

PRESS RELEASE

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RECORD-BREAKING START TO THE YEAR FOR PLATFORMS

It was a cracking start to the year for the platform industry with several new highs. Assets under administration rose by £31bn (6%) to £520bn, smashing through the £500bn ceiling, while gross and net sales set new records of £29bn and £13.3bn respectively. This was in marked contrast to the start of 2016 when economic factors and Brexit fears led investors to stay away from investments.

There was no change in the top five platforms by assets, which between them account for roughly two thirds of industry assets. UK stock market performance was fairly subdued at 3% for the quarter, but platforms as a whole grew at twice that rate and three (Aviva, Aegon and AJ Bell) recorded double-digit growth, their pension credentials proving a boon for business. Not far behind were 7im and Nucleus with punchy asset growth of 7%+ — a sure sign of the growing differentiation in the platform landscape.

TOP 5 PLATFORMS BY ASSETS IN Q117 (£bn)	
Cofunds	£86.8bn
Fidelity	£75.2bn
Hargreaves Lansdown	£74.5bn
Standard Life (inc Elevate)	£47.2bn
Old Mutual	£45.3bn

TOP 5 PLATFORMS BY ASSET GRTH IN Q117 (%)		
Aviva	£1.7bn	13.9%
Aegon	£1.8bn	13.4%
AJ Bell	£2.9bn	11.6%
7im	£0.5bn	7.3%
Nucleus	£0.8bn	7.1%

Gross sales jumped to £29bn — up 10% on the previous quarter, and a whopping 31% on the same quarter of 2016. Net sales were also robust at £13.3bn, a figure that represented an increase of 27% on the previous quarter and 39% on Q116. With one or two exceptions, every platform was home to higher net sales. Ranked fourth for assets under administration, Standard Life punched well above its weight with net sales of £1.9bn, taking the top spot on the leader board for the first time on record. Aviva also gave a stellar sales performance with net sales of £1.3bn, but with assets of just £14bn.

TOP 5 PLATFORMS BY GROSS SALES, q117 (£m)	
Cofunds	£5.4bn
Fidelity	£3.1bn
Standard Life (inc Elevate)	£2.8bn
Hargreaves Lansdown (est)*	£2.8bn
Old Mutual	£2.3bn

TOP 5 PLATFORMS BY NET SALES, Q117 (£m)	
Standard Life	£1.9bn
Hargreaves Lansdown (est)*	£1.8bn
Aviva	£1.3bn
Aegon	£1.3bn
Old Mutual Wealth	£1.0bn

Bella Caridade-Ferreira, CEO of Fundscape said, “After three difficult quarters, investor sentiment began to improve in Q416, and gathered momentum in Q1 2017. Most ISA business is now written in the second quarter, but Q117 was one of the strongest quarters on record for ISA flows. Nonetheless, pension business was the real driver of platform flows — fuelled by demand for defined benefit transfers and access to pension freedom, net pension sales were up 27% on the previous quarter and 44% on like-for-like sales in 2016.”

Q117 ASSETS AND SALES BY PRODUCT					
	ISAs	Sipps & pensions	DC pensions	Rest	Total
Assets	£141.0bn	£158.3bn	£53.5bn	£166.8bn	£519.7bn
%	27.1%	30.5%	10.3%	32.1%	100.0%
Gross	£5.0bn	£11.5bn	£2.5bn	£10.0bn	£29.0
%	17.2%	39.7%	8.6%	34.5%	100.0%
Net	£2.0bn	£8.5bn	£0.7bn	£2.2bn	£13.3bn
%	14.9%	63.4%	5.2%	16.4%	100.0%

Caridade-Ferreira said, “Despite the likelihood that the industry will be buffeted by geopolitical headwinds this year, we expect platform business to maintain a steady course. Pension activity will be the driver. Accessing pension freedom through DB transfers is a top priority for investors nearing retirement, and this will keep the industry buoyant throughout 2017 and well into 2018.”

- Ends-

Notes to Editors:

The Platform Report is a confidential report published by Fundscape LLP. To subscribe to the report, platforms must contribute asset and sales data on a quarterly basis. For further information about the report and Fundscape, please visit www.fundscape.co.uk.

A total of 19 platforms are included in the analysis. Platform coverage is estimated at 98% of the platform universe.

*For timing reasons and because the data is market sensitive, Hargreaves Lansdown reports its figures to Fundscape a quarter in arrears.

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