

KiwiSaver Annual Report

2019



FINANCIAL MARKETS AUTHORITY

TE MANA TATAI HOKOHOKO - NEW ZEALAND



Purpose of this report

The main objective of the Financial Markets Authority (FMA) is to promote and facilitate the development of fair, efficient and transparent financial markets.

Our aim across all our activities is to raise the standard of conduct, and increase investor and market confidence to support economic growth in New Zealand.

We are one of several government agencies with a role in regulating KiwiSaver, which amounts to a substantial part of New Zealand's collective wealth.

For many New Zealanders, KiwiSaver may be their first investment and may be a large part of their retirement savings and ultimate financial security.

We are required to report each year on our main KiwiSaver activities. This year's report covers the period from 1 July 2018 to 30 June 2019, and contains a summary of the statistical returns that must be lodged by KiwiSaver schemes as at 31 March 2019.

Presented to the House of Representatives pursuant to Section 159 of the KiwiSaver Act 2006.

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KiwiSaver's role in the economy and the lives of New Zealanders is growing

Members

2,934,268



▲ 3%



65+ withdrawals

\$1.04B

▲ 43%



1st home withdrawals

\$953M

▲ 32%

Funds under management

\$57B

▲ 17%

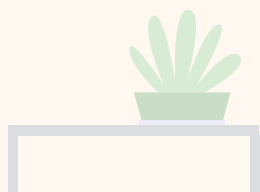
FROM \$48.6B

But fees aren't coming down as expected

Total fees gathered by providers (management and administration)

\$418M

▲ \$479.8M



Average admin fee per member

\$31.27



FROM \$30.84

▲ 1%

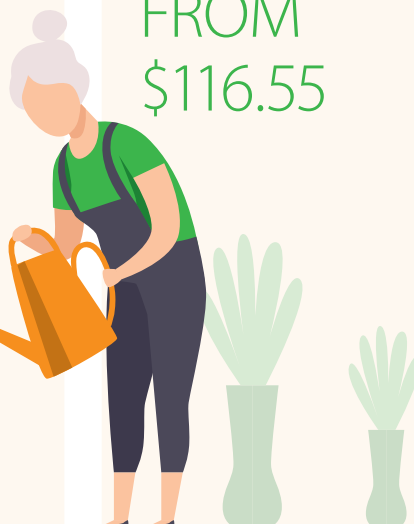


Average management fee per member

\$132.26

▲ 13%

FROM \$116.55





Executive summary

KiwiSaver continues to be an important part of New Zealand's financial landscape, with contributions, investment returns and outflows increasing throughout the year ended March 2019.

With \$57 billion in funds under management and 2.9 million members, KiwiSaver is playing a central role in funding New Zealanders' retirements and helping KiwiSaver members into their first homes.

As contributions and balances grow, KiwiSaver's importance to New Zealand's financial sector will only increase.

There have been signs of fresh activity from KiwiSaver providers, with new scheme types and fee structures brought to market.

Members

KiwiSaver membership growth remained steady with 134,599 new members joining during the year, a similar number to last year. The current total number of KiwiSaver members is now 2,934,268, up 3.1% on the prior year.

The nine default funds' share of membership continued to fall, down to 13.6%, from 15.2% the prior year.

Funds under management

Total assets grew by \$8.4 billion to \$57 billion, an increase of 17%. Of this, investment returns made up \$3.8 billion, increasing by \$600 million (19%) on the prior year. This lift in returns was achieved despite turbulence in global financial markets at the end of 2018.

The default schemes' total assets fell to \$4.4 billion, from \$4.7 billion the prior year, with their share of assets continuing to slide, from 9.6% the prior year to 7.6%.

Contributions

There were increases in all types of KiwiSaver contributions, with standard member contributions hitting \$3.6 billion, up 7% from the year before. Employer contributions were up by the same percentage to \$2.1 billion, and lump sum contributions were up 16%. Crown contributions were \$777.8 million. Of the 2.9 million KiwiSaver members, 1.2 million made no contribution during the period. As a proportion of members, this has dropped slightly to 40.4%, from 40.7% the previous year.

Scheme transfers

KiwiSaver providers reported 199,307 transfers during the year, a 5% increase. This number does include people moving from a default fund to another fund in their scheme. Of the total, 166,022 members transferred between different KiwiSaver schemes.

Outflows

Just over \$1 billion was withdrawn by people aged over 65 and able to access their KiwiSaver accounts, up 43% on the \$731.2 million taken out the previous year. Of this, \$978 million came from non-default funds, and \$64 million from default funds.

Withdrawals for financial hardship totalled \$107.9 million in 2019, up 7% from the year before. \$108 million was withdrawn due to serious illness or death.



39,617

MEMBERS WITHDREW

\$953M

TO PURCHASE THEIR FIRST HOME

This is up 32% on last year.

KiwiSaver is playing an increasingly important role in helping New Zealanders buy their first home.

First home withdrawals

KiwiSaver is playing an increasingly important role in helping New Zealanders buy their first home. Over the year, 39,617 first home buyers withdrew a total of \$953 million, a 32% jump from the prior year's \$723 million.

Fees

The average member's balance in 2019 was \$19,426, an increase of 13.4% on the prior year's average. The average management fee plus administration fee paid by members was \$163.53, up by a similar percentage to the average balance. Income from administration fees rose by nearly 5%, contributing to a combined \$479.8 million in annual administration and management fee revenue for KiwiSaver providers.

Average fees charged by KiwiSaver providers have moved only slightly over the year. When fees are weighted by the amount invested in the fund, it shows very little movement. For balanced funds in the

quarter ended 31 March 2019, the average fee moved to 1%, up from 0.9% in the same quarter the prior year. The average fee for growth funds declined from 1.1% to 1%.

Default providers

KiwiSaver default providers have increased their efforts to contact members, and encourage them to make active decisions about their savings. This year, 52,289 default members made an active choice about their investment, compared to 28,603 in the prior year.

A total of 85,304 KiwiSaver members switched or transferred out of default schemes in the period, an increase of 17.7% from last year. This number includes those who made an active decision to stay in such a fund.

Six of the nine KiwiSaver providers increased the percentage of total members who made an active choice.

Value for money for KiwiSaver members

We have previously said we were surprised costs per member had not fallen faster, given the growth in funds under management. Research conducted during the year appears to indicate that the fees charged by providers for KiwiSaver funds are high compared to broadly similar funds in the UK – although it is difficult to find directly comparable fund regimes.

It appears the benefits of scale, at least for the larger providers, are not being passed on to investors. Our ongoing work to promote transparency and improved understanding of fees and charges will therefore continue. We will be asking KiwiSaver providers to demonstrate how they are providing value for money for members.

This includes explaining investment styles and how higher fees are justified for services such as active fund management or responsible investment strategies.



Facts at a glance

Withdrawals

AGED 65 AND OVER

▲ 43%

2019: \$1042.4M

(2018: \$731.2M)

FIRST HOME PURCHASE

▲ 32%

2019: \$953.2M

(2018: \$723.3M)

SIGNIFICANT
FINANCIAL HARDSHIP

▲ 7%

2019: \$107.9M

(2018: \$101M)

Retail schemes

TOTAL FUNDS UNDER MANAGEMENT

▲ 17%

2019: \$57B

(2018: \$48.6B)

Number of schemes

2019 NUMBER

31

(2018 SCHEMES: 30)



Membership

CONTRIBUTING MEMBERS

1,748,802

(2018: 1,681,977)

NON-CONTRIBUTING MEMBERS

1,185,466

(2018: 1,155,679)



INVESTMENT RETURNS

▲ 19%

2019: \$3.8B

(2018: \$3.2B)

TOTAL MEMBERS

▲ 3%

2019: 2,934,268

(2018: 2,837,656)

AVERAGE MEMBER BALANCE

▲ 13.4%

2019: \$19,426

(2018: \$17,130)



Member contributions

STANDARD CONTRIBUTIONS

▲ 7%

2019: \$3.6B
(2018: \$3.4B)

LUMP SUM CONTRIBUTIONS

▲ 16%

2019: \$732.5M
(2018: \$630.3M)



EMPLOYER CONTRIBUTIONS

▲ 7%

2019: \$2.1B
(2018: \$2B)

OTHER VOLUNTARY CONTRIBUTIONS

▼ 2%

2019: \$169.4M
(2018: \$172.6M)

CROWN CONTRIBUTIONS

▲ 3%

2019: \$777.8M
(2018: \$753.8M)

Fees

2018 ADMIN FEES

\$87.5M

CHANGE

▲ 5%

2019 ADMIN FEES

\$91.8M

AVERAGE ADMIN FEE PER MEMBER

▲ 1%

2019: \$31.27

2018: \$30.84

INVESTMENT MANAGEMENT FEES

▲ 17%

2019: \$388.1M

(2018: \$330.7M)

AVERAGE MANAGEMENT FEE PER MEMBER

▲ 13%

2019: \$132.26

(2018: \$116.55)

Default schemes

2019 TOTAL MEMBERSHIP

13.6%

CHANGE

▼ 1.6%

2019 TOTAL ASSETS

7.6%

CHANGE

▼ 2%

Focus Area: Value for money

The FMA has been focusing on KiwiSaver fees for the last few years, because fees have a significant impact on the overall returns that KiwiSaver members receive from their schemes. In the year ahead we intend to broaden this focus to examine whether KiwiSaver schemes are providing good value for money for New Zealanders.

There are some signs of the effects of market forces and increased competition in the KiwiSaver sector. New entrants have built market share, some with low, flat-fee structures.

In 2017, we introduced our online KiwiSaver Tracker tool, which allows users to see how much of a fund's return is paid in fees and where their fund sits compared to other funds.

This year, tracker data continues to show no clear link between higher fees and higher returns, apart from a couple of standout funds.

Recently commissioned research appears to show that fees charged by providers for KiwiSaver funds are high compared to broadly similar funds in the UK. Our ongoing work to promote transparency and improved understanding of fees and charges will therefore continue.

Our key planned activities relating to value for money are:

- Refining how we assess value for money in KiwiSaver, including researching how

to measure value for money, and how to accommodate value-added services marketed by providers.

- Continuing our research into how people are reacting to the reporting of fees in dollar terms in their annual member statements.
- Undertaking research into active and passive management in KiwiSaver, to ensure that firms' activities match their marketing and to aid assessment of value for money.

Fees – continuing focus

Fees paid by KiwiSaver members have been a key part of our continued oversight of the system.

Despite our expectation of competitive pressure on fees, there has been very little shift in fees over the past year, when fees are weighted by the amount of dollars invested in the fund.

For balanced funds in the quarter ended 31 March 2019, the average fee moved to 1%, up from 0.9% in the same quarter the previous year. The average fee for growth funds declined from 1.1% to 1%.

For the industry as a whole, revenue collected from KiwiSaver management and administration fees rose to \$479.8 million.

We have previously indicated that we expect average fees to reduce as funds under management increase, based on the assumption that marginal costs for each additional dollar invested are low. This has not occurred in fixed dollar terms, with only some movement in percentage terms.

Further, research conducted during the past year suggests fees charged by KiwiSaver providers are high compared to broadly similar funds in the UK. Benefits of scale – at least for the larger providers – do not appear to have been passed on to KiwiSaver members.



The FMA KiwiSaver tracker continues to show there is no clear link between higher fees and higher returns, apart from a couple of standout funds.



We will be asking KiwiSaver providers to demonstrate how they are providing value for money for their members, which includes explaining their investment style and how higher fees are justified for services such as active fund management or responsible investment funds.

We commissioned consultants Melville Jessup Weaver (MJW) to conduct an international comparison on fees. After comparing various international pension schemes, the UK was settled on as the best comparator by MJW.

Since 2012 the UK has had an auto-enrolment employer-based superannuation scheme much like KiwiSaver, with a minimum 8% contribution (from April 2019), of which at least 3% must come from the employer.

MJW says it is the “contract-based” element of these UK superannuation arrangements that most resembles KiwiSaver. Contract-based schemes are individual contracts between the member and the pension provider. Member and employer contributions are sent directly to the pension provider. The pension provider is often an insurance company

or an investment platform, although there are also a number of specialist independent providers.

After completing its initial high-level analysis, MJW said that KiwiSaver fees appeared higher than fees for the comparable UK market.

“In our view the initial conclusion that KiwiSaver fees are apparently higher than fees for the comparable UK market warrants further investigation to better understand the outcome and whether it can be further evidenced and if so, also attempt to understand the drivers of the difference.” said MJW.

We will be asking KiwiSaver providers to demonstrate how they are providing value for money for their members, which includes

explaining their investment style and how higher fees are justified for services such as active fund management or responsible investment funds.

We will be conducting further research in this area over the next 12 months.

How fees have changed over the period

The average management fee per KiwiSaver member rose from \$116.55 to \$132.26 – in line with the increase in average balances.

In the default funds, total fees per member rose slightly to \$78.

The average member’s balance in the period was \$19,426, an increase of 13.4% on the previous year’s average. The average



investment management fee paid by members was \$132, an increase of 13.5% from the prior year. Administration fees remained flat, at an average \$31.27 per KiwiSaver member.

Default provider review 2021

Fees are a core part of the current Ministry of Business, Innovation and Employment (MBIE) and Treasury review of KiwiSaver default providers. The current default provider selection criteria includes the need for providers to offer transparent and competitive fees.

As part of the tender process, providers submit the maximum fee levels they will charge, allowing appointed default providers to easily reduce fees without needing variations to their instruments of appointments. The policy intent was that setting competitive fee levels for default schemes would create downward pressure across all KiwiSaver funds.

There was an expectation that fees would reduce over time as KiwiSaver funds achieved economies of scale. As this has not occurred, the current review of default providers has a significant focus on different options for reducing fee levels.

Focus area: Encouraging default members to make active decisions

There are currently nine default fund providers: AMP, ANZ, ASB, BNZ, BT Funds (Westpac), Fisher Funds, Booster, Kiwi Wealth (KiwiBank) and Mercer.

Default providers are required to report to us each quarter on:

- Their communications to default members to encourage them to choose an investment within their provider's scheme (which may or may not mean switching to another investment product).
- The number of default members who actually make such a choice.

We regard active choices as important, as they are a good indication that the provider's financial literacy efforts have resulted in a member making a meaningful, informed choice in their own interest. This could mean changing fund type (for example to a growth or balanced fund) or deciding to remain in a conservative fund.

We have seen some good progress in the active choice area, with a significant lift in the number of KiwiSaver members making

an active decision about their investments and many then choosing to move into other funds. Six of the nine default KiwiSaver providers have improved their percentage of active choice members between 2018 and 2019.

KiwiSaver default providers have been increasing their efforts to contact members, encouraging them to make active decisions about their savings.

52,289 default members made an active decision about their fund, up significantly from 28,603 in the prior year. This number includes members who made an active decision to stay in a conservative fund.

Those providers with big increases typically used more intensive approaches such as calling members and talking with them about their KiwiSaver choices.

Default

6 OUT OF 9

default KiwiSaver providers have improved their percentage of active choice members between 2018 and 2019.



52,289

DEFAULT MEMBERS MADE
AN ACTIVE DECISION
ABOUT THEIR FUND

UP SIGNIFICANTLY FROM

28,603

IN THE PRIOR YEAR

We have seen some good progress in the active choice area, with a significant lift in the number of KiwiSaver members making an active decision about their investments and many then choosing to move into other funds.



Of members who made an active choice, 20,268 chose to stay in their default fund – a big jump from the previous year. When we asked the providers about this, their feedback included:

- Market volatility over the year had influenced investors to choose a less risky strategy or answer risk profile questions more conservatively.
- Campaigns to contact longer-term default members were leading to an older client base being activated – where a more conservative risk profile could be more appropriate.
- Growing awareness of the first home withdrawal facility, leading to shorter

term timeframes where a conservative risk profile is more likely to be suitable.

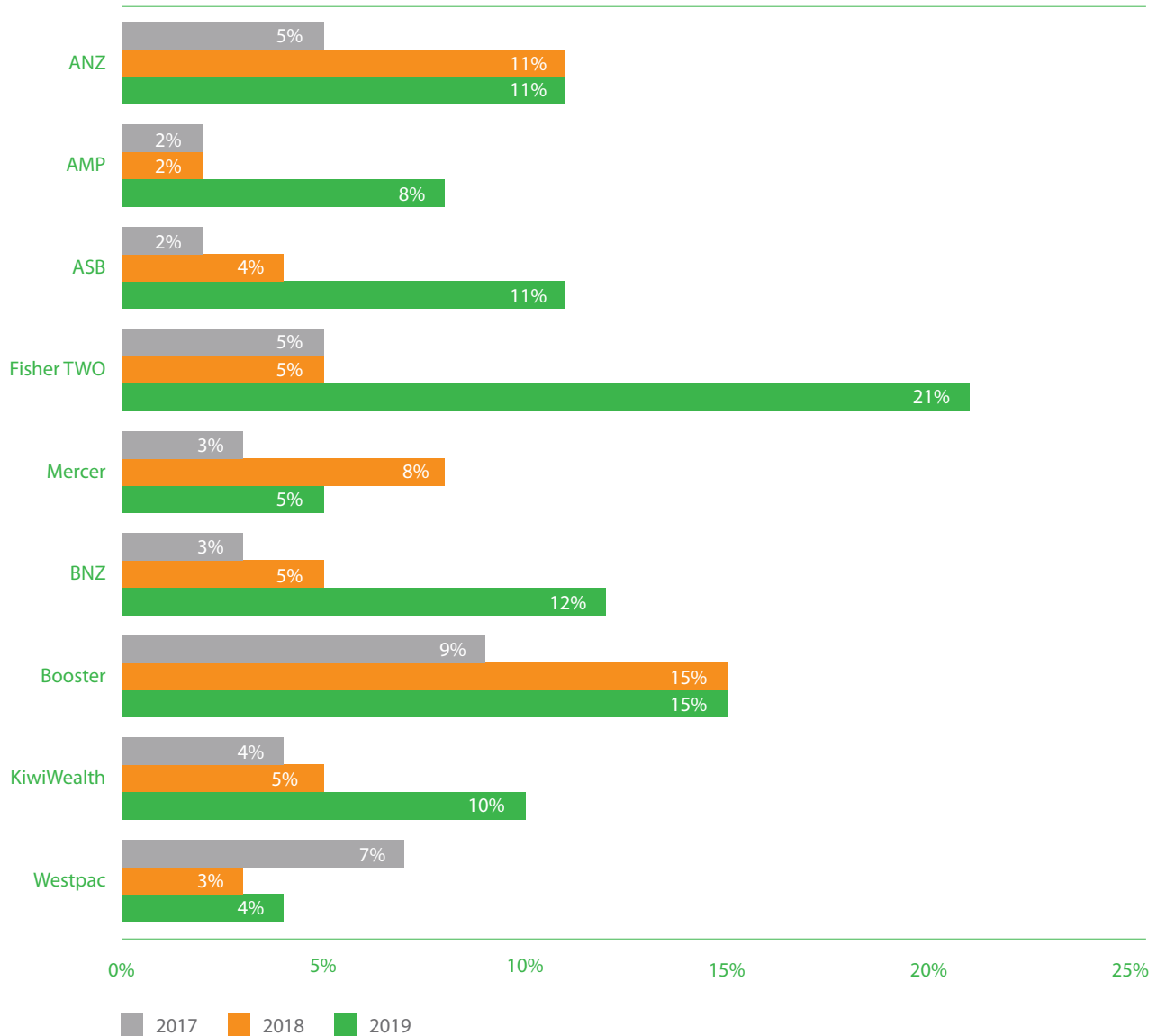
- The conservative option was “understood and comfortable”, with accompanying lower fees, so it was “easy to stay there”.
- A perception that the default option is the “best” or “correct” option.
- Default members tended to be less experienced and confident investors, and therefore more likely to skew towards a conservative risk profile.
- ‘Lifestages’ options allocating members to the conservative fund due to age.
- Staying in the default option is an ‘easy out’ for members not wanting to go through a risk-profile process.

KiwiSaver providers report that those who have been in a default fund for a long time are often harder to contact – and repeated attempts to talk about the need for an active decision may become less effective, making it difficult to sustain high levels of activation.

The term for the current default providers expires on 30 June 2021. The process for appointing new providers will start in early 2020.

MBIE and Treasury are reviewing the default provider settings. The review covers the policy settings that underpin the appointment of new providers and the terms on which those providers are appointed. A consultation document looking at aspects of the process,

ACTIVE CHOICE (%) BY PROVIDER



including the number of providers, fees charged and investment mandates, was released in August.

We expect that the efforts we have seen to encourage decisions and engagement with

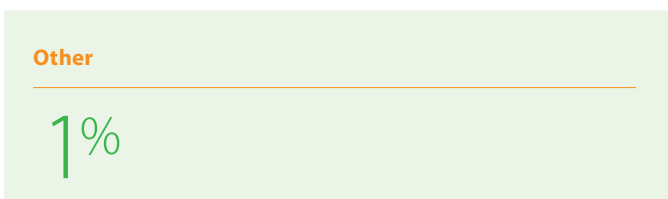
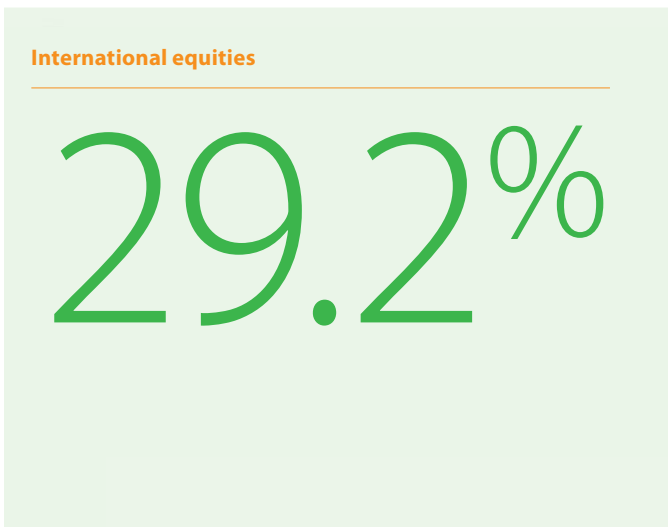
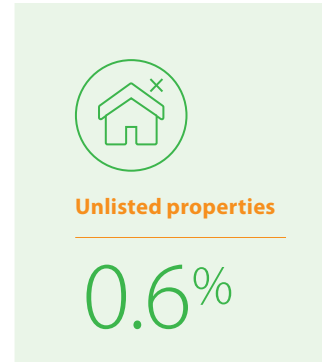
their default members will be considered as part of the review.

We expect default fund providers to keep contacting and encouraging their default members to make active decisions.

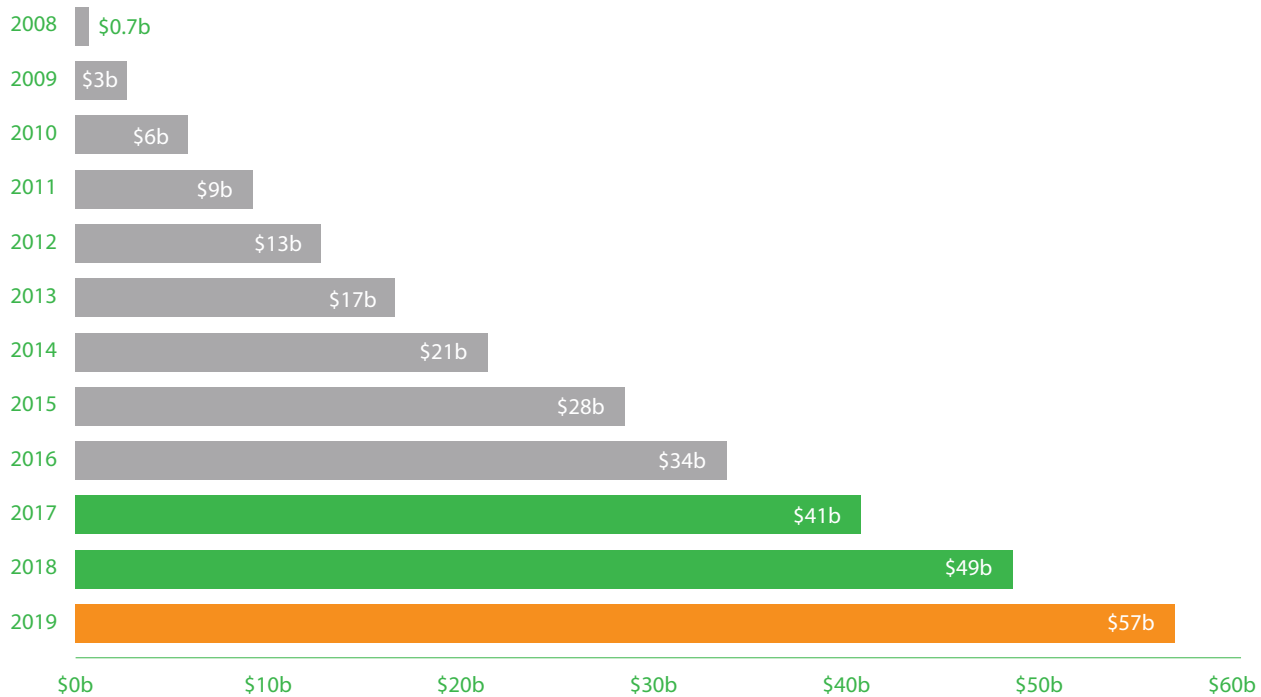
We expect default fund providers to keep contacting and encouraging their default members to make active decisions.

Where is KiwiSaver money invested?

These figures are taken from information provided quarterly by most of the KiwiSaver providers



FUNDS UNDER MANAGEMENT



Appendices

Appendix 1

Income and expenditure summary

KiwiSaver schemes as at 31 March 2019

	Default	Active	Total
Opening balance of scheme assets at start of annual return year	\$4,663,119,462	\$43,946,244,665	\$48,609,364,127
Categories of income for annual return year			
Member contributions at section 64 contribution rate	\$409,205,607	\$3,188,921,782	\$3,598,127,389
Employer contributions	\$251,074,524	\$1,846,633,674	\$2,097,708,198
Crown contributions (section 226) and fee subsidies	\$92,149,742	\$685,691,955	\$777,841,697
Transfers of members' accumulations into scheme from other KiwiSaver schemes	\$1,131,690	\$3,241,546,723	\$3,242,678,413
Transfers of members' accumulations into scheme from registered superannuation schemes	\$962,235	\$27,439,864	\$28,402,099
Transfers of members' accumulations into scheme from Australian superannuation schemes	\$7,405,060	\$174,498,025	\$181,903,086
Lump sum contributions	\$14,962,501	\$717,504,864	\$732,467,366
Other voluntary contributions over section 64 contribution rate	\$3,049,794	\$166,390,082	\$169,439,876
Income from investment of scheme assets	\$256,536,280	\$3,496,987,878	\$3,753,524,157
Other income	\$745,754	\$9,797,717	\$10,543,471
Total income from annual return year	\$1,037,223,187	\$13,555,412,564	\$14,592,635,751
Categories of expenditure for annual return year			
First home purchase withdrawals	\$54,372,711	\$898,854,525	\$953,227,236
Mortgage diversion withdrawals	\$70	\$50,549	\$50,619
KiwiSaver end payment date withdrawals	\$64,347,947	\$978,021,635	\$1,042,369,582
Withdrawals on death	\$5,352,873	\$57,541,559	\$62,894,432
Serious illness withdrawals	\$4,798,815	\$41,856,306	\$46,655,121
Withdrawals or transfers on permanent emigration	\$4,342,990	\$34,222,484	\$38,565,473
Significant financial hardship withdrawals	\$6,805,858	\$101,089,693	\$107,895,551
Transfers of members' accumulations out of scheme into other KiwiSaver schemes	\$1,127,449,663	\$1,992,334,290	\$3,119,783,953
Transfers of members' accumulations out of scheme into Australian superannuation schemes	\$579,905	\$7,055,409	\$7,635,314
Amounts required to be paid under other enactments	\$649,438	\$6,713,177	\$7,362,615
Invalid enrolments	\$2,967,058	\$2,953,108	\$5,920,166
Administration fees	\$10,984,542	\$80,769,361	\$91,753,903
Investment management fees	\$19,541,532	\$368,550,166	\$388,091,698
Trustee fees	\$373,528	\$6,109,205	\$6,482,733
Insurance premiums	\$0	\$0	\$0
Taxation	\$37,848,355	\$264,117,660	\$301,966,015
Other scheme expenses	\$214,971	\$20,412,241	\$20,627,212
Total expenditure for annual return year	\$1,340,630,256	\$4,860,651,366	\$6,201,281,622
Closing balance of scheme assets at end of annual return year	\$4,359,712,393	\$52,641,005,863	\$57,000,718,256

Notes: The statistical returns are unaudited and may not include all transactions. Some providers are not able to differentiate between different types of transfers. This means there are sometimes discrepancies between transfers to and from KiwiSaver schemes. Opening balances do not agree with last year's reported, closing balances.

Appendix 2

Membership summary

KiwiSaver schemes as at 31 March 2019

	Default	Active	Total
Number of contributing members at start of annual return year	228,811	1,453,166	1,681,977
Categories of entries of members for annual return year			
New members (other than transfers from other schemes)	61,811	72,788	134,599
Members restarting contributions at end of section 104 contribution holidays	3,561	14,296	17,857
Members restarting contributions after stopping contributions for any other reason	33,486	160,071	193,557
Members transferring into scheme from other KiwiSaver schemes	49	196,737	196,786
Members transferring into scheme from Australian superannuation schemes	77	2,070	2,147
Members transferring into scheme from registered superannuation schemes	12	336	348
Total entries for annual return year	98,996	446,298	545,294
Categories of membership exits for annual return year			
KiwiSaver end payment date exits	2,308	21,150	23,458
Deaths	445	2,833	3,278
Permanent emigration exits	337	1,832	2,169
Transfers out of scheme into other KiwiSaver schemes	85,304	113,733	199,037
Transfers out of scheme into Australian superannuation schemes	43	207	250
Other permanent exits*	2,968	2,441	5,409
Invalid enrolment withdrawals	2,388	1,067	3,455
Members starting section 104 contribution holidays	4,603	28,632	33,235
Member stopping contributions for other reasons	28,852	179,326	208,178
Total temporary and permanent exits for annual return year	127,248	351,221	478,469
Number of contributing members at end of annual return year	200,559	1,548,243	1,748,802
Non-contributing members on section 104 contribution holidays			
Non-contributing members on section 104 contribution holidays	22,280	84,205	106,485
Members starting section 104 contribution holidays	4,603	28,632	33,235
Members ending section 104 contribution holidays and restarting contributions	3,561	14,296	17,857
Members ending section 104 contribution holidays but not restarting contributions for any reason	2,510	10,082	12,592
Number of members on section 104 contribution holidays at end of annual return year	20,812	88,459	109,271
Other non-contributing members (not on section 104 contribution holidays)			
Other non-contributing members (not on section 104 contribution holidays)	179,042	870,152	1,049,194
Members stopping contributions without section 104 contribution holidays	31,362	189,196	220,558
Members restarting contributions after having stopped contributions without section 104 contribution	33,486	160,071	193,557
Number of other non-contributing members at end of annual return year	176,918	899,277	1,076,195
Total number of members at end of annual return year	398,289	2,535,979	2,934,268

* Mainly covers withdrawals due to illness

Note: Some providers currently have an inability to differentiate between different types of transfers, therefore there are discrepancies in transfers to and transfers from KiwiSaver schemes. There are also timing differences.

Appendix 3

Age and gender profile of members

KiwiSaver schemes as at 31 March 2019

Default members

Age at end of annual return year	Female	Male	Gender not specified	Total
17 and under	5,122	4,857	117	10,096
18-25	31,145	35,850	1,033	68,028
26-30	23,939	26,399	354	50,692
31-35	25,640	26,220	271	52,131
36-40	21,309	21,811	250	43,370
41-45	19,087	18,978	191	38,256
46-50	20,113	18,861	170	39,144
51-55	17,238	16,354	131	33,723
56-60	15,542	14,548	102	30,192
61-65	10,577	10,232	75	20,884
66-70	4,058	4,246	17	8,321
71-75	1,387	1,357	2	2,746
76-80	63	69	–	132
81-85	–	–	–	–
86 and over	8	8	–	16
Unknown age	234	318	6	558
Totals	195,462	200,108	2,719	398,289

Active members

Age at end of annual return year	Female	Male	Gender not specified	Total
17 and under	142,986	150,188	1,308	294,482
18-25	184,117	190,144	1,359	375,620
26-30	142,300	144,984	1,392	288,676
31-35	125,860	124,701	1,598	252,159
36-40	112,225	106,880	1,486	220,591
41-45	107,899	98,018	1,318	207,235
46-50	117,557	102,673	1,126	221,356
51-55	111,282	97,284	901	209,467
56-60	107,496	92,885	767	201,148
61-65	86,354	75,342	456	162,152
66-70	38,552	34,908	147	73,607
71-75	14,510	13,154	81	27,745
76-80	750	821	9	1,580
81-85	–	–	–	–
86 and over	4	7	–	11
Unknown age	44	95	11	150
Totals	1,291,936	1,232,084	11,959	2,535,979

Total members

Age at end of annual return year	Female	Male	Gender not specified	Total
17 and under	148,108	155,045	1,425	304,578
18-25	215,262	225,994	2,392	443,648
26-30	166,239	171,383	1,746	339,368
31-35	151,500	150,921	1,869	304,290
36-40	133,534	128,691	1,736	263,961
41-45	126,986	116,996	1,509	245,491
46-50	137,670	121,534	1,296	260,500
51-55	128,520	113,638	1,032	243,190
56-60	123,038	107,433	869	231,340
61-65	96,931	85,574	531	183,036
66-70	42,610	39,154	164	81,928
71-75	15,897	14,511	83	30,491
76-80	813	890	9	1,712
81-85	–	–	–	–
86 and over	12	15	–	27
Unknown age	278	413	17	708
Totals	1,487,398	1,432,192	14,678	2,934,268

Appendix 4

Profile of new default and other members

KiwiSaver schemes as at 31 March 2019

	Number of members	Scheme assets held for those member(s)
Default members allocated to scheme by Commissioner under section 51 in annual return year	63,579	\$79,681,204
Other new members entering scheme in annual return year (including transfers from other schemes and active choice members)	129,923	\$1,359,020,206

Note: Some providers have included members who have since opted out, while others have not.

Appendix 5

Summary of non-contributing members (not section 104 contribution holidays)

KiwiSaver schemes as at 31 March 2019

	Number of default members	Scheme assets held for those members (\$)	Number of active members	Scheme assets held for those members (\$)
Number of non-contributing members (not on section 104 contribution holidays) at start of annual return year	179,042	1,057,514,591	870,152	7,686,694,499
Number of non-contributing members (not on section 104 contribution holidays) at end of annual return year	176,918	1,045,503,429	899,272	9,437,021,297

Note: 'Non-contributing member' means:

- a member for whom no contributions have been received in the previous two months, or
- where the member does not contribute via the IRD, the member has failed to meet their contracted contribution frequency.

Appendix 6

Investment fund summary

KiwiSaver schemes as at 31 March 2019

	Number of members in each investment fund	Amount in each investment fund (\$)
Default investment product under instrument of appointment in respect of default members	398,289	4,359,712,393
Totals	398,289	4,359,712,393
Active default	290,332	4,625,936,993
Balanced	740,772	15,589,808,080
Cash	201,933	2,148,844,138
Conservative	566,340	8,558,101,373
Fixed interest	44,715	310,712,203
Growth	1,177,500	20,153,913,174
Other	10,494	311,556,377
Property	6,162	61,708,641
Shares	62,880	717,395,728
Single Sector	–	–
Single sector funds	–	–
Socially responsible	10,361	163,029,157
Totals	3,111,489	52,641,005,864

Note: The statistical returns are unaudited and may not include all transactions. Some members will be invested in more than one investment fund. 'Other' refers, in the main, to life stages products.

Appendix 7A

Switches out of default investment product into other investment funds

KiwiSaver schemes as at 31 March 2019

	Number of members out of default investment product	Number of members into other funds	Amount out of default investment product (\$)	Amount into other funds (\$)
Switches out of default investment product under instrument of appointment	52,289	-	786,550,384	-
Switches into other investment funds				
Conservative		2,447		32,128,890
Balanced		15,069		217,746,626
Growth		16,690		187,899,302
Active default		20,268		320,666,824
Single sector funds				
Cash		1,322		12,017,537
Shares		2,576		14,443,610
Fixed interest		68		623,736
Property		34		122,699
Socially responsible		166		901,160
Other		-		-
Total switches into other investment funds	52,289	58,640	786,550,384	786,550,384

Note: Switches out includes members making an active choice to switch out of the provider's default fund into another of the provider's funds, and members who make an active choice to remain in the default fund. Note that some providers are currently unable to report both, so the total shown is likely to be understated.

Appendix 7B

Switches between investment funds

KiwiSaver schemes as at 31 March 2019

	Switches into investment funds in annual return year		Switches out of investment funds in annual return year		Net change in amounts (\$)
	Number of switches	Amount (\$)	Number of switches	Amount (\$)	
Active default	8,700	217,441,722	27,693	411,477,025	-194,035,303
Conservative	42,488	674,328,316	40,075	600,659,529	73,668,787
Balanced	56,146	1,072,940,677	57,650	1,156,722,504	-83,781,827
Growth	82,916	1,125,862,070	68,534	1,112,475,355	13,386,715
Single sector funds					
Cash	21,074	397,822,895	17,496	198,970,423	198,852,472
Shares	20,523	53,232,893	20,608	74,138,608	-20,905,715
Fixed interest	4,769	26,962,776	5,040	18,027,109	8,935,667
Property	2,084	8,148,975	2,575	5,569,348	2,579,627
Socially responsible	938	8,097,909	575	5,257,756	2,840,153
Other	165	1,847,468	132	3,388,045	-1,540,578
Total switches between funds	239,803	3,586,685,701	240,378	3,586,685,701	-

Appendix 8

Profile of switches between investment funds

KiwiSaver schemes as at 31 March 2019

How many switches between investment funds made in annual return year	Number of members who made those switches	
	Default	Active
1 switch	48,137	146,660
2 switches		15,507
3 switches		2,360
4 switches		835
5 switches or more		747

Appendix 9

Analysis according to size of scheme assets

KiwiSaver schemes as at 31 March 2019

Assets grouping	Number of schemes	Total assets \$m	Total membership
Under \$10m	2	15	671
\$10m to under \$100m	4	111	5,125
\$100m to under \$500m	7	1,512	53,968
\$500m to under \$1,000m	4	2,726	84,153
\$1,000m to under \$5,000m	10	21,212	1,052,275
\$5,000m and over	4	31,425	1,738,076
Total	31	57,001	2,934,268

Note: The data has been obtained from statistical returns made by KiwiSaver providers. Some totals may not be exact, due to rounding.

Appendix 10

Analysis by nature of scheme

KiwiSaver schemes as at 31 March 2019

Nature of scheme	Number of schemes	Total assets \$m	Total membership
Default schemes	9	4,360	398,289
Retail (active choice)	26	51,566	2,509,467
Restricted schemes	5	1,075	26,512
Total	31	57,001	2,934,268

Note: Default scheme statistics are only in respect of members and assets in the default investment fund options. Retail (active choice) total assets and total membership figures include that portion of the default schemes where members have actively chose to participate.

The data has been obtained from statistical returns made by the KiwiSaver providers to the members and beneficiaries of those schemes.

Some totals may not be exact due to rounding.

Appendix 11A

Analysis according to nature of scheme and size of scheme assets

KiwiSaver schemes as at 31 March 2019

Number of schemes

Assets grouping	Retail	Restricted schemes	Total
Under \$10m	1	1	2
\$10m to under \$100m	2	2	4
\$100m to under \$500m	6	1	7
\$500m to under \$1,000m	3	1	4
\$1,000m to under \$5,000m	11		11
\$5,000m and over	3		3
Total (all groups)	26	5	31

Note: The above table does not take into account the default component of the schemes.

Total assets (\$ millions)

Assets grouping	Default	Retail	Restricted schemes	Total
Under \$10m		6	9	15
\$10m to under \$100m	152	48	63	263
\$100m to under \$500m	233	1,233	279	1,745
\$500m to under \$1,000m	1,879	2,001	724	4,604
\$1,000m to under \$5,000m	2,096	23,412		25,508
\$5,000m and over		24,865		24,865
Total (all groups)	4,360	51,566	1,075	57,001

Appendix 11B

Analysis according to nature of scheme and size of scheme assets

KiwiSaver schemes as at 31 March 2019

Total membership

Assets grouping	Default	Retail	Restricted schemes	Total
Under \$10m		61	610	671
\$10m to under \$100m	34,472	3,021	2,104	39,597
\$100m to under \$500m	41,879	45,377	8,591	95,847
\$500m to under \$1,000m	163,113	68,946	15,207	247,266
\$1,000m to under \$5,000m	158,825	970,453		1,129,278
\$5,000m and over		1,421,609		1,421,609
Total (all groups)	398,289	2,509,467	26,512	2,934,268

Note: Default schemes are included. Default scheme statistics are only in respect of members and assets in the default investment fund option. Retail (active choice) total assets and total membership figures include that portion of the default schemes where members have actively chosen to participate.

The data has been obtained from statistical returns made by the KiwiSaver providers relating to the members and beneficiaries of those schemes.

Some totals may not be exact, due to rounding.



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