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**THE LANG CAT PREDICTS ADVISED PLATFORM MARKET ASSETS TO BREAK THROUGH
£500 BILLION IN Q1**

Financial services consultancy, the lang cat, predicts total assets under administration (AUA) on advised platforms will recover and exceed £500bn (to around £510bn) for the first time since Q3 2018. This represents an increase in AUA of 7% from Q4 2018.

The lang cat predicts gross sales will reach £21bn over Q1 2019.

The recovery has largely been driven by positive markets over the first quarter of 2019, with the MSCI World index increasing 10.10% over the period and the FTSE 100 by 9.5%.

However, the market continues to see a reduction in both net and gross flows.

Gross sales in the advised platform market will be down, year-on-year (Q1 2018 – Q1 2019) by around 17%. Compared to the same period in 2018, there are only a handful of advised platforms posting a positive increase in gross flows.

Net sales are predicted to be £5bn in Q1. This is a significant quarter on quarter reduction of 20% and a whopping 50% year-on-year reduction of net sales – affecting almost all advised platforms.

Mark Polson, Principal of the lang cat, said: “We think the larger reduction in net flows is simply due to the impact of lower new sales with ‘good’ outflows continuing as normal.

“The new sales figures might appear somewhat lacklustre at first glance. But you have to bear in mind that sales in the same period last year were boosted by DB transfer business, which has finally dried up. There is also continuing uncertainty around Brexit and we’re in little doubt that’s been a big factor too. We believe there is a lot of money waiting to go into the market, via advisers, when we eventually get some sort of reassurance on our future, whether that is inside or outside the EU.

“All things considered; the platform market looks to be in good shape. Over £20bn a quarter in gross sales and £5bn in net sales is still a strong result for the sector.”

-ENDS-

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Notes to editors:

These predications are informed by data already reported to the lang cat by 17 platforms. Once the remaining 3 platforms submit their Q1 2019 results, the lang cat will provide finalised analysis. The lang cat does not believe the remaining figures will materially effect its predictions here.

Hargreaves Lansdown data is not included in the lang cat advised platform data as it is not an advised platform.

the lang cat is Leith's leading (probably) specialist financial services consultancy. The lang cat works with financial advisers and providers, helping them develop new propositions, turn marketing strategy into action and articulate their services in such a way that people without financial services degrees have a hope of understanding them. It aims to make the industry a little bit less corporate and stuffy and a little bit more human.