Managed Portfolios Insights Report

October 2025

Contents

Introduction 2

Chapter 1 Continued growth 5

Chapter 2 Managers, licensees & practices 6

Chapter 3 Asset allocation Trends 8

Growing Australia's advice footprint 11

Chapter 4 Overseas developments 13

Chapter 5 What's next 14

Introduction

Welcome to the inaugural edition of the North Insights Report - the eminent guide to managed portfolio intelligence in Australia. This publication will provide a semi-annual look at the structural trends and investment themes underlying managed portfolios on North, with expert insights from independent advisers, asset consultants, AMP's Investments team, as well as leading thinkers in Australian investment management today. This publication will be made available to advice practices across Australia, as well as those seeking to explore managed accounts for the first time.

The Managed Portfolio Revolution: A Structural Shift in Advice

In the past few years, we've seen managed portfolios shift from being a niche efficiency play to becoming the centre of how advice is delivered in Australia. Advisers are telling us managed portfolios give them what they need most—better governance, streamlined compliance, better client portfolios, and, most importantly, more time for the client conversations that matter.

What was once a specialist solution is now a foundational element of modern advice. Across the country, advisers are embracing managed portfolios to drive scale, enhance transparency, and deliver more consistent client and adviser business outcomes. This is not just a trend—it's a structural transformation in how wealth is managed.

The numbers tell the story

The numbers tell a compelling story. According to the latest IMAP census, total Australian managed portfolio assets under management reached $256.24 billion at 30 June 2025, reflecting 24.6% growth year-on-year. Managed portfolios now account for nearly a quarter of all platform assets nationally—almost double their share from just five years ago.

This growth is mirrored on our own platform. In the first half of 2025 alone, flows into managed portfolios on North surged by more than $2.7 billion, lifting total assets under management to $21.8 billion. That's a 37% increase over the past year—well ahead of industry averages.

While the numbers are striking, the real story lies in what they signal: a permanent shift in adviser behaviour, investment outcomes and client expectations.

Why advisers continue to make the Switch

Advisers are increasingly seeking solutions that allow them to focus on what matters most—building deeper relationships with, and better portfolios for, clients. Managed portfolios help them do just that by removing the administrative burden of portfolio construction and rebalancing.

The appeal is simple: managed portfolios deliver efficiency and confidence. They allow advisers to scale without compromising trust. That combination of scale and transparency is why adoption has been so strong—and why it will keep accelerating.

Around two in three advisers are now using investment technology, yet only 25–30% of advised assets are currently in managed portfolios (IMAP, NMG). This gap highlights the significant headroom for growth as more advisers deepen their engagement and shift a greater share of client assets into these structures.

In a climate of economic uncertainty and growing regulatory scrutiny, advisers are also leaning into the institutional-grade governance and risk management frameworks that managed portfolios provide. This shift is not just about efficiency—it's about elevating the quality and consistency of advice, and generating more consistent outcomes in investors' portfolios.

David Hutchison,
General Manager of Managed Portfolios and Investments, AMP

A Global Movement

Australia is not alone in this transformation. Globally, managed portfolios are becoming the default architecture of advice. In the US, third-party models account to USD $646 billion (Morningstar, March 2025), while Broadridge estimates the total ecosystem at USD $6.6 trillion. The Wall Street Journal places it closer to USD $8 trillion.

In the UK, managed portfolios are valued at £139 billion—around 14% of the wealth market—after growing 11% in just six months to March 2025 (NextWealth). Regulation is sharpening the focus on value-for-money and transparency, accelerating adoption.

The parallels are clear. In the US, models have scaled into the trillions. In the UK, regulation is driving innovation. Australia is now on the same path. The question is no longer if advisers will adopt managed portfolios as the default architecture of advice—but how quickly, and how they'll use them to build stronger client relationships.

What's Next: Innovation and customisation

Looking ahead, the next wave of growth will be driven by innovation. Customisation is emerging as a key frontier, with "Blend" style solutions allowing advisers to combine the convenience of off-the-shelf portfolios with the flexibility of bespoke mandates.

Technology will also play a pivotal role. Advances in data analytics, AI-driven insights, and real-time reporting are set to enhance transparency and client engagement—giving investors more visibility and control than ever before.

We're also seeing growing interest in integrating alternative assets, private markets, and sustainable investments into managed portfolios. These asset classes offer diversification and alignment with personal values, and managed portfolios provide an efficient, compliant way to access them at scale.

A Bellwether for the future

The question is no longer whether managed portfolios will dominate the advice landscape—but how quickly innovation will reshape their form and function. In that context, the rapid growth of platforms like North is not just a story of institutional success—it's a bellwether for the future direction of wealth management in Australia.

As advisers continue to evolve their businesses, managed portfolios will remain at the heart of that journey—delivering the scale, transparency, improved outcomes and client focus that define the next generation of advice.

"This growth is not about platforms adding products for the sake of it. It's about adviser adoption. The scale of inflows shows that advisers see managed portfolios as structural to their service models - that's why adoption continues to climb."

Toby Potter,
Chair, Institute of Managed Account Professionals

Chapter 1 Continued growth

On North, H1 2025 was the strongest period yet:

- **9 new series launched**, including the largest Buy Menu rollout in the platform's history.
- **57 new portfolios added**, lifting the Buy Menu to **158 portfolios across 27 managers**.
- **Blend portfolios** - merging off-the-shelf efficiency with adviser control - are rapidly gaining popularity.
- Direct MBA alone attracted **$200 million net inflows** in H1.
- Private Wealth, Morningstar Series 2, Elston Series 2, and Pamana grew from **$2.8 billion → $3.6 billion**, making up one-third of all FUM growth.

The numbers tell a compelling story. In 2025, managed portfolio adoption continued to accelerate with North achieving its fastest half year of growth. Managed portfolio AUM on **North surged by more than $2.7 billion** during the period. That saw it reach $21.8 billion at 30 June 2025 thanks to flows and market movement - a 37% increase over the past year. This growth is a strong testament to adviser demand and portfolio relevance across diverse client segments.

"We've had our separately managed accounts in place for just over three years, with almost $500 million in assets for around 1,400 clients. We think there are great advantages for clients and the practice. For clients, we know they get instant application of our best investment ideas, with a minimum of paperwork or fuss. There's regular reporting, so they know that their money is being actively managed.

For the practice, the efficiency gains are enormous. There are no more advice docs relating to portfolio updates, no implementation work, and no risk of implementation errors. We've been able to handle increased client numbers and revenue over the last 3 years without increasing our paraplanning and client service teams - thanks largely to the efficiency of the SMAs."

Alex Berlee, Director,
AGS Financial Group Pty Ltd

"One of the biggest evolutions in Future Proof Wealth's journey has been the Incrementum Managed Portfolios we've set up with Evidentia.

The managed portfolio - or managed account - structure has completely transformed how we operate as a business.

It's allowed us to deliver on our personal promise to clients that we'll aim for the best possible investment outcomes."

Les McGuire, Financial Adviser,
Future Proof Wealth

Buy Menu growth

158 portfolios

27 managers

Chapter 2 Managers, licensees & practices

The rise of managed portfolios has forced managers to evolve.

Advisers don't want a single fund pitch anymore - they want whole-of-portfolio solutions that are scalable, governance-ready, and cost-transparent. That's a healthy shift. It pushes managers to innovate, focus on outcomes, and deliver in a way that makes sense for advisers and their clients.

In Australia, the managed portfolio market is concentrated, but challengers are starting to emerge and break through.

On North, the top five managers (AMPI, Mercer, Genium, Russell, Zenith) manage $14.6 billion – two-thirds of all managed portfolios FUM.

Nationally, Rainmaker data shows the top 10 managers now oversee >70% of industry managed portfolio assets. Yet boutique players are growing at twice the market average, particularly those offering global equity and ESG-focused strategies.

The adviser ecosystem is shifting too:

Top licensees by FUM:
Akumin, Charter, PSK, Hillross, Count.

Top practices:
PSK, Invest Blue, Varria, Blueprint, Provident.

How practices are turning to managed portfolio solutions

Financial advisers are now experiencing the effects of major regime changes and economic super-cycles. There's been a convergence in correlations – such as equities and bonds on a simultaneous downward trajectory.

This refers to equities and bonds moving in the same direction at the same time, reducing the benefits of traditional diversification.

Genuine diversification involves spreading risk across asset classes, sectors, geographies, and strategies that do not move in tandem.

It goes beyond simple allocation to equities and bonds, aiming to reduce overall portfolio volatility by including uncorrelated or low-correlation exposures.

Luke Fitzgerald, Partner, Head of Wealth Management, Mercer

Increasing sophistication in managed portfolio construction

Managed portfolios have been an important tool for advisers for some time due to the efficiencies they bring – including helping substantially reduce the number of Statements of Advice (SOAs) advisers need to produce. Holding a disaggregated multi-asset portfolio also facilitates deeper and more insightful discussions than might be possible with a managed fund whose returns are reflected by changes in a single price. This has been an important driver of the flows into managed portfolios thus far, on top of which it's likely that once an advice practice moves 80% or more of their clients into SMAs, the efficiency benefits will enable them to serve more clients, for the benefit of all.

What's exciting from the perspective of a managed portfolios provider such as AMP Investments is the ongoing trend of increasing sophistication in the construction and management of managed portfolios.

We're seeing the addition of selected private market assets, inclusion of overlay funds to either enhance returns or reduce risk, and more generally a more institutional 'mindset' in manager selection and asset allocation within managed portfolios.

We think this is a good thing for users of these products.

Handled well, one of the great benefits for clients using managed portfolios is reduced transaction costs and CGT impacts when moving between options.

For example, in managed fund world, a client who is de-risking and moving from a growth to a balanced option would sell their entire growth fund, incurring CGT on the full amount as a result, before buying into the balanced option.

Compare this to the range of AMP Investments-managed portfolios on North, where a client moving from the Grow Growth SMA to Diversified Index Balanced would only need to turn over less than 30% of their portfolio.

The ability to consider the lifetime investment journey of a client is an important benefit of the SMA structure, and a great benefit for users of this kind of product who choose well.

Stuart Eliot, Head of Portfolio Design and Management, AMP

Chapter 3 Asset allocation trends

In 2025, advisers are increasingly rethinking portfolio construction, with managed portfolios at the forefront of the shift.

- **Australian equities:** 31.9% (2023) → **28.7% (2025)**.
- **International equities:** up to **30% (+3.5pp in two years)**.
- **Alternatives:** doubled from 2% → **4.2%**.
- **Property and infrastructure:** 5.2% → **4.1%**.
- **Fixed interest:** modest increases, particularly in international.
- **Cash:** allocations easing.

Where this has been particularly pronounced is in the growing development of portfolios for wholesale clients. In recent years, managed portfolios have evolved well beyond their origins as efficiency tools for retail investors, increasingly becoming a core solution for wholesale clients seeking sophisticated, institutional-grade investment management.

Wholesale investors—such as family offices, charities, and high-net-worth individuals—are driving demand for greater customisation, transparency, and access to a broader range of asset classes.

Managed portfolios now offer wholesale clients the ability to implement tailored investment strategies that reflect their unique objectives, risk profiles, and governance requirements. The integration of alternative assets, private markets, and ESG-focused investments within managed portfolios is particularly attractive to this segment, enabling true diversification and alignment with specific mandates or values.

Technology is also playing a pivotal role in the wholesale space, with advanced reporting, real-time analytics, and enhanced risk management frameworks supporting more informed decision-making and oversight. As regulatory expectations rise and investment environments become more complex, wholesale clients are increasingly turning to managed portfolios for their ability to deliver scale, operational efficiency, and robust governance.

The trend towards customisation is especially pronounced among wholesale investors, who often require bespoke mandates and the flexibility to blend off-the-shelf solutions with direct investments. This shift is fostering innovation among portfolio managers and platform providers, who are responding with new structures and features designed to meet the evolving needs of wholesale clients.

A mirror to broader investment trends

Managed portfolios, as is usually the case, are acting as a mirror to broader investment trends.

Australian investors have been continuing to reduce their home country bias. While much of this has favoured the US in recent times this is under some consideration given its period of outperformance and uncertainties around US policies, but US dominance in AI provides a significant offset. Alternatives are in high demand because they provide less correlated returns and, in some cases, downside protection. There is a bit more confidence in fixed interest allocations with inflation having fallen. And the gradual trimming of cash shows that confidence is returning as interest rate outlooks stabilise.

In many ways, managed portfolios are a barometer for the world's largest allocators - they reflect the same forces reshaping institutional portfolios worldwide.

Importantly, managed portfolios continue to aim for innovation in terms of new assets, diversification and managing risks to cope with the shift towards a somewhat less globalised, less economic rationalist and more multipolar world.

Shane Oliver, Chief Economist and Head of Investment Strategy, AMP

The emergence and growing use of ETFs in managed portfolios

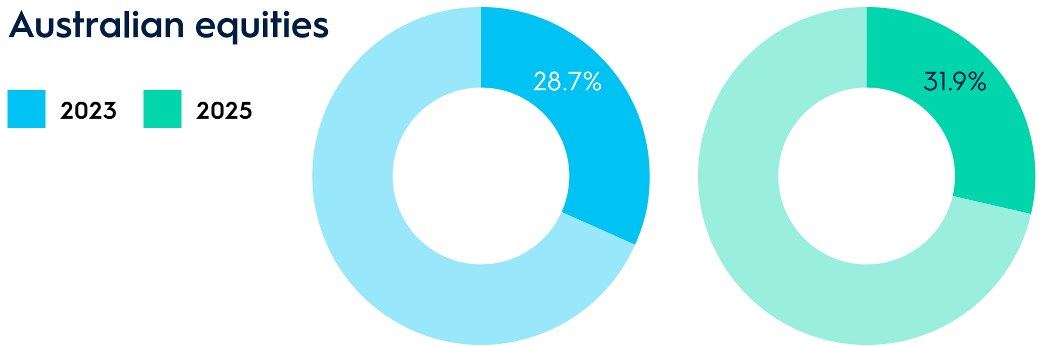
Today's managed accounts are smarter and more innovative than ever. More asset allocators who were investing and relying on active managers are taking a more holistic view of their portfolios. They are seeing more efficient markets in large cap equity markets and core fixed income and are more inclined to invest in passive ETFs here. Allocators are also looking to deliver alpha through dynamic tilts via ETFs without implementation and settlement delays.

We're also seeing increased utility in harvesting structural risk premia through smart beta and factor ETFs. Additionally, the full transparency of underlying holdings enables allocators to conduct precise and informed portfolio and risk optimisation. ETFs are used to manage portfolio style, sector and regional biases coming from active managers.

Beyond the investment merits, ETFs have improved client portfolio portability, transparency, liquidity and flexibility. These features will continue to fuel the growth of ETFs in managed accounts. Growing demand for direct equities in managed portfolios

Daniel Choo, Multi-Asset Senior Portfolio Manager, Betashares

Australian equities



Growing demand for direct equities in managed portfolios

Direct equities are an exciting opportunity and area for rapid growth in managed accounts. One of the key advantages of direct equities in managed accounts is the transparency-investors can see exactly what they own, often familiar names like Woolworths where they shop or Ampol where they buy their fuel—which builds comfort and confidence. It's a powerful way to connect people with their investments and help them feel more in control of their financial future.

One of the real strengths of transparency is the ability to tailor portfolios to personal values. Whether it's excluding gambling, alcohol, or tobacco stocks, having access to direct equities in managed accounts allows for ethical investing conversations that reflect what matters most to each individual investor.

One of the benefits of using direct equities in managed accounts is the underlying tax benefits for investors. Unlike pooled investment trusts where investors can inherit embedded CGT within the fund, holding direct equities within managed accounts provides investors with beneficial ownership of their assets, ensuring more transparent management of CGT as well as direct access to any franking credits due.

Mark Smith, Head of Adviser Services, Elston Asset Management

Next generation diversifiers

Liquid alternative funds ('Liquid Alts') can provide access to diversified asset classes, geographies and sectors. Described as 'next generation diversifiers', these funds typically invest in non-traditional asset classes giving exposure to commodities, renewables and minerals such as gold and when blended with access to investments in private markets, multi-asset portfolios can start to harness true levels of diversification. However, while Liquid Alts can improve diversification, they also carry risks – including liquidity mismatches and unpredictable returns – so advisers should carefully assess their suitability for each client.

They can be quite complex, and typically deploy derivatives and other synthetic instruments to gain exposures. These complexities can include liquidity constraints, valuation difficulties or operational risk, and may require specialist due diligence.

Rebecca Jacques, Head of Wealth Management, Investment Solutions, Mercer

Growing Australia's advice footprint

Domestically, North launched Grow at the start of September – a new investment menu aimed at empowering advisers and their clients at every stage of their investment journey.

When it comes to investing, we understand that some clients don't want all the bells and whistles. So, to help support clients who may have simpler investment needs, our newly launched Grow menu offers a range of managed portfolios with pricing that can be cost-effective, while also providing the overall benefits of being on the North platform.

What's more, with the addition of the Grow menu, MyNorth provides greater flexibility by catering to clients as their investment needs change. That's because, with MyNorth, clients may seamlessly mix their investments across all three menus, with platform pricing blended to reflect the mix that's chosen.

"We have been most impressed with both the innovation and growth in the North managed account business. They continue to provide unique and purpose-built solutions for investors at all stages of their investment cycle. And the new GROW menu is a great example of these portfolios, tailored to lower-touch accumulator style clients.

"At the other end of the investing cycle, we were also very proud to build for North a complementary retirement SMA solution; one that combines the unique benefits of MyNorth Lifetime and our Moderately Geared ETFs. Fantastic that we can offer to North multiple SMA solutions that all help to serve a specific investing purpose, and the best outcomes for your client."

Tony Pattison, Executive Director, Head of Strategic Relationships, Betashares

Supporting adviser growth and efficiency

With North Grow, advisers can benefit from a range of features designed to enhance their practice's efficiency and effectiveness:

- Simplified Pricing: No account fees, no tiered administration fees, and simple investment fees, making it a cost-effective solution for clients.
- Flexibility: Grow easily caters to clients as their investment needs change, offering family fee aggregation for multi-generational households on North
- Mix and match: Clients can seamlessly mix their investments across North's Grow, Select, and Choice menus, with platform pricing blended accordingly.
- Focused Managed Portfolios: Curated portfolios that cater to a range of risk profiles, freeing up advisers' time to better serve their clients and grow their practice.

"As one of our key platform partners, North has impressed us with their ability to listen, innovate and deliver market-leading solutions in the managed account space. From their implementation of fractional share trading, their excellent manager-level reporting and their commitment to providing a full suite of solutions across the investor lifecycle, North continues to validate our decision to partner with them for our managed account solutions."

Mark Smith, Head of Adviser Services, Elston Asset Management

“Once advisers adopt managed portfolio models, they **rarely go back**.”

Toby Potter, Chair, Institute, Managed Account Professionals

Chapter 4 Overseas developments

The adoption of managed portfolio solutions in Australia is part of a global shift.

Advisers and their clients see the value of international allocation and the opportunities that managed portfolios can bring.

It reassures them they’re not over-exposed to Australia and makes them feel part of the global story. It’s a more sophisticated conversation.

When we turn to the US and the UK, the growth spurt that has driven managed portfolio adoption at scale becomes abundantly clear.

US

Third-party managed portfolios:
USD $646 billion

Total model ecosystem:
USD $6.6 trillion

Projection:
USD $2.9 trillion in asset allocation models by 2026

UK

Managed portfolios:
£139 billion

Growth:
+11%

- **US third-party managed portfolios:** USD $646 billion (Morningstar, Mar 2025), up **62% since mid-2023**.
- **US total model ecosystem:** USD $6.6 trillion (Broadridge, Q2 2024); ~USD $8 trillion (WSJ, Apr 2025).
- **US projection:** USD $2.9 trillion in asset allocation models by 2026 (Cerulli).
- **UK managed portfolios:** £139 billion, ~14% of the wealth market (Platforum, 2024).
- **UK growth:** +11% (+£15 billion) in six months to March 2025 (NextWealth).
- **Regulation:** FCA Consumer Duty accelerating demand for transparent, low-cost, outcome-focused solutions.

In summary, the advent of managed portfolios isn’t just an Australian phenomenon. We’re part of a global movement toward advice models that are scalable, transparent, and client-focused.

“The international experience is clear. Once advisers adopt managed portfolio models, they rarely go back.

The UK shows how regulation can accelerate adoption. The US shows the power of scale and customisation when it comes to intelligently curated and tailored managed portfolio solutions. Australia is moving in the same direction.

The question is how advisers will use managed portfolios – not whether.”

Toby Potter, Chair, Institute of Managed Account Professionals

North

Chapter 5 What's next?

The next phase of managed portfolio growth will be defined by innovation:

- **Customisation at scale:** Blend portfolios merging efficiency with tailored design.
- **Technology integration:** AI-driven analytics, personalised dashboards, real-time reporting.
- **New asset classes:** ESG, private markets, alternative credit and other emerging asset classes becoming mainstream.
- **Regulation:** Increased focus on governance frameworks, management of conflicts of interest, and better outcomes for consumers.
- **Global convergence:** managed portfolios set to become the backbone of advice, as in the US/UK.

The competitive edge won't just be about performance anymore. It will be about who integrates ESG, private markets, and digital tools into managed portfolios in a way that advisers can deliver seamlessly to clients. It will be about who can imagine how the future will look different to today and shapes the portfolio accordingly to capture additional value for clients.

"This is just the beginning. The test now is how quickly the industry innovates to meet adviser and client expectations.

But make no mistake - managed portfolios are the future of advice."

Toby Potter, Chair, Institute of Managed Account Professionals

Today	Next	Future

Efficiency	Customisation & Tech	Full Architecture

The exciting opportunities that lie ahead

Managed portfolios are continuing to cement themselves as the next frontier for advisers seeking to maintain a competitive edge for clients – making it easier to diversify into asset classes that have traditionally been difficult to access, such as private markets or infrastructure. While diversification has never been more important, it may not be as easily attainable as in the past. This is largely due to the current macroeconomic environment – including inflation, higher interest rates and global policy uncertainty – which have made correlations harder to predict. In this setting, advisers may need to explore a broader mix of uncorrelated assets or alternative strategies to enhance portfolio resilience.

However, they will need to understand how the underlying assets in a portfolio correlate and interact with one another. Advisers are encouraged to clearly define strategies they can implement with each asset class and allocation. It is important to consider alignment with active managers who possess deep expertise in the relevant markets – whether those are emerging markets, private credit or infrastructure assets. There are still opportunities to unlock alpha and diversification, but it is an increasingly delicate balance between risk and opportunity.

Rebecca Jacques, Head of Wealth Management, Investment Solutions, Mercer

How to get in touch with North

We're here to help

With experienced, on-the-ground representatives in each state, our team is ready to support with everything from initial set-up and training to client onboarding and day-to-day operations. We're just a phone call away.

For more information on how managed portfolios can benefit you and your clients, visit **www.northonline.com.au/adviser/managed-portfolios** or **speak to a North BDM**.

Not sure who to contact?

Request a call back and a member of our team will get back to you shortly. You can submit your request online at **northonline.com.au/call-back**

We also have developed an introductory guide that provides a comprehensive overview of managed portfolios and how they can benefit your practice. Check out the full guide **here**.

North

October 2025