

Analysis Of Retail Managed Funds as at September 2011 – Administrator 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, Commonwealth / Colonial and AMP 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 (5.9%) 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, Commonwealth / Colonial and BT reported positive annual funds growth.

Gross Inflows were up 24.6% year on year with Challenger (108.5%), netwealth (52.0%), IOOF (35.4%), BT (28.3%), Commonwealth / Colonial (28.3%) and AMP (27.5%) 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 with Austock (23.5%) reporting any 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%.



Release Date: 9 December 2011

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.

Administrator View

This Administrator View Media Release considers market share from the perspective of the company which administers the product and also includes badged / white labeled products distributed/marketed by completely separate entities for example and 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
- St George / Asgard badged products distributed by AMP FP, Beacon, Hillross and Mercer.

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

Administrator View funds and flows will be higher than the corresponding marketed/distributed figures for those organizations where badging is part of their activities (please refer to the Marketer View Media Release for further details of marketed 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.

Disclaimer and Conditions of Use

This Report has been prepared by Plan For Life (Asset International Australia Pty Ltd, a Strategic Insight company, ACN 147 440 140, ABN 42 147 440 140). Plan for Life has taken all reasonable care in preparing this Report and takes no responsibility for inadvertent errors and omissions, or those due to information received from other parties. If any errors or omissions are found, these should be brought to our attention for correction. Plan For Life takes no responsibility for the subsequent use of the material provided.

Plan For Life is a research business, its employees and associated persons make no recommendations, representations, warranties nor provide opinions, implied or otherwise about the suitability in general terms of a particular asset type or insurance and its suitability for any particular individual or organization. This report is provided as an information service and is not suitable to be acted upon as life insurance advice without additional input from an Authorized Representative of an Australian Financial Services License Holder. In particular, Plan For Life advises that in preparing this report it did not take into account the individual goals and objectives, anticipated resources, current situation, attitudes or other circumstances of any particular person. In this regard any such user must consult with an appropriate Authorized Representative of an Australian Financial Services License Holder.

Products and Services

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

- | | |
|----------------------------------|---|
| 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

Daniel Morris Senior Manager

Email: dmorris@planforlife.com.au

Ph: 03 9886 4400

Mail: PO Box 2398 Mt Waverley VIC 3149

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

Street: 217 Blackburn Road, Mt Waverley VIC 3149



Release Date: 9 December 2011

1. All Retail Managed Funds

Funds Under Management										
\$millions	Sep-11		Jun-11		Sep-10		Growth Rates			
							Qtrly	Annual		
BT Financial	92,028	19.0%	94,386	18.5%	92,984	18.4%	-2.5%	-1.0%		
AMP	76,460	15.8%	80,818	15.8%	79,085	15.7%	-5.4%	-3.3%		
National Australia / MLC	74,360	15.4%	80,089	15.7%	79,092	15.7%	-7.2%	-6.0%		
Commonwealth / Colonial	71,621	14.8%	77,193	15.1%	75,263	14.9%	-7.2%	-4.8%		
OnePath Australia	42,071	8.7%	44,671	8.7%	45,052	8.9%	-5.8%	-6.6%		
Macquarie	24,685	5.1%	26,649	5.2%	26,600	5.3%	-7.4%	-7.2%		
IOOF	23,309	4.8%	24,816	4.9%	25,012	5.0%	-6.1%	-6.8%		
Mercer	14,452	3.0%	15,391	3.0%	14,764	2.9%	-6.1%	-2.1%		
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%		
Others	47,240	9.8%	49,238	9.6%	48,714	9.7%	-4.1%	-3.0%		
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	14,330	30.4%	9,416	21.4%	42,567	25.9%	33,075	17.5%	52.2%	28.7%
OnePath Australia	5,960	12.6%	6,239	14.2%	22,823	13.9%	23,258	12.3%	-4.5%	-1.9%
Commonwealth / Colonial	5,560	11.8%	5,579	12.7%	20,593	12.5%	18,294	9.7%	-0.4%	12.6%
AMP	4,047	8.6%	4,234	9.6%	15,125	9.2%	13,896	7.3%	-4.4%	8.8%
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	1,937	4.1%	1,950	4.4%	7,095	4.3%	6,168	3.3%	-0.7%	15.0%
Macquarie	1,549	3.3%	1,482	3.4%	6,636	4.0%	42,795	22.6%	4.5%	-84.5%
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	1,003	2.1%	995	2.3%	3,422	2.1%	2,724	1.4%	0.7%	25.6%
Others	4,181	8.9%	4,188	9.5%	16,543	10.1%	16,819	8.9%	-0.2%	-1.6%
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%



Release Date: 9 December 2011

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	4,004	182.1%	860	33.1%	5,977	130.9%	3,916	82.7%	
Nikko	418	19.0%	-50	N/A	275	6.0%	-325	N/A	
Macquarie	350	15.9%	128	4.9%	1,355	29.7%	-248	N/A	
netwealth	139	6.3%	134	5.2%	503	11.0%	435	9.2%	
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%	
Austock Life	13	0.6%	9	0.4%	53	1.2%	47	1.0%	
Others	-2,880	N/A	1,476	56.8%	-3,915	N/A	1,916	40.5%	
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%	



Release Date: 9 December 2011

2. All Retail Managed Funds (excluding Cash Trusts)

Funds Under Management										
<i>\$millions</i>	Sep-11		Jun-11		Sep-10		Growth Rates			
							Qtrly	Annual		
BT Financial	91,594	19.4%	93,945	18.8%	92,522	18.9%	-2.5%	-1.0%		
AMP	76,438	16.2%	80,793	16.2%	79,045	16.1%	-5.4%	-3.3%		
National Australia / MLC	74,360	15.8%	80,089	16.1%	79,092	16.1%	-7.2%	-6.0%		
Commonwealth / Colonial	71,057	15.1%	75,704	15.2%	73,149	14.9%	-6.1%	-2.9%		
OnePath Australia	36,010	7.6%	38,834	7.8%	39,033	8.0%	-7.3%	-7.7%		
Macquarie	24,685	5.2%	26,649	5.3%	26,600	5.4%	-7.4%	-7.2%		
IOOF	22,882	4.9%	24,334	4.9%	24,521	5.0%	-6.0%	-6.7%		
Mercer	14,452	3.1%	15,391	3.1%	14,764	3.0%	-6.1%	-2.1%		
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%		
Others	43,800	9.3%	45,871	9.2%	45,307	9.2%	-4.5%	-3.3%		
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	14,232	40.9%	9,276	30.1%	42,193	35.4%	32,708	29.8%	53.4%	29.0%
Commonwealth / Colonial	5,097	14.6%	4,991	16.2%	18,197	15.3%	15,803	14.4%	2.1%	15.1%
AMP	4,044	11.6%	4,231	13.8%	15,117	12.7%	13,885	12.7%	-4.4%	8.9%
National Australia / MLC	3,942	11.3%	4,492	14.6%	13,615	11.4%	16,207	14.8%	-12.3%	-16.0%
Macquarie	1,549	4.4%	1,482	4.8%	6,636	5.6%	7,861	7.2%	4.5%	-15.6%
IOOF	1,258	3.6%	1,208	3.9%	4,421	3.7%	4,127	3.8%	4.2%	7.1%
OnePath Australia	1,189	3.4%	1,308	4.2%	4,774	4.0%	5,136	4.7%	-9.0%	-7.0%
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	410	1.2%	536	1.7%	1,885	1.6%	2,203	2.0%	-23.5%	-14.4%
Others	2,067	5.9%	2,781	9.0%	9,604	8.1%	10,529	9.6%	-25.7%	-8.8%
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	4,018	135.6%	853	32.4%	6,014	91.7%	4,060	34.3%		
Nikko	418	14.1%	-50	N/A	275	4.2%	-325	N/A		
Macquarie	350	11.8%	128	4.9%	1,355	20.7%	2,740	23.1%		
netwealth	139	4.7%	134	5.1%	503	7.7%	435	3.7%		
Commonwealth / Colonial	57	1.9%	656	24.9%	821	12.5%	538	4.5%		
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%		
Mercer	12	0.4%	92	3.5%	308	4.7%	9	0.1%		
Others	-2,113	N/A	775	29.5%	-3,095	N/A	4,537	38.3%		
Totals	2,964	100.0%	2,632	100.0%	6,559	100.0%	11,838	100.0%		