

## Analysis of New Zealand Retail Managed Funds as at December 2018

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### New Zealand Retail Managed Funds Fall NZ\$3.3bn during December Quarter 2018

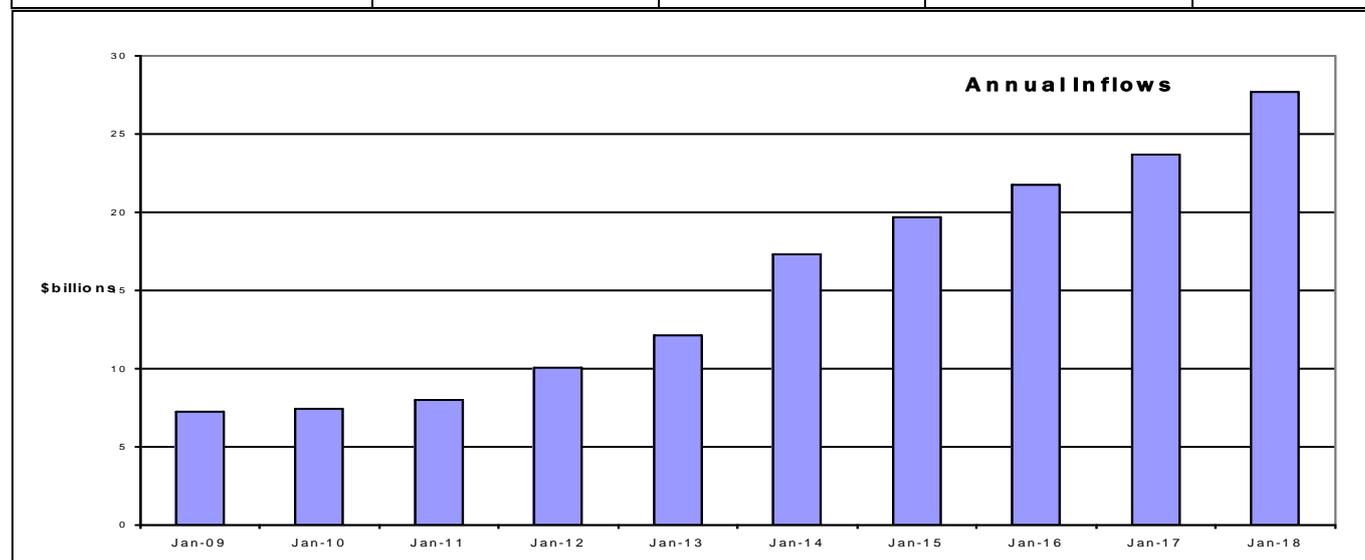
New Zealand Retail Managed Funds dropped 3.3% during the December 2018 quarter due to a sell-off on global investment markets to total NZ\$97.3bn. Over the whole of the past year they rose 5.4% which was significantly lower than the 16% average growth experienced over the previous 5 years. As we go to press markets have subsequently recovered much of their December quarter falls however remain highly volatile and unpredictable. BNZ (27.5%), Milford (18.8%), ASB (11.8%), Booster (9.3%), BT / Westpac (8.0%), Kiwi Wealth (7.5%) and Fisher (6.0%) reported increases in their Retail funds under management.

Gross Inflows for 2018 of NZ\$27.7bn jumped 17.0% in line with the 19% plus average growth rate recorded over the previous 5 years. There was the usual pause in reported Inflow growth during the December quarter which saw them decline by a marginal 0.8% due to KiwiSaver seasonality factors. Year on year Generate, Milford, BNZ, ASB and ANZ all posted above average Inflow growth rates while on the other hand those reported by AMP were lower.

Funds Under Management								
NZ\$millions	Dec-18		Sep-18		Dec-17		Growth Rates	
							Qtrly	Annual
ANZ Investments	26,795	27.5%	27,762	27.6%	26,054	28.2%	-3.5%	2.8%
ASB Group Investments	14,464	14.9%	14,622	14.5%	12,934	14.0%	-1.1%	11.8%
BT / Westpac NZ	12,170	12.5%	12,263	12.2%	11,265	12.2%	-0.8%	8.0%
AMP NZ	11,038	11.3%	11,836	11.8%	11,566	12.5%	-6.7%	-4.6%
Fisher Funds	5,958	6.1%	6,185	6.1%	5,623	6.1%	-3.7%	6.0%
Milford Asset Management	5,737	5.9%	5,983	5.9%	4,829	5.2%	-4.1%	18.8%
Mercer NZ	5,720	5.9%	5,924	5.9%	5,715	6.2%	-3.5%	0.1%
Kiwi Wealth	3,930	4.0%	4,146	4.1%	3,655	4.0%	-5.2%	7.5%
BNZ	1,977	2.0%	1,956	1.9%	1,550	1.7%	1.1%	27.5%
Booster	1,540	1.6%	1,611	1.6%	1,409	1.5%	-4.4%	9.3%
Other Companies	7,948	8.2%	8,337	8.3%	7,716	8.4%	-4.7%	3.0%
<b>Totals</b>	<b>97,278</b>	<b>100.0%</b>	<b>100,624</b>	<b>100.0%</b>	<b>92,316</b>	<b>100.0%</b>	<b>-3.3%</b>	<b>5.4%</b>

Analysis By Market								
KiwiSaver	52,223	53.7%	53,996	53.7%	47,885	51.9%	-3.3%	9.1%
Other Superannuation	6,408	6.6%	6,954	6.9%	6,927	7.5%	-7.8%	-7.5%
Unit Trusts & Managed Funds	38,378	39.5%	39,381	39.1%	37,198	40.3%	-2.5%	3.2%
Insurance & Investment Bonds	268	0.3%	294	0.3%	306	0.3%	-8.5%	-12.2%
<b>Totals</b>	<b>97,278</b>	<b>100.0%</b>	<b>100,624</b>	<b>100.0%</b>	<b>92,316</b>	<b>100.0%</b>	<b>-3.3%</b>	<b>5.4%</b>



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## Data Collection and Estimation Techniques

Data is collected from companies in the managed funds market covering funds under management, gross inflows, gross outflows, net inflows unit prices and investment return rates. Gross Inflows represents an indication of new business sales. Data is thoroughly checked and queries are raised with data providers if data is significantly different from trends or compared to other companies. Where inflow or outflow data is unavailable, we make estimates based on market behaviour from similar investments in compatible markets. When companies provide actual inflow and outflow data these replace estimates. This estimation procedure, coupled with our rigorous direct data collection, enables us to prepare high quality, reasonable and comprehensive data for every Manager.

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