

Analysis Of Wholesale Funds as at March 2016

Release Date: 15 June 2016

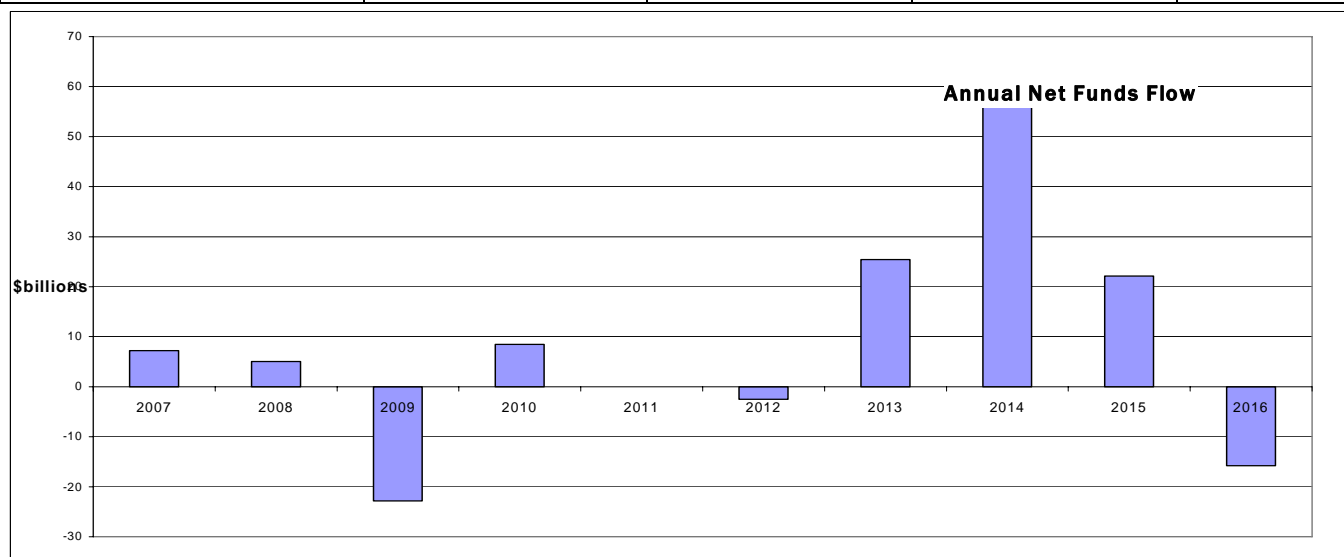
\$24.6bn Fall in Wholesale Funds during March Quarter 2016

Overall Wholesale Funds at the end of March totalled \$799.6bn, down by 4.5% over the past year. Lower reported Inflows not offset by an equivalent drop in Outflows and continuing volatility on underlying investment markets saw Wholesale Funds fall 3.0% during the latest quarter. All of the Wholesale sub-markets ended the last twelve months lower with the two main ones Wholesale Institutional and Wholesale Investment declining by 5.3% and 3.6%. Among the leading managers only AMP and Challenger reported any growth in their Wholesale business.

During the March quarter reported Gross Inflows fell sharply by 30.0% to \$44.9bn however over the whole of the last twelve months they were down by a much more modest 4.8%. Increased annual Inflows reported by Commonwealth / Colonial (22.3%), Challenger (13.8%) and State Street (6.1%) were more than offset by falls reported by other managers led by National Australia / MLC (-33.4%), Macquarie (-28.4%) and MFS (-27.1%); the Wholesale market clearly remains a dynamic and volatile business environment.

Funds Under Management									
\$millions	Mar-16		Dec-15		Mar-15		Growth Rates		
							Qtrly	Annual	
State Street Global Advisors	144,963	18.1%	149,425	18.1%	145,792	17.4%	-3.0%	-0.6%	
BlackRock	68,408	8.6%	70,467	8.5%	74,289	8.9%	-2.9%	-7.9%	
Commonwealth / Colonial	60,673	7.6%	59,185	7.2%	64,662	7.7%	2.5%	-6.2%	
National Australia / MLC	45,002	5.6%	46,008	5.6%	45,209	5.4%	-2.2%	-0.5%	
Challenger Limited	42,688	5.3%	42,996	5.2%	41,000	4.9%	-0.7%	4.1%	
Vanguard Investments	39,770	5.0%	39,762	4.8%	43,067	5.1%	0.0%	-7.7%	
UBS Asset Management	33,273	4.2%	44,051	5.3%	41,109	4.9%	-24.5%	-19.1%	
MFS Investment Management	30,348	3.8%	30,617	3.7%	33,677	4.0%	-0.9%	-9.9%	
AMP	30,219	3.8%	30,911	3.8%	27,543	3.3%	-2.2%	9.7%	
Perpetual	25,113	3.1%	26,020	3.2%	29,355	3.5%	-3.5%	-14.5%	
Others	279,106	34.9%	284,732	34.5%	291,703	34.8%	-2.0%	-4.3%	
Totals	799,562	100.0%	824,175	100.0%	837,406	100.0%	-3.0%	-4.5%	

Analysis By Market									
Wholesale Investment	319,821	40.0%	325,077	39.4%	331,902	39.6%	-1.6%	-3.6%	
Wholesale Superannuation	30,843	3.9%	31,765	3.9%	31,392	3.7%	-2.9%	-1.7%	
Wholesale Pension	60	0.0%	62	0.0%	68	0.0%	-3.7%	-12.0%	
Wholesale Institutional	448,837	56.1%	467,271	56.7%	474,043	56.6%	-3.9%	-5.3%	
Totals	799,562	100.0%	824,175	100.0%	837,406	100.0%	-3.0%	-4.5%	



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Data Collection and Estimation Techniques

Data is collected from companies in the managed funds market covering funds under management, gross inflows, 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. 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.

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