

## **Smartshares tops \$4 billion as popularity of passive funds grows**

**23 JANUARY 2020** – Smartshares Limited, NZX's award-winning ETF, funds, superannuation and KiwiSaver provider, has seen funds under management (FUM) exceed \$4 billion for the first time – up 35% or more than \$1 billion over the past year.

Smartshares CEO, Hugh Stevens, says the growth has come from strong inflows to Smartshares' Exchange Traded Funds (ETFs) and the SuperLife superannuation and KiwiSaver schemes, together with the returns generated for investors.

Mr Stevens describes the year-on-year growth as “a win for Kiwi investors and the best possible advertisement for index-tracking funds”, which are finding favour globally due to both strong performance and typically lower management fees. While ETFs are currently less than 4% of the total value of listed equities and funds traded on-market in New Zealand, in the US index-tracking funds overtook the value of actively-managed stock funds in the second half of 2019.

“We see plenty of further growth potential in New Zealand with an increasing number of investors benefiting from low fees while gaining immediate diversification from Smartshares ETFs, and advisors using them as key building blocks of bespoke portfolios for clients.”

Mr Stevens says the popularity of index funds has increased with better understanding of the relative performance, low cost and broad investment choice they offer.

He says Smartshares currently offers a range of more than 30 product choices from New Zealand and global bonds, and exposure to the local cash market, to different geographies, along with environmentally and socially responsible global equities, megatrends and passive global bonds – that allow investors to easily create their own portfolios with a high level of diversification.

There are nearly 120,000 New Zealanders invested in Smartshares' products, either directly or via SuperLife's Invest, KiwiSaver, Workplace Savings and UK Pension schemes, or through financial advisors and investment platforms such as Sharesies, InvestNow and ASB Securities.

Smartshares won multiple industry awards in 2019 – including both the Australian Equities and New Zealand Equities categories at the Zenith/FundSource Awards, and Fund Manager of the Year Awards in the New Zealand Equity Sector and Australasian Property Sector at the Good Returns Research IP Awards.

ENDS

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For more than 150 years we have been creating opportunities for Kiwis to grow their personal wealth and helping businesses prosper. As New Zealand's Exchange, we are proud of our record in supporting the growth and global ambitions of local companies.

NZX operates New Zealand's equity, debt, funds, derivatives and energy markets. To support the growth of our markets, we provide trading, clearing, settlement, depository and data services for our customers. We also own Smartshares, New Zealand's only issuer of listed Exchange Traded Funds (ETFs), and KiwiSaver provider SuperLife. NZX Wealth Technologies is a 100%-owned subsidiary delivering rich online platform functionality to enable New Zealand investment advisors and providers to efficiently manage, trade and administer their client's assets. Learn more about us at: [www.nzx.com](http://www.nzx.com)