How the major platforms are doing

Platform Inflows and Outflows

- September 2009

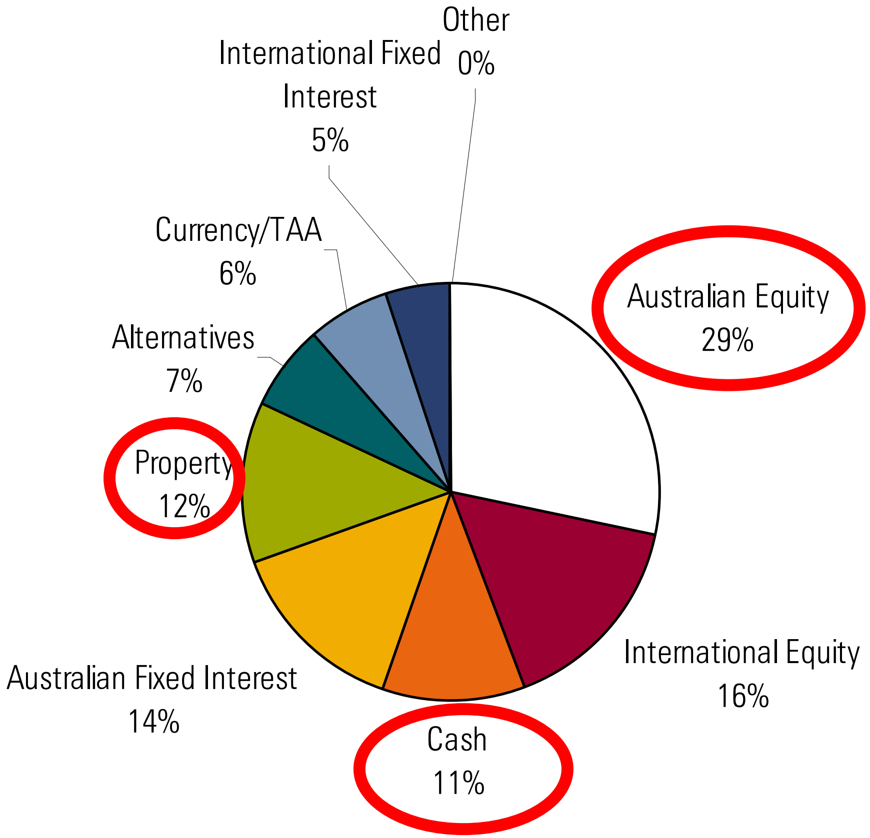
Session Outline

- Market Share Report
- Trends in the wealth management industry
- Platforms long run trends
- Platforms June 2009 quarter key findings
- Asset class performance
- Q&A Session

Morningstar Market Share Report

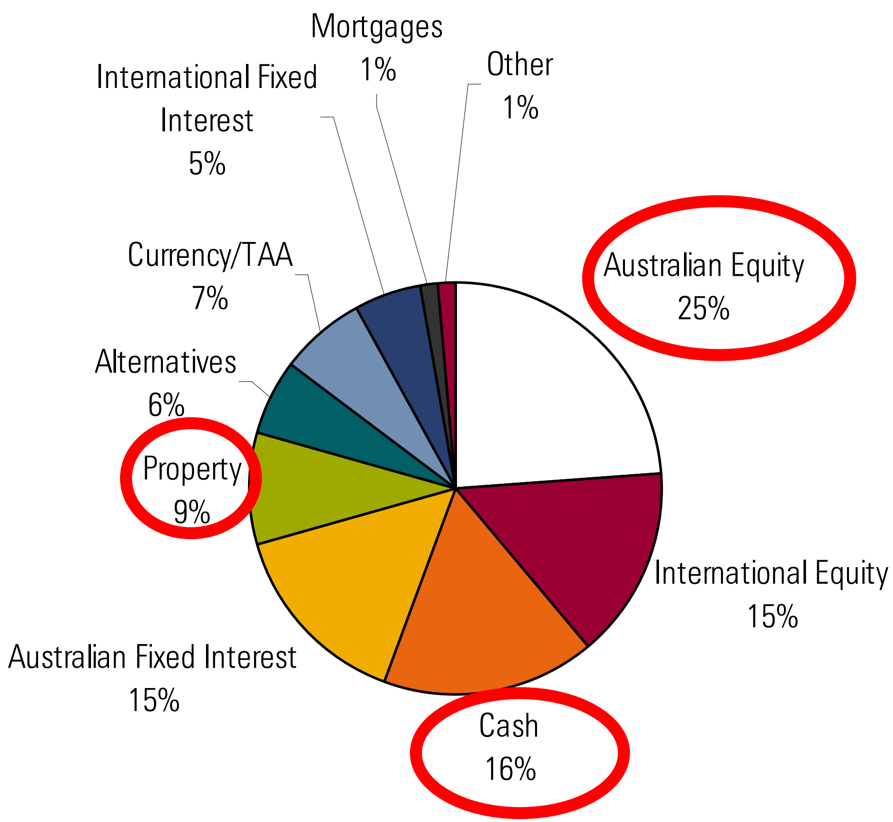
- The Morningstar Market Share Report collates fund size and flow data from over 120 of Australia's major fund managers and platform administrators.
- Analysis focuses on the dynamics and rankings of the top 10 participants by three measures:
  - Manufacturing measured by Total Assets Under Management (TAUM)
  - Marketing measured by Funds Under Management (FUM)
  - Administration measured by Funds Under Administration (FUA).

TAUM Asset Breakdown as 30 June 2006



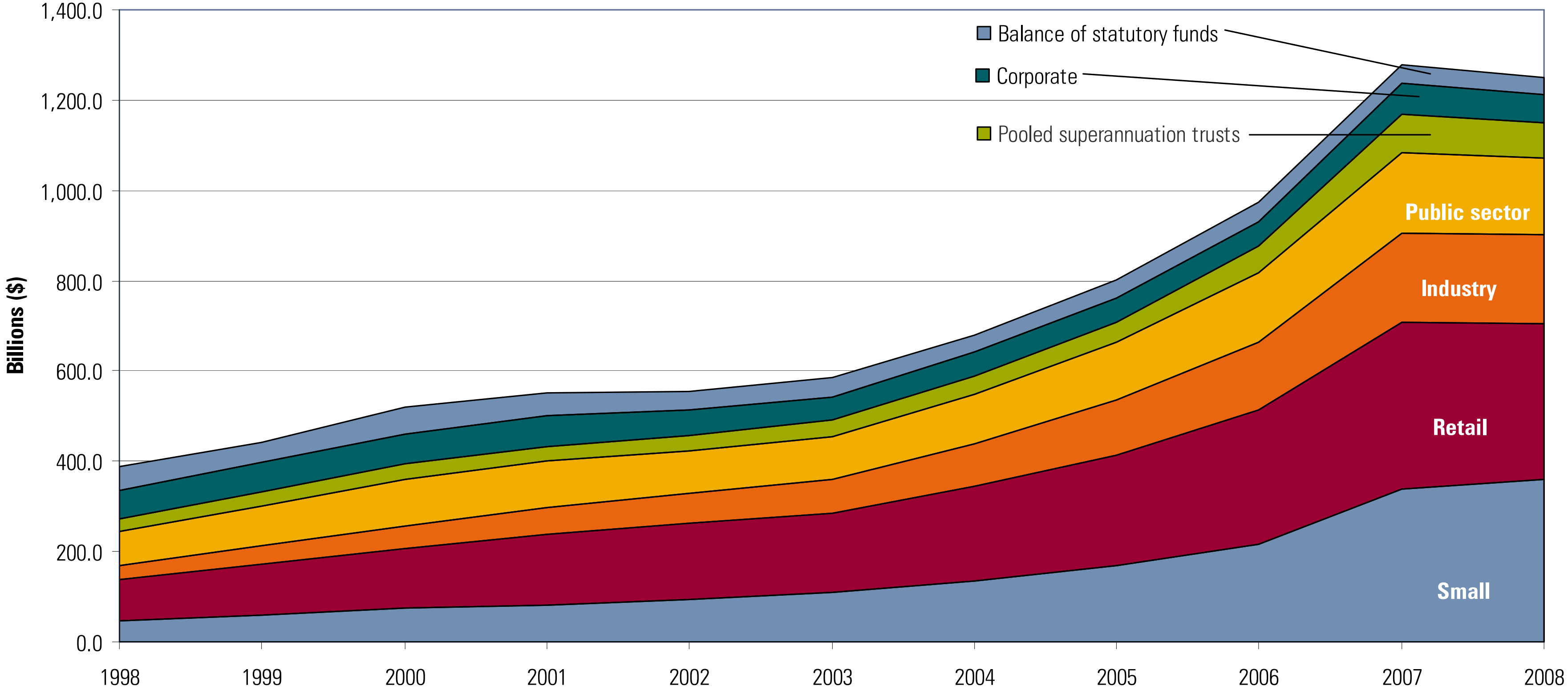
Source: Morningstar Market Share Report, June 2009

TAUM Asset Breakdown as 30 June 2009



Source: Morningstar Market Share Report, June 2009

Superannuation Total Assets – Functional Classification to June 2008



Source: APRA Annual Superannuation Bulletin, June 2008

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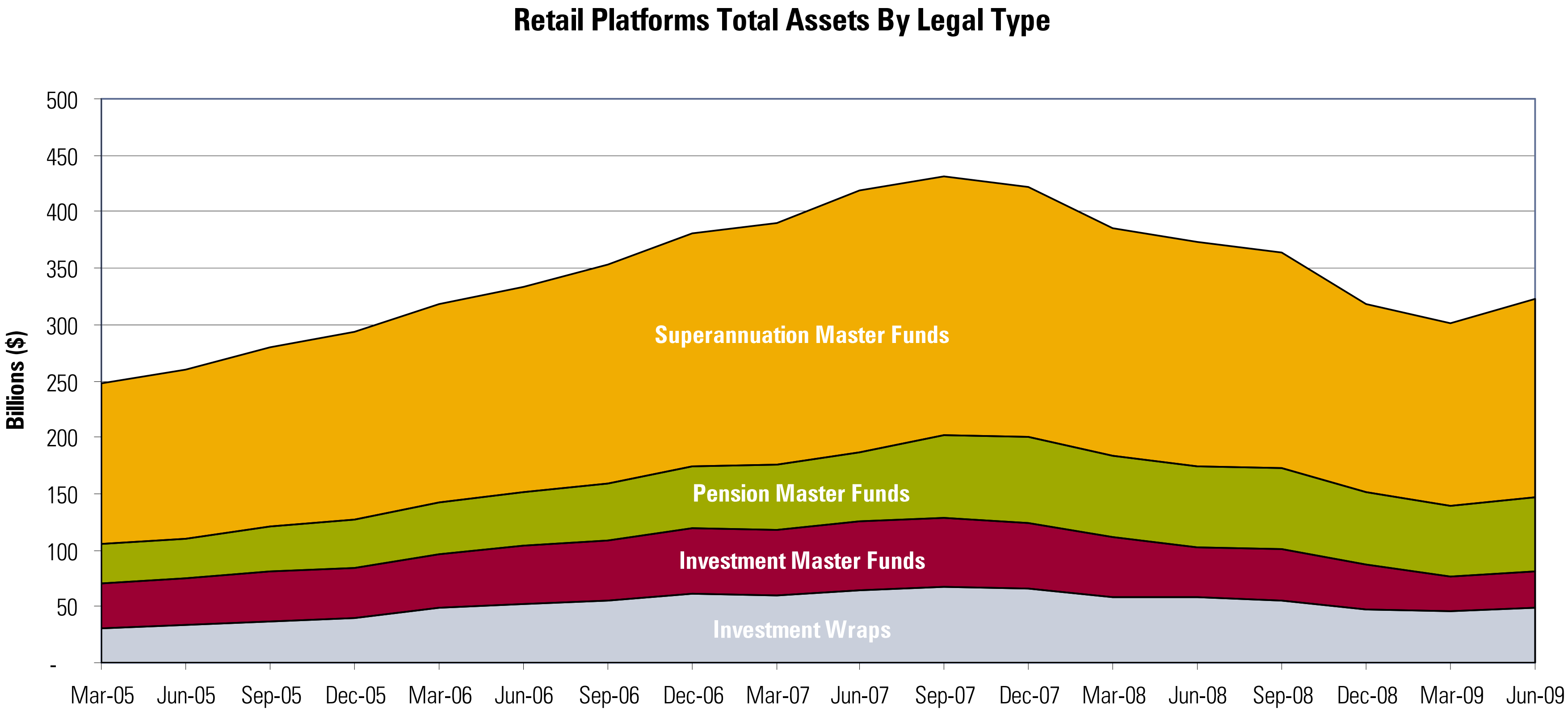
How Platform Legal Types Have Changed Since March 2005



Source: Morningstar Market Share Report, June 2009

Retail Funds Under Administration (RFUA)

Rank			Billions			
Jun 2009	Jun 2008	Manager	Jun 2009	Jun 2008	Jun 2007	Jun 2006
1	2	BT Financial Group	72.4	47.8	51.5	38.2
2	1	National/MLC Group	50.3	63.4	70.5	58.3
3	3	AMP Group	38.8	44.0	47.7	39.1
4	5	ING/ANZ Group	30.2	34.1	36.4	29.6
5	6	Commonwealth/Colonial Group	29.3	33.8	36.5	33.9
6	8	AXA Group	23.8	20.5	28.0	23.0
7	7	Macquarie Group	22.0	25.6	29.6	20.7
8	13	IOOF Group	21.0	6.7	7.5	6.4
9	9	AVIVA/Navigator Group	14.9	17.0	18.7	14.7
10	11	Mercer Investment Nominees	12.4	12.5	13.3	10.9
		Top 10 Total	315.2	305.4	339.8	274.7
		Industry Total	322.7	372.7	418.9	333.4
		Industry Total (% Chg)	-13.4%	-11.0%	25.6%	28.3%

Source: Morningstar Market Share Report, June 2009

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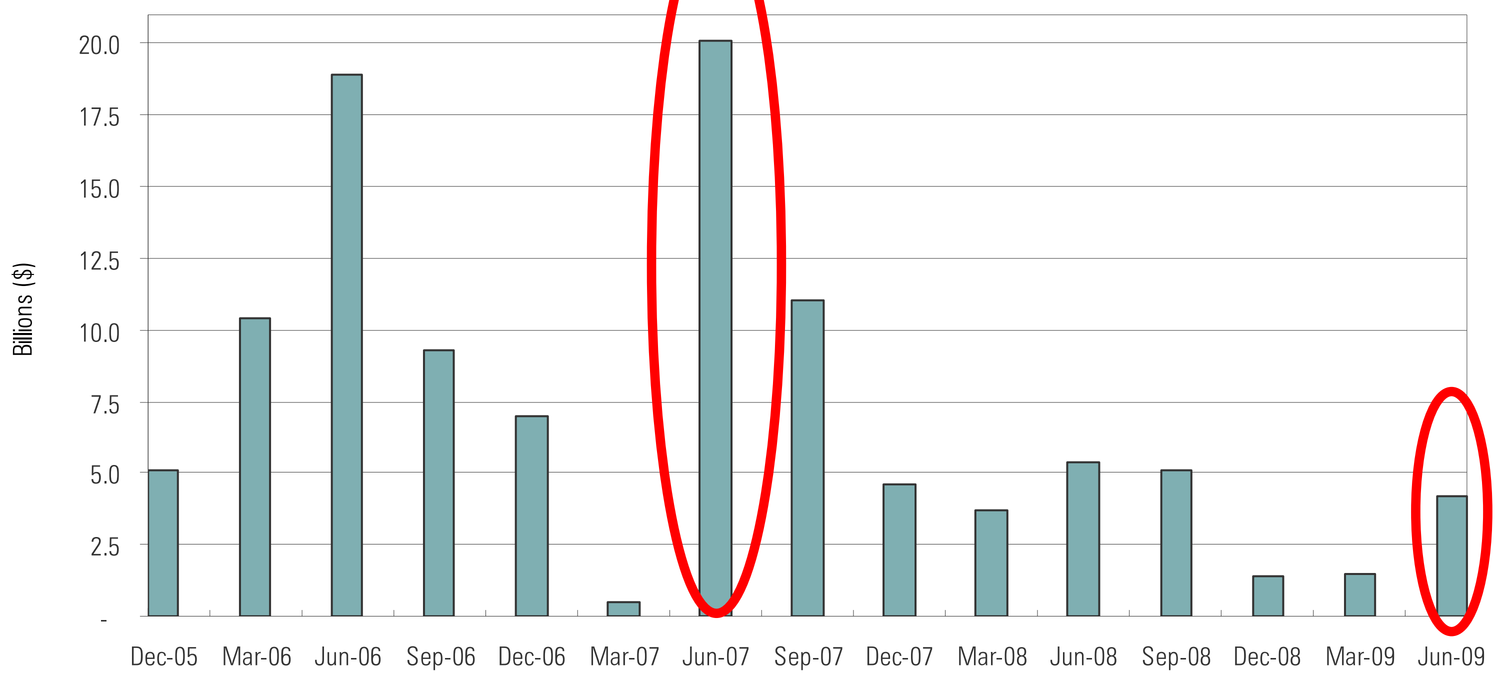
RFUA – Quarterly Flows



Source: Morningstar Market Share Report, June 2009

Annual Retail Funds Under Administration (RFUA) flows

Rank			Billions			
Jun 2009	Jun 2008	Manager	Jun 2009	Jun 2008	Jun 2007	Jun 2006
1	1	BT Financial Group	3.6	6.3	9.4	4.8
2	3	Macquarie Group	2.6	4.8	7.3	5.1
3	6	AMP Group	2.0	1.7	3.2	4.4
4	4	ING/ANZ Group	1.8	2.1	2.7	2.4
5	2	St George Group*	1.2	5.1	7.0	9.5
6	15	Mercer Investment Nominees	1.0	0.0	0.6	1.4
7	8	AXA Group	0.7	1.4	2.1	1.5
8	7	AVIVA/Navigator	0.6	1.5	1.9	1.4
9	16	Equity Trustees	0.0	0.0	0.0	0.0
10	14	Challenger*	-	0.0	0.1	0.1
		Top 10 Total	13.5	22.9	34.3	30.6
		Industry Total	12.2	24.6	36.9	41.9

Source: Morningstar Market Share Report, June 2009

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Platforms Preferred by Dealer Groups – June 2009

Rank	Platforms In Use	
1	Colonial First State FirstChoice	10%
2	Macquarie Wrap	8%
3	BT Wrap	8%
4	MLC Masterkey	6%
5	Navigator	6%
6	ASGARD eWrap	5%
7	ASGARD Master Trust	4%
8	ING One Answer	3%
9	MLC Masterkey Custom	3%
10	ASGARD Elements	3%

Rank	Preferred Platforms	
1	BT Wrap	12%
2	Colonial First State FirstChoice	10%
3	Macquarie Wrap	9%
4	Navigator	7%
5	ASGARD eWrap	5%
6	MLC Masterkey	5%
7	ASGARD Master Trust	4%
8	IOOF Global One	4%
9	ASGARD Elements	3%
10	ING One Answer	3%

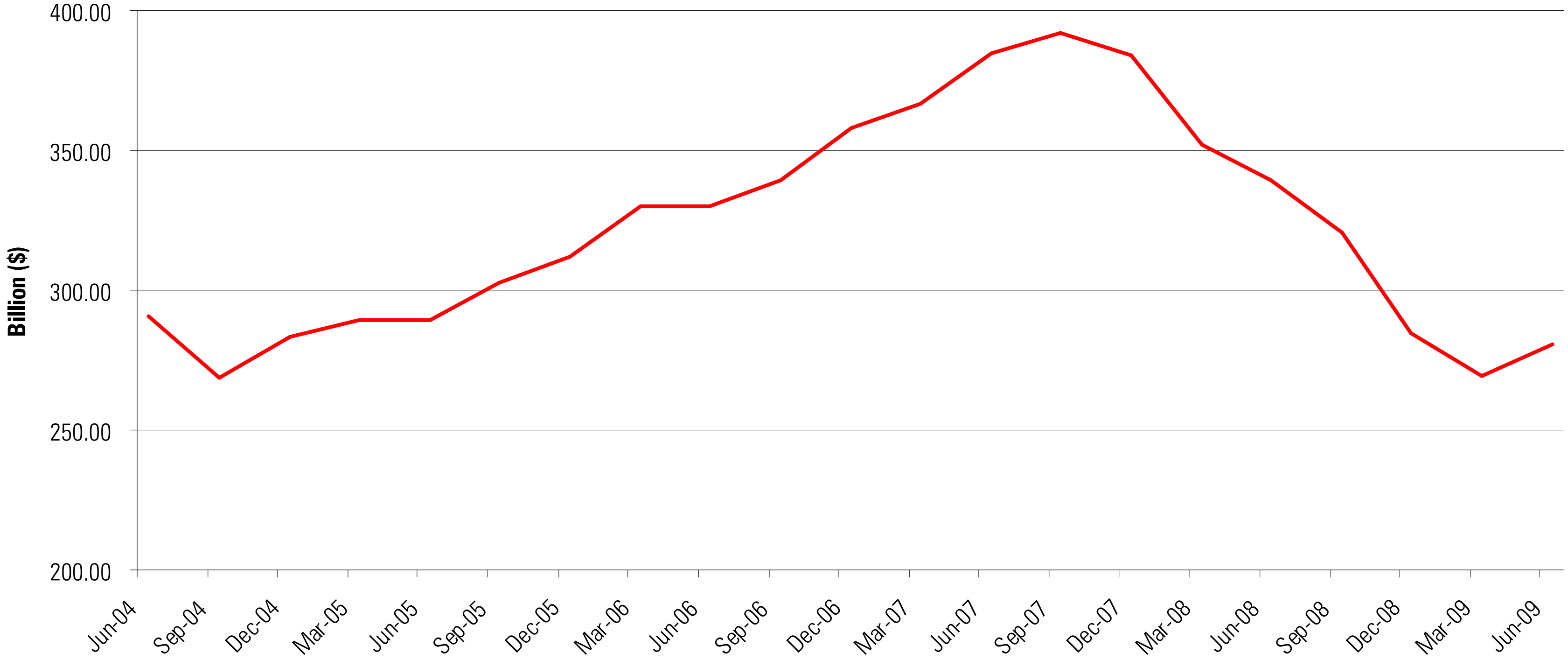
Source: InvestorSupermarket Dealer Group Survey, June 2009. Based on 101 dealer groups responses

Retail Funds Under Administration Redemption Rates

Platform Administrator	Estimated Redemption Rate June 2009 Qtr	RFUA Gross Outflow June 2009 Qtr($Mn)	RFUA June 2009 ($Mn)	RFUA March 2009 ($Mn)
IOOF Group	2.5%	529	21,001	5,513
AVIVA/Navigator Group	2.8%	421	14,926	13,881
Equity Trustees	2.9%	4	136	127
ING/ANZ Group	3.0%	896	30,222	27,815
Suncorp	3.5%	6	165	155
AXA Group	3.5%	831	23,828	22,491
AMP Group	4.5%	1,730	38,833	36,174
Grand Total	6.2%	20,168	322,717	300,855
Mercer Investment Nominees	6.6%	820	12,412	11,565
BT Financial Group	7.0%	5,055	72,382	67,378
Commonwealth/Colonial Group	8.7%	2,536	29,295	28,069
National/MLC Group	14.6%	7,340	50,278	46,299

Source: Morningstar Market Share Report, June 2009

RFUM June 2004 – 2009



Source: Morningstar Market Share Report, June 2009

Retail Funds Under Management (RFUM)

Rank		June 2009		June 2008		June 2007		June 2006	
Jun 2009	Manager	$Mn	Market Share%	$Mn	Market Share%	$Mn	Market Share%	$Mn	Market Share%
1	AMP Group	46,409	17	52,080	15	55,974	15	47,261	14
2	Commonwealth/Colonial Group	44,642	16	53,469	16	62,438	16	56,491	17
3	ING/ANZ Group	37,162	13	43,595	13	45,796	12	39,216	12
4	National/MLC Group	33,379	12	44,165	13	50,397	13	43,336	13
5	BT Financial Group	19,264	7	23,389	7	28,041	7	25,104	8
6	Macquarie Bank Group	16,967	6	22,025	6	23,821	6	17,131	5
7	AXA Group	12,852	5	18,459	5	21,259	6	18,345	6
8	Platinum Asset Management	11,787	4	11,461	3	13,894	4	12,365	4
9	IOOF Investments	7,493	3	8,908	3	10,487	3	8,909	3
10	Perpetual Ltd	7,134	3	7,679	2	9,969	3	9,147	3
	Top 10 Total	237,089	85	285,230	84	322,075	84	277,305	84
	Industry Total	280,405	100	339,515	100	384,776	100	329,812	100

Source: Morningstar Market Share Report, June 2009

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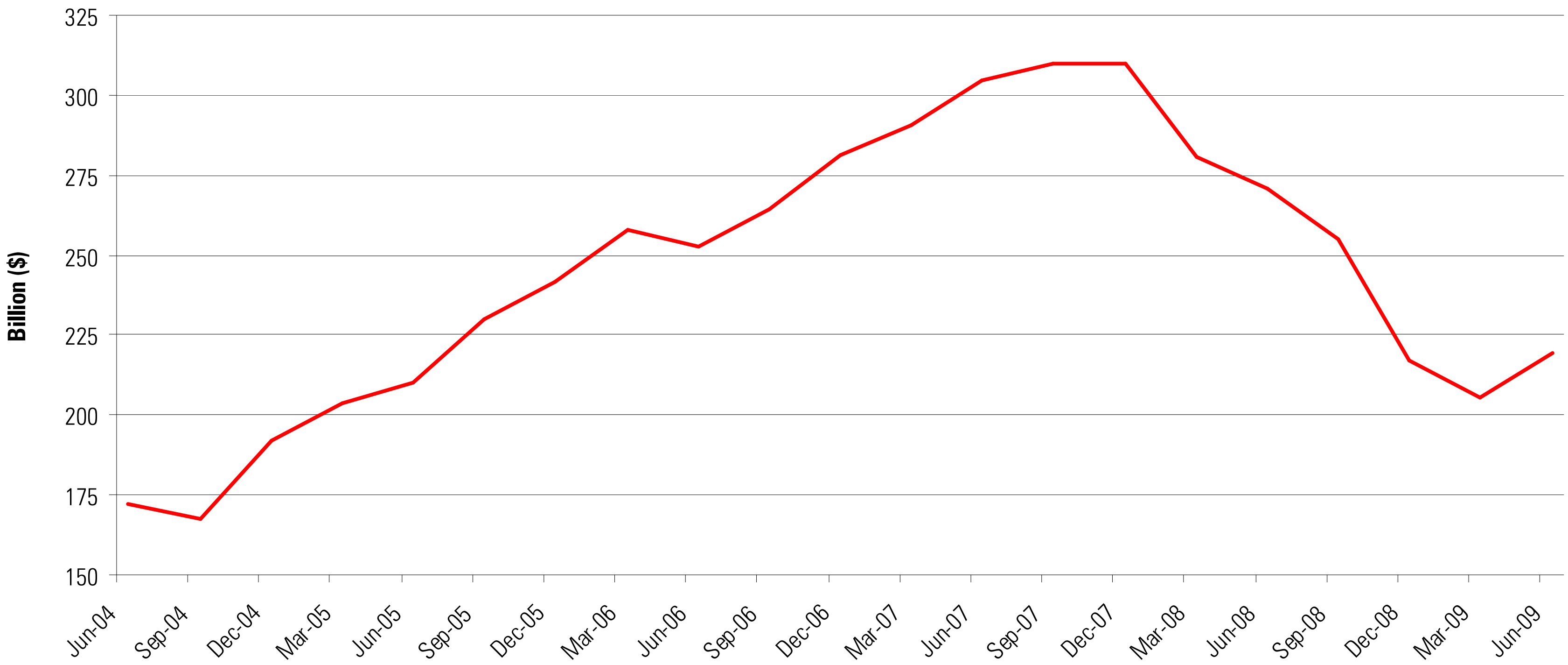
WFUM June 2004 – 2009



Source: Morningstar Market Share Report, June 2009

Wholesale Funds Under Management (WFUM)

Rank		June 2009		June 2008		June 2007		June 2006	
Jun 2009	Manager	$Mn	Market Share%	$Mn	Market Share%	$Mn	Market Share%	$Mn	Market Share%
1	Commonwealth/Coloniá	29,730	14	32,496	12	33,693	11	26,536	11
2	National/MLC Group	18,600	8	20,968	8	20,670	7	17,113	7
3	Vanguard Investments	17,212	8	16,908	6	17,811	6	17,254	7
4	AMP Group	13,556	6	16,773	6	16,594	5	14,744	6
5	Macquarie Bank Group	13,181	6	14,821	5	15,640	5	13,006	5
6	Barclays Global Investo	13,170	6	20,584	8	25,382	8	21,634	9
7	IOOF Group	12,085	6	14,399	5	15,960	5	11,315	4
8	Perpetual Ltd	10,813	5	14,170	5	17,709	6	14,745	6
9	AXA Group	9,504	4	11,140	4	10,918	4	8,105	3
10	State Street Global Adv	7,627	3	13,846	5	15,460	5	13,315	5
	Top 10 Total	145,480	66	176,106	65	189,838	62	157,768	62
	Industry Total	219,703	100	271,016	100	304,330	100	252,720	100

Source: Morningstar Market Share Report, June 2009

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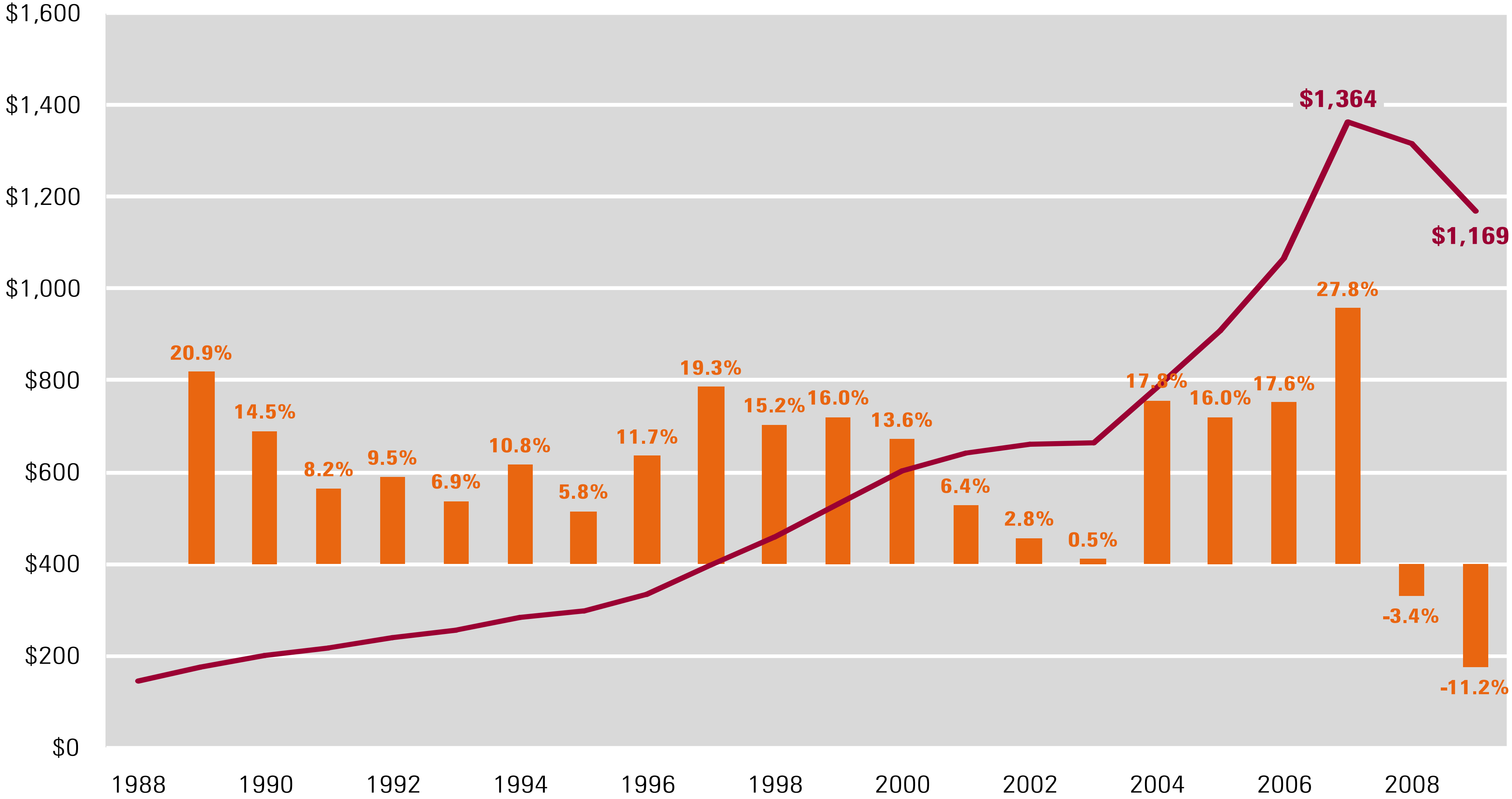
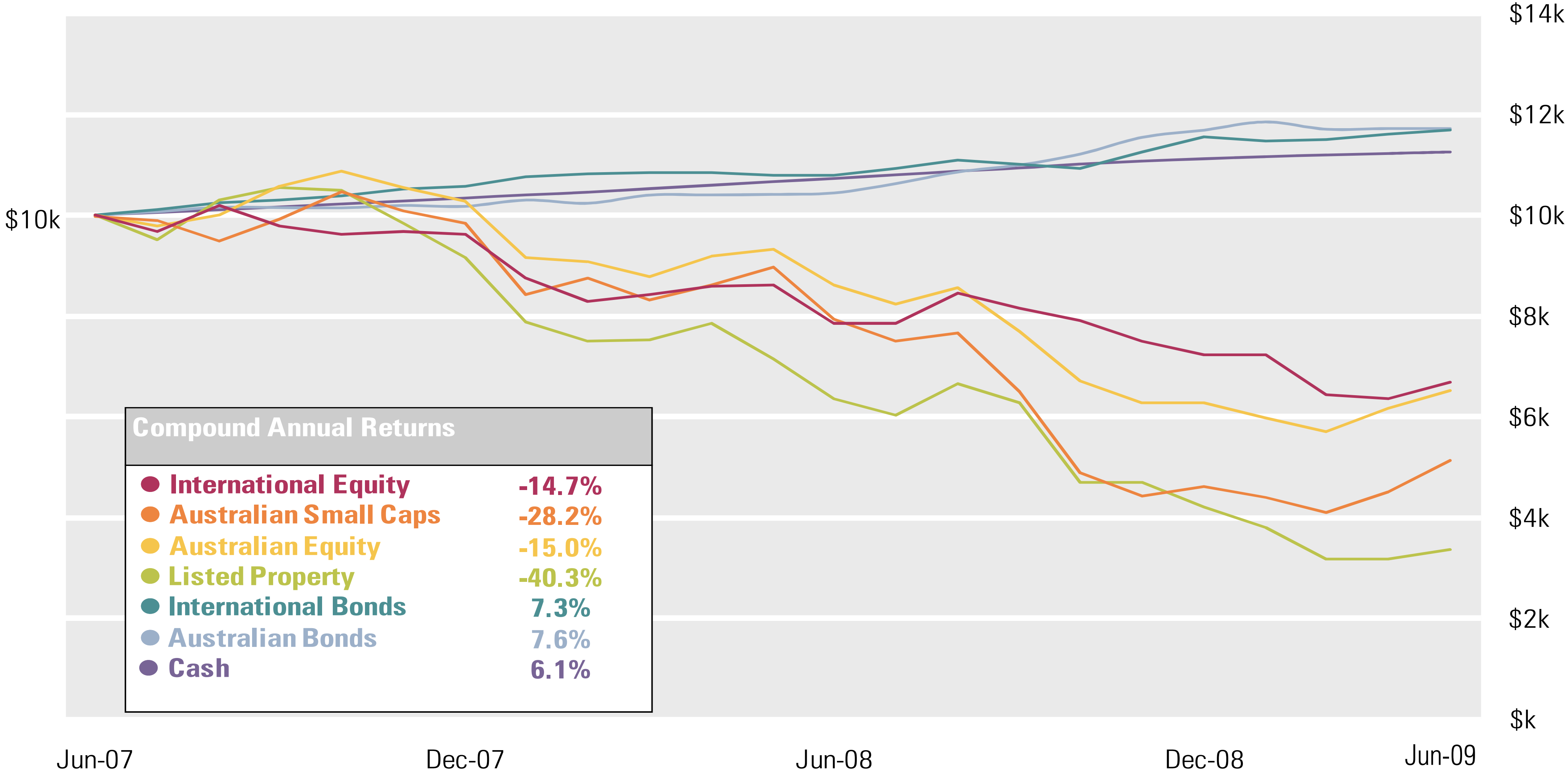
Total Funds and Growth of the Australian Market to March 09



Source: ABS Managed Funds, 5655, March 2009

Asset Class Performance to June 09



Compound Annual Returns	
International Equity	-14.7%
Australian Small Caps	-28.2%
Australian Equity	-15.0%
Listed Property	-40.3%
International Bonds	7.3%
Australian Bonds	7.6%
Cash	6.1%

Dollar values represent the hypothetical value of $10,000 invested in each market index on 30 June 2007. Past performance is no guarantee of future results.

Australian Equity Top 10 Managers by Annual TAUM Growth (Unconsolidated)

Manager Name	TAUM June 2009	TAUM June 2008	$ Change	% Change
BT Financial Group	36,036.0	29,382.4	6,653.6	22.6%
AXA Group	13,267.4	9,773.2	3,494.2	35.8%
Industry Funds Management Ltd	5,972.1	2,868.3	3,103.8	108.2%
Solaris Investment Management Ltd	1,427.2	246.3	1,180.9	479.4%
Paradice Investment Management Pty Ltd	3,911.0	3,229.0	682.0	21.1%
Orbis Investment Advisory Pty Ltd	931.3	646.3	285.0	44.1%
Fidelity Investments Australia	1,113.8	899.7	214.1	23.8%
Alleron Investment Management Ltd	1,090.0	1,054.5	35.5	3.4%
K2 Asset Management Ltd	261.4	225.9	35.5	15.7%
JF Capital Partners Ltd	2,085.7	2,057.6	28.2	1.4%
Top 10	**66,095.8**	**50,383.2**	**15,712.6**	**31.2%**

Source: Morningstar Market Share Report, June 2009

International Equity Top 10 Managers by Annual TAUM Growth (Unconsolidated)

Manager Name	TAUM June 2009	TAUM June 2008	$ Change	% Change
BT Financial Group	14,781.1	10,123.1	4,658.0	46.0%
Schroder Investment Mgt Australia Ltd	2,892.7	1,522.9	1,369.9	90.0%
Aberdeen Asset Management Ltd	1,705.8	508.3	1,197.5	235.6%
Vanguard Investments Ltd	12,855.3	12,224.6	630.7	5.2%
IOOF Group	1,143.1	625.8	517.3	82.7%
RCM Capital Management	694.9	287.5	407.5	141.7%
Orion Asset Management Ltd	1,101.0	841.0	260.0	30.9%
Orbis Investment Advisory Pty Ltd	1,921.6	1,664.7	256.9	15.4%
BNP Paribas Asset Management (Aus) Ltd	7,100.2	6,883.1	217.1	3.2%
Principal Global Investors Australia Ltd	166.8	24.7	142.1	575.6%
Top 10	**44,362.5**	**34,705.6**	**9,656.9**	**27.8%**

Source: Morningstar Market Share Report, June 2009

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Retail Market Trends for the Year to June 2009

- Decrease in FUM over the year to June 2009 is predominantly due to negative market movement
- M&A activity explains much of the platform positioning
- New products/innovation – Capital protected products driven positive flows
- Cash has been the major beneficiary of the market fall out
- Market share for platforms continues to be competitive
- Superannuation Master funds still dominant
- Outflows appeared to have peaked in December 2008

Morningstar Australasia Pty Ltd

- **Disclaimer**