**FINA312 / FINA517 – 15B**

**FUND MANAGEMENT SIMULATION PROJECT**

**INSTRUCTION FOR REPORT 04**

Group members

Ziru Sun 1247219

Shengyu Xu 1247387

Congqi Wei 1247360

Yahoo account: sylerxu@yahoo.co.nz

# Passive Funds

The NAV at the time of report 3 is given below:-

|  |  |  |  |
| --- | --- | --- | --- |
|  | Number of Stocks Purchased |  |  |
| Stock’s Name | Current market Price | Current Market Value |
| Fisher & Pykel Healthcare ltd (FPH), | 67,477.00 | 7.31 | 493,256.87 |
| Auckland International Airport Ltd (AIA) | 94,787.00 | 4.97 | 471,091.39 |
| Meridian Energy Ltd (MEL) | 221,239.00 | 2.20 | 486,725.80 |
| Fletcher Building Ltd (FBU) | 64,103.00 | 7.25 | 464,746.75 |
| Infratil Ltd (IFT) | 155,280.00 | 3.03 | 470,498.40 |
| Contact Energy Ltd (CEN) | 96,339.00 | 5.25 | 505,779.75 |
| No. of Units | 1,051,568.00 |  |  |
| No. of Units investor hold | 210314 |  |  |
| Total Value | 4,392,301.83 |  |  |
| Cash | 500,000.00 |  |  |
| Total Fund Value | 4,892,301.83 |  |  |
| Total Fund Value investor hold | 978460.366 |  |  |
| NAV | 4.65 |  |  |

The NAV as per current market price is given below:-

|  |  |  |  |
| --- | --- | --- | --- |
|  | Number of Stocks Purchased |  |  |
| Stock’s Name | Current market Price | Current Market Value |
| Fisher & Pykel Healthcare ltd (FPH), | 67,477.00 | 7.65 | 516,199.05 |
| Auckland International Airport Ltd (AIA) | 94,787.00 | 4.88 | 462,560.56 |
| Meridian Energy Ltd (MEL) | 221,239.00 | 2.22 | 491,150.58 |
| Fletcher Building Ltd (FBU) | 64,103.00 | 7.26 | 465,387.78 |
| Infratil Ltd (IFT) | 155,280.00 | 3.05 | 473,604.00 |
| Contact Energy Ltd (CEN) | 96,339.00 | 5.09 | 490,365.51 |
| No. of Units | 1,051,568.00 |  |  |
| No. of Units investor hold | 210314 |  |  |
| Total Value | 4,356,936.79 |  |  |
| Cash | 500,000.00 |  |  |
| Total Fund Value | 4,856,936.79 |  |  |
| Total Fund Value investor hold | 971389.2055 |  |  |
| NAV | 4.618756742 |  |  |

The Benchmark of passive fund we set, we keep the tracking error at 5%. The analysis clearly shows that NAV decreases from 4.65 to 4.618 due to recent market turmoil. Now, investors want to inject 1200000 fresh funds so it must be invested in the top 3 best performing fund i.e. FPH, MEL and CEN respectively. But since only FPH gives positive return so we will invest50% in FPH and rest 50% in equal proportion in other two. As a result, we should totally invest FPH at 600000 dollars and totally at 78431 units. MEL and CEN at 25%, and the new invest units will be 135135 units and 58939 units. The above strategy helps to create more profit for the fund in the future. The no. of new unit invested as per current NAV is given below:-

|  |  |
| --- | --- |
| Amount Invested | 1,200,000.00 |
| New unit injected | 259,810.18 |

# Active Funds

The NAV at the time of report 3 is given below:-

|  |  |  |  |
| --- | --- | --- | --- |
|  | Market Price | Number of Stocks Purchased | Total value |
| Stock’s Name |
| Delegat Group Ltd (DGL) | $5.40 | 138,889 | $750,000.60 |
| Ebos Group Ltd (EBO) | $10.80 | 69,444 | $749,999.52 |
| Fletcher Building Ltd (FBU) | $7.80 | 96,154 | $750,001.20 |
| Kiwi Property Group Ltd (KPG) | $1.37 | 547,445 | $749,999.60 |
| Hellaby Holding Ltd (HBY) | $2.85 | 263,158 | $750,000.30 |
| Infratil Ltd (IFT) | $3.22 | 232,919 | $749,999.18 |
| Genesis Energy Ltd (GNE) | $1.73 | 433,526 | $749,999.98 |
|  |  |  |  |
| Bond’s Name | Current market price | Volume | Total value |
| Z Energy Ltd (ZEL020) | $108.87 | 9,186 | $1,000,052.26 |
| Vector Ltd (VCT070) | $105.68 | 9,463 | $1,000,021.45 |
|  |  |  |  |
| No. of Units | 2,190,875.00 |  |  |
| No. of Units investor Hold | 438175 |  |  |
| Total Value | $9,500,077.06 |  |  |
| Cash | $500000 |  |  |
| Total Fund Value | $10,000,077.06 |  |  |
| Total Fund Value investor hold | $2,000,000 |  |  |
| NAV | 4.34 |  |  |

The NAV as per current Market price is given below:-

|  |  |  |  |
| --- | --- | --- | --- |
|  | Current Market Price | Number of Stocks Purchased | Total value |
| Stock’s Name |
| Delegat Group Ltd (DGL) | $5.30 | 138,889 | $736,111.70 |
| Ebos Group Ltd (EBO) | $11.41 | 69,444 | $792,356.04 |
| Fletcher Building Ltd (FBU) | $7.26 | 96,154 | $698,078.04 |
| Kiwi Property Group Ltd (KPG) | $1.29 | 547,445 | $706,204.05 |
| Hellaby Holding Ltd (HBY) | $2.91 | 263,158 | $765,789.78 |
| Infratil Ltd (IFT) | $3.05 | 232,919 | $710,402.95 |
| Genesis Energy Ltd (GNE) | $1.93 | 433,526 | $836,705.18 |
|  |  |  |  |
| Bond’s Name | Current market price | Volume | Total value |
| Z Energy Ltd (ZEL020) | $108.97 | 9,186 | $1,000,998.42 |
| Vector Ltd (VCT070) | $105.73 | 9,463 | $1,000,522.99 |
| No. of Units | 2,190,875.00 |  |  |
| No. of Units investor Hold | 438175 |  |  |
| Total Value | $9,297,830.22 |  |  |
| Cash | $500,000 |  |  |
| Total Fund Value | $9,797,830 |  |  |
| Total Fund Value investor hold | $1,959,566 |  |  |
| NAV | $4.47 |  |  |

The analysis clearly shows that NAV increases from 4.34 to 4.47 as per current rate despite uncertain present financial conditions. It means our portfolio is able to beat the market and it is because of this reason we want to add additional 2500000 into three new stocks.

|  |  |  |  |
| --- | --- | --- | --- |
| **Stock’s Name** | **Prior Market Price** | **Current Market Price** | **Gain /Loss** |
| Delegat Group Ltd (DGL) | $5.30 | $5.30 | 0.0% |
| Ebos Group Ltd (EBO) | $10.84 | $11.41 | 5.3% |
| Fletcher Building Ltd (FBU) | $7.25 | $7.26 | 0.1% |
| Kiwi Property Group Ltd (KPG) | $1.34 | $1.29 | -3.7% |
| Hellaby Holding Ltd (HBY) | $2.88 | $2.91 | 1.0% |
| Infratil Ltd (IFT) | $3.03 | $3.05 | 0.7% |
| Genesis Energy Ltd (GNE) | $1.82 | $1.93 | 6.0% |
| ANZ Bank (ANZ) |  | $31.63 |  |
| The warehouse (WHS) |  | $2.59 |  |
| Mainfreight (MFT) |  | $15.04 |  |

The above strategy helps to get more profitability in future despite uncertain market condition. The stocks in which we are going to invest are ANZ Bank (ANZ.NZ) and the warehouse (WHS.NZ) and Mainfreight (MFT.NZ). At the current stock market, ANZ.NZ’s price is $31.63, WHS.NZ’s price is $2.59 and MFT.NZ’s price is $15.04. Those three companies could be seen as the leading companies in their own industries. Buying their stocks could be safer compare with other companies in the same fields.

|  |  |
| --- | --- |
| Amount Invested | 2,500,000.00 |
| New unit injected | 559,020.45 |