

Analysis Of Retail Managed Funds as at March 2010

Release Date: 15 June 2010

\$3.4bn Growth in Retail Managed Funds during March Quarter 2010

1. All Retail Managed Funds – Marketer View

Overall Retail Managed Funds at the end of March totalled \$517.9bn, jumping 18.5% since the depth of the global financial crisis one year earlier. However in a sign that the bounce back in investment markets is levelling off during the March quarter overall reported funds under management remained little changed, up by only a very marginal 0.7%. National Australia / MLC, AXA Australia, Mercer, BT, Commonwealth / Colonial and AMP all achieved above average annual growth rates.

Gross Inflows fell by 22.7% to \$40.2bn during the March 2010 quarter while year on year they were also down significantly by 15.6%. The largest percentage annual Inflow falls were reported by National Australia / MLC (-56.6%), Goldman Sachs JBWere (-27.5%), UBS Global Asset Management (-21.1%) and Macquarie (-15.1%). BT (81.1%) reported a significant jump due to its takeover of St George.

2. All Retail Managed Funds – Administrator View (Refer Overleaf*)

From an administrator perspective the situation was similar with most leading companies reporting significant increases year on year.

It is worth noting that BT moved into the No.1 administrator position in the market ahead of National Australia / MLC, Commonwealth / Colonial and AMP once the merger of the business previously managed by St George/Asgard was completed.

3. All Retail Managed Funds (excluding Cash Trusts) – Marketer View

Over the year to the end of March 2010 overall funds under management jumped 23.0% with all of the major companies reporting strong double digit percentage increases.

Gross Inflows actually fell 12.3% during the March quarter but year on year they were little changed, up by only a marginal 0.7%.

4. Superannuation & Rollovers – Marketer View

Funds jumped 25.4% over the past year with all leading companies reporting increases with the highest in percentage terms recorded by National Australia / MLC (38.1%), ING (30.1%), BT (25.6%), Commonwealth / Colonial (24.1%), AXA (23.5%) and Mercer (23.2%).

13.3% fall in overall Inflows for the quarter but year on year they were only down 1.9% with BT, IOOF and Suncorp reporting increases.

5. Retirement Income – Marketer View

2.2% funds growth during the March quarter while over the past year they jumped 19.0% as the underlying value of their investments recovered and as a result most of the major companies reporting significant double digit percentage increases in business.

Gross Inflows fell 5.3% year on year and were also down 8.0% in the March quarter nevertheless BT (74.0%), Challenger (18.3%) and AXA (13.8%) reported significant increases in their Inflows (in the case of BT due to its takeover of St George).

6. Cash Trusts – Marketer View

Cash Trust business plunged by almost one third over the past year, down by 31.8%, with declines across the board. Some of the largest percentage falls were recorded by BT (-41.8%), Bendigo Bank (-35.7%), UBS (-35.5%), ING (-32.7%) and Macquarie (-32.3%).

Similarly overall Gross Inflows into Cash Trusts dived 32.2% in the March quarter and 26.4% over the whole of the past year.

7. Unit Trusts & Investment Funds (Excl Cash Trusts) – Marketer View

Funds under management remained virtually unchanged during the March quarter recording only an almost negligible 0.1% increase. Nevertheless over the whole of the past year they still jumped 22.9% with AMP, Macquarie, Commonwealth / Colonial, National Australia / MLC, AXA, BT and Perpetual all reporting above average annual growth rates.

Gross Inflows fell 13.6% during the March quarter but were up 11.6% year on year with the largest percentage increases reported by BT (149.0%), AMP (41.9%), ING (27.4%), Perpetual (26.7%), AXA (23.1%) and Commonwealth / Colonial (22.1%).

8. Investment Bonds – Marketer View

Investment Bonds increased by a modest 5.7% over the past year with most participants reporting higher funds under management. Inflows into this market fell 12.3% year on year but KeyInvest, Austock, Commonwealth / Colonial and BT reported some growth.

*Administrator View

To avoid any confusion in the use of terminology and proper market shares, it should be pointed out that the Administrator View (which is shown in sections 2 & 9), represents the funds and flows which each Group receives through both its own marketed products as well as those of its badged products. This is the correct view to use when comparing the share of funds and flows actually administered, as it represents the complete set of administrative activities of the group. The Marketer View, which is shown in all other Tables, represents the funds and flows directly marketed by each group. Marketed funds and flows will be lower than administered funds and flows for those organizations where badging is a large part of their activities.

About the Media Release

The Media Release is provided by Plan For Life Pty Ltd, Actuaries and Researchers. Plan For Life are specialists in providing accurate statistical information and analyses covering the financial services, funds management and life insurance markets. The Media Release is designed to give managing directors, marketing managers and other senior managers a timely and comprehensive overview of the performance of companies in the Retail Funds Management market.

Data Collection and Estimation Techniques

This Media Release considers market share from the Marketer View of the company which distributes or markets the product. This view separates any badged / white labelled products from the Administrator and assigns the funds to the companies that distribute the product. Detailed splits of BT badged products have not been provided to Plan For Life. We will endeavour to obtain precise figures in this regard and where possible the funds will be attributed to each marketer. For the purpose of this report, estimates of the split between badges/originator have been based on information provided by the respective Companies.

A corresponding Administrator View for Top 10 companies is also provided at the end of this Media Release. This view considers market share from the perspective of the company, which administers the product and also includes badged / white labelled products distributed by separate entities.

Data is collected from over 100 companies in the managed funds market covering funds under management (reported in this media release), gross inflows (reported in this media release), gross outflows, net inflows, unit prices and investment return rates. Gross Inflows represents an indication of new business sales. Data is thoroughly checked and queries are raised with data providers if data is significantly different from trends or compared to other companies' similar products. New and closed products are included to ensure the comprehensive coverage. Where inflow or outflow data is unavailable, we make estimates based on market behaviour from similar investments in compatible markets. When companies provide actual inflow and outflow data these replace estimates. This estimation procedure, coupled with our rigorous direct data collection, enables us to prepare high quality, reasonable and comprehensive data for every Manager and Product.

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Products and Services

Plan For Life provides a number of different data applications and analyses based on the quarterly data collection.

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|----------------------------------|---|
| 1) Retail Data | 5) Customer Segmentation Analysis |
| 2) Wholesale Data | 6) Forecasts & Projections |
| 3) Mezzanine Data | 7) Master Fund Product Databases and Comparator |
| 4) Distribution Channel Analyses | 8) Life Insurance Statistics |

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1. All Retail Managed Funds – Marketer View

Funds Under Management										
<i>\$millions</i>	Mar-10		Dec-09		Mar-09		Growth Rates			
							Qtrly	Annual		
National Australia / MLC	79,096	15.3%	78,261	15.2%	60,180	13.8%	1.1%	31.4%		
Commonwealth / Colonial	69,770	13.5%	69,285	13.5%	56,896	13.0%	0.7%	22.6%		
AMP	59,984	11.6%	58,934	11.5%	49,507	11.3%	1.8%	21.2%		
BT Financial	56,406	10.9%	55,673	10.8%	45,914	10.5%	1.3%	22.8%		
ING Australia	48,052	9.3%	47,904	9.3%	42,796	9.8%	0.3%	12.3%		
Macquarie	35,050	6.8%	35,698	6.9%	34,440	7.9%	-1.8%	1.8%		
AXA Australia	28,990	5.6%	28,366	5.5%	23,387	5.4%	2.2%	24.0%		
IOOF	25,547	4.9%	25,649	5.0%	22,079	5.1%	-0.4%	15.7%		
Mercer	16,226	3.1%	15,924	3.1%	13,137	3.0%	1.9%	23.5%		
Perpetual	9,702	1.9%	9,910	1.9%	8,556	2.0%	-2.1%	13.4%		
Badges	37,905	7.3%	37,469	7.3%	30,649	7.0%	1.2%	23.7%		
Others	51,161	9.9%	51,400	10.0%	49,469	11.3%	-0.5%	3.4%		
Totals	517,887	100.0%	514,472	100.0%	437,010	100.0%	0.7%	18.5%		
Analysis By Market										
Superannuation & Rollovers	243,539	47.0%	240,528	46.8%	194,166	44.4%	1.3%	25.4%		
Retirement Income	105,617	20.4%	103,379	20.1%	88,789	20.3%	2.2%	19.0%		
Cash Trusts	24,255	4.7%	26,235	5.1%	35,561	8.1%	-7.5%	-31.8%		
Unit Trusts & Investment Funds	137,481	26.5%	137,350	26.7%	111,876	25.6%	0.1%	22.9%		
Investment Bonds	6,996	1.4%	6,980	1.4%	6,617	1.5%	0.2%	5.7%		
Totals	517,887	100.0%	514,472	100.0%	437,010	100.0%	0.7%	18.5%		
Fund Inflows										
<i>\$millions</i>	Quarter Ended				Year Ended				Growth Rates	
	Mar-10		Dec-09		Mar-10		Mar-09		Qtrly	Annual
Macquarie	8,890	22.1%	16,300	31.4%	62,930	30.3%	74,087	30.1%	-45.5%	-15.1%
ING Australia	5,433	13.5%	6,374	12.3%	27,694	13.3%	30,649	12.4%	-14.8%	-9.6%
Commonwealth / Colonial	3,760	9.4%	4,014	7.7%	15,890	7.6%	14,927	6.1%	-6.3%	6.5%
UBS Global Asset Management	3,402	8.5%	3,609	6.9%	15,909	7.7%	20,164	8.2%	-5.7%	-21.1%
BT Financial	3,105	7.7%	4,522	8.7%	16,398	7.9%	9,053	3.7%	-31.3%	81.1%
National Australia / MLC	2,458	6.1%	2,971	5.7%	11,920	5.7%	27,446	11.1%	-17.3%	-56.6%
AMP	2,445	6.1%	3,125	6.0%	11,091	5.3%	12,129	4.9%	-21.7%	-8.6%
IOOF	1,350	3.4%	1,509	2.9%	6,232	3.0%	6,045	2.5%	-10.5%	3.1%
Goldman Sachs JBWere Asset Mgt	1,059	2.6%	1,074	2.1%	4,714	2.3%	6,505	2.6%	-1.4%	-27.5%
AXA Australia	956	2.4%	1,355	2.6%	4,928	2.4%	4,783	1.9%	-29.5%	3.0%
Badges	3,373	8.4%	2,670	5.1%	12,441	6.0%	11,494	4.7%	26.3%	8.2%
Others	3,971	9.9%	4,468	8.6%	17,743	8.5%	28,941	11.8%	-11.1%	-38.7%
Totals	40,201	100.0%	51,992	100.0%	207,890	100.0%	246,223	100.0%	-22.7%	-15.6%
Analysis By Market										
Superannuation & Rollovers	10,672	26.5%	12,310	23.7%	48,975	23.6%	49,932	20.3%	-13.3%	-1.9%
Retirement Income	4,916	12.2%	5,344	10.3%	21,405	10.3%	22,600	9.2%	-8.0%	-5.3%
Cash Trusts	18,407	45.8%	27,151	52.2%	108,798	52.3%	147,828	60.0%	-32.2%	-26.4%
Unit Trusts & Investment Funds	6,091	15.2%	7,048	13.6%	28,163	13.5%	25,236	10.2%	-13.6%	11.6%
Investment Bonds	115	0.3%	138	0.3%	549	0.3%	626	0.3%	-16.4%	-12.3%
Totals	40,201	100.0%	51,992	100.0%	207,890	100.0%	246,222	100.0%	-22.7%	-15.6%

1. All Retail Managed Funds – Marketer View - Continued

Fund Net Flows								
<i>\$millions</i>	Quarter Ended				Year Ended			
	Mar-10	Dec-09	Mar-10	Mar-09	Mar-10	Mar-09	Mar-10	Mar-09
BT Financial	229	N/A	157	N/A	1,268	N/A	779	N/A
AMP	222	N/A	671	N/A	1,638	N/A	1,766	N/A
Suncorp	113	N/A	-251	N/A	91	N/A	-764	N/A
AXA Australia	111	N/A	243	N/A	1,042	N/A	702	N/A
netwealth	77	N/A	152	N/A	221	N/A	-4	N/A
Public Trustee of Queensland	46	N/A	-6	N/A	43	N/A	-30	N/A
Plan B Holdings	33	N/A	232	N/A	114	N/A	60	N/A
OC Funds Management	28	N/A	-24	N/A	2	N/A	-46	N/A
Vanguard Investments	21	N/A	40	N/A	175	N/A	31	N/A
National Australia / MLC	16	N/A	460	N/A	1,852	N/A	-324	N/A
Badges	626	N/A	602	N/A	1,368	N/A	2,217	N/A
Others	-2,379	N/A	-2,561	N/A	-8,200	N/A	-8,786	N/A
Totals	-855	N/A	-287	N/A	-386	N/A	-4,399	N/A
Analysis By Market								
Superannuation & Rollovers	1,403	N/A	2,314	N/A	10,239	N/A	6,583	N/A
Retirement Income	182	N/A	562	N/A	1,337	N/A	3,703	N/A
Cash Trusts	-2,126	N/A	-3,374	N/A	-11,717	N/A	-7,371	N/A
Unit Trusts & Investment Funds	-257	N/A	268	N/A	44	N/A	-6,820	N/A
Investment Bonds	-58	N/A	-57	N/A	-289	N/A	-495	N/A
Totals	-855	N/A	-287	N/A	-386	N/A	-4,400	N/A

2. All Retail Managed Funds – Administrator View

Funds Under Management										
\$millions	Mar-10		Dec-09		Mar-09		Growth Rates			
							Qtrly	Annual		
BT Financial	93,701	18.1%	92,622	18.0%	75,380	17.2%	1.2%	24.3%		
National Australia / MLC	79,096	15.3%	78,261	15.2%	60,180	13.8%	1.1%	31.4%		
Commonwealth / Colonial	76,063	14.7%	75,432	14.7%	62,934	14.4%	0.8%	20.9%		
AMP	52,897	10.2%	51,997	10.1%	43,961	10.1%	1.7%	20.3%		
ING Australia	46,488	9.0%	46,343	9.0%	41,493	9.5%	0.3%	12.0%		
Macquarie	36,954	7.1%	37,572	7.3%	35,932	8.2%	-1.6%	2.8%		
AXA Australia	26,230	5.1%	25,657	5.0%	21,152	4.8%	2.2%	24.0%		
IOOF	25,818	5.0%	25,921	5.0%	22,323	5.1%	-0.4%	15.7%		
Mercer	14,418	2.8%	14,113	2.7%	11,565	2.6%	2.2%	24.7%		
Perpetual	9,702	1.9%	9,910	1.9%	8,556	2.0%	-2.1%	13.4%		
Others	56,521	10.9%	56,643	11.0%	53,534	12.3%	-0.2%	5.6%		
Totals	517,887	100.0%	514,472	100.0%	437,010	100.0%	0.7%	18.5%		
Fund Inflows										
\$millions	Quarter Ended				Year Ended				Growth Rates	
	Mar-10		Dec-09		Mar-10		Mar-09		Qtrly	Annual
Macquarie	8,960	22.3%	16,381	31.5%	63,229	30.4%	74,289	30.2%	-45.3%	-14.9%
BT Financial	6,368	15.8%	7,611	14.6%	28,977	13.9%	18,751	7.6%	-16.3%	54.5%
ING Australia	5,401	13.4%	6,337	12.2%	27,531	13.2%	30,501	12.4%	-14.8%	-9.7%
Commonwealth / Colonial	4,139	10.3%	4,400	8.5%	17,446	8.4%	17,357	7.0%	-5.9%	0.5%
UBS Global Asset Management	3,402	8.5%	3,609	6.9%	15,909	7.7%	20,164	8.2%	-5.7%	-21.1%
National Australia / MLC	2,458	6.1%	2,971	5.7%	11,920	5.7%	27,446	11.1%	-17.3%	-56.6%
AMP	2,072	5.2%	2,524	4.9%	9,358	4.5%	10,552	4.3%	-17.9%	-11.3%
IOOF	1,356	3.4%	1,515	2.9%	6,257	3.0%	6,091	2.5%	-10.5%	2.7%
Goldman Sachs JBWere Asset Mgt	1,349	3.4%	1,074	2.1%	5,614	2.7%	7,323	3.0%	25.6%	-23.3%
AXA Australia	764	1.9%	1,143	2.2%	4,105	2.0%	4,296	1.7%	-33.1%	-4.4%
Others	3,932	9.8%	4,427	8.5%	17,544	8.4%	29,453	12.0%	-11.2%	-40.4%
Totals	40,201	100.0%	51,992	100.0%	207,890	100.0%	246,223	100.0%	-22.7%	-15.6%

2. All Retail Managed Funds – Administrator View - Continued

<i>\$millions</i>	Fund Net Flows							
	Quarter Ended				Year Ended			
	Mar-10		Dec-09		Mar-10		Mar-09	
BT Financial	804	N/A	835	N/A	3,634	N/A	2,195	N/A
AMP	183	N/A	433	N/A	1,345	N/A	1,729	N/A
Suncorp	118	N/A	-247	N/A	101	N/A	-754	N/A
netwealth	77	N/A	152	N/A	221	N/A	-4	N/A
Public Trustee of Queensland	46	N/A	-6	N/A	43	N/A	-30	N/A
AXA Australia	43	N/A	184	N/A	819	N/A	578	N/A
Plan B Holdings	33	N/A	232	N/A	114	N/A	60	N/A
OC Funds Management	28	N/A	-24	N/A	2	N/A	-46	N/A
Vanguard Investments	21	N/A	40	N/A	175	N/A	31	N/A
Goldman Sachs JBWere Asset Mgt	21	N/A	-256	N/A	-397	N/A	-773	N/A
Others	-2,230	N/A	-1,629	N/A	-6,443	N/A	-7,385	N/A
Totals	-855	N/A	-287	N/A	-386	N/A	-4,399	N/A

Notes:

The Administrator View considers market share from the perspective of the company which administers the product and also includes badged / white labeled products distributed by separate entities. In particular:

BT Financial Group includes badged products offered by around 50 companies including:

- Accumulus, ANZ, Assoc Planners, AustChoice, Boyce, Citicorp, Count (\$1.5B), David Robb, DFS, Financial Acuity, Gannon Gowden Sconell, IGP, Investor Care, IPAC, John Goodman, Lonsdale, Pacific General, Premium, Synergy, Tynan Mackenzie, WHK and Zurich etc

Plus also

- St George / Asgard badged products distributed by AMP FP, Beacon, Hillross and Mercer.

Macquarie Group includes badged products distributed by ING, Suncorp and Hillross.