

STATS INSIGHT Managed Funds – Q2 2021

25th August 2021

Summary

- The total value of funds under management increased to \$248b (+4.5%) during the quarter.
- Kiwisaver and Other Superannuation schemes were both up this quarter (+4.2% and +3.1% respectively)
- Fund holdings saw increases across all asset classes. Of note, holdings of listed shares increased 7% to a record high of \$119.3b. Listed shares account for 41.2% of total funds under management (compared with 34.6% before the pandemic hit).
- Fund holdings by product type saw increases in retail unit trusts (+6.2%), private wealth (+4.5%), cash management trusts (+2.2) and wholesale trusts (+1.7%) this quarter.

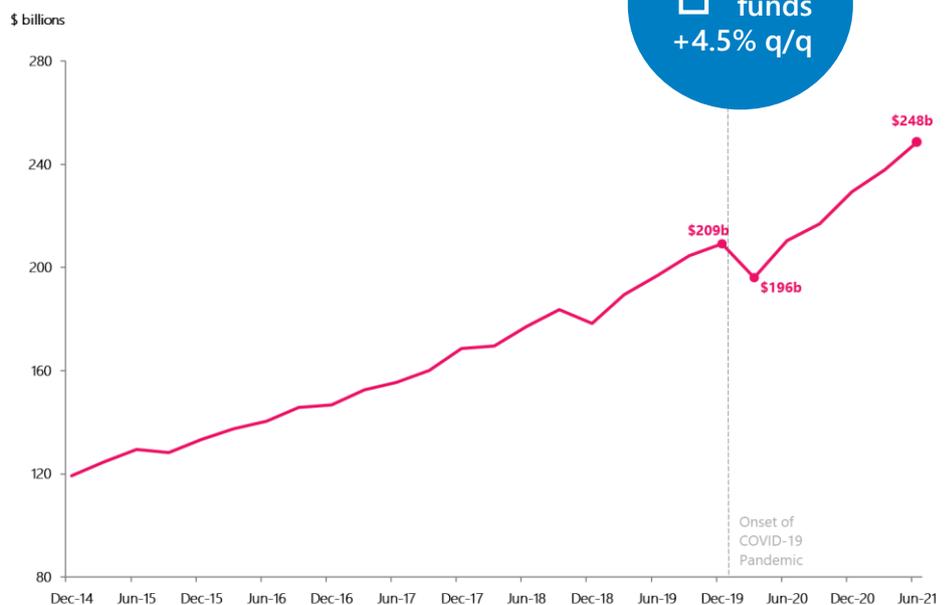
Total funds under management continues to increase

For the quarter ended 30th June 2021, total funds under management increased 4.5% to \$248b.

The value of funds under management continues to have steady and strong growth since the dip we saw in Q1 2020. In fact, year on year growth is at 18.1%.

Note: The worst period affected by Covid-19 for funds under management occurred during the March 2020 quarter where we saw total funds drop 6.2% in a quarter. Time will tell whether the recent nationwide Level 4 lockdown announced on the 17th of August 2021 will have an impact on the value of total funds.

Figure 1: Total Funds under Management



Kiwisaver & Other Superannuation net assets at an all time high

Kiwisaver and Other Superannuation schemes continue to record positive growth.

Kiwisaver net assets rose \$3.5b this quarter up to \$86.7b, a 4.2% increase. This is a 25.7% increase from Q2 2020.

Similarly, Other Superannuation increased this quarter rising \$1b to \$34.4b, a 3.1% increase for this quarter. This is a 15% increase from Q2 2020.

Note: During the worst quarter for Covid-19 (March 2020) we saw Kiwisaver drop by 3% and Other Superannuation drop by 12.1%.

Figure 2: KiwiSaver & Other Superannuation

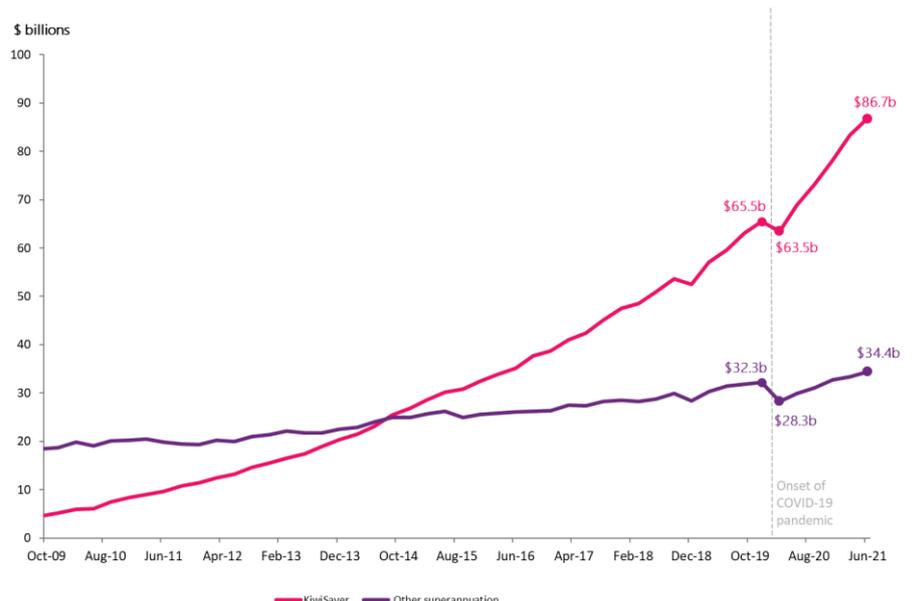
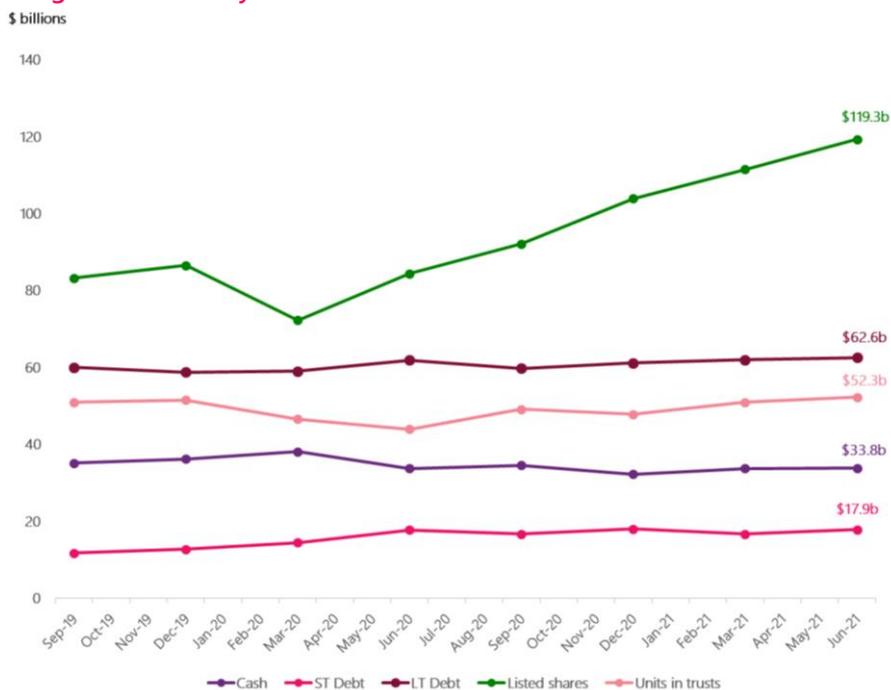


Figure 3: Funds by Asset Class



Total value of share holdings continues strong quarter on quarter growth

Total industry holdings of listed shares increased again this quarter, up 7% to a record high of \$119.3b (Figure 3). Holdings have been steadily rising since the dip in March 2020 from the Covid-19 pandemic. In fact, holdings of listed shares currently account for 41.2% of total funds under management, compared to 34.6% in Dec 2019 (before the pandemic hit).

After a 7.2% decrease last quarter, short term debt securities holdings were back up this quarter increasing 7% to \$17.9b. Short term debt securities account for 6.2% of funds under management.

Retail Unit Trusts increase for the second quarter in a row

The value of Retail Unit Trusts increased 6.2% this quarter, to reach \$50.9b. This is an annual increase of 9.7%.

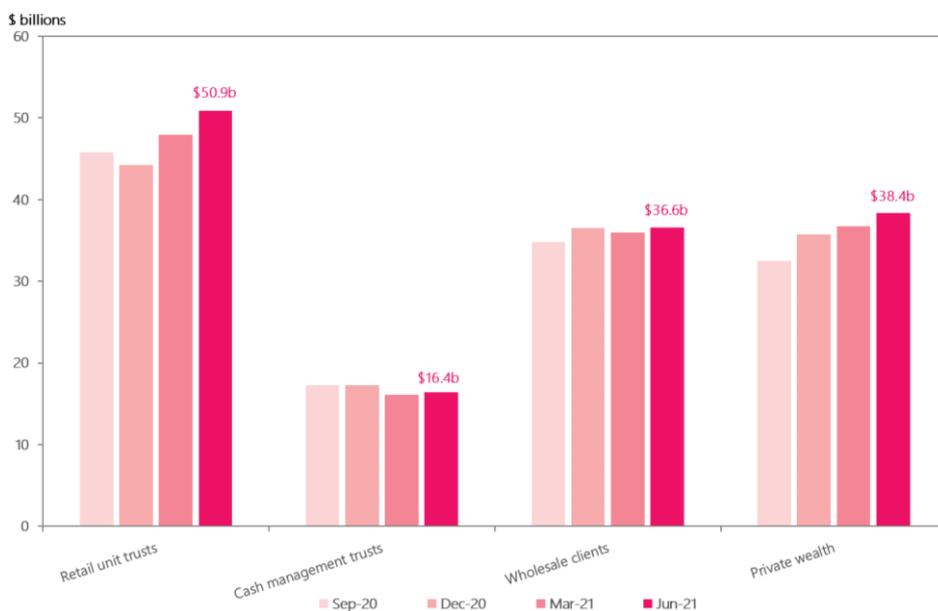
Private Wealth is up 4.6% this quarter to \$38.4b, this is a 27.7% annual increase. Private wealth funds tend to favour higher risk, higher reward investments and therefore usually have higher proportions of shares compared with other fund types. This would explain why the value of Private Wealth funds (see Figure 4) follows a similar upward trend over the last 3 quarters as seen in the holdings of shares in Figure 3.

Cash management trusts increased 2.2% this quarter to \$16.4b. Cash management trusts have fallen 5.6% since Q2 2020.

Wholesale clients have increased by 1.7% this quarter to \$36.6b. They are back to the value we saw in December 2020, after a slight dip last quarter.



Figure 4: Funds by Product Type



About the Managed Funds Survey (QMFS & AMFS)

All figures in this report are drawn from the Quarterly Managed Funds Survey and the Annual Managed Funds Survey, which covers Managed Funds with:

- Total funds under management \$1+ billion. (QMFS)
- Funds under \$1 billion are collected annually at the end of quarter 1. (AMFS)

The QMFS covers 32 funds who make up approximately 93% of the total funds managed in New Zealand. The annual survey attempts to cover the remaining 7%, surveying 32 small funds. For the purposes of this survey we do not include ACC and the NZ Super Fund as these are government providers of insurance and pensions and as such are not included as a part of household savings.

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