

## Media Release – 7<sup>th</sup> September 2020

### IMAP Releases IMAP/Milliman Managed Account FUM Census as at balance date of 30 June 2020

#### Value of funds under management in Managed Accounts holding steady for first 6 months of 2020 despite 10% dip in ASX Accumulation Index

IMAP (The Institute of Managed Account Professionals Ltd) in conjunction with Milliman has released the latest data in its 6 monthly Managed Accounts FUM Census series (now running for six years).

**As at 30 June 2020 Funds Under Management (FUM) in Managed Accounts stood at \$79.71 bn**, a modest increase of \$0.42 bn on the 31 Dec 2019 FUM total of \$79.29 bn.

The reported Net Funds Inflow from 31 Dec 2019 to 30 June 2020 was **\$3.54 bn**. It is important to note that FUM from first time Census respondees accounts for **\$1.2 bn** of the total.

**Victor Huang, Milliman's Head of Capital Markets – Australia**, advised that “The main features of investment markets for the 1<sup>st</sup> half of 2020 were negative or bearish market sentiment driven by the COVID 19 crisis, geo-political tensions, and the resulting high volatility. The value of the ASX / S&P 200 Accumulation Index **actually fell -10.42%** over the 1<sup>st</sup> half of 2020, compared with the 3.06% increase in the Accumulation Index for the prior 6 months. This helps explain the reason why overall FUM didn't move when at the same time there was positive funds inflow and newly reported FUM”

**Toby Potter Chair of IMAP** said “The fact that Managed Account arrangements showed a positive inflow in such unprecedented times illustrates the importance of investors, advisers and investment managers working together and focusing on the long term goals and benefit to the end investor. Advisers tell us, inflow is principally from migrating existing clients from advice only services to managed accounts to provide a better client outcome.”

**Prediction 5 years ago comes true** - In June 2015 Morgan Stanley Research Report on Disruptors: Australia Financials wrote about Managed Accounts – Evolution or Revolution? predicted Managed Accounts to hit A\$60bn by 2020 (MDA's were just \$13 bn FUM at the time). FUM in Managed Accounts is now 25% higher than predicted. The forecast disruptive revolution for Australian Wealth and Asset Managers is continuing to take place with mergers, takeovers, and new entrants using technology”

*The FUM results split between types of managed accounts is as follows:*

Managed Account Category	30 June 2020 (\$ billions)	Incr / Decr \$ (\$ billions) June 2019 to June 2020	Incr / Decr Percentage% June 2019 to June 2020	31 Dec 2019 (\$ billions)	30 June 2019 (\$ billions)
SMA / MIS	\$28.06	\$2.50	10%	\$29.32	\$25.56
MDA services	\$35.28	\$6.04	21%	\$31.14	\$29.24
Other services	\$16.37	-\$0.21	-1%	\$18.83	\$16.58
<b>Total</b>	<b>\$79.71</b>	<b>\$8.33</b>	<b>12%</b>	<b>\$79.29</b>	<b>\$71.38</b>

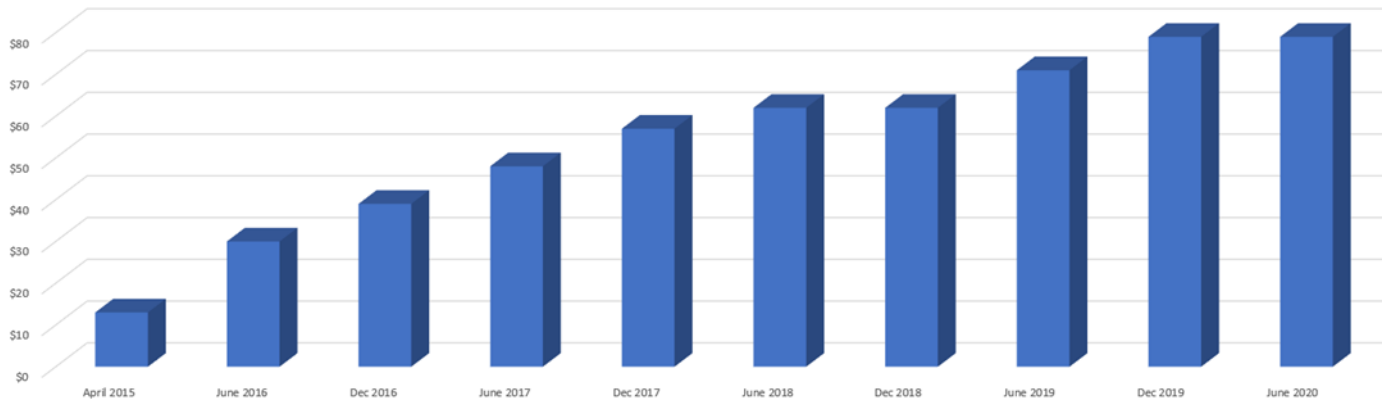
“The MDA category continues to grow and continues to be the largest category.” said Toby Potter. “Although a material amount of this is due to FUM moving between categories due to regulation change and some reclassification by survey participants.”

47 companies (up from 39) participated in the latest Managed Accounts FUM Census. 6 new respondents are existing MDA providers responding for the first time in the census. Participants include the very large major platforms, banks, and MDA Providers, as well as individual licensees.

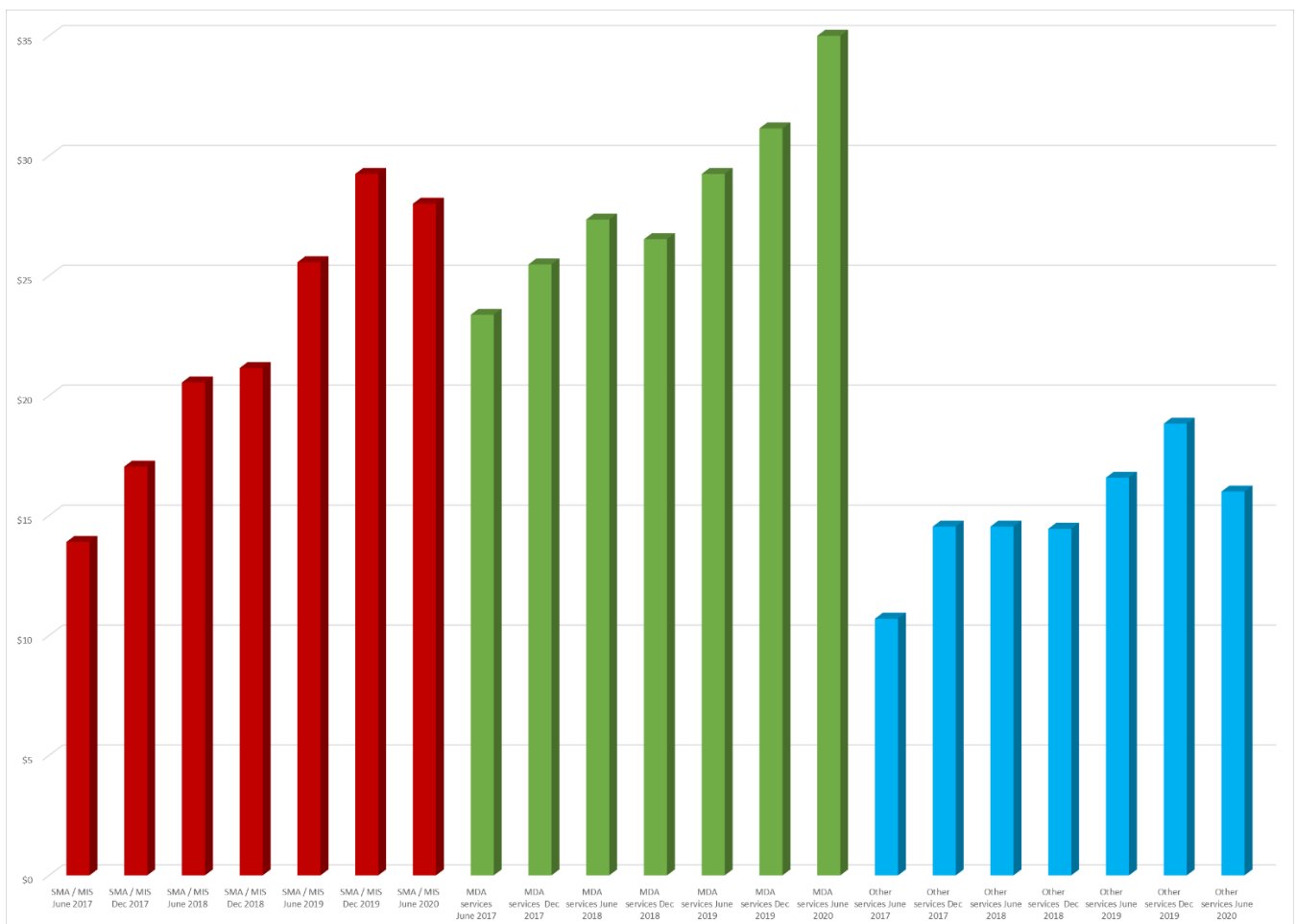
“We strongly encourage all organisations offering Managed Account services to participate in IMAP’s Census, and to engage with IMAP.” said Toby Potter.

Note Organisations which act as portfolio managers (for example on SMA platforms) are included through the SMA issuer

**Growth in Managed Accounts Funds under Management  
from June 2015 to June 2020 (\$ billions)**



**Chart showing FUM growth from June 2017 to June 2020 by category of Managed Accounts (\$ billions)** Note The IMAP FUM Census is carried out every six months



**Explanation of the 3 series** SMA’s are Dark Red, MDA ’s are Green, other services include IDPS and IMA are Blue

IMAP wishes to expressly thank all census contributors - a number of whom are listed below (by permission):

Accordius	Macquarie
AMP	Mainstream Group
BT Panorama	Mason Stevens
Cameron Harrison Private	Marcus Today
Colonial First State	MLC / NAB Asset Management
DNR Capital	Netwealth
EC Pohl & Co	Praemium
Elston	Ralton Asset Management
Fortnum Private Wealth	WealthO2
Implemented Portfolios	Xplore Wealth
IOOF	

**About IMAP** <https://imap.asn.au>

The Institute of Managed Account Professionals (IMAP) is the only industry body for advisers, managers, providers and other businesses actively involved in offering or supporting Managed Accounts.

IMAP provides its subscribers and supporters with:

- Access to the latest developments in managed account services
- Education, training and access to professionals at all levels
- Representation as the voice of the managed account industry able to represent its interests to regulators
- Networking opportunities for advisers and licensees interested or involved in managed accounts

**About Milliman**

Milliman is a global actuarial firm and among the world’s largest providers of independent actuarial and related products and services. In Australia, Milliman specialises in integrated retirement solutions—providing data analytics, financial modelling software and financial risk management services. Founded in 1947 Milliman is a global firm of more than 3,800 employees operating from 60 offices across the Americas, Europe, Africa, Asia, Australia and the Middle East. For further information, visit <https://www.milliman.com>

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