

STATS INSIGHT Managed Funds – Q3 2021

26th November 2021



Summary

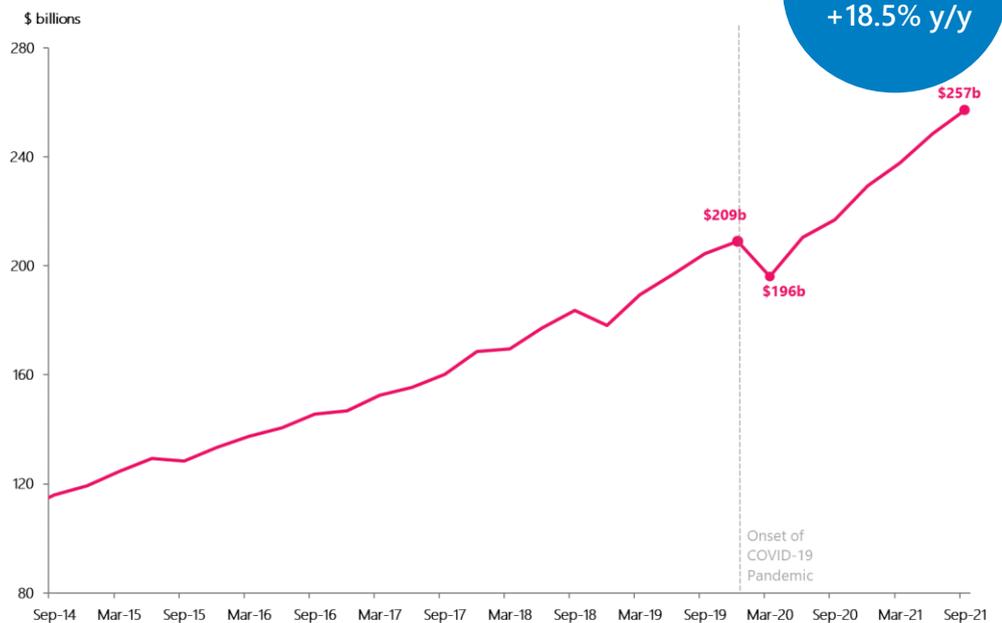
- The total value of funds under management increased to \$257b (+3.5%) during the quarter.
- Kiwisaver and Other Superannuation schemes were both up this quarter (4.7% and 4.9% respectively)
- Fund holdings by asset class saw increases in shares (+3.6%), long term debt (+2.7%), cash holdings (+1.7%), and short term debt holdings (+3.1%) this quarter.
- Fund holdings by product type saw increases in cash management trusts (+8.4%) retail unit trusts (+5.6%) and private wealth (+3.7%) this quarter.

Total funds under management continues to increase despite COVID-19 lockdowns

Despite COVID-19 lockdowns total funds under management increased 3.5% to \$257b for the quarter ended 30th September 2021.

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 18.5%.

Figure 1: Total Funds under Management



Kiwisaver & Other Superannuation net assets keep rising

Kiwisaver and Other Superannuation schemes continue to record positive growth.

Kiwisaver net assets rose \$4.0b this quarter up to \$90.8b, a 4.7% increase. This is a 24.1% increase from Q3 2020.

Similarly, Other Superannuation increased this quarter rising \$1.7b to \$36.1b, a 4.9% increase for this quarter. This is a 16.4% increase from Q3 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

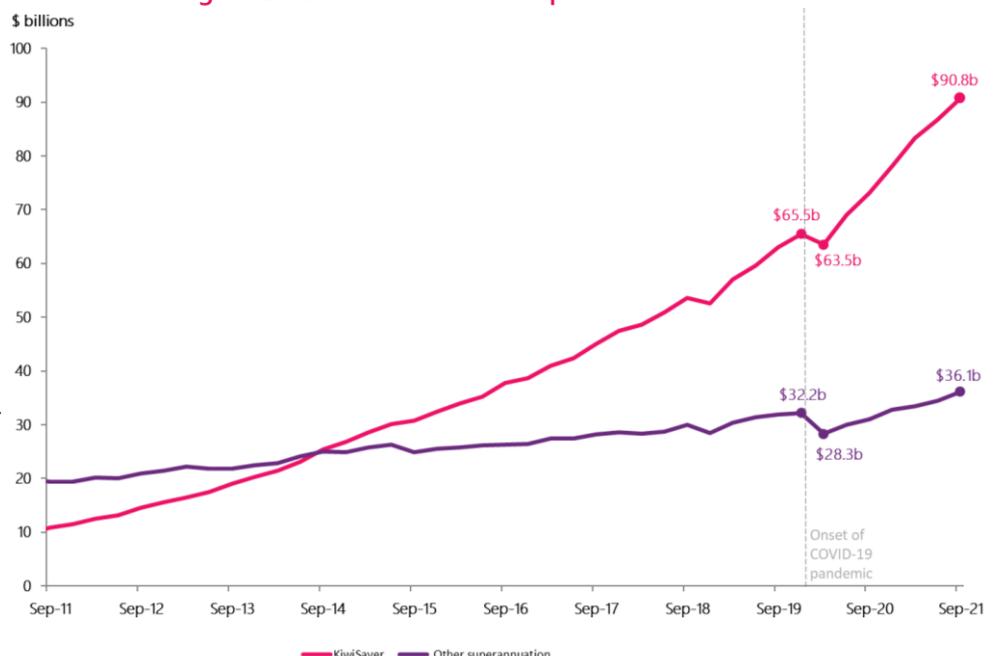


Figure 3: Funds by Asset Class

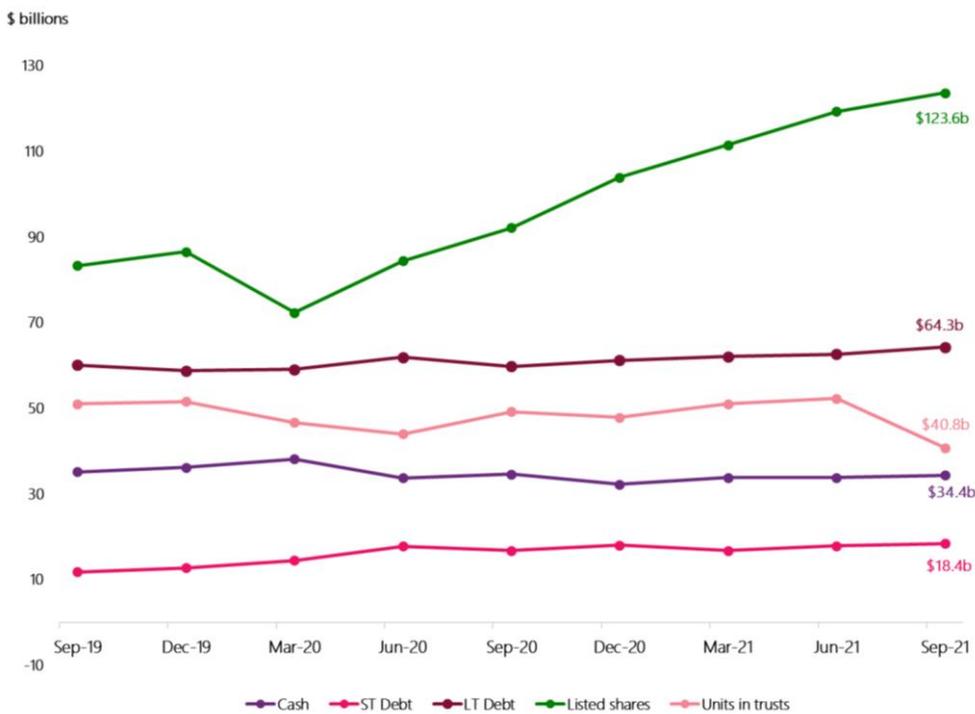
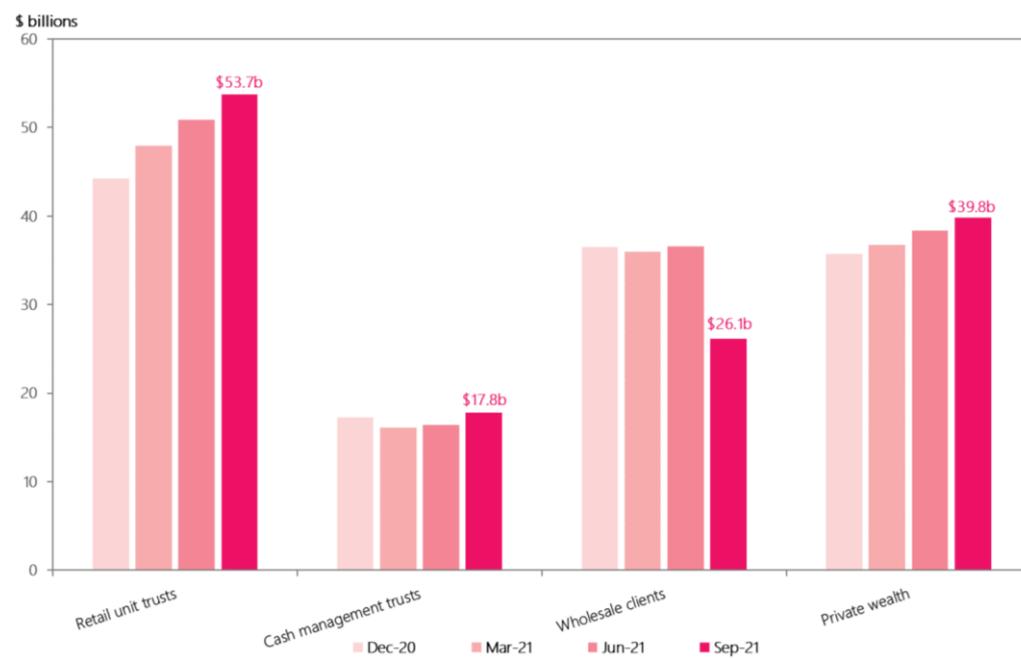


Figure 4: Funds by Product Type



Total value of share holdings quarter on quarter growth begins to slow

Total industry holdings of listed shares increased again this quarter, up 3.6% to a record high of \$123.6b (Figure 3). This is the lowest quarterly growth we have seen for listed shares since it fell in March 2020.

Short term debt securities holdings were up this quarter increasing 3.1% to \$18.4b.

Last quarter cash holdings were flat, only rising 0.05%. This quarter we have seen a slightly larger increase of 1.7% to \$34.4b.

Long term debt securities also had a slightly higher increase this quarter, rising 2.7% to \$64.3b.

Units in trusts decreased 22% to \$40.8b.

Note: One large provider has been reporting cross invested funds in wholesale trusts in more than one category. This has been addressed, but is unable to be backdated, causing a fall in unit in trusts this quarter. Total funds under management are unaffected by this change.

Private wealth records high annual growth

Private Wealth is up 3.7% this quarter to \$39.8b, this is a 22.6% annual increase.

The value of Retail Unit Trusts increased 5.6% this quarter, to reach a high of \$53.7b. This is an annual increase of 17.4%.

Cash management trusts increased 8.4% this quarter to a record high of \$17.8b. Cash management trusts have risen 3.5% since Q3 2020.

Wholesale clients have decreased by 28.6% this quarter to \$26.1b.

Note: One large provider has been reporting cross invested funds in wholesale trusts in more than one category. This has been addressed, but is unable to be backdated, causing a fall in wholesale clients this quarter. Total funds under management are unaffected by this change.

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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