

Analysis Of Retail Managed Funds as at September 2011 – Marketer View

Release Date: 9 December 2011

\$27.9bn Fall in Retail Managed Funds during September Quarter 2011

1. All Retail Managed Funds

Overall Retail Managed Funds at the end of September totalled \$483.2bn which was down 4.1% on where they were one year ago. Clouding this result were underlying turbulent, and more often than not negative, investment markets haunted by the prospect that there could be a GFC Mk2, worse than the first one, brought on by the seeming inability to properly address and resolve in particular the ongoing European sovereign debt crises, the trillions of dollars of US government debt and growing East/West trade in-balances. During the September quarter reported Retail funds fell 5.5% their worse result in three years. All of the major companies reported falls in their Retail funds under management.

Gross Inflows increased 7.2% to \$47.2bn during the September quarter however despite this over the past twelve months they were still down 13.1% but this was largely due to the large fall (43.0%) in Cash Trust Inflows year on year.

2. All Retail Managed Funds (excluding Cash Trusts)

Retail Managed Funds excluding Cash Trusts were similarly down by 3.9% over the year.

Overall Gross Inflows for the quarter rose 13.2% while year on year they were also up by 8.7% with Nikko, Challenger, BT and Commonwealth / Colonial all reporting above average increases.

3. Superannuation & Rollovers

Funds were down slightly by 2.8% over the past year with most major companies reporting decreases in their superannuation funds under management although BT (up 7.5%) was an exception.

Growth of 8.8% in overall Gross Inflows for the quarter while year on year they were similarly up 7.5% with BT, netwealth and Commonwealth / Colonial all recording significant increases in their Inflows.

4. Retirement Income

While Retirement Income funds fell slightly by 2.6% during the latest quarter over the past year they still managed to increase a little by 2.8%. Among the leading players in this market Challenger and Commonwealth / Colonial reported positive annual funds growth.

Gross Inflows were up 24.6% year on year with Challenger (108.5%), netwealth (52.0%), BT (40.5%), IOOF (35.4%) and Commonwealth / Colonial (25.6%) reporting above average growth. Note the Challenger Inflow increase was boosted by a large internal transfer which if excluded would have brought their annual Inflow increase back to a still impressive circa 60%.

5. Cash Trusts

Following on from the 50% plus their decrease in the previous twelve months, Cash Management Trusts & Funds continued to fall by another 13.4% over the past year. Most of the remaining main participants in this sub-market saw their business decline further however Bendigo Bank (16.4%) and Equity Trustees (13.7%) went against this general market trend.

Overall Gross Inflows were down 6.7% in the September quarter however year on year they dived by a much more significant 43.0%.

6. Unit Trusts & Investment Funds (Excl Cash Trusts)

7.6% fall in funds during the September quarter while over the past year they were down 11.4% with only Nikko reporting any growth.

Overall Gross Inflows were fairly flat year on year, down 3.3%, this was despite being up 5.6% during the September quarter. Only Nikko and netwealth reported higher annual Inflows.

7. Investment Bonds

Investment Bonds were down 4.3% over the year with only Austock (23.5%) reporting any significant increase in funds under management.

While Gross Inflows jumped 19.1% in this latest quarter, year on year they remained little changed overall, up just 1.9%.

About the Media Release

The Media Release is provided by Plan For Life, 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.

Marketer View

This Marketer View Media Release considers market share from the perspective of the company which badges, distributes and/or directly markets the product.

The Marketer View separates any badged / white labelled products from the administrator and assigns those funds to the actual companies that distribute and market the product. Please note that for some products (e.g. BT Wrap) the actual detailed marketer splits have not been provided to Plan For Life so instead aggregate estimates of the proportion of these products funds attributable to badges/marketers/originators have been made based on information provided by the respective administrators. We will continue where possible to endeavour to obtain detailed splits in this regard so that funds can be more precisely attributed to each marketer.

Marketer View funds and flows will be lower than the corresponding administered figures for those organisations where badging is a large part of their activities (please refer to the Administrator View Media Release for further details of administered funds and flows).

Data Collection and Estimation Techniques

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 |

Further Information:

Simon Solomon Actuary

Email: ssolomon@planforlife.com.au

Ph: 03 9886 4400

Mail: PO Box 2398 Mt Waverley VIC 3149

Daniel Morris Senior Manager

Email: dmorris@planforlife.com.au

Website: <http://www.planforlife.com.au>

Street: 217 Blackburn Road, Mt Waverley VIC 3149

1. All Retail Managed Funds

Funds Under Management										
\$millions	Sep-11		Jun-11		Sep-10		Growth Rates			
							Qtrly	Annual		
AMP	87,695	18.1%	92,479	18.1%	91,214	18.1%	-5.2%	-3.9%		
National Australia / MLC	74,360	15.4%	80,089	15.7%	79,092	15.7%	-7.2%	-6.0%		
Commonwealth / Colonial	66,516	13.8%	71,876	14.1%	69,997	13.9%	-7.5%	-5.0%		
BT Financial	53,966	11.2%	54,582	10.7%	55,307	11.0%	-1.1%	-2.4%		
OnePath Australia	43,456	9.0%	46,145	9.0%	46,559	9.2%	-5.8%	-6.7%		
IOOF	23,063	4.8%	24,556	4.8%	24,746	4.9%	-6.1%	-6.8%		
Macquarie	22,908	4.7%	24,776	4.8%	24,727	4.9%	-7.5%	-7.4%		
Mercer	15,987	3.3%	17,064	3.3%	16,480	3.3%	-6.3%	-3.0%		
State Super Financial Services	9,067	1.9%	9,306	1.8%	8,373	1.7%	-2.6%	8.3%		
Perpetual	7,919	1.6%	8,567	1.7%	9,101	1.8%	-7.6%	-13.0%		
Badges	35,937	7.4%	37,763	7.4%	35,119	7.0%	-4.8%	2.3%		
Others	42,336	8.8%	43,920	8.6%	43,324	8.6%	-3.6%	-2.3%		
Totals	483,211	100.0%	511,125	100.0%	504,040	100.0%	-5.5%	-4.1%		
Analysis By Market										
Superannuation & Rollovers	237,610	49.2%	252,162	49.3%	244,464	48.5%	-5.8%	-2.8%		
Retirement Income	111,366	23.0%	114,359	22.4%	108,351	21.5%	-2.6%	2.8%		
Cash Trusts	11,705	2.4%	12,359	2.4%	13,509	2.7%	-5.3%	-13.4%		
Unit Trusts & Investment Funds	115,865	24.0%	125,379	24.5%	130,749	25.9%	-7.6%	-11.4%		
Investment Bonds	6,665	1.4%	6,866	1.3%	6,967	1.4%	-2.9%	-4.3%		
Totals	483,211	100.0%	511,125	100.0%	504,040	100.0%	-5.5%	-4.1%		
Fund Inflows										
\$millions	Quarter Ended				Year Ended				Growth Rates	
	Sep-11		Jun-11		Sep-11		Sep-10		Qtrly	Annual
BT Financial	8,863	18.8%	5,224	11.9%	24,301	14.8%	17,089	9.0%	69.7%	42.2%
OnePath Australia	6,008	12.7%	6,275	14.3%	22,983	14.0%	23,403	12.4%	-4.2%	-1.8%
Commonwealth / Colonial	4,975	10.5%	5,216	11.8%	19,149	11.6%	17,266	9.1%	-4.6%	10.9%
AMP	4,780	10.1%	4,948	11.2%	17,736	10.8%	18,155	9.6%	-3.4%	-2.3%
National Australia / MLC	3,942	8.4%	4,492	10.2%	13,615	8.3%	16,207	8.6%	-12.3%	-16.0%
UBS Global Asset Management	3,397	7.2%	4,094	9.3%	11,516	7.0%	11,694	6.2%	-17.0%	-1.5%
IOOF	1,930	4.1%	1,938	4.4%	7,066	4.3%	6,138	3.2%	-0.4%	15.1%
Macquarie	1,457	3.1%	1,398	3.2%	6,325	3.8%	42,491	22.4%	4.2%	-85.1%
Goldman Sachs Asset Mgt	1,294	2.7%	1,358	3.1%	4,596	2.8%	4,380	2.3%	-4.7%	4.9%
Bendigo Bank	1,009	2.1%	1,007	2.3%	3,451	2.1%	2,753	1.5%	0.2%	25.4%
Badges	5,461	11.6%	4,063	9.2%	17,926	10.9%	13,585	7.2%	34.4%	32.0%
Others	4,083	8.7%	4,015	9.1%	15,867	9.6%	16,149	8.5%	1.7%	-1.7%
Totals	47,200	100.0%	44,028	100.0%	164,531	100.0%	189,310	100.0%	7.2%	-13.1%
Analysis By Market										
Superannuation & Rollovers	18,271	38.7%	16,796	38.1%	60,652	36.9%	56,435	29.8%	8.8%	7.5%
Retirement Income	9,405	19.9%	7,215	16.4%	31,333	19.0%	25,140	13.3%	30.4%	24.6%
Cash Trusts	12,375	26.2%	13,262	30.1%	45,431	27.6%	79,717	42.1%	-6.7%	-43.0%
Unit Trusts & Investment Funds	6,981	14.8%	6,614	15.0%	26,487	16.1%	27,402	14.5%	5.6%	-3.3%
Investment Bonds	169	0.4%	142	0.3%	628	0.4%	616	0.3%	19.1%	1.9%
Totals	47,200	100.0%	44,028	100.0%	164,531	100.0%	189,310	100.0%	7.2%	-13.1%

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1. All Retail Managed Funds - Continued

Fund Net Flows								
<i>\$millions</i>	Quarter Ended				Year Ended			
	Sep-11		Jun-11		Sep-11		Sep-10	
BT Financial	3,329	151.4%	770	29.6%	4,487	98.3%	1,200	25.4%
Nikko	418	19.0%	-50	N/A	275	6.0%	-325	N/A
Macquarie	343	15.6%	130	5.0%	1,376	30.1%	-280	N/A
netwealth	139	6.3%	134	5.2%	503	11.0%	435	9.2%
AIOFP	51	2.3%	20	0.8%	71	1.6%	0	0.0%
Equity Trustees	44	2.0%	-16	N/A	-3	N/A	2	0.0%
Challenger Financial	40	1.8%	23	0.9%	272	6.0%	-277	N/A
Trust Company of Australia	31	1.4%	10	0.4%	9	0.2%	-359	N/A
Goldman Sachs Asset Mgt	23	1.0%	16	0.6%	-7	N/A	-385	N/A
State Trustees Limited	18	0.8%	7	0.3%	46	1.0%	11	0.2%
Badges	984	44.8%	189	7.3%	2,163	47.4%	2,356	49.8%
Others	-3,220	N/A	1,365	52.5%	-4,627	N/A	2,355	49.8%
Totals	2,198	100.0%	2,598	100.0%	4,565	100.0%	4,733	100.0%
Analysis By Market								
Superannuation & Rollovers	3,832	174.3%	4,334	166.8%	10,408	228.0%	11,527	243.5%
Retirement Income	866	39.4%	433	16.6%	3,239	71.0%	2,936	62.0%
Cash Trusts	-765	N/A	-34	N/A	-1,994	N/A	-7,104	N/A
Unit Trusts & Investment Funds	-1,674	N/A	-2,062	N/A	-6,828	N/A	-2,439	N/A
Investment Bonds	-60	N/A	-73	N/A	-260	N/A	-187	N/A
Totals	2,198	100.0%	2,598	100.0%	4,565	100.0%	4,733	100.0%

2. All Retail Managed Funds (excluding Cash Trusts)

Funds Under Management										
<i>\$millions</i>	Sep-11		Jun-11		Sep-10		Growth Rates			
							Qtrly	Annual		
AMP	87,673	18.6%	92,454	18.5%	91,173	18.6%	-5.2%	-3.8%		
National Australia / MLC	74,360	15.8%	80,089	16.1%	79,092	16.1%	-7.2%	-6.0%		
Commonwealth / Colonial	65,952	14.0%	70,387	14.1%	67,883	13.8%	-6.3%	-2.8%		
BT Financial	53,532	11.4%	54,141	10.9%	54,846	11.2%	-1.1%	-2.4%		
OnePath Australia	37,395	7.9%	40,309	8.1%	40,539	8.3%	-7.2%	-7.8%		
Macquarie	22,908	4.9%	24,776	5.0%	24,727	5.0%	-7.5%	-7.4%		
IOOF	22,635	4.8%	24,073	4.8%	24,255	4.9%	-6.0%	-6.7%		
Mercer	15,987	3.4%	17,064	3.4%	16,480	3.4%	-6.3%	-3.0%		
State Super Financial Services	9,067	1.9%	9,306	1.9%	8,373	1.7%	-2.6%	8.3%		
Perpetual	7,162	1.5%	7,850	1.6%	8,126	1.7%	-8.8%	-11.9%		
Badges	35,937	7.6%	37,763	7.6%	35,119	7.2%	-4.8%	2.3%		
Others	38,896	8.2%	40,553	8.1%	39,918	8.1%	-4.1%	-2.6%		
Totals	471,506	100.0%	498,766	100.0%	490,531	100.0%	-5.5%	-3.9%		
Fund Inflows										
<i>\$millions</i>	Quarter Ended				Year Ended				Growth Rates	
	Sep-11		Jun-11		Sep-11		Sep-10		Qtrly	Annual
BT Financial	8,765	25.2%	5,084	16.5%	23,927	20.1%	16,723	15.3%	72.4%	43.1%
AMP	4,777	13.7%	4,944	16.1%	17,728	14.9%	18,143	16.6%	-3.4%	-2.3%
Commonwealth / Colonial	4,512	13.0%	4,628	15.0%	16,752	14.1%	14,775	13.5%	-2.5%	13.4%
National Australia / MLC	3,942	11.3%	4,492	14.6%	13,615	11.4%	16,207	14.8%	-12.3%	-16.0%
Macquarie	1,457	4.2%	1,398	4.5%	6,325	5.3%	7,557	6.9%	4.2%	-16.3%
IOOF	1,252	3.6%	1,197	3.9%	4,392	3.7%	4,097	3.7%	4.6%	7.2%
OnePath Australia	1,237	3.6%	1,343	4.4%	4,933	4.1%	5,281	4.8%	-7.9%	-6.6%
Nikko	523	1.5%	11	0.0%	578	0.5%	123	0.1%	4761.4%	369.9%
Challenger Financial	515	1.5%	450	1.5%	2,080	1.7%	1,011	0.9%	14.4%	105.7%
Mercer	428	1.2%	557	1.8%	1,963	1.6%	2,291	2.1%	-23.2%	-14.3%
Badges	5,461	15.7%	4,063	13.2%	17,926	15.1%	13,585	12.4%	34.4%	32.0%
Others	1,958	5.6%	2,599	8.4%	8,881	7.5%	9,800	8.9%	-24.7%	-9.4%
Totals	34,826	100.0%	30,766	100.0%	119,100	100.0%	109,593	100.0%	13.2%	8.7%
Fund Net Flows										
<i>\$millions</i>	Quarter Ended				Year Ended					
	Sep-11		Jun-11		Sep-11		Sep-10			
BT Financial	3,343	112.8%	763	29.0%	4,524	69.0%	1,344	11.4%		
Nikko	418	14.1%	-50	N/A	275	4.2%	-325	N/A		
Macquarie	343	11.6%	130	4.9%	1,376	21.0%	2,708	22.9%		
netwealth	139	4.7%	134	5.1%	503	7.7%	435	3.7%		
AIOFP	51	1.7%	20	0.8%	71	1.1%	0	0.0%		
Commonwealth / Colonial	44	1.5%	649	24.7%	859	13.1%	736	6.2%		
Challenger Financial	40	1.3%	23	0.9%	272	4.1%	-277	N/A		
State Trustees Limited	18	0.6%	7	0.3%	46	0.7%	11	0.1%		
Austock Life	13	0.4%	9	0.4%	53	0.8%	47	0.4%		
Public Trustee of Queensland	13	0.4%	3	0.1%	7	0.1%	63	0.5%		
Badges	984	33.2%	189	7.2%	2,163	33.0%	2,356	19.9%		
Others	-2,440	N/A	754	28.7%	-3,590	N/A	4,740	40.0%		
Totals	2,964	100.0%	2,632	100.0%	6,559	100.0%	11,838	100.0%		