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## Steady as she goes is still investor policy

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SAFE AS houses remains the philosophy of investors as fund industry figures show them finally turning investment positive.

The New Zealand retail managed funds industry recorded positive net funds flow of \$118.6 million for the quarter ended September 2003 - the first positive quarter since March 2002.

But investors are not being attracted back by talk of international shares, it's mortgage funds they are plumping for.

In all, more than \$200m in investor cash sought out mortgage funds to park in - a pattern that has continued since the end of 2000.

Burned in the early 2000 global stockmarket crash, investors are only slowly returning to global share funds, although in the three months to the end of September \$23.3m sought out such funds.

The two biggest losers were NZ Cash funds, the safest kind of managed funds, which experienced the largest outflow of \$88m as investors sought out higher yielding investments in the low interest rate environment. Many investors also seem to believe that domestic New Zealand shares are near a peak. \$36.5m in all was pulled out of such funds.

ASB Bank, with its huge client base, topped the table once again with a \$102m inflow, which was again attributable to \$86.4m flowing into their Residential Mortgage Fund. New Zealand Funds Management was second and received almost \$60m into their diversified funds.

- Garry Sheeran

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Part: D

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