

## Analysis of New Zealand Retail Managed Funds as at December 2014

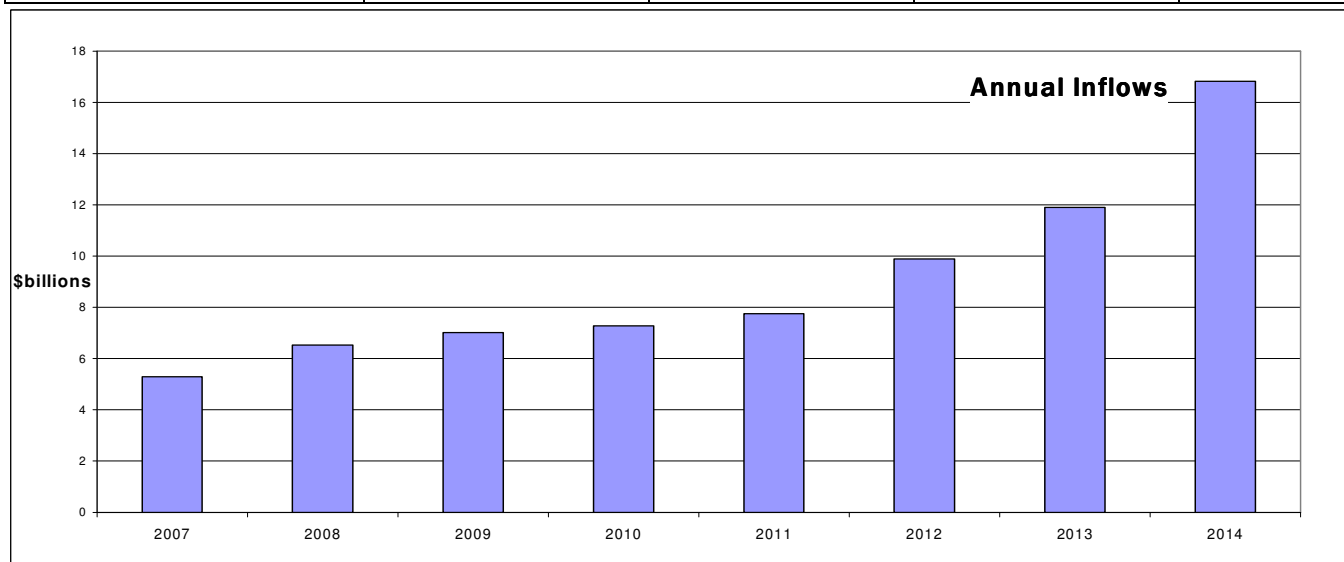
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### New Zealand Retail Managed Funds climb \$2.5bn during December Quarter 2014

New Zealand Retail Managed Funds grew by 4.3% during the December 2014 quarter to \$59.4bn. Over the whole of the 2014 they jumped 17.8% propelled by significant fund flows into both of the two main Kiwi Saver and Unit Trusts & Managed Funds sub-markets as well as buoyant, if at times understandably somewhat nervous and wobbly, underlying investment markets that in turn were supported by the continued unprecedented stimulatory low interest rate policies of governments around the globe. Russell Investment Management (76.6%), Kiwi Wealth (58.4%), Milford Asset Management (52.7%), Grosvenor (24.0%), BT / Westpac (23.4%) and ASB Group Investments (20.6%) reported 20% plus percentage increases in their Retail funds under management.

Gross Inflows during 2014 of \$16.8bn, were up dramatically by 41.3% on the \$11.9bn recorded in 2013. There was the usual dip in Inflows during the December quarter due to KiwiSaver seasonality factors (refer below), but this time they were only down overall by 6.4%. Year on year BNZ, Russell, Kiwi Wealth, ANZ, AMP, ASB, Mercer, Fisher Funds and BT / Westpac all posted very high double digit plus annual Inflow growth rates.

Funds Under Management								
\$millions	Dec-14		Sep-14		Dec-13		Growth Rates	
							Qtrly	Annual
ANZ Investments	17,811	30.0%	16,919	29.7%	15,434	30.6%	5.3%	15.4%
ASB Group Investments	8,252	13.9%	7,853	13.8%	6,845	13.6%	5.1%	20.6%
BT / Westpac NZ	7,449	12.5%	7,126	12.5%	6,036	12.0%	4.5%	23.4%
AMP NZ	6,540	11.0%	6,960	12.2%	6,792	13.5%	-6.0%	-3.7%
Mercer NZ	3,936	6.6%	3,768	6.6%	3,435	6.8%	4.5%	14.6%
Fisher Funds	3,633	6.1%	3,500	6.1%	3,079	6.1%	3.8%	18.0%
Milford Asset Management	2,913	4.9%	2,719	4.8%	1,908	3.8%	7.2%	52.7%
Kiwi Wealth	1,966	3.3%	1,568	2.8%	1,241	2.5%	25.4%	58.4%
Grosvenor	815	1.4%	778	1.4%	657	1.3%	4.6%	24.0%
Russell Investment Management	533	0.9%	344	0.6%	302	0.6%	54.9%	76.6%
Other Companies	5,571	9.4%	5,408	9.5%	4,712	9.3%	3.0%	18.2%
<b>Totals</b>	<b>59,419</b>	<b>100.0%</b>	<b>56,944</b>	<b>100.0%</b>	<b>50,440</b>	<b>100.0%</b>	<b>4.3%</b>	<b>17.8%</b>
Analysis By Market								
KiwiSaver	26,482	44.6%	24,807	43.6%	20,198	40.0%	6.8%	31.1%
Other Superannuation	4,347	7.3%	4,732	8.3%	4,784	9.5%	-8.1%	-9.1%
Unit Trusts & Managed Funds	28,251	47.5%	27,065	47.5%	25,108	49.8%	4.4%	12.5%
Insurance & Investment Bonds	339	0.6%	340	0.6%	350	0.7%	-0.1%	-3.1%
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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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