

Third-party Distribution of Long-term Mutual Fund & ETF Assets Reach \$8.8 Trillion in Q1 2014 Driven by Retail Focused Distribution Channels, According to Broadridge

Released : 04 30 2014

LAKE SUCCESS, N.Y., April 30, 2014 /PRNewswire/ -- Total third-party long-term mutual fund and exchange traded fund (ETF) assets under management (AUM) totaled \$8.8 trillion in the first quarter of 2014, surpassing the total for the fourth quarter of 2013 by 3.3 percent and increasing 12.6 percent from the first quarter of 2013, according to new data released today by Access Data, a [Broadridge Financial Solutions](#), Inc. (NYSE: BR) company.

According to data released on Broadridge's Fund Distribution Intelligence™ tool, the independent channels – independent broker-dealers (IBDs) and registered investment advisers (RIAs) – continue to lead as the largest distribution channels for long-term mutual funds and ETFs. While the IBD channel has experienced the largest increase in assets over the past year, the RIA channel had the largest increase in assets during the first quarter of 2014. Specifically, data for the first three months of 2014 shows:

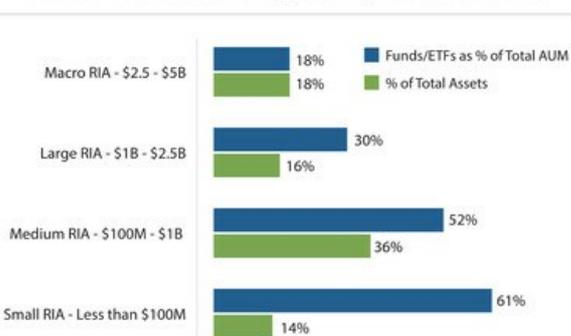
- IBDs led in overall third-party distribution of long-term mutual funds and ETFs with \$2.1 trillion AUM, a 4 percent increase over Q4 2013 and a 16.9 percent increase over the same time period in 2013
- The second largest channel was RIAs with \$1.7 trillion in fund and ETF AUM (a 4.2 percent increase over Q4 2013 and an 8 percent increase over the first quarter of 2013), followed by the wirehouse channel with \$1.6 trillion (a 2.5 percent increase over Q4 2013 and a 7.3 percent increase over the first quarter of 2013)
- Total AUM for retail third-party distribution – independent, RIA, wirehouse, discount – of long-term funds and ETFs represents \$5.64 trillion, or 64.2 percent of all third-party distribution
- The institutional channels – private banks, national banks and trust companies – had combined AUM of \$3.14 trillion, or 35.8 percent of third-party distribution

Broadridge also released today a new whitepaper titled, "[The RIA Channel – A Roadmap for Driving Growth](#)," that highlights the success of the RIA channel and its emergence as the second largest distribution channel, which now accounts for more assets, in aggregate, than the top four wirehouse firms. With the RIA channel's expanded importance comes a number of unique challenges in reaching this market due to its more fragmented structure versus traditional distribution channels. In order to be successful in this channel, ETF and mutual fund executives need a more tailored distribution strategy with advanced segmentation and specific targeting of individual advisors.

"In the first three months of the year, our data showed that the overall shift toward the independent retail channels continues as IBDs and RIAs outpaced wirehouse firms in the distribution of long-term mutual funds and ETFs. Wirehouses remain a large and expanding channel, but the continued success and growth of the RIA channel, which experienced the biggest increase in assets of any third-party distribution channel in the first quarter of 2014, is an important trend to recognize," said Frank Polefrone, Senior Vice President, Access Data. "Cost effectively targeting RIA firms can be a challenge as they vary significantly in scale and approach making a one size fits all sales plan ineffective. We're working with our clients to assess the financial intermediaries driving growth and empowering them with the tools to develop an effective action plan to propel their overall business expansion."

The development of an RIA action plan requires a thorough understanding of RIAs by size and asset class, as well as knowledge about the opportunities that each of these segments offers (chart 1). By further analyzing each of these segments to understand the composition of their respective client base, geographic spread, investment philosophy and product trends, sales and marketing efforts can be reviewed and allocated by region and specific location (chart 2). In addition, providers can get a true measure of how sales are progressing by analyzing their sales teams' success by territory and market segment, versus the mutual fund and ETF market overall. This can be utilized to adjust future product positioning and development.

Chart 1: The Best Growth Opportunity for Funds and ETFs



Source: Access Data, a Broadridge Company

Data as of March 31, 2014. The data represents independent retail funds and ETFs, and includes money market and fixed bond funds. ©2014 Broadridge Financial Solutions, Inc. Broadridge and the Broadridge logo are registered trademarks of Broadridge Financial Solutions, Inc.

Chart 2: U.S. Regions – RIA Distribution Channel





Broadridge's [Fund Distribution Intelligence](#) tool comprises the most complete sales and asset data collection in the industry, creating transparency into more than \$8.75 trillion of long-term mutual fund and ETF assets across 900+ distributors. This intelligence provides firms with critical information to help them make strategic decisions about distribution, product development, and sales and marketing, allocate resources effectively, and accelerate growth. Data is updated monthly and can be analyzed by channel, geography and more.

About Access Data

Access Data Corp., a Broadridge company, is a leader in enterprise data management, analysis and reporting for the financial services industry - providing data and reporting solutions covering 90% of all long-term fund assets and 95% of all ETF assets. Leading asset management firms and financial intermediaries utilize Access Data's proprietary technology and services to gain visibility into how sales and assets are generated and address a myriad of challenges in distribution, compensation management and compliance and risk management. Access Data's flagship product provides comprehensive storage and analysis solutions, delivering web-based reporting as Software as a Service. Please visit access-data.broadridge.com.

About Broadridge

Broadridge Financial Solutions, Inc. (NYSE:BR) is the leading provider of investor communications and technology-driven solutions for broker-dealers, banks, mutual funds and corporate issuers globally. Broadridge's investor communications, securities processing and business process outsourcing solutions help clients reduce their capital investments in operations infrastructure, allowing them to increase their focus on core business activities. With over 50 years of experience, Broadridge's infrastructure underpins proxy voting services for over 90% of public companies and mutual funds in North America, and processes more than \$5 trillion in fixed income and equity trades per day. Broadridge employs approximately 6,400 full-time associates in 13 countries.

For more information about Broadridge, please visit broadridge.com.

- Photo - <http://photos.prnewswire.com/prmh/20140429/82092>
- Photo - <http://photos.prnewswire.com/prmh/20140429/82093>
- Logo - <http://photos.prnewswire.com/prmh/20110920/MM716261LOGO>

Media Contacts:	
For Access Data	
Linda Namias	Danielle Pieri
Broadridge Financial Solutions	Brainerd Communicators, Inc.
+1 631-254-7711	+1 212-986-6667
linda.namias@broadridge.com	pieri@braincomm.com

SOURCE Broadridge Financial Solutions, Inc.