

KiwiSaver Annual Report

2020



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.

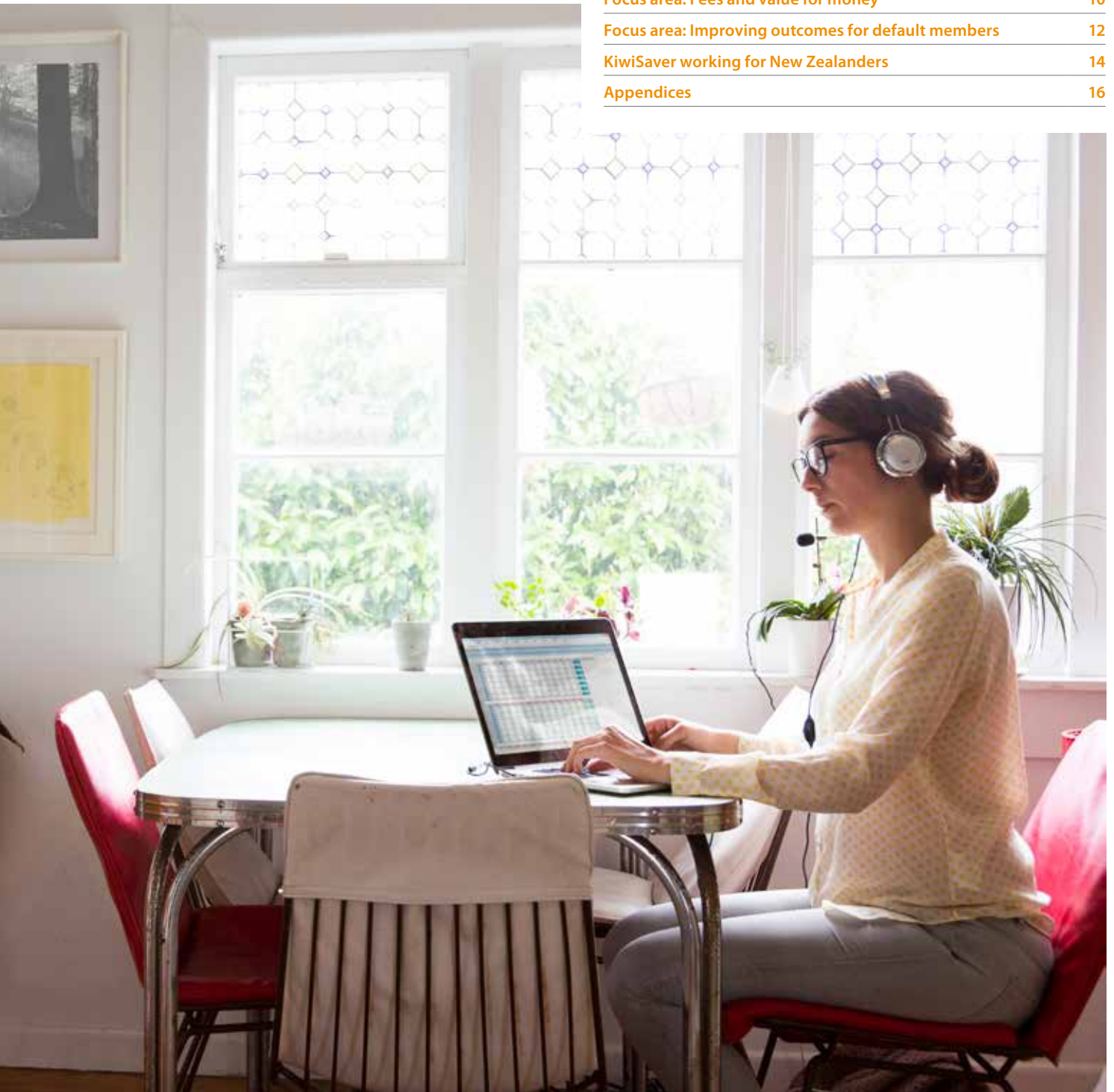
We are required to report each year on our main KiwiSaver activities. This year's report covers the period from 1 July 2019 to 30 June 2020, and contains a summary of the statistical returns that must be lodged by KiwiSaver schemes as at 31 March 2020.

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

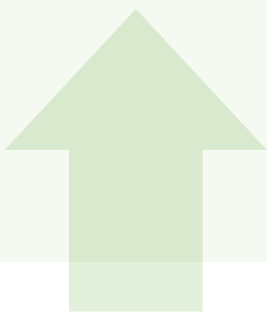


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KiwiSaver's role in the economy and the lives of New Zealanders

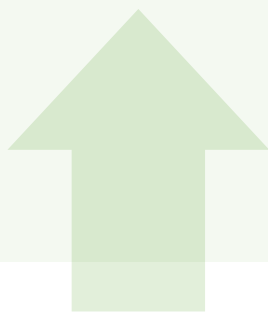


Total funds under management

\$62B

up 8.7%

from \$57 billion last year

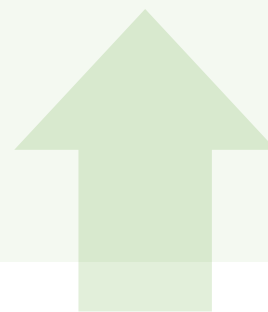


65+ withdrawals

\$1.33B

up 28%

from \$1.04 billion last year



First home purchase

\$1.19B

up 25%

from \$953 million last year



Fund switches

256,393

up 54%

from 166,109 last year



Investment returns

-\$820.9M

down 121.9%

from \$3.8 billion last year

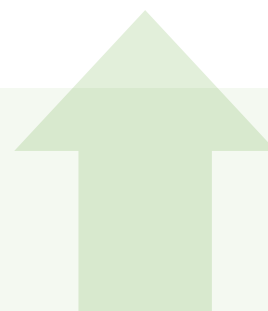
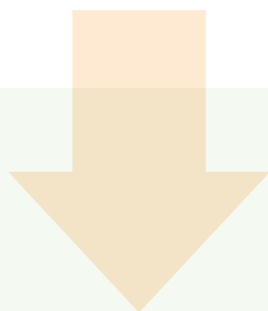
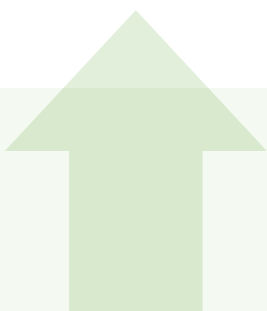


Combined fees revenue

\$538.9M

up 12.3%

from \$479.8 million last year



Executive summary

KiwiSaver faced its biggest test this year with market volatility and economic uncertainty posed by the COVID-19 pandemic and subsequent lockdown.

Providers faced tough challenges in coping with a surge of enquiries from members concerned by a drop in their balances, while systems were stretched with a jump in the number of members requesting fund switches. Some KiwiSaver members found themselves uncertain about how to respond to events.

Despite these challenges, we believe the KiwiSaver scheme has come through this testing environment in good shape.

Funds under management

The year was marked by a significant slowing of the historical growth rates of KiwiSaver Funds Under Management (FUM), which had been growing at rates of 16-21% per annum over the past five years.

Total FUM stood at \$61.9 billion at March 31 2020, up 8.5% from \$57 billion the previous year.

Most of this growth came from member, employer and government contributions, which totalled \$7.25 billion.

Many KiwiSaver funds dipped in line with a sharp decline in world markets in March 2020, although balances did improve in subsequent months as markets rallied.

In total, KiwiSaver funds were hit with negative investment returns over the year of -\$820.5 million, with the effects felt most strongly in higher-growth funds. This compares with positive investment returns of \$3.8 billion in the previous year.

Fees

The lower investment returns from most KiwiSaver providers meant that fees had a greater impact on KiwiSaver balances this year. In some cases, KiwiSaver members paid fees on their balance, yet received a negative investment return: the first year we have seen that happen.

Combined fees revenue (administration and management) for KiwiSaver providers across all funds rose 12.3% to \$539 million in the year, reflecting higher aggregate funds under management.

During the year we saw relatively small movements in management fees, with average fees charged across the range of KiwiSaver fund types largely unchanged in percentage terms when compared with five years ago.

Income from administration fees for providers fell by 7.5%, to \$84.8 million, as a number of providers reduced or changed their administration fee structures.

Supporting members

In the early days of the COVID-19 lockdown, the contact centres of some providers were clearly stretched, with large volumes of calls from members concerned about the decline in their balances and requests for fund switches.

Members complained of long waiting times, but it was encouraging to see a number of providers respond to these challenges in innovative ways, quickly adapting to remote-working conditions to maintain operations.

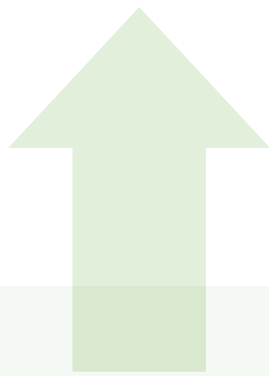
A number of providers pioneered new digital channels to reach members and proactively contacted members with helpful information. In particular, we were impressed by those providers who encouraged members to consider their risk profiles and warned them of the risk of locking in losses by switching to more conservative funds.

Fund switches

In total, there were 256,393 fund switches during the year, up 54% from 166,109 in 2019. Over the course of the year, \$1.5 billion flowed out of balanced and growth funds into conservative and cash investments.



KiwiSaver has weathered the challenges well, remains in good health, and is delivering on its core objective to help New Zealanders save for their retirement.



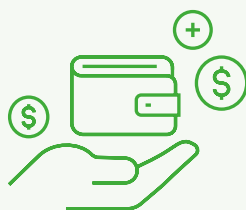
\$1.33B

amount of money
withdrawn by 65+

up 28% from

\$1.04B

in 2019



Providers reported increased fund-switching in the last weeks of March as New Zealand entered lockdown and global markets dropped sharply. Some members were switching to more conservative funds as the pandemic led to increased volatility in global markets and the fear of greater losses grew. While this was a potential concern given the risk of KiwiSaver members locking in losses or trying to “time” markets, these decisions may have been appropriate for some members – in particular those nearing 65 or intending to purchase a home in the near term and wanting more certainty around their balances.

Some of these investors may, however, have been in an inappropriate fund going into the market turmoil given their risk appetite or their “capacity for loss”. This may reflect a lack of engagement with their KiwiSaver fund choice at the outset.

Transfers

While there was increased switching between funds, the number of transfers between providers was 180,386, down 10% on the prior year. The total number of transfers between KiwiSaver providers (excluding default scheme members who remained with the same provider) was 137,263.

Outflows

The latest data shows that KiwiSaver continues to play an increasingly important role in helping New Zealanders fund their retirements and buy first homes.

A total of \$1.33 billion was withdrawn by over-65s, up 28% on the prior year. The amount of money withdrawn for first homes was \$1.19 billion, up from \$953 million in 2019.



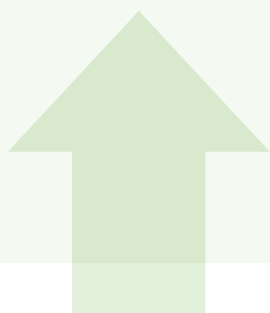
KiwiSaver providers reported an increase in the number of members enquiring about serious financial hardship withdrawals, prompted by challenging financial circumstances due to COVID-19. However, the number of hardship withdrawals across the whole year was in line with 2019. Serious financial hardship withdrawals totalled \$111 million, up from the \$107.8 million withdrawn in the prior year.

Confidence levels

Many KiwiSaver members were understandably concerned by the sudden drop in balances caused by markets’ reaction to COVID-19 at the start of this year, but overall confidence in KiwiSaver remains strong. This will have been helped by the significant rebound in global markets since the early stages of the crisis. The FMA’s investor confidence survey from June 2020 showed 79% of KiwiSaver members are confident that KiwiSaver will be available to them on their retirement.

While battered by the first few months of 2020, KiwiSaver has weathered the challenges well, remains in good health, and is delivering on its core objective to help New Zealanders save for their retirement.

Facts at a glance

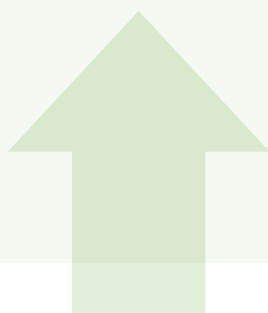


Average member balance

\$20,474

up 5.4%

from \$19,426 last year

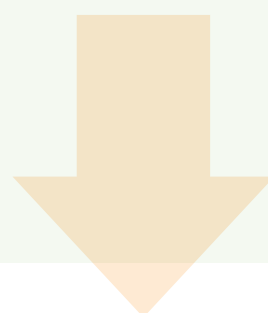
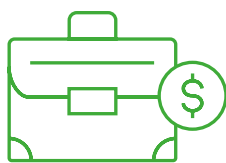


Management fees –
average per member

\$150.06

up 13%

from \$132.26 last year



Administration fees –
average per member

\$28.02

down 10.3%

from \$31.27 last year



Member contributions

\$4.16B

up 15.8%

from \$3.59 billion last year



Employer contributions

\$2.25B

up 7.6%

from \$2.09 billion last year

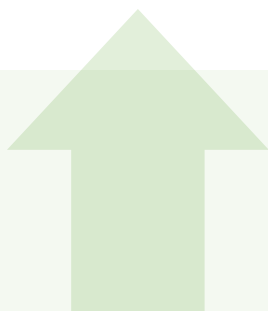
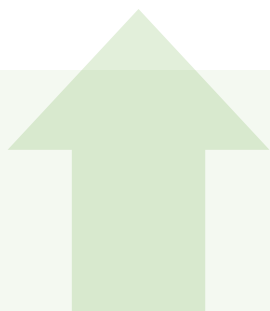


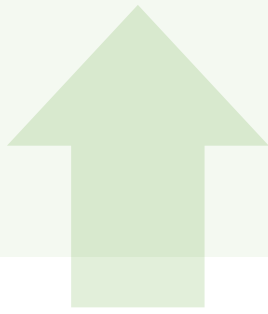
Crown contributions

\$839M

up 7.9%

from \$777 million last year



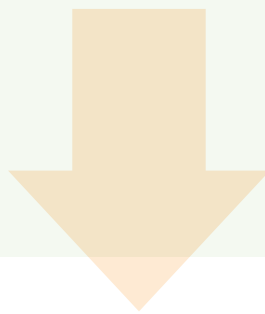


Total number of members

3,026,064

up 3.1%

from 2,934,268 last year

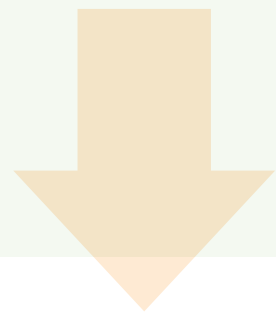


Number of default-allocated members in default schemes who have not made an active choice

381,034

down 4.3%

from 398,289 last year



Default activation

43,123

default members made an active decision

down 17.5% from 52,289 the year before



Lump sum contributions

\$1.61B

up 120%

from \$732.46 million last year

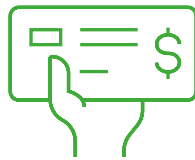


Of 3,026,064 total members

59%

were contributing to their KiwiSaver accounts

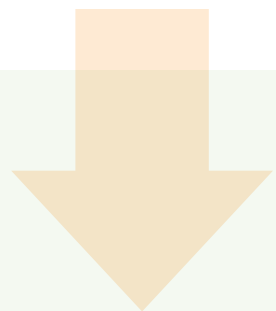
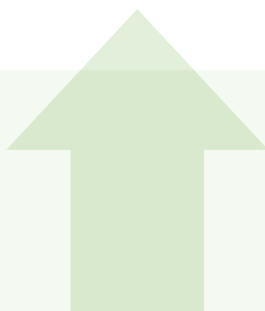
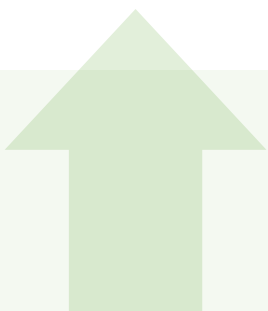
up 3.6% from the year before



% of people in the 4 biggest KiwiSaver schemes

57.5%

down from 59.2% the year before



Key activities

In the early days of COVID-19 market volatility we saw significantly increased switching behaviour – mostly to lower-risk funds.

There was also a big jump in the number of people switching funds more than once during the year, with more than 33,300 switching funds twice, double that seen in 2019.

The FMA embarked on a range of activities to help KiwiSaver members understand that switching funds in the middle of a downturn risked locking in losses, as the assets held in the fund all need to be sold in order to be re-invested in another fund. We also reminded KiwiSaver providers that they should be providing guidance to members seeking information on what they should do during periods of extreme market volatility.

We were pleased to see a number of KiwiSaver providers respond well to this challenge.

A number of providers undertook proactive communications to members to help their decision-making. Some also deployed automated prompts or “pop-ups” for members as a second step in their fund switching tools. Many quickly moved to increase the number of call centre staff

available to deal with member enquiries and process increased volumes of requests. Websites were also regularly updated with Frequently Asked Questions and videos designed to help members make good decisions.

The FMA is conducting further research to determine what impacts such interventions by providers had on members’ switching behaviour. Lessons learned during the lockdown period will provide valuable insights on how to best ensure KiwiSaver members have the information they need to make good decisions about their fund choice.

With economic conditions likely to remain difficult for some time, it will be important to keep communicating the need for KiwiSaver members to check they are in the right fund for their risk profile, then stay the course.

KiwiSaver statements – take a looksee

For the first time this year, KiwiSaver annual statements included a projection of how

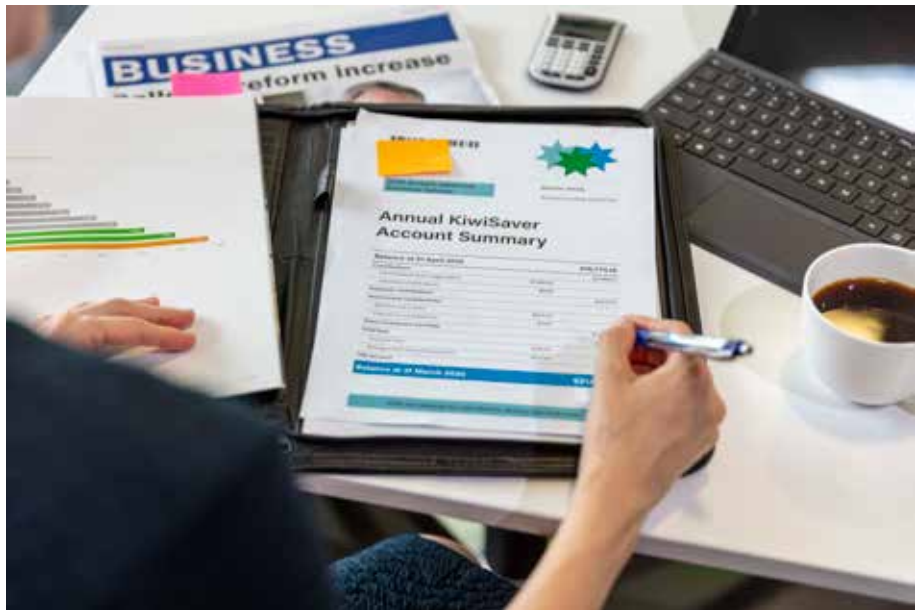
much money members may have when they turn 65 – based on a number of standardised assumptions determined by the Ministry of Business, Innovation and Employment (MBIE). This information included an estimated lump sum and what that would mean in weekly payments if the member was to steadily draw down that money until age 90.

The FMA had actively supported the proposal for this information to be included in annual statements to help KiwiSaver members make good decisions and to engage with their investments – it can be hard to assess what the money contributed today will add up to over decades.

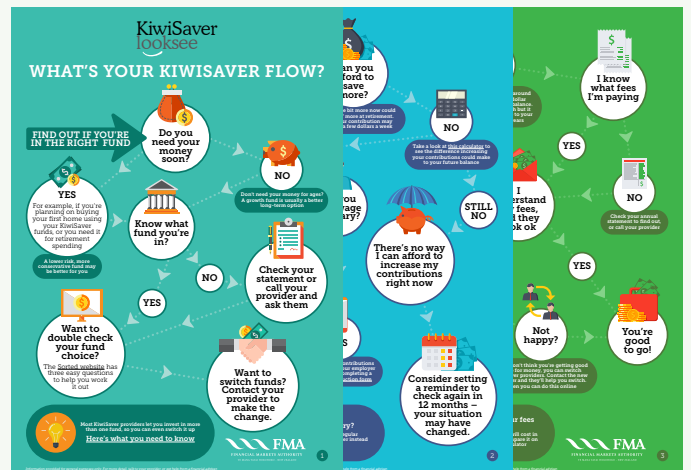
In support, the FMA undertook significant communications activity to encourage members to take a “looksee” at their KiwiSaver statements this year and consider how a different fund choice or higher contribution rate could make a difference to the money available in retirement.

FMA-commissioned research found that 76% of people asked reported reading their statements, and nearly 70% found the addition of retirement income projections to be “very useful” or “quite useful”. Of the 34% who recalled seeing their projected lump sum, 63% of them planned to take some form of action. The most common planned action was increasing contributions.

For the first time this year, KiwiSaver annual statements included a projection of how much money members may have when they turn 65.



The FMA ran a campaign this year encouraging KiwiSaver members to “take a looksee” at their annual statements, in particular the new retirement projections.



Focus area: Fees and value for money

During the year, the FMA commissioned an independent report into the investment management styles used by KiwiSaver providers.

The report is part of our broader focus on value for money in KiwiSaver. KiwiSaver providers have said that the way they manage investors' money is a critical part of their value proposition.

The report by investment research company MyFiduciary tested the extent to which KiwiSaver providers were active or passive fund managers, and how this compared with how they described their investment style and the fees charged.

It found that most KiwiSaver providers' funds were true to label in terms of their approach to investment management, although the level of "activeness" varied widely between providers and even among those who claimed to be "active".

The report found no significant relationship between the level of active management employed by providers and the fees they charged. So some passive funds charged

relatively high fees and some actively managed funds had relatively low fees.

It showed that active management can be offered without higher fees. It also highlighted that some providers are offering expensive funds that are not actively managed. Given this, there are a small number of providers that appear to be poor value for money relative to others, based solely on activeness and fees charged.

We will be undertaking further research into other factors contributing to the value for money offered to KiwiSaver members. We know, for instance, that many investors are not especially sensitive to fee levels and are unaware of, or uninterested in, whether their fund is actively or passively managed.

The FMA will produce industry guidance covering expectations around KiwiSaver fees and the statutory requirement for fees to not be unreasonable. This requirement

for KiwiSaver fees to not be unreasonable is an ongoing obligation that providers should periodically review, to ensure compliance and that they are acting in the best interests of their members from a value for money perspective.

We also expect KiwiSaver supervisors to be engaged in this conversation with providers. The FMA cannot set KiwiSaver fees but it does have regulatory tools available to take action in this space, including consequences under KiwiSaver manager licences.

Investment management fee levels continue to be a focus area for us, since the percentages charged have remained relatively steady over the last few years. We acknowledge that overall funds under management – and therefore fee revenue – have increased.

Finding comparator markets is challenging given the small size of the KiwiSaver market, but we would rationally expect average fee levels to have dropped given the size of the market compared to, say, five years ago.

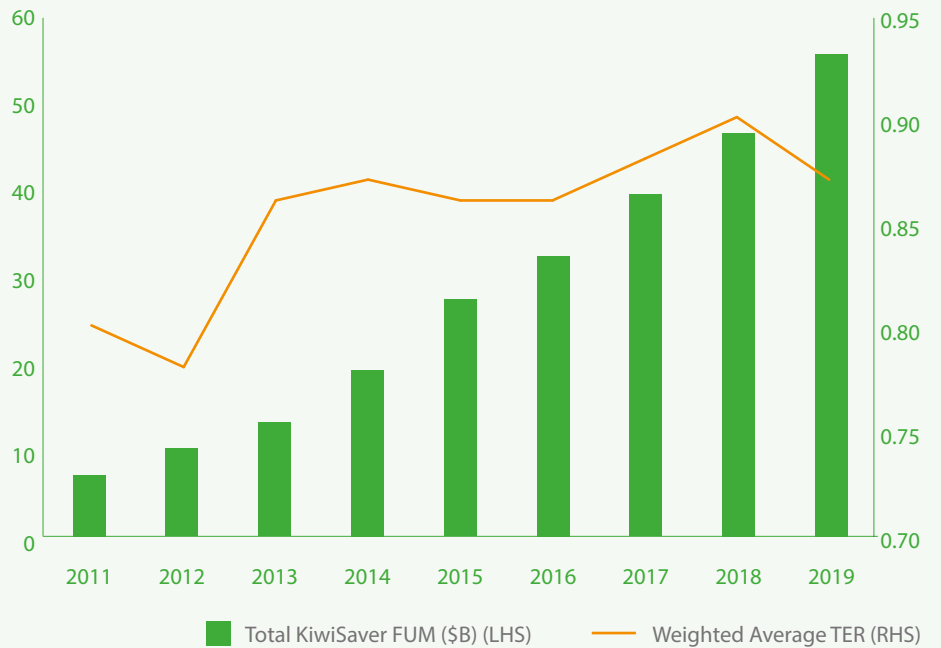
The FMA has consistently focused on the importance of understanding the impact of fees on KiwiSaver balances over the long term, both encouraging investors to focus on this issue and pressing providers to demonstrate the value they offer to members.

Investment management fee levels continue to be a focus for us, since the percentages charged have remained relatively steady over the last few years.



KIWISAVER HISTORICAL WEIGHTED AVERAGE FEE RELATIVE TO ASSET GROWTH

While funds under management have grown over the past decade, fees charged by KiwiSaver providers have moved only slightly.



TER stands for Total Expense Ratio. This indicates the total fees and other charges an investor would incur on average.

Focus area: Improving outcomes for default members

About 690,000 New Zealanders are in conservative default KiwiSaver funds after being automatically enrolled when they started a new job. Approximately 380,000 of those members have not made an active choice to stay there.

Default KiwiSaver providers have been required to report to the FMA on the steps they have taken to encourage members to make an active choice on the fund that best meets their needs. We understand that some members, particularly those with small balances, refuse to engage on such matters but default providers have an obligation to persist in their efforts to talk with their clients.

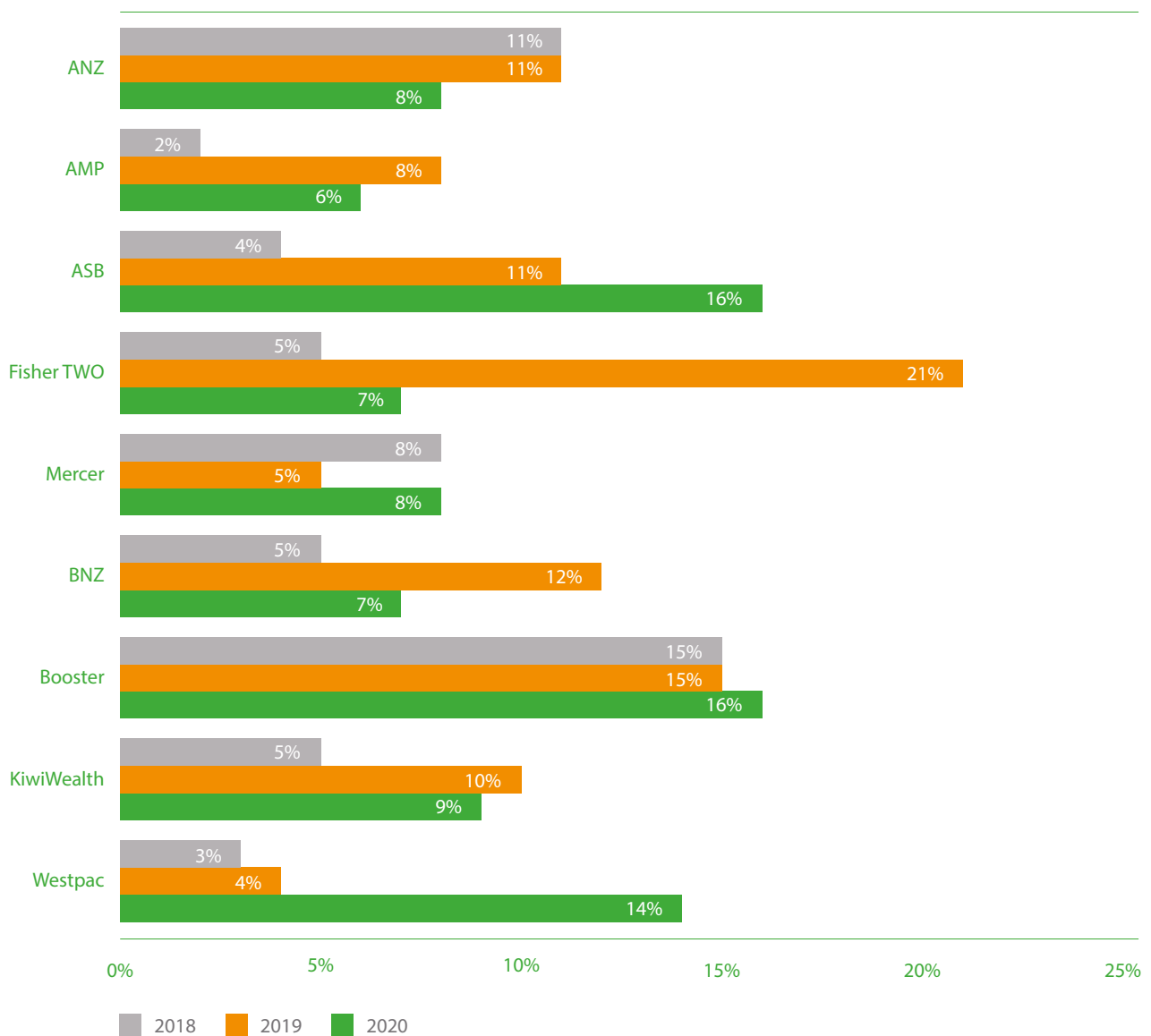
These providers reported that a total of 43,123 default KiwiSaver members had made an active decision about their fund in 2020, compared to 52,289 default members who made an active choice last year.

While the number is lower this year, we are satisfied with this result given the impact of COVID-19 on final quarter activity, and given that the level of activity was high the previous year.

The Government has announced a change to default KiwiSaver settings, which will involve default KiwiSaver funds having a balanced investment approach, rather than the conservative funds of today. This shift, along with other potential changes, is likely to involve a wider focus by default providers on customer engagement at key life stages, rather than just active fund choices.



ACTIVE CHOICE (%) BY PROVIDER



KiwiSaver working for New Zealanders

KiwiSaver's role in the economy and lives of New Zealanders continues to grow, with increasing amounts contributed each year and withdrawals for retirement and first home buying continuing to increase.

Contributions

There were 1.81 million contributing members to KiwiSaver at the end of the year, with 184,524 of these in default schemes.

Average member balances were up 5.4% to \$20,474, with total contributions from members increasing by 15.8% to \$4.16 billion.

The number of non-contributors to KiwiSaver who are not on a temporary savings suspension has dropped slightly by 0.8% to 35.9% of all members. There are now 1.2 million people in KiwiSaver who are not contributing.

Although there was a 3.9% increase in the number of people temporarily suspending contributions to their KiwiSaver accounts, the number of members restarting contributions to their scheme was up 2.9% on 2019.

During the year KiwiSaver welcomed 127,592 new members, with just under 60,000 of these in default schemes.

The growth in KiwiSaver new members continues to slow, with the number of new KiwiSaver members down 5.2% on the previous year.

Withdrawals

A total \$1.3 billion was withdrawn in the past year by people aged 65 or more, more than double that withdrawn in 2017.

A growing number of New Zealanders are also choosing to leave their funds in KiwiSaver even after they turn 65. A total 128,115 people aged 66 and over remain in KiwiSaver schemes, 300 of them aged in their 80s.

And KiwiSaver is now also firmly established as a key contributor for many New Zealanders buying their first homes. A total \$1.19 billion was withdrawn by first home buyers in the past year, up significantly from the \$614 million withdrawn in 2017.





Appendices

Appendix 1

Income and expenditure summary

KiwiSaver schemes as at 31 March 2020

	Default	Active	Total
Opening balance of scheme assets at start of annual return year	\$4,359,712,393	\$52,641,005,864	57,000,718,257
Categories of income for annual return year			
Member contributions at section 64 contribution rate	\$381,818,617	\$3,777,686,638	\$4,159,505,255
Employer contributions	\$228,530,792	\$2,029,449,917	\$2,257,980,709
Crown contributions (section 226) and fee subsidies	\$83,080,167	\$756,316,562	\$839,396,728
Transfers of members' accumulations into scheme from other KiwiSaver schemes	\$1,581,748	\$3,423,822,686	\$3,425,404,434
Transfers of members' accumulations into scheme from other retirement schemes	\$637,185	\$42,858,758	\$43,495,943
Transfers of members' accumulations into scheme from Australian superannuation schemes	\$6,725,286	\$186,405,768	\$193,131,054
Lump sum contributions	\$21,432,090	\$1,591,741,173	\$1,613,173,263
Other voluntary contributions over section 64 contribution rate	\$3,423,745	\$210,528,458	\$213,952,203
Income from investment of scheme assets	\$79,825,564	-\$900,318,556	-\$820,492,992
Other income	\$679,629	\$36,209,563	\$36,889,192
Total income from annual return year	\$807,734,820	\$11,154,700,968	\$11,962,435,788
Categories of expenditure for annual return year			
First home purchase withdrawals	\$48,238,307	\$1,143,398,372	\$1,191,636,678
Mortgage diversion withdrawals	\$0	\$42,427	\$42,427
KiwiSaver end payment date withdrawals	\$60,219,632	\$1,271,672,206	\$1,331,891,838
Withdrawals on death	\$6,449,084	\$72,414,576	\$78,863,660
Serious illness withdrawals	\$4,795,913	\$55,952,223	\$60,748,136
Withdrawals or transfers on permanent emigration	\$4,011,372	\$42,940,992	\$46,952,364
Significant financial hardship withdrawals	\$6,396,786	\$105,104,655	\$111,501,440
Transfers of members' accumulations out of scheme into other KiwiSaver schemes	\$958,192,903	\$2,473,850,919	\$3,432,043,822
Transfers of members' accumulations out of scheme into Australian superannuation schemes	\$1,095,073	\$14,895,543	\$15,990,616
Amounts required to be paid under other enactments	\$337,137	\$13,714,520	\$14,051,657
Invalid enrolment withdrawals	\$3,201,052	\$3,923,045	\$7,124,097
Administration fees	\$9,571,879	\$75,232,924	\$84,804,803
Investment management fees	\$19,445,857	\$434,655,662	\$454,101,519
Supervisor fees and (in the case of a restricted scheme) Trustee fees	\$334,747	\$6,796,427	\$7,131,174
Insurance premiums	\$0	\$0	\$0
Taxation	\$14,890,411	\$130,648,192	\$145,538,602
Other scheme expenses	\$224,298	\$25,689,876	\$25,914,173
Total expenditure for annual return year	\$1,137,404,449	\$5,870,932,559	\$7,008,337,008
Closing balance of scheme assets at end of annual return year	\$4,030,042,764	\$57,924,774,273	\$61,954,817,037

Note: 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 2020

	Default	Active	Total
Number of contributing members at start of annual return year	201,733	1,551,375	1,753,108
Categories of entries of members for annual return year			
New members (other than transfers from other schemes)	59,801	67,791	127,592
Members restarting contributions at end of section 104 contribution holidays	4,056	14,386	18,442
Members restarting contributions after stopping contributions for any other reason	33,077	166,116	199,193
Members transferring into scheme from other KiwiSaver schemes	15	180,459	180,474
Members transferring into scheme from Australian superannuation schemes	55	2,303	2,358
Members transferring into scheme from other retirement schemes		314	314
Total entries for annual return year	97,004	431,369	528,373
Categories of membership exits for annual return year			
KiwiSaver end payment date exits	2,032	20,647	22,679
Deaths	435	2,984	3,419
Permanent emigration exits	326	2,031	2,357
Transfers out of scheme into other KiwiSaver schemes	68,886	111,500	180,386
Transfers out of scheme into Australian superannuation schemes	60	490	550
Other permanent exits	2,975	2,263	5,238
Invalid enrolment withdrawals	2,519	1,128	3,647
Members starting contribution holidays	4,426	37,887	42,313
Members stopping contributions for other reasons	32,554	176,047	208,601
Total temporary and permanent exits for annual return year	114,213	354,977	469,190
Number of contributing members at end of annual return year	184,524	1,627,767	1,812,291
Categories of non-contributing members on section 104 contribution holidays			
Number of members on section 104 contribution holidays at start of annual return year	21,006	94,401	115,407
Members starting section 104 contribution holidays	4,426	37,886	42,312
Members ending section 104 contribution holidays and restarting contributions	4,055	14,386	18,441
Members ending section 104 contribution holidays but not restarting contributions for any reason	1,600	8,771	10,371
Number of members on section 104 contribution holidays at end of annual return year	19,777	109,130	128,907
Categories of other non-contributing members (not on section 104 contribution holidays)			
Number of other non-contributing members (not on section 104 contribution holidays) at start of annual return year	175,649	889,584	1,065,233
Members stopping contributions without section 104 contribution holidays	34,161	184,597	218,758
Members restarting contributions after having stopped contributions without section 104 contribution holidays	33,077	166,048	199,125
Number of other non-contributing members (not on section 104 contribution holidays) at end of annual return year	176,733	908,133	1,084,866
Total number of members at end of annual return year	381,034	2,645,030	3,026,064

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 2020

Default members

Age at end of annual return year	Female	Male	Gender unknown	Total
17 and under	5,869	5,443	110	11,422
18-25	31,969	36,313	1,034	69,316
26-30	21,429	24,384	419	46,232
31-35	24,630	25,496	291	50,417
36-40	20,415	21,385	272	42,072
41-45	17,333	17,746	182	35,261
46-50	17,992	17,527	159	35,678
51-55	15,358	15,405	130	30,893
56-60	14,044	13,432	98	27,574
61-65	9,834	9,858	70	19,762
66-70	4,145	4,361	20	8,526
71-75	1,524	1,493	3	3,020
76-80	154	190	0	344
81-85	1	5	0	6
86 and over	26	46	4	76
Unknown age	183	251	1	435
Totals	184,906	193,335	2,793	381,034

Active members

Age at end of annual return year	Female	Male	Gender unknown	Total
17 and under	133,996	140,916	1,497	276,409
18-25	186,036	191,514	2,143	379,693
26-30	147,564	150,685	1,816	300,065
31-35	136,569	135,520	2,001	274,090
36-40	121,224	116,071	1,862	239,157
41-45	112,809	103,185	1,528	217,522
46-50	123,065	108,113	1,313	232,491
51-55	117,334	102,321	1,031	220,686
56-60	114,438	99,836	939	215,213
61-65	92,556	80,277	599	173,432
66-70	41,193	37,175	205	78,573
71-75	17,159	15,474	88	32,721
76-80	2,224	2,350	24	4,598
81-85	76	79	3	158
86 and over	42	49	2	93
Unknown age	43	77	9	129
Totals	1,346,328	1,283,642	15,060	2,645,030

Total members

Age at end of annual return year	Female	Male	Gender not specified	Total
17 and under	139,865	146,359	1,607	287,831
18-25	218,005	227,827	3,177	449,009
26-30	168,993	175,069	2,235	346,297
31-35	161,199	161,016	2,292	324,507
36-40	141,639	137,456	2,134	281,229
41-45	130,142	120,931	1,710	252,783
46-50	141,057	125,640	1,472	268,169
51-55	132,692	117,726	1,161	251,579
56-60	128,482	113,268	1,037	242,787
61-65	102,390	90,135	669	193,194
66-70	45,338	41,536	225	87,099
71-75	18,683	16,967	91	35,741
76-80	2,378	2,540	24	4,942
81-85	77	84	3	164
86 and over	68	95	6	169
Unknown age	226	328	10	564
Totals	1,531,234	1,476,977	17,853	3,026,064

Appendix 4

Profile of new default and other members

KiwiSaver schemes as at 31 March 2020

	Number of members	Scheme assets held for those members (\$)
Default members allocated to scheme by Commissioner under section 51 in annual return year	61,437	75,117,443
Other new members entering scheme in annual return year (including transfers from other schemes and active choice members)	116,611	1,602,150,531

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 2020

	Number of default members	Scheme assets held for default members (\$)	Number of active members	Scheme assets held for active members (\$)
Number of non-contributing members (not on section 104 contribution holidays) at start of annual return year	175,649	1,031,120,271	889,586	9,229,686,868
Number of non-contributing members (not on section 104 contribution holidays) at end of annual return year	176,733	1,019,553,417	908,133	10,430,302,275

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 2020

	Number of members in each investment fund	Amount in each investment fund (\$)
Default investment product under instrument of appointment in respect of default members	381,034	4,030,042,764
Totals	381,034	4,030,042,764
Multi Sector funds		
Active Default	308,723	5,501,261,354
Conservative	559,624	10,590,582,475
Balanced	751,615	16,518,188,907
Growth	1,195,305	20,097,809,780
Cash	254,070	3,467,242,459
Fixed Interest	47,037	358,617,691
Shares	67,192	746,292,286
Property	6,927	65,434,456
Socially Responsible	14,180	252,624,053
Other	10,777	326,720,814
Totals	3,215,450	57,924,774,273

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 2020

	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	43,123		663,167,359	
Switches into other investment funds				
Active Default		15,783		261,211,665
Conservative		2,651		44,136,561
Balanced		10,793		168,378,957
Growth		13,466		152,585,273
Single Sector				
Cash		1,597		24,659,597
Fixed Interest		161		1,377,134
Shares		873		5,113,819
Property		63		507,371
Socially Responsible		540		5,196,984
Total switches into other investment funds	43,123	45,927	663,167,359	663,167,359

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 2020

	Number of switches into investment fund	Amount (\$) into investment fund	Number of switches out of investment fund	Amount (\$) out of investment fund	Net change in amounts (\$)
Active Default	29,144	801,911,426	43,458	842,692,909	-40,781,483.38
Conservative	76,855	1,573,752,855	72,043	1,314,140,928	259,611,926.9
Balanced	70,281	1,550,565,120	98,042	2,275,746,601	-725,181,480.8
Growth	118,355	1,878,454,288	133,657	2,658,506,831	-780,052,543.5
Single Sector					
Cash	61,990	1,616,396,984	24,757	358,906,768	1,257,490,216
Fixed Interest	8,967	77,608,420	8,585	46,998,388	30,610,031.54
Shares	24,679	88,485,993	29,503	117,863,239	-29,377,246.72
Property	5,271	24,597,861	4,689	21,302,069	3,295,791.58
Socially Responsible	2,768	46,332,324	1,649	19,582,841	26,749,483.69
Other	80	1,595,426	162	3,960,122	-2,364,695.26
Total of switches between funds	398,390	7,659,700,697	416,545	7,659,700,697	0.010,000,234

Appendix 8

Profile of switches between investment funds

KiwiSaver schemes as at 31 March 2020

How many switches between investment funds made in annual return year	Number of members who made those switches	
	Default	Active
1 switch	43,122	211,412
2 switches	1	33,371
3 switches	0	6,982
4 switches	0	2,531
5 switches or more	0	2,097

Appendix 9

Analysis according to size of scheme assets

KiwiSaver schemes as at 31 March 2020

	Number of schemes	Total assets (\$M)	Total membership
Under \$10m	3	22	847
\$10m to under \$100m	4	107	4,271
\$100m to under \$500m	8	1,824	65,382
\$500m to under \$1,000m	4	3,209	99,044
\$1,000m to under \$5,000m	10	23,657	1,117,917
\$5,000m and over	4	33,136	1,738,603
Total	33	61,955	3,026,064

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 2020

Nature of scheme	Number of schemes	Total assets (\$M)	Total membership
Default schemes	9	4,030	381,034
Retail (active choice)	28	56,780	2,618,098
Restricted schemes	5	1,144	26,932
Total	33	61,955	3,026,064

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 chosen 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 2020

Number of schemes

Assets grouping	Retail schemes	Restricted schemes	Total schemes
Under \$10m	2	1	3
\$10m to under \$100m	2	2	4
\$100m to under \$500m	7	1	8
\$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)	28	5	33

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

Total assets (\$ millions)

Assets grouping	Default assets	Retail assets	Restricted assets	Total assets
Under \$10m		12	10	22
\$10m to under \$100m	83	39	68	189
\$100m to under \$500m	377	1,526	297	2,201
\$500m to under \$1,000m	3,570	2,440	770	6,779
\$1,000m to under \$5,000m		25,968		25,968
\$5,000m and over		26,796		26,796
Total (all groups)	4,030	56,780	1,144	61,955

Appendix 11B

Analysis according to nature of scheme and size of scheme assets

KiwiSaver schemes as at 31 March 2020

Total membership

Assets grouping	Default	Retail	Restricted	Total members
Under \$10m		204	643	847
\$10m to under \$100m	16,124	2,041	2,230	20,395
\$100m to under \$500m	65,720	56,440	8,942	131,102
\$500m to under \$1,000m	299,190	83,927	15,117	398,234
\$1,000m to under \$5,000m		1,037,772		1,037,772
\$5,000m and over		1,437,714		1,437,714
Total (all groups)	381,034	2,618,098	26,932	3,026,064

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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