

Analysis of New Zealand Retail Managed Funds as at September 2013

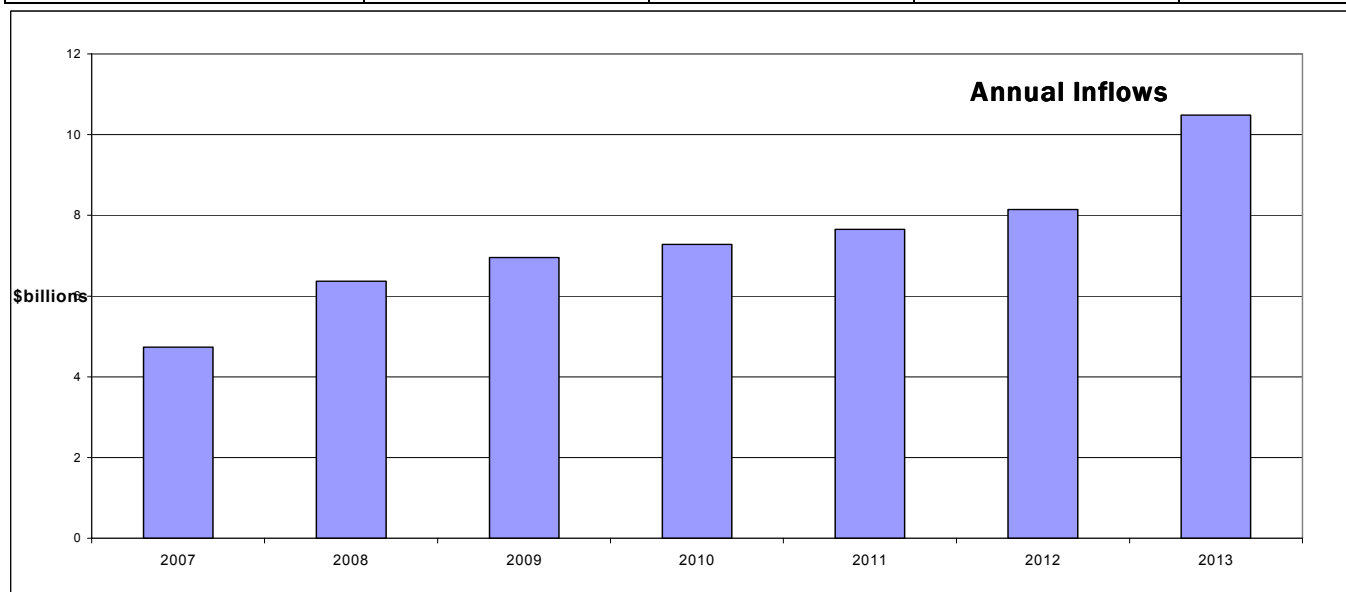
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New Zealand Retail Managed Funds grow by \$2.8bn during September Quarter 2013

Overall Retail Managed Funds at the end of September totalled \$39.2bn, up strongly by 20.0% over the past year. The September quarter alone saw funds jump 7.6% on the back of strong investment markets boosted by the fiscal stimulus and easy money policies currently being pursued by governments around the world. During the September quarter funds grew by 7.6%. Double, and even in one instance, triple digit percentage growth rates were reported by many companies including Milford Asset Management (140.7%), BT / Westpac (33.5%), Grosvenor (24.5%) and Fisher Funds (21.6%) which all achieved above average annual growth rates.

Gross Inflows jumped 24.7% to \$3.3bn during the September quarter due to the usual KiwiSaver cashflow seasonality factors. Over the past year Inflows were similarly up sharply by 28.7%. Most companies reported higher Inflows with year on year the biggest percentage increases experienced by Tyndall (336.1%), but note off a relatively low base, Milford (167.1%), BT / Westpac (46.6%), OnePath (21.1%), Grosvenor (18.4%), ASB Group Investments (15.5%) and Mercer (13.7%).

Funds Under Management								
\$millions	Sep-13		Jun-13		Sep-12		Growth Rates	
							Qtrly	Annual
AMP NZ	6,659	17.0%	6,416	17.6%	6,117	18.7%	3.8%	8.8%
ASB Group Investments	6,632	16.9%	6,295	17.3%	5,747	17.6%	5.4%	15.4%
OnePath NZ	6,107	15.6%	5,631	15.5%	5,131	15.7%	8.5%	19.0%
BT / Westpac NZ	5,509	14.0%	4,876	13.4%	4,128	12.6%	13.0%	33.5%
Mercer NZ	3,309	8.4%	3,156	8.7%	2,943	9.0%	4.9%	12.4%
Fisher Funds	2,983	7.6%	2,737	7.5%	2,454	7.5%	9.0%	21.6%
Milford Asset Management	1,578	4.0%	1,316	3.6%	656	2.0%	19.9%	140.7%
Gareth Morgan	982	2.5%	895	2.5%	808	2.5%	9.6%	21.4%
Grosvenor	621	1.6%	569	1.6%	498	1.5%	9.0%	24.5%
Asteron NZ	507	1.3%	500	1.4%	485	1.5%	1.3%	4.4%
Other Companies	4,331	11.0%	4,046	11.1%	3,726	11.4%	7.0%	16.2%
Totals	39,217	100.0%	36,437	100.0%	32,694	100.0%	7.6%	20.0%
Analysis By Market								
KiwiSaver	18,803	47.9%	17,083	46.9%	14,655	44.8%	10.1%	28.3%
Other Superannuation	4,744	12.1%	4,624	12.7%	4,568	14.0%	2.6%	3.9%
Unit Trusts & Managed Funds	15,301	39.0%	14,359	39.4%	13,100	40.1%	6.6%	16.8%
Insurance & Investment Bonds	370	0.9%	371	1.0%	371	1.1%	-0.4%	-0.4%
Totals	39,217	100.0%	36,437	100.0%	32,694	100.0%	7.6%	20.0%



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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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Further Information:

Simon Solomon Actuary
Email: ssolomon@planforlife.com.au

Daniel Morris Senior Manager
Email: dmorris@planforlife.com.au

Ph: 03 9886 4400
Mail: PO Box 2398 Mt Waverley VIC 3149

Website: <http://www.planforlife.com.au>
Street: 217 Blackburn Road, Mt Waverley VIC 3149