as advisers and investors switched to safe havens and defensive products. However, net flows were down slightly (-0.7%) to £7.5bn.

Bella Caridade-Ferreira, Director of Fundscape and author of the Platform Report said "In reality, the vast majority of platforms saw their sales volumes shrink during the quarter. What helped to maintain the platform industry's sales momentum was a substantial shift of 'enterprise' business onto the Cofunds platform. As a result, it saw its gross flows rise to £4.6bn and net flows to £3.3bn. Without this significant contribution, industry flows would have been more of a damp squib."

The final quarter of the year is unlikely to herald any improvements. Caridade-Ferreira said "Until the outlook improves or the direction of the markets becomes clearer, investors and their advisers will be uber-cautious when it comes to new investment. This quarter's shifts and transfers will give way to a leaner sales environment."

Year-to-date sales remain buoyant and a flatter fourth quarter will not overly affect the outcome. Gross platform flows of £36bn and £22bn in 2011 are significantly ahead of like-for-like sales in 2010 of £23bn and £10bn respectively.

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## Notes to Editors:

**The Platform Report** is published by FundScape LLP. For further information about FundScape visit [www.fundscape.co.uk](http://www.fundscape.co.uk).

A total of 14 platforms are included in the analysis.

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