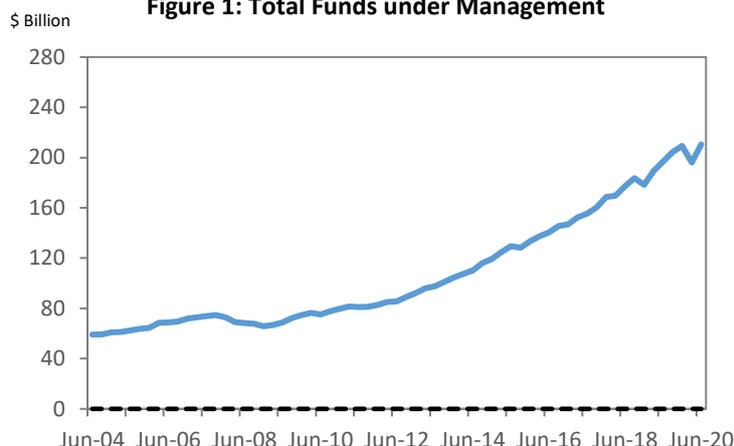




SUMMARY

- Total funds under management increased to \$210b (+7.3%) during the quarter, rebounding \$14.3b as of 30 June 2020. Year on year growth was 6.9%.
- The quarterly increase came as a result of financial market rebounds from the late March lows caused by the COVID-19 pandemic. Notably, holdings of listed shares increased 17.3% as local and international share-markets rose sharply after the month of March.
- KiwiSaver & Superannuation funds rose by 8.7% (\$5.5b) and 5.8% (\$1.6b) respectively.

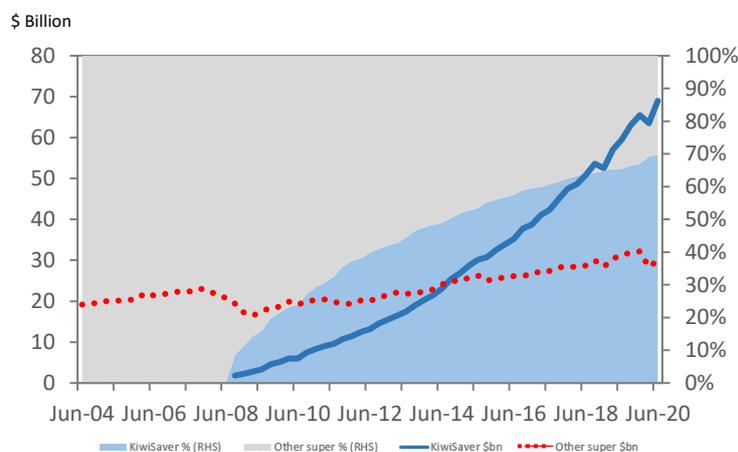
Figure 1: Total Funds under Management



FUNDS UNDER MANAGEMENT REBOUND CONSIDERABLY IN Q2.

Total funds under management increased 7.3% this quarter to \$210b, and are 6.9% higher compared with Q2 2019 (Figure 1). Funds under management are back above the levels in Q4 2019. This was the largest quarterly increase in funds under management on record, and followed financial markets upwards after unprecedented fiscal and monetary action as a result of the COVID-19 pandemic.

Figure 2: Kiwisaver & Other Superannuation

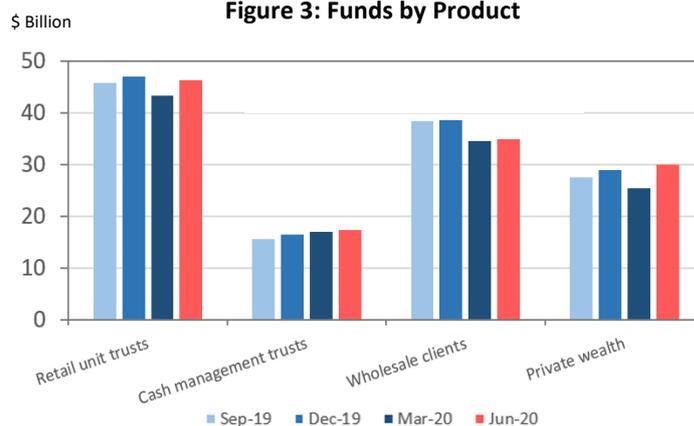


KIWISAVER & SUPERANNUATION ALSO REBOUND

For the quarter ended 30 June 2020, KiwiSaver net assets rose \$5.5b to \$69.0b, an 8.7% increase. This is \$3.5b (+5.4%) higher than the pre-pandemic high in Q4 2019.

Other Superannuation also had an increase rising \$1.6b to \$29.9b, a 5.8% increase for the quarter. However, other Superannuation is still \$2.3b (-7.6%) below its pre-pandemic high in Q4 2019 (Figure 2).

Figure 3: Funds by Product



GAINS IN FUNDS BY TYPE FAVOURS SHARE HOLDINGS

Funds by product, regardless of fund type, all increased over the quarter, though the increases were concentrated more heavily in products containing larger holdings of shares like private wealth, as opposed to cash management trusts (Figure 3).

- Private Wealth increased 18.4% to \$30.0b
- Retail unit trusts increased 7.3% to \$46.4b
- Wholesale clients increased 0.9% to \$35.0b
- Cash management trusts increased 1.8% to \$17.4b.

HOLDINGS OF SHARES SEE SIGNIFICANT INCREASE

For the quarter, total industry holdings of listed shares increased significantly from \$72.3b to \$84.8b (a rise of 17.3%, which is almost back to pre-pandemic levels). Short term debt securities increased by 23.0% and long term debt securities also increased slightly, growing 2.0%. Cash fell during the quarter, decreasing 10.1% (Figure 4).

Figure 4: Funds by Asset Class

