

Financial Services

Breaking news on

Corporate sector super for AMP

Brendan Swift

AMP's net fund inflows are set to continue growing at a rapid pace after its focus on the corporate super sector paid off last year, helping the wealth-management group to capture the greatest net inflows among its competitors.

"AMP's corporate superannuation net flows should increase in future quarters due to the appointment of AMP's SignatureSuper master trust as the master trust provider for the Woolworths Group Superannuation Scheme, announced in early March, which currently has about \$1.2 billion in funds under management," Citigroup analyst Nigel Pittaway said.

AMP is believed to be involved in further corporate superannuation tenders as the management of an increasing number of in-house funds is outsourced because of rising costs and the new mandatory licensing scheme being implemented by the prudential regulator.

Last year, the group recorded a 57 per cent rise in total net inflows to \$2.7 billion, excluding cash management trusts.

That included \$2.4 billion in super and rollover products, according to a report by Citigroup.

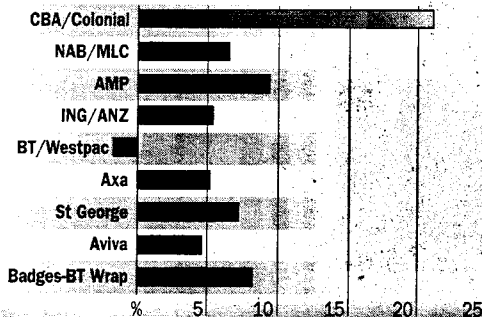
Funds management firms as a whole last year recorded their strongest net investment inflows since 2001, with annual net fund flows up 24 per cent to \$20.1 billion, excluding cash management trusts.

Superannuation and rollover master funds captured 69 per cent of all net flows, up from 65 per cent a year earlier, according to Citigroup.

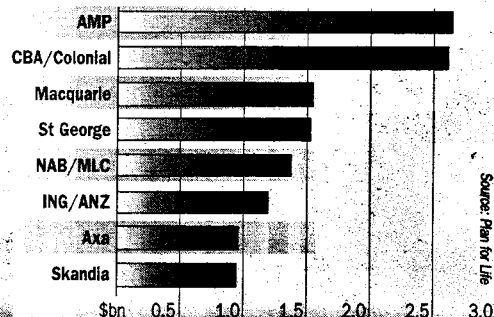
AMP and Commonwealth Bank of

FLOOD GATES

Dec quarter net retail inflows (ex CMTs)



Annual net retail fund flows (ex CMTs)



KEY POINTS

- Funds management firms last year recorded their strongest net inflows.
- AMP and CFS were the big winners in terms of net inflows.

Australia's Colonial First State were the biggest winners, together capturing more than 35 per cent of the \$14 billion that flowed into superannuation master funds last year.

CFS also captured 23 per cent of the \$9 billion that flowed into investment master funds over the year and 27 per cent of the \$4 billion invested in allocated pensions.

"Colonial FirstChoice's conservative and moderate blend packaged products appear to be doing particularly well for it in the allocated pension and investment master fund categories, while the moderate and growth funds attracted a strong share of the net inflows onto the super and rollover segment," Mr Pittaway said.

However, Westpac's BT Financial Group suffered net outflows of \$129 million, after positive flows of \$649 million the previous year.

"The brand damage associated with the BT name has continued well beyond the turnaround in investment performance," Mr

Pittaway said. Its unit trusts and managed funds recorded outflows of \$822 million, although the group's superannuation and rollover master funds and badged BT wrap — which gives financial advisers an extra cut of fees — performed more strongly.

Perpetual also lagged its competitors, suffering a 33 per cent drop in net flows, excluding cash management trusts. That included almost \$200 million from unit trusts and managed funds.

AMP shares rose 2¢ to \$9.03, just 4¢ shy of their 12-month high. AMP shares have soared from \$6.30 since this time last year.

Perpetual shares rose \$1.10 to \$71.

Source: Plan for Life