

# KiwiSaver Report

For the year ended 30 June 2012



**FINANCIAL MARKETS AUTHORITY**  
TE MANA TATAI HOKOHOKO - NEW ZEALAND

**Financial Markets Authority KiwiSaver Report 2012**

Presented to the House of Representatives pursuant to Section 194 of the KiwiSaver Act 2006

**Financial Markets Authority**

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## Introduction

The Government Actuary was disestablished on 30 April 2011 and its functions, powers and responsibilities were incorporated within the Financial Markets Authority (FMA) on 1 May 2011.

FMA is responsible for the administration, compliance monitoring and enforcement of the KiwiSaver Act 2006 (the Act).

FMA actively engages with trustees of KiwiSaver schemes to ensure compliance with the Act. If a situation or request comes to our attention, we may enquire whether a KiwiSaver scheme is operating in accordance with the Act, under the powers specified in Part 3 of the Financial Markets Authority Act 2011.

For any new KiwiSaver scheme, FMA also has a role in enabling eligible schemes to be registered in a timely manner. This requires a review to ensure the trust deed complies with the requirements of the legislation, that matters covered in Schedule 2 of the Act are adequately disclosed, and that fees are not unreasonable, as identified in Schedule 1 of the Act and the KiwiSaver Regulations 2006 (the Regulations).

This report has been prepared in accordance with section 194 of the Act. It details the principal matters transacted under the Act for the year ended 30 June 2012.

This report also contains the fifth annual summary of statistical returns of KiwiSaver schemes, based on the Annual Returns for the period ended 31 March 2012, lodged by each individual scheme as required by section 125 of the Act.

## About FMA

FMA was established on 1 May 2011 as an independent Crown entity, as part of the Financial Markets Authority Act 2011, in response to the need to address failures in the financial markets, made evident from the global financial crisis. The Government recognised that New Zealand required a single conduct regulator to proactively monitor and enforce securities legislation.

FMA's role is to promote and facilitate the development of fair, efficient, and transparent financial markets. Our mandate is to strengthen the public's confidence in New Zealand financial markets, promote innovation and grow New Zealand's capital base.

# Review of KiwiSaver schemes for the year ended 30 June 2012

## General overview

The number of members enrolled in KiwiSaver schemes was over 1.91 million at 31 March 2012. The percentage of members in default schemes<sup>1</sup> at this time was 23.4.

FMA's activities in the period have focused on the registration and monitoring of KiwiSaver schemes and the administration of the relevant sections of the Act<sup>2</sup>. We have maintained regular contact with Inland Revenue to ensure operational efficiency.

For members in employment, the Inland Revenue collects the KiwiSaver member and any employer contribution via the IR345 form. We are aware there can be delays in transferring contributions to KiwiSaver providers if the employer completed schedules cannot be reconciled. However, whilst the contributions remain with Inland Revenue, an interest element will help compensate the member.

We have continued to be involved in discussions about individual KiwiSaver scheme design and trust deed issues, with trustees and their advisers, using our draft review process. This process allows issues to be raised and discussed, including interpretation issues on various sections of the Act.

FMA has also continued to manage the Default Monitoring Panel, which supervises the six default KiwiSaver schemes.

The current Instruments of Appointment for the providers of the default KiwiSaver schemes expire on 1 July 2014. During the year, the Ministry of Business, Innovation and Employment (MBIE) began a review of the KiwiSaver default product, to consider whether current settings remain appropriate or if changes need to be made to its design. FMA is actively engaged in this process.

The fees charged by FMA are as prescribed by Schedule 2 of the Regulations.

A member has the ability to track member and employer contributions via the Inland Revenue KiwiSaver website ([www.KiwiSaver.govt.nz](http://www.KiwiSaver.govt.nz)), as well as on the websites of some individual providers.

## Registration of schemes

No new KiwiSaver schemes were registered during the period. The total number of registered schemes at 30 June was 50. Statistical returns for the year ended 31 March 2012 were received from the 50 schemes registered at that date.

The KiwiSaver Amendment Act 2011 came into force on 1 May 2011, and set out specific governance changes that were required to be made to KiwiSaver schemes and will be classified as non-restricted. FMA has engaged with the industry and provided guidance as to what "necessary and desirable"

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<sup>1</sup> See Appendix 2.

<sup>2</sup> in conjunction with the Inland Revenue, who administer Parts 1 to 3 and Schedule 3 of the Act

amendments FMA will consent to. By 30 September 2012 these KiwiSaver schemes will be required to have:

- a manager who is the issuer for the purposes of the Securities Act 1978; and
- a licensed external trustee whose main function is to supervise the manager.

One KiwiSaver scheme restructured to meet the requirements of the KiwiSaver Amendment Act 2011 prior to 30 June, i.e. the manager became the issuer of the scheme with the trustee adopting the role of front-line supervisor. All (non-restricted) KiwiSaver schemes are required to complete similar restructures by 30 September 2012.

## Unreasonable fees assessment

As part of the registration process, under Schedule 2 of the Act 'a statement of the fees charged in the period, from registration to the first annual report, or the basis on which those fees will be calculated' is required.

The Government's objective was to establish KiwiSaver as a low cost work-based savings scheme at both the individual and employer level. The Act makes no distinction between schemes which are provided to the general public or to employers. In general terms, the result has been a range of fees which have some variations.

The style of investment management, for example, will lead to different fee levels. Generally the higher the investment risk, the higher the potential return and the higher the fee. Fees can have a significant impact on net returns. As shown in Appendix 1, fees<sup>3</sup> were the largest expenditure category impacting the size of scheme assets at the end of the annual return year.

The requirement for fees to be 'not unreasonable' is an implied term in a KiwiSaver trust deed. FMA expects the trustees of KiwiSaver schemes to monitor the KiwiSaver schemes they supervise for compliance with their obligations under their trust arrangements, including that fees charged are 'not unreasonable'. In undertaking this monitoring, trustees should be guided by the principles set out in the three guidance notes issued on this topic to date, these can be found under guidance notes at [www.fma.govt.nz](http://www.fma.govt.nz).

Under section 189B of the Act, any increase in fees must be advised to FMA as soon as reasonably practicable, after the increase takes place. During the year ended 30 June 2012, there were some minor adjustments to fees such as an inflation adjustment to the member charge.

The KiwiSaver Periodic Reporting Regulations, which are due to come into force on 1 April 2013, will include fee reporting provisions. This will also enhance investors' ability to compare fee arrangements and make more informed investment decisions.

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<sup>3</sup> Administration fees, investment management fees and trustee fees.

## Exempt employer, complying superannuation fund status

Exempt employer status means new employees to those employer companies would not be subject to the automatic enrolment rules prescribed in the Act.

As at 30 June 2012, 326 private sector employers had applied for, and received, exempt employer status, as compared to 418 at 30 June 2011. The reduction in the number of exempt employers is in part due to a review by FMA to ensure exempt employers were still eligible.

With respect to Complying Superannuation Fund (CSF) status, as at 30 June 2012 there were 27 (28 at 30 June 2011) schemes that had obtained this status. Of this total, 17 schemes were standalone employer schemes. The other 10 were multi-employer schemes. Ten (13 at 30 June 2011) employers of multi-employer schemes had received relevant participating employer complying fund status.

## Communications

FMA actively engages and communicates with KiwiSaver providers and other market participants to address problems as and when they arise.

Guidance notes are issued under section 127 of the Act as required. It is FMA's policy to publicly consult on guidance prior to issuing it. Since the Act came into force two guidance notes have been issued<sup>4</sup>.

In May 2012, after consultation with industry, FMA issued a new guidance note covering KiwiSaver performance fees. It builds upon the three characteristics the Government Actuary identified in his Guidance Note KSGN2, issued in March 2008.

The guidance note sets out the criteria against which FMA will assess whether performance fees (either charged or proposed to be charged, by a manager to a member's investment in the scheme), are considered 'not unreasonable'.

FMA is not expecting to see a significant increase in performance fees in the KiwiSaver market.

Superannuation and KiwiSaver information is available from [www.fma.govt.nz](http://www.fma.govt.nz). The website contains the electronic KiwiSaver Scheme Register, the Complying Superannuation Fund Register, the Exempt Employer Register and KiwiSaver guidance notes issued under the Act.

## Commentary

There are now over 1.91 million<sup>5</sup> members of KiwiSaver schemes. This is a 14 percent increase on the previous year.

Funds under management (FUM) exceeded \$12.73 billion at 31 March 2012<sup>6</sup>, an increase of \$3.56 billion. The largest contribution to the increase in FUM was member contributions of \$1.33 billion,

<sup>4</sup> The first two guidance notes, KSGN1 and KSGN 2 were issued by the Government Actuary.

<sup>5</sup> See Appendix 2.

<sup>6</sup> See Appendix 1.

closely followed by Crown contributions/fee subsidies of \$1.06 billion, and employer contributions of \$865.7 million. Income from investment of scheme assets represented \$449.9 million, or 9.7% of the total income for the annual return year.

KiwiSaver continues to develop in two distinct forms:

- 'retail' schemes for members and participating employers; and
- schemes for specific groups of people, either in the same company or industry, or other defined group.

The second group has restricted access, which results generally in lower fees as the defined membership has a close connection with the provider.

Across all KiwiSaver schemes, the largest item of expenditure over the year was fees, amounting to a total of \$129.0 million. The second largest item was taxation (\$90.2 million). Other scheme expenses accounted for \$8.44 million.

During the year \$28.9 million was withdrawn under the financial hardship provisions in section 102(a) of the Act. It is believed that this reflects the weaker economic climate, following the Global Financial Crisis (GFC), and also the effect of the Christchurch earthquakes.

Approximately 22.9 percent of all funds are invested in the six default KiwiSaver schemes. The default option for all KiwiSaver members are conservative investment funds, unless members specifically instruct otherwise. There is however, a desire for KiwiSaver members to adopt longer term investment options that are the most appropriate for their life stage, age profile and personal circumstances.

As was the case in 2011, there remains slightly more female members of KiwiSaver schemes than men (51%)<sup>7</sup>. Amongst members who have actively selected a scheme, the largest age group is 17 or under<sup>8</sup>. For default schemes the largest age group is 18-25.

Across all schemes, there are now over 312,000 members aged 17 or under<sup>9</sup>. Currently it is believed that a large percentage of these members make no contributions.

From 1 July 2012, KiwiSaver members who turn 65 and who have been a scheme member for at least five years, will be able to withdraw their KiwiSaver balances. Over the next five years, it is estimated that 155,000 KiwiSavers will reach retirement, and approximately \$2.3 billion<sup>10</sup> in assets could be unlocked from KiwiSaver schemes.

## Statistics

Appendices 1 to 11 contain the aggregation of the 31 March 2012 statistical returns specified in Schedule 1 of the KiwiSaver Regulations 2006. Appendices 1 to 8 mirror the form identified in Schedule 1.

<sup>7</sup> See Appendix 3.

<sup>8</sup> i.e. members who have actively selected their KiwiSaver scheme, rather than being placed in a default scheme.

<sup>9</sup> See Appendix 3.

<sup>10</sup> FMA research. Assumes average KiwiSaver account balances of \$15,000.



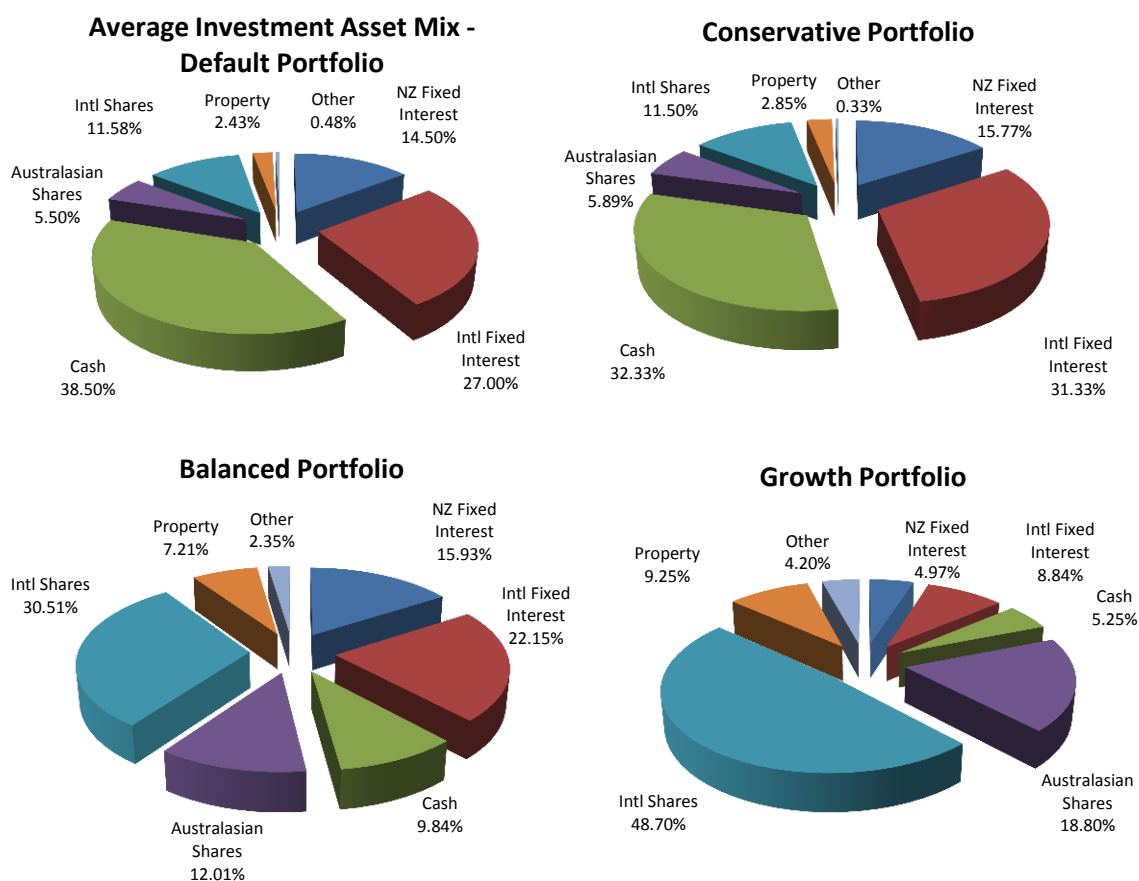
As at 31 March 2012, 50 KiwiSaver schemes were open to new entrants and completed a statistical return.

Under section 46 of the Act an employer can notify the Commissioner of Inland Revenue that they have chosen a preferred KiwiSaver scheme. As at 31 March 2012, 19,464 employers had chosen a preferred KiwiSaver scheme.

From the statistics in Appendix 2 it is possible to define the percentage of contributing members. There are 1,051,820 contributing members, representing 55 percent of the total number of members. The remaining 45 percent regarded as non-contributors<sup>11</sup> will include a significant number of those under 17 and some self-employed. Self-employed members may make lump sum contributions close to the end of their tax year.

It is interesting however, that the contribution index in the previous year also measured 55 percent, or 926,153 contributing members, and in the year before that, it was 60 percent, or 816,031 contributing members.

In the following pie charts the assets of the top ten KiwiSaver schemes are shown by benchmark asset allocation for the Conservative, Balanced and Growth Funds<sup>12</sup>. The average benchmark investment allocation for the six default KiwiSaver schemes is also shown in the first pie chart.

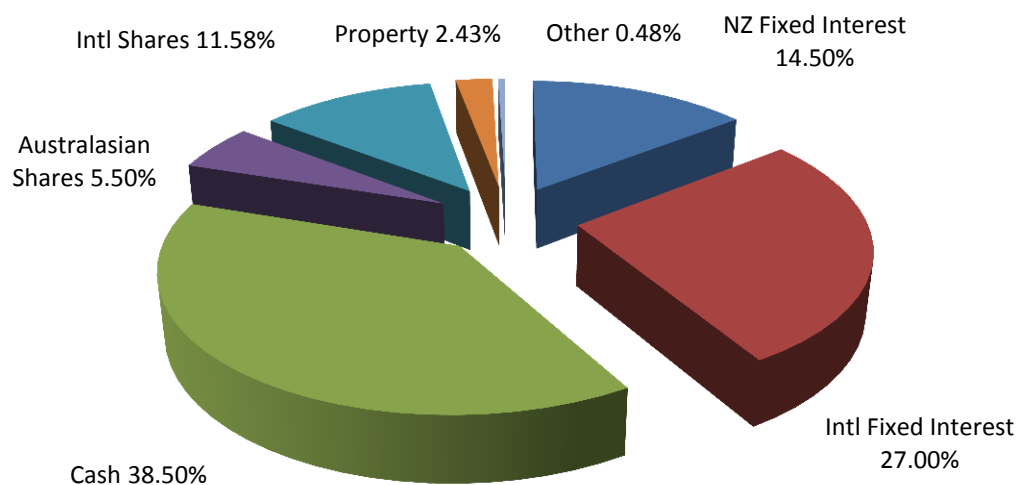


<sup>11</sup> The definition of a non-contributing member is a member who has not made a contribution in the previous two months

<sup>12</sup> See Appendix 6 for an investment fund summary across all schemes.

A flavour of member preference is also demonstrated, by taking the same ten KiwiSaver schemes and showing the general asset classes and the single sector funds. A conservative/balanced fund preference is clearly visible.

### Average Investment Asset Mix - Default Portfolio



Appendix 7 shows that 8,402 members transferred out of default investment funds during the year (FUM \$49.6 million). Most switches were to balanced funds (47%), with the remainder relatively evenly spread between growth and conservative investment options.

## KiwiSaver Schemes in Force as at 31 March 2012 - Income and Expenditure Summary

	Default	Active	Total
<i>Opening balance of scheme assets at start of annual return year</i>	<b>\$2,246,673,733.57</b>	<b>\$6,927,994,632.52</b>	<b>\$9,174,668,366.09</b>
<b>Categories of income for annual return year</b>			
Member contributions at section 64 contribution rate	\$345,947,415.52	\$983,915,431.09	<b>\$1,329,862,846.61</b>
Employer contributions	\$232,126,056.05	\$633,601,146.49	<b>\$865,727,202.54</b>
Crown contributions (section 226) and fee subsidies	\$278,310,755.19	\$779,210,977.76	<b>\$1,057,521,732.95</b>
Transfers of members' accumulations into scheme from other KiwiSaver schemes	\$8,659,722.62	\$736,757,852.57	<b>\$745,417,575.19</b>
Transfers of members' accumulations into scheme from registered superannuation schemes	\$662,411.26	\$15,672,873.10	<b>\$16,335,284.36</b>
Lump sum contributions	\$3,224,018.98	\$99,664,126.73	<b>\$102,888,145.71</b>
Other voluntary contributions over section 64 contribution rate	\$2,921,275.38	\$77,588,279.30	<b>\$80,509,554.68</b>
Income from investment of scheme assets	\$133,509,911.67	\$316,360,035.09	<b>\$449,869,946.76</b>
Other income	\$2,471,319.03	\$9,206,814.90	<b>\$11,678,133.93</b>
<i>Total income from annual return year</i>	<b>\$1,007,832,885.70</b>	<b>\$3,651,977,537.03</b>	<b>\$4,659,810,422.73</b>
<b>Categories of expenditure for annual return year</b>			
First home purchase withdrawals	\$13,651,539.07	\$43,547,625.01	<b>\$57,199,164.08</b>
Mortgage diversion withdrawals	\$36,885.00	\$459,504.67	<b>\$496,389.67</b>
KiwiSaver end payment date withdrawals	\$0.00	\$0.00	<b>\$0.00</b>
Withdrawals on death	\$2,677,166.83	\$11,404,400.00	<b>\$14,081,566.83</b>
Serious illness withdrawals	\$1,664,325.20	\$5,300,736.21	<b>\$6,965,061.41</b>
Withdrawals or transfers on permanent emigration	\$5,842,629.96	\$13,283,370.27	<b>\$19,126,000.23</b>
Significant financial hardship withdrawals	\$7,266,294.13	\$21,664,751.33	<b>\$28,931,045.46</b>
Transfer of members' accumulations out of the scheme into other KiwiSaver schemes	\$245,538,049.30	\$494,042,959.38	<b>\$739,581,008.68</b>
Amounts required to be paid under other enactments	\$10,615.00	\$267,724.40	<b>\$278,339.40</b>
Invalid Enrolments	\$3,365,631.72	\$1,463,488.05	<b>\$4,829,119.77</b>
Administration fees	\$15,172,167.67	\$41,468,997.46	<b>\$56,641,165.13</b>
Investment management fees	\$10,678,356.26	\$58,530,618.72	<b>\$69,208,974.98</b>
Trustee fees	\$741,502.51	\$2,445,218.91	<b>\$3,186,721.42</b>
Insurance Premiums	\$0.00	\$909.00	<b>\$909.00</b>
Taxation	\$27,044,326.90	\$63,126,876.04	<b>\$90,171,202.94</b>
Other scheme expenses	\$270,000.00	\$8,165,845.74	<b>\$8,435,845.74</b>
<i>Total expenditure for annual return year</i>	<b>\$333,959,489.55</b>	<b>\$765,173,025.19</b>	<b>\$1,099,132,514.74</b>
<b>Closing balance of scheme assets at end of annual return year</b>	<b>\$2,920,547,129.72</b>	<b>\$9,814,799,144.36</b>	<b>\$12,735,346,274.08</b>

Note:

- The statistical returns are unaudited and may not include all transactions.
- Some providers currently have an inability to differentiate between types of transfers, therefore there are discrepancies in transfers to and transfers from KiwiSaver Schemes.

## Appendix 2

**KiwiSaver Schemes in Force as at 31 March 2012**  
**Membership Summary**

	Number of Members		
	Default Members	Active	Total
<i>Number of contributing members at start of annual return year</i>	242,261	687,988	930,249
<b>Categories of entries of members for annual return year</b>			
New members (other than transfers from other schemes)	88,821	156,655	245,476
Members restarting contributions at end of section 104 contribution holidays	2,478	4,316	6,794
Members restarting contributions after stopping contributions for any other reason	27,799	145,934	173,733
Members transferring into scheme from other KiwiSaver schemes	3,864	195,117	198,981
Members transferring into scheme from registered superannuation schemes	31	615	646
<i>Total entries for annual return year</i>	<b>122,993</b>	<b>502,637</b>	<b>625,630</b>
<b>Categories of membership exits for annual return year</b>			
KiwiSaver end payment date exits	0	0	0
Deaths	399	1,679	2,078
Permanent emigration exits	958	1,945	2,903
Transfers out of scheme into other KiwiSaver schemes	47,167	153,525	200,692
Other permanent exits	203	633	836
Invalid enrolments	2,394	848	3,242
Members starting section 104 contribution holidays	6,745	16,110	22,855
Member stopping contributions for other reasons	52,334	219,119	271,453
<i>Total temporary and permanent exits for annual return year</i>	<b>110,200</b>	<b>393,859</b>	<b>504,059</b>
<i>Number of contributing members at end of annual return year</i>	<b>255,054</b>	<b>796,766</b>	<b>1,051,820</b>
<b>Non-contributing members on section 104 contribution holidays</b>			
<i>Number of members on section 104 contribution holidays at start of annual return year</i>	25,750	28,048	53,798
Members starting section 104 contribution holidays	6,745	16,110	22,855
Members ending section 104 contribution holidays and restarting contributions	2,478	4,316	6,794
Members ending section 104 contribution holidays but not restarting contributions for any reason	846	1,607	2,453
<i>Number of members on section 104 contribution holidays at end of annual return year</i>	<b>29,171</b>	<b>38,235</b>	<b>67,406</b>
<b>Other non-contributing members (not on section 104 contribution holidays)</b>			
<i>Number of other non-contributing members (not on section 104 contribution holidays) at start of annual return year</i>	137,668	553,144	690,812
Members stopping contributions without section 104 contribution holidays	53,180	220,726	273,906
Members restarting contributions after having stopped contributions without section 104 contribution holidays	27,799	145,934	173,733
<i>Number of other non-contributing members (not on section 104 contribution holidays) at end of annual return year</i>	<b>163,049</b>	<b>627,936</b>	<b>790,985</b>
<b>Total number of members at end of annual return year</b>	<b>447,274</b>	<b>1,462,937</b>	<b>1,910,211</b>

**Note:**

- Some providers currently have an inability to differentiate between types of transfers, therefore there are discrepancies in transfers to and transfers from KiwiSaver Schemes.

## Appendix 3

**KiwiSaver Schemes in Force as at 31 March 2012**  
**Age and Gender Profile of Members**

Age at end of annual return year	Default members				Active members			
	Female	Male	Unknown gender	Total default members	Female	Male	Unknown gender	Total active members
17 and under	2,741	2,595	52	<b>5,388</b>	149,132	153,818	3,927	<b>306,877</b>
18-25	46,776	51,068	319	<b>98,163</b>	114,865	114,095	681	<b>229,641</b>
26-30	29,722	32,367	118	<b>62,207</b>	58,718	55,529	265	<b>114,512</b>
31-35	24,110	25,622	99	<b>49,831</b>	52,289	46,964	261	<b>99,514</b>
36-40	23,277	23,492	95	<b>46,864</b>	56,479	48,325	277	<b>105,081</b>
41-45	24,089	22,127	73	<b>46,289</b>	61,557	51,158	309	<b>113,024</b>
46-50	23,275	19,914	73	<b>43,262</b>	63,069	53,169	319	<b>116,557</b>
51-55	19,885	16,661	70	<b>36,616</b>	60,956	50,764	291	<b>112,011</b>
56-60	15,201	12,735	50	<b>27,986</b>	57,555	48,362	295	<b>106,212</b>
61-65	10,841	10,374	38	<b>21,253</b>	57,827	51,254	336	<b>109,417</b>
66-70	3,593	3,938	15	<b>7,546</b>	25,217	23,963	266	<b>49,446</b>
71-75								
76-80								
81-85								
86 and over								
Unknown age	886	977	6	<b>1,869</b>	187	267	191	<b>645</b>
<b>Totals</b>	<b>224,396</b>	<b>221,870</b>	<b>1,008</b>	<b>447,274</b>	<b>757,851</b>	<b>697,668</b>	<b>7,418</b>	<b>1,462,937</b>

## Appendix 3 continued

### KiwiSaver Schemes in Force as at 31 March 2012 Age and Gender Profile of Members

Age at end of annual return year	Total members			
	Female	Male	Unknown gender	Total members
17 and under	151,873	156,413	3,979	312,265
18-25	161,641	165,163	1,000	327,804
26-30	88,440	87,896	383	176,719
31-35	76,399	72,586	360	149,345
36-40	79,756	71,817	372	151,945
41-45	85,646	73,285	382	159,313
46-50	86,344	73,083	392	159,819
51-55	80,841	67,425	361	148,627
56-60	72,756	61,097	345	134,198
61-65	68,668	61,628	374	130,670
66-70	28,810	27,901	281	56,992
71-75	0	0	0	0
76-80	0	0	0	0
81-85	0	0	0	0
86 and over	0	0	0	0
Unknown age	1,073	1,244	197	2,514
<b>Totals</b>	<b>982,247</b>	<b>919,538</b>	<b>8,426</b>	<b>1,910,211</b>

## Appendix 4

### KiwiSaver Schemes in Force as at 31 March 2012 Profile of New Default and Other Members

	Number of members	Scheme assets held for those members (\$)
Default members allocated to scheme by Commissioner under section 51 in annual return year	92,716	\$166,744,602.00
Other new members entering scheme in annual return year (including transfers from other schemes and active choice members)	65,916	\$193,270,121.00

**Note:**

Some providers have included members who have since opted out whilst others have not.

## Appendix 5

### KiwiSaver Schemes in Force as at 31 March 2012 Summary of Non-Contributing Members (not on section 104 contribution holidays)

	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	137,668	\$414,524,772.69	492,239	\$1,066,776,856.23
Number of non-contributing members (not on section 104 contribution holidays) at end of annual return year	163,049	\$580,467,686.40	627,936	\$1,589,572,322.81

#### Note:

*Non-contributing member –*

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

## Appendix 6

### KiwiSaver Schemes in Force as at 31 March 2012 Investment Fund Summary

Investment Funds	Number of members in each investment fund	Amount in each investment fund (\$)
Default	447,274	\$2,920,547,129.71
<b>Totals</b>	<b>447,274</b>	<b>\$2,920,547,129.71</b>
Active Default	139,131	\$809,138,835.96
Conservative	430,176	\$2,266,351,372.96
Balanced	396,682	\$2,832,032,886.49
Growth	549,711	\$2,822,464,282.16
Single sector funds		
<i>Cash</i>	694,265	\$640,368,845.40
<i>Shares</i>	23,813	\$101,143,007.65
<i>Fixed Interest</i>	7,890	\$13,010,389.89
<i>Property</i>	3,267	\$12,942,899.30
<i>Socially Responsible</i>	26,217	\$22,003,277.85
<i>Other</i>	27,781	\$295,473,573.82
<b>Totals</b>	<b>2,298,933</b>	<b>\$9,814,929,371.48</b>

#### Note:

1. The statistical returns are unaudited and may not include all transactions.
2. Some members will be invested in more than one Investment Fund.

## Appendix 7

### KiwiSaver Schemes in Force as at 31 March 2012 Switches Out of Default Investment Product Into Other Investment Funds

Switches in annual return year	Number of members out of default investment product	Number of members into others	Amount (\$) out of default investment product	Amount (\$) into others
<i>Switches out of default investment product under instrument of appointment</i>	8,402		\$49,623,898.84	
<i>Switches into other investment funds</i>				
Conservative		1,545		\$10,527,220.00
Balanced		4,540		\$23,236,757.80
Growth		2,120		\$12,023,042.72
Single sector funds				
<i>Cash</i>		625		\$3,198,797.51
<i>Shares</i>		332		\$686,080.81
<i>Fixed Interest</i>				
<i>Property</i>		13		
<i>Other</i>				
<b>Total of switches into other investment funds</b>	<b>8,402</b>	<b>9,175</b>	<b>\$49,623,898.84</b>	<b>\$49,671,898.84</b>



## Appendix 7 continued

**KiwiSaver Schemes in Force as at 31 March 2012**  
**Switches Between Investment Funds**

Investment Funds	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	490	\$4,124,303.26	1,832	\$10,898,965.47	-\$6,774,662.21
Conservative	8,866	\$75,128,095.29	5,400	\$38,946,340.78	\$36,181,754.51
Balanced	11,226	\$79,115,716.50	11,005	\$86,267,299.45	-\$7,151,582.95
Growth	7,680	\$41,093,866.91	10,973	\$82,295,363.12	-\$41,201,496.21
Single sector funds					
<i>Cash</i>	3,783	\$28,833,417.07	1,586	\$10,104,607.03	\$18,728,810.04
<i>Shares</i>	760	\$2,862,146.06	806	\$3,402,903.30	-\$540,757.24
<i>Fixed Interest</i>	408	\$1,782,429.93	207	\$546,911.07	\$1,235,518.86
<i>Property</i>	264	\$565,942.00	274	\$333,260.70	\$232,681.30
<i>Socially Responsible</i>	111	\$249,737.81	89	\$353,075.04	-\$103,337.23
<i>Other</i>	1,132	\$7,779,296.56	1,185	\$8,441,139.05	-\$661,842.49
<b>Total of switches between funds</b>	<b>34,720</b>	<b>\$241,534,951.39</b>	<b>33,357</b>	<b>\$241,589,865.01</b>	<b>-\$54,913.62</b>

## Appendix 8

### KiwiSaver Schemes in Force as at 31 March 2012 Profile of Switches Between Investment Funds

How many switches between investment funds made in annual return year	Number of members who made those switches	
	Default	Active
1 switch	8,402	27,996
2 switches		1,506
3 switches		375
4 switches		123
5 switches or more		79

## Appendix 9

### KiwiSaver Schemes In Force At 31 March 2012 Analysis According To Size Of Scheme Assets

		Number of Schemes	Total Assets	Total Membership
	<i>Assets grouping</i>	<u>2012</u>	<u>2012</u> \$m	<u>2012</u>
1	Under \$1m	9	2.81	659
2	\$1m to under \$2.5m	4	7.99	511
3	\$2.5m to under \$10m	5	26.17	1,662
4	\$10m to under \$25m	5	84.22	7,921
5	\$25m to under \$50m	4	152.08	14,934
6	\$50m to under \$100m	5	345.75	43,053
7	\$100m to under \$200m	4	678.60	74,443
8	\$200m to under \$1,000m	11	6,633.48	1,018,718
9	\$1,000 and over	3	4,804.38	748,310
	<b>TOTAL</b>	<b>50</b>	<b>12,735.48</b>	<b>1,910,211</b>

#### Notes:

- 1 The data has been obtained from statistical returns made by the trustees of KiwiSaver schemes "registered" under the KiwiSaver Act 2006.
- 2 Some totals may not add exactly, due to rounding.

## Appendix 10

### KiwiSaver Schemes In Force At 31 March 2012 Analysis By Nature Of Scheme

Nature of scheme	Number of Schemes <u>2012</u>	Total Assets <u>2012</u> \$m	Total Membership <u>2012</u>
Default Schemes (6)		2,921	447,274
Retail (Active Choice)	31	9,533	1,441,305
Employer (Bolt on)	9	20	1,430
Industry/Other	10	262	20,202
<b>TOTAL</b>	<b>50</b>	<b>12,735</b>	<b>1,910,211</b>

#### Notes:

- 1 Default Schemes statistics are only in respect of members and assets in the Default investment fund option.
- 2 Retail (Active Choice) Total Assets and Total Membership figures include that portion of the Default schemes where members have actively chosen to participate.
- 3 The data has been obtained from statistical returns made by the trustees of KiwiSaver schemes 'registered' under the KiwiSaver Act 2006 to the members and beneficiaries of those schemes.
- 4 Some totals may not add exactly, due to rounding.

## Appendix 11

### KiwiSaver Schemes In Force At 31 March 2012 Analysis According To Nature Of Scheme And Size Of Scheme Assets

NUMBER OF SCHEMES:					
Assets Grouping		Retail (see note 1)	Employer (Bolt on)	Industry/ Other	Total
1	Under \$1m	1	4	4	9
2	\$1m to under \$2.5m	0	2	2	4
3	\$2.5m to under \$10m	1	3	1	5
4	\$10m to under \$25m	4	0	1	5
5	\$25m to under \$50m	5	0	0	5
6	\$50m to under \$100m	5	0	1	6
7	\$100m to under \$200m	3	0	1	4
8	\$200m to under \$1,000	10	0	0	10
9	\$1,000m and over	2	0	0	2
<b>Total, all groups</b>		<b>31</b>	<b>9</b>	<b>10</b>	<b>50</b>

#### TOTAL ASSETS (\$ millions):

Assets Grouping		Default	Retail	Employer (Bolt on)	Industry/ Other	Total
1	Under \$1m		0.07	1.40	1.33	2.80
2	\$1m to under \$2.5m		0.00	3.96	4.04	8.00
3	\$2.5m to under \$10m		6.15	15.08	4.94	26.17
4	\$10m to under \$25m		68.96	0.00	15.26	84.22
5	\$25m to under \$50m		187.42	0.00	0.00	187.42
6	\$50m to under \$100m		374.86	0.00	70.12	444.98
7	\$100m to under \$200m		512.32	0.00	166.27	678.59
8	\$200m to under \$1,000	2,920.55	5,395.38	0.00	0.00	8,315.93
9	\$1,000m and over	0.00	2,987.36	0.00	0.00	2,987.36
<b>Total, all groups</b>		<b>2,920.55</b>	<b>9,532.52</b>	<b>20.44</b>	<b>261.96</b>	<b>12,735.47</b>

## Appendix 11 continued

### KiwiSaver Schemes In Force At 31 March 2012 Analysis According To Nature Of Scheme And Size Of Scheme Assets

#### TOTAL MEMBERSHIP:

	Assets Grouping	Default	Retail	Employer (Bolt on)	Industry/ Other	Total
1	Under \$1m	0	24	298	337	659
2	\$1m to under \$2.5m	0	0	278	233	511
3	\$2.5m to under \$10m	0	396	854	412	1,662
4	\$10m to under \$25m	0	6,439	0	1,482	7,921
5	\$25m to under \$50m	0	16,757	0	0	16,757
6	\$50m to under \$100m	0	45,769	0	6,101	51,870
7	\$100m to under \$200m	0	62,806	0	11,637	74,443
8	\$200m to under \$1,000	447,274	789,410	0	0	1,236,684
9	\$1,000m and over	0	519,704	0	0	519,704
	<b>Total, all groups</b>	<b>447,274</b>	<b>1,441,305</b>	<b>1,430</b>	<b>20,202</b>	<b>1,910,211</b>





**FINANCIAL MARKETS AUTHORITY**  
TE MANA TATAI HOKOHOKO - NEW ZEALAND