

EMBARGOED UNTIL 12 AUGUST 2021 8AM

AN OLYMPIC 2ND QUARTER FOR THE PLATFORM INDUSTRY

The UK platform industry followed up a great first quarter of 2021 with a second one of Olympic-style proportions and yet another clutch of records. With restrictions easing and consumers spending more, a robust recovery was to be expected. Markets didn't disappoint — the FTSE All Share rose by 5% in the three months to June, while platform industry assets grew by 6.5% to £865.8bn.

2021 ASSET TRENDS							
	Q420	Q121	Q221	Q221 Grth £m	Q221 Grth %	YTD Grth £m	YTD Grth %
Aegon	152,370.5	155,702.2	165,588.0	9,885.8	6.3	13,217.5	8.7
HL	117,615.0	123,694.0	132,400.0	8,706.0	6.7	14,785.0	12.2
Fidelity	101,899.5	105,574.5	112,347.6	6,773.1	6.4	10,448.1	10.3
Abrdn	66,893.0	68,487.8	72,308.1	3,820.3	5.6	5,415.1	8.1
Quilter	63,838.8	65,650.6	69,383.2	3,732.6	5.7	5,544.4	8.7
AJ Bell	55,200.0	58,000.0	63,100.0	5,100.0	8.8	7,900.0	14.3
Transact	44,824.0	46,929.0	50,310.1	3,360.4	7.2	5,465.4	12.2
Aviva	34,432.3	36,118.7	39,011.7	2,892.9	8.0	4,579.4	13.3
Advance	26,229.5	26,790.1	28,288.0	1,497.9	5.6	2,058.5	7.8
James Hay	27,867.3	27,251.2	28,282.6	1,031.4	3.8	415.3	1.5
Nucleus	17,415.2	17,959.5	18,868.9	909.4	5.1	1,453.7	8.3
TPI	13,974.0	15,676.5	17,358.6	1,682.1	10.7	3,384.6	24.2
Ascentric	16,336.4	16,443.3	17,000.3	557.0	3.4	663.9	4.1
7IM	12,086.8	12,773.6	13,646.9	873.3	6.8	1,560.1	12.9
Parmenion	8,194.1	8,564.9	9,057.0	492.1	5.7	862.9	10.5
Praemium	2,209.0	2,419.0	2,718.4	299.4	12.4	509.4	23.1
Next three	23,190.0	24,354.0	26,171.0	1,817.0	7.5	2,981.0	12.9
Total	784,575.4	812,388.8	865,840.6	53,451.8	6.6	81,265.3	10.4

Spend and save

Consumers may have started spending, but they also have considerable cash savings behind them. This excess cash and pent-up demand for investments saw gross flows jump to £41bn while net sales broke through £17bn for the first time on record. The tail-end of the ISA season helped as did the positive momentum from vaccine and Brexit/US news.

A surge in younger investors and demand for digital wealth services have benefited platforms with strong D2C propositions — Hargreaves Lansdown's net sales skyrocketed to £3.7bn — a 22% rise on the previous quarter — while D2C sales at AJ Bell, Aegon and Fidelity were almost neck and neck with adviser channel sales.

TOP 5 PLATFORMS (all channels) BY GROSS SALES Q221 (£bn)	
Aegon	£10.9bn
Hargreaves Lansdown ¹	£6.0bn
Fidelity	£5.4bn
AJ Bell	£3.2bn
Abrdn	£2.3bn

TOP 5 PLATFORMS (all channels) BY NET SALES Q221 (£bn)	
Hargreaves Lansdown	£3.7bn
AJ Bell	£2.1bn
Aegon	£2.1bn
True Potential	£1.5bn
Transact	£1.3bn

TOP 5 PLATFORMS (all channels) BY GROSS SALES YTD 2021 (£bn)	
Aegon	£20.9bn
Hargreaves Lansdown ¹	£11.8bn
Fidelity	£11.2bn
AJ Bell	£6.0bn
Abrdn	£4.6bn

TOP 5 PLATFORMS (all channels) BY NET SALES YTD 2021 (£bn)	
Hargreaves Lansdown	£6.2bn
AJ Bell	£3.9bn
Aegon	£3.2bn
Fidelity	£3.0bn
Aviva	£2.8bn

ASSETS AND SALES BY CHANNEL (£m)				
	Retail advised	Corp/Institutional	D2C	Totals
AUA (£m)	545,793.9	135,010.6	185,036.8	865,841.3
AUA (%)	63.0	15.6	21.4	100.0
Gross sales Q221 (£m)	20,917.8	10,854.8	9,137.3	40,910.0
Gross sales Q221 (%)	51.1	26.5	22.3	100.0
Gross sales 2021 (£m)	42,585.2	20,907.4	18,186.6	81,679.2
Gross sales 2021 (%)	52.1	25.6	22.3	100.0
Net sales Q221 (£m)	10,101.5	1,845.1	5,146.9	17,093.5
Net sales Q221 (%)	59.1	10.8	30.1	100.0
Net sales 2021 (£m)	21,210.4	3,248.2	9,089.6	33,548.1
Net sales 2021 (%)	63.2	9.7	27.1	100.0

A word of advice

You'd be forgiven for thinking that direct business was the only game in town, but adviser platforms were also commanding a chunky market share of assets and net sales (63%). Indeed, D2C flows are likely to ease in line with lockdown restrictions over the coming months, but business through adviser platforms is expected to remain steady and consistent.

Adviser platform assets rose to £545.8bn while gross and net sales totalled £20.9bn and £10.1bn respectively. True Potential, the vertically integrated advice and platform business, rose to the top of the net sales table ahead of Transact with net sales of £1.4bn for the quarter. For year-to-date net sales, however, Transact tops the net sales leader board, with Aviva snapping at its heels.

TOP 5 ADVISER PLATFORMS BY GROSS SALES Q221 (£m)	
Abrdn	£2.26bn
Quilter	£2.25bn
Transact	£2.0bn
Aviva	£1.9bn
AJ Bell	£1.8bn

TOP 5 ADVISER PLATFORMS BY NET SALES Q221 (£bn)	
True Potential	£1.4bn
Transact	£1.3bn
Aviva	£1.2bn
AJ Bell	£1.1bn
Abrdn	£975m

TOP 5 ADVISER PLATFORMS BY GROSS SALES YTD 2021 (£bn)	
Abrdn	£4.6bn
Quilter	£4.5bn
Transact	£4.1bn
Aviva	£4.0bn
Fidelity	£3.6bn

TOP 5 ADVISER PLATFORMS BY NET SALES YTD 2021 (£bn)	
Transact	£2.8bn
Aviva	£2.7bn
True Potential	£2.6bn
Abrdn	£2.0bn
AJ Bell	£2.0bn

Bella Caridade-Ferreira, CEO of Fundscope said, ‘It’s been gratifying to see younger investors take an interest in their finances and invest this past year. Now that lockdown restrictions have eased and normal life is on the horizon, the D2C spike is likely to drop to more normal levels. But some things won’t go away — demand for ESG, digital wealth management, and low-cost investment are trends that are here to stay. Demand for advice and investment is strong, but investors want it in a different format.

‘The first half of the year was boosted by the ISA season and pent-up demand from 2020. Sales in the second half are likely to be robust but not as strong. There is still a lot of cash on the sidelines — UK households have accumulated some £168bn in excess savings that will be gradually spent or (hopefully) invested.’

- Ends-

Notes to Editors:

The Platform Report is a confidential report published by Fundscope. To subscribe to the report, platforms must contribute asset and sales data on a quarterly basis. For further information about the report and Fundscope, please visit www.fundscope.co.uk. A total of 19 platforms are included in the analysis. Platform coverage is estimated at 98% of the platform universe.

¹ HL gross sales are estimated.

For further information or background please contact: press@fundscope.co.uk