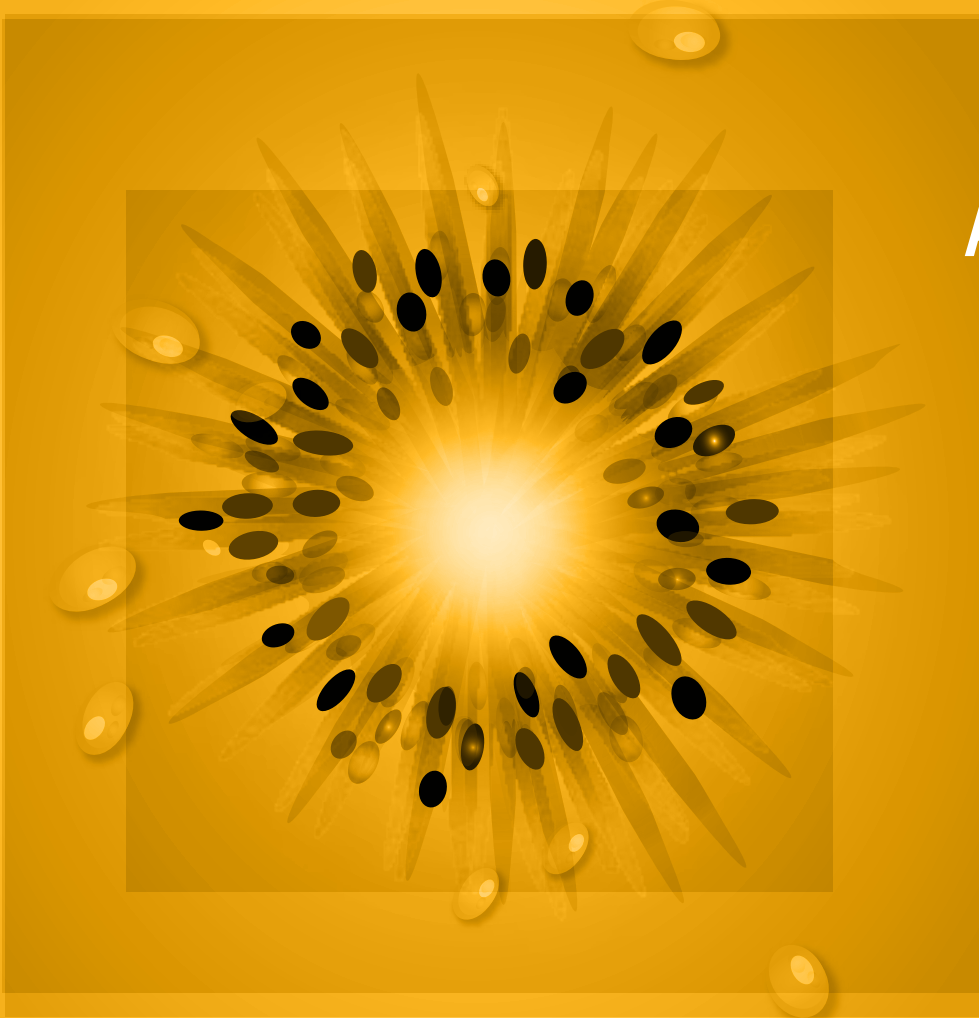


KiwiSaver Annual Report 2018



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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 2017 to 30 June 2018, and contains a summary of the statistical returns that must be lodged by KiwiSaver schemes as at 31 March 2018.

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

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

Executive summary

Promoting an effective KiwiSaver market is a critical priority for us. This involves ensuring that providers, including those who manage default funds, meet their regulatory and other requirements, and that customers are well-informed and engaged.

Key statistics

Members

The current total number of KiwiSaver scheme members is now 2,837,656 – up 4.2% since March 2017. 147,692 members joined the KiwiSaver scheme this year and net membership growth was 115,509. Year-on-year overall growth declined, from 4.8% in 2016, to 4.4% in 2017, to 4.2% in 2018.

Assets

Total assets in KiwiSaver rose to \$48.6 billion this year. Gross investment returns for KiwiSaver schemes continued to grow,

increasing by \$455 million to \$3.2 billion from \$2.7 billion in 2017.

Average balance

The average member's balance in 2018 is \$17,130, an increase of 14.4% on last year. The average investment management fee paid by members was \$117 – 19.1% more than last year's average.

Scheme transfers

Transfers are made up of 117,274 active members changing scheme, and 72,462 people changing their default member status. Among these default members, 43,859 transferred out of the default scheme to a different provider and the remainder switched funds within their current default provider.

Default schemes

43,859 members transferred out of default schemes to a different provider in 2018. This is a steady increase on last

year when 41,351 transferred out of default schemes.

28,603 default members made an active decision about their fund. The majority of these people chose to move out of the conservative fund, while a smaller number chose to remain.

64,220 new members were automatically enrolled this year. This means the total number of default members continues to fall, by 14,755 members from last year, to 431,779. Management fees collected per member have risen by 6% in default funds.

Default provider financial literacy results

Default KiwiSaver providers are obligated to address financial literacy as a requirement of their appointment. They are required to give us detailed reporting on the initiatives they've had underway to engage default members.

This year, 28,603 default members made an active choice, compared to 16,902 in 2017. We have engaged with firms to understand their initiatives over the last year to improve engagement and active choice. While results overall have improved this year, there are clearly some who have been more successful than others in their efforts.

We have engaged with all firms whose performance has not improved, to understand what initiatives were undertaken over the past year in an attempt to improve engagement. We have also written to the lowest performing providers and have asked them to give us detailed plans of how they will seek to improve their engagement results in the coming year, and we will be monitoring their performance against these plans.

With the upcoming government review of default providers starting next year we expect that the efforts providers have made to encourage decisions and engagement with their default members will be considered as part of the review.

Fees

Our programme of work this year included work on raising awareness of fees through our KiwiSaver Tracker tool, which shows an interactive report of KiwiSaver fund return and fee data. We also ran a marketing campaign to raise awareness of the change to including fees in dollar terms on KiwiSaver annual statements.

Over five years, our data suggests a link between higher risk investments and higher returns. Investors have been in general rewarded with higher returns for taking on higher risks in growth funds.

The tracker shows that there is no clear link between higher fees and higher returns, apart from a couple of standout funds.



115,509
net membership growth



\$3.2 billion
gross investment returns



\$455 million
up on last year



\$48,609,364,153
Total amount invested in KiwiSaver



2,837,656
Total KiwiSaver members

Key trends

Unless noted otherwise, the following statistics are taken from 2018 annual statistical returns and refer to the period from 1 April 2017 to 31 March 2018.

Earnings

Investment returns have risen from \$2.7 billion in 2017 to \$3.2 billion in 2018 – an increase of 16.8%. Total assets rose \$7.8 billion (19.3%) on last year.



Transfers

189,736* members transferred between schemes compared to **172,017** in 2017 **10.3%**

This year, \$2.51b was transferred out of one KiwiSaver scheme and into another. The number of members making these transfers has been consistently over 170,000 members for the last few years.

*This includes 28,603 members who made an active choice about their default fund this year.

There were increases in all types of contributions

Standard member contributions

12.7% **\$380M**

Employer contributions

10.2% **\$183M**

Lump sum contributions

39.0% **\$177M**

Crown contributions

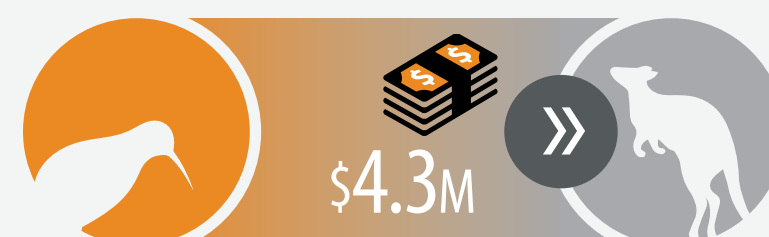
8.2% **\$57M**

Transfers from other superannuation schemes

More than \$201 million was transferred into KiwiSaver schemes from overseas schemes and other registered superannuation schemes in 2018. This was up from \$172 million in 2017.



The value of transfers into Australian schemes rose by 40.7% this year, from \$3.1 million in 2017 to \$4.3 million in 2018.



Membership

The overall number of KiwiSaver members increased from just over 2.7 million last year to 2.84 million this year, up 4.2% on 2017. It has grown steadily since 2016, with rises of between 4-5%, year-on-year.

The number of new members who joined is actually 147,692 – down 4.4% on 2017. This represents 6,839 fewer new members since 2017's figure of 154,531.

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At the end of March 2018, just over 1.2 million members were not contributing to their KiwiSaver funds.

First home withdrawals

This year, 32,088 people withdrew over \$723m from their KiwiSaver funds to buy a first home – an average withdrawal of \$22,541, up on 2017's average of \$20,000. This figure is growing year-on-year, with amounts withdrawn up 238% on 2015.



Non-contributing members

About 1.2 million members were not making contributions to their KiwiSaver funds at the end of March 2018 – 954,357 active members and 201,322 default members. This group includes those who have not made a contribution in the previous two months, those who failed to make contracted payments and those on a contributions holiday. Members who make an annual contribution that does not fall within the two months prior to 31 March 2018 may have been recorded as ‘non-contributing’ for these purposes. The number of members not making contributions increased slightly (0.5%) from 2017. Proportionally, non-contributing members dropped from 42.2% of all members at the end of 2017 to 40.7% in 2018.

The number of contributing members rose from 1,572,693 to

1,681,977

New members joining a scheme for the first time was

147,692

Exempt employers and complying superannuation funds

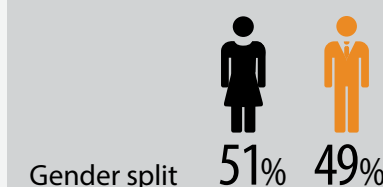
The number of exempt employers and complying superannuation funds declined. At the end of June 2018, 216 private-sector employers were exempt from enrolling new employees into KiwiSaver, down from 234 in 2017. There were 15 complying superannuation funds at the end of June 2018, compared with 16 in 2017.

Preferred schemes

A growing number of employers selected preferred schemes into which employees will be enrolled (unless they stipulate otherwise). This year 20,754 employers had notified Inland Revenue of their preferred schemes, up from 20,004 last year.

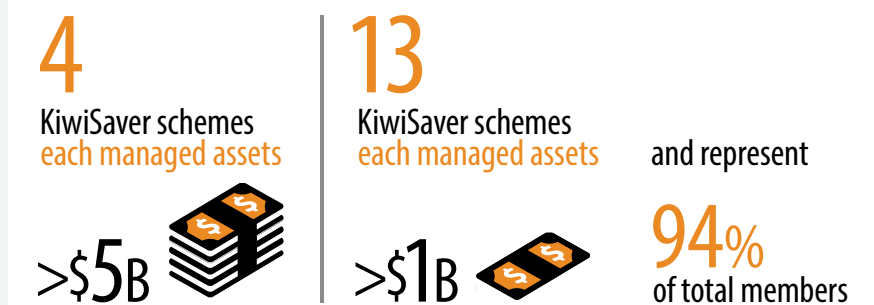
Membership profile

There have been no dramatic demographic changes to KiwiSaver schemes this year. The female/male split remains constant at 51%/49%. The proportion of members under 17 years of age has declined slightly from 12.2% to 11.1%. Membership across the differing age groups remains stable.



Size of schemes

Four KiwiSaver schemes each managed more than \$5 billion in assets – last year there were only two schemes in this bracket. Two-thirds of members (61%) are in the four largest schemes. Thirteen KiwiSaver schemes each managed more than \$1 billion in assets – last year there were 12. Together, these 13 schemes represented 94% of members (the same as the 12 largest schemes last year).



Number of schemes

This year, the market has remained stable with the number of retail schemes unchanged at 25 and the number of restricted schemes static at five. During the year, one KiwiSaver scheme has deregistered (Smartshares) and one has registered (Nikko AM KiwiSaver Scheme). In the last few months, we have seen another new KiwiSaver scheme register, the Juno KiwiSaver Scheme, which brings the number of registered KiwiSaver schemes to 31.

“ Withdrawals

During the year, KiwiSaver scheme members withdrew a total of almost \$1.7 billion, up 18.4% on last year.

Financial hardship

16,968 members withdrew \$101M

because of significant financial hardship – 21% more members than last year. The average withdrawal for financial hardship was \$5,952.

Key activities

Annual statements

On 1 April 2018, changes to KiwiSaver annual statements came into effect. Providers must now show the total amount of fees charged in dollar terms.

The FMA supported the improved disclosure of fees in dollars with a consumer campaign to draw attention to the new information. The campaign was targeted at young women, as previous FMA research showed this group was least likely to read their statements, but also has the most to gain from increasing interest in their KiwiSaver. We also worked with the Commission for Financial Capability (CFFC) on a short video to explain why the changes had been made. An associated web-tool, the KiwiSaver Health Checker, had over 7,000 visits during the campaign period.

We also conducted a survey on the way people are reading KiwiSaver annual statements. The survey found that 31% of respondents noticed the fee in dollar amounts and the vast majority found this useful.

Where members thought the fees were too high, around a third said they are considering changing their scheme or provider. The research showed that the main way KiwiSaver members are assessing value for money is by checking their statement balance or comparing it with other schemes. However, almost four in ten KiwiSaver members were not using any information or tools to assess value for money. The survey shows that while the information being presented is becoming more transparent for investors, there is still more to do to encourage people to read their statements thoroughly, and compare their scheme with other providers.

Behavioural insights research

In May, we released interim results of our second behavioural insights trial. The trial, which was run with ANZ, focused on KiwiSaver members who were turning 56, and tested whether a letter modified based on behavioural principles would lead to a more active choice in fund selection.

More people who received the updated letter switched funds and the Ministry of Business, Innovation and Employment (MBIE) analysis determined the interim results to be statistically significant. The trial has been extended to include emails to members as a previous trial showed emails tend to be more effective at prompting action.

This year we have also begun a third trial, partnering with AMP and the IRD. This trial looks at whether improvements to the initial default mailing pack to new members can improve engagement. Initial results for this trial will be available toward the end of 2018.

KiwiSaver working group

We continue to participate in a combined industry and government agency working group. This year a glossary of KiwiSaver terms has been agreed. Both the Commission for Financial Capability (CFFC) and the FMA now include the glossary on their websites, and industry bodies and KiwiSaver providers have also shared it with their members.

We have also been involved in industry activity to create a te reo Māori investment glossary. We have provided advice on key terms to include and participate as part of a steering committee on the project.

KiwiSaver advice disclosure

We have continued to review product disclosure statements (PDS) for new KiwiSaver products and to engage with participants often before they launch their product (particularly where they include new or innovative characteristics). We have also monitored other KiwiSaver documentation including required documents such as updated PDS and fund updates, and voluntary information such as advertising and fact sheets on an ongoing basis where appropriate.

In early 2018, we completed a stocktake of quarterly fund updates produced by all fund managers (including KiwiSaver fund managers). The report identified no major issues with compliance, but there were some areas that required better attention and consistency from providers. In particular, we want the updates to be more accessible for their investors. We will continue to work with the industry to improve disclosure.

We have started drawing data from the Disclose Register to help with our reporting, and have published a KiwiSaver tracker on our website to provide better transparency of KiwiSaver performance and fees.

Ongoing activities

Our activities for 2017/2018 included:

- continuing to manage the Default Monitoring Panel, which supervises the nine default schemes
- releasing data on a quarterly basis into the KiwiSaver Tracker tool. This tool enables users to see how much of a fund's return is paid in fees. A scatter plot diagram provides an easy snapshot view of which funds have the lowest fees and highest returns
- working with IRD to manage the registering and deregistering of schemes
- administering the KiwiSaver exempt employers register
- promoting KiwiSaver resources and engagement with consumers via our investor Facebook page.

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From 1 April, providers must now show the total amount of fees charged in dollar terms.

“

We have also been involved in industry activity to create a te reo Māori investment glossary.

Focus area — fees

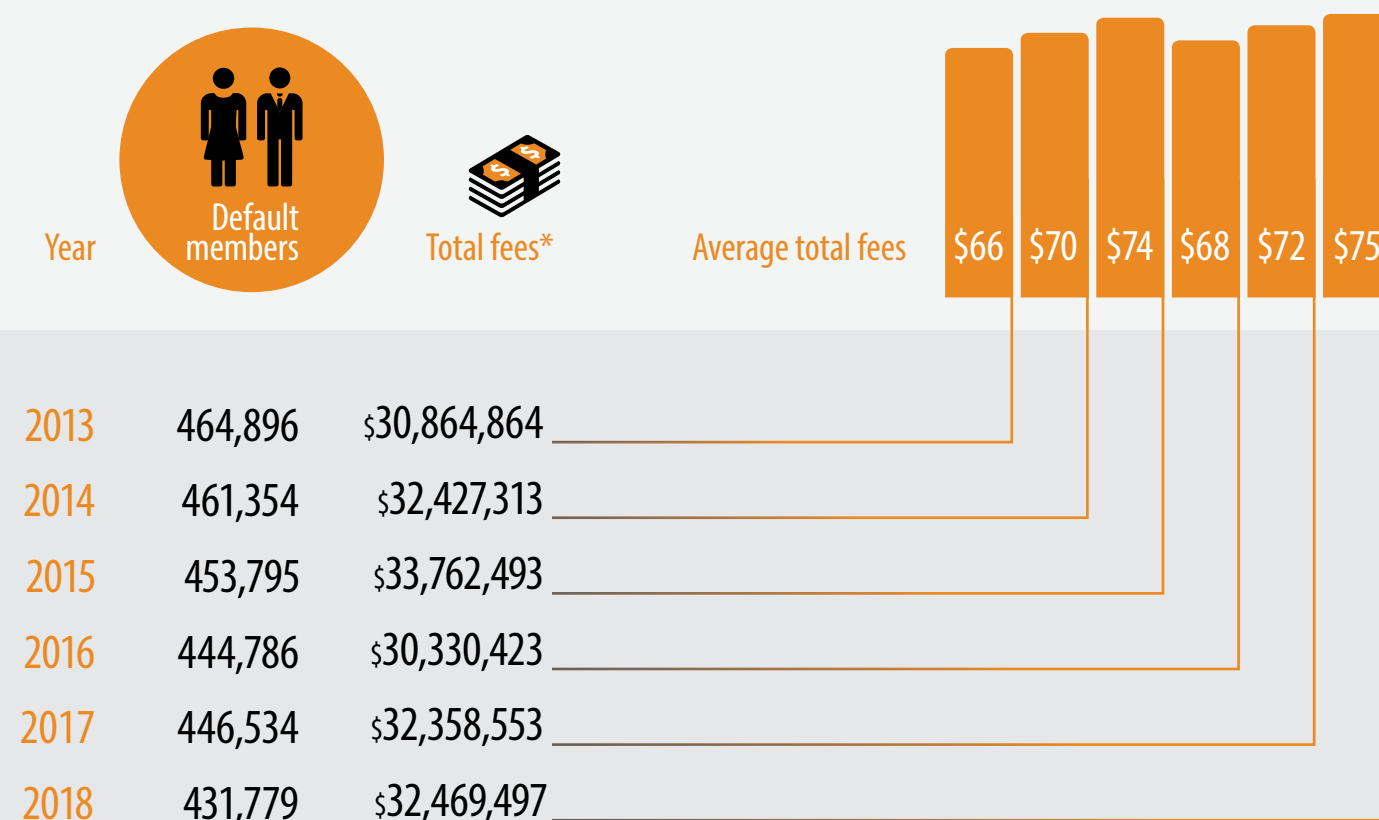
The average investment management fee paid by members was \$117. This is 19.1% more than last year's average of \$97.82

We said in last year's report that given fund and membership growth, we were surprised that costs per member have not fallen faster. In addition to the table we showed last year on the average fee revenue for default schemes, this year we have included active schemes. Aside from two new entrants to the market, we have seen no movement in the fee levels. Therefore, we are increasing our future focus on:

- increasing provider transparency
- encouraging providers to explain why their fees are reasonable

- encouraging price-conscious KiwiSaver members to find out if they are getting value for money, by using comparison tools
- encouraging members to focus on net returns after fees, plus services and communications, as a way to check value.

Our programme of work this year included raising awareness of fees, through our KiwiSaver Tracker tool, which showed an interactive report of KiwiSaver fund return and fee data. We also ran a marketing campaign to raise awareness of the change to including fees in dollar terms on KiwiSaver annual statements.

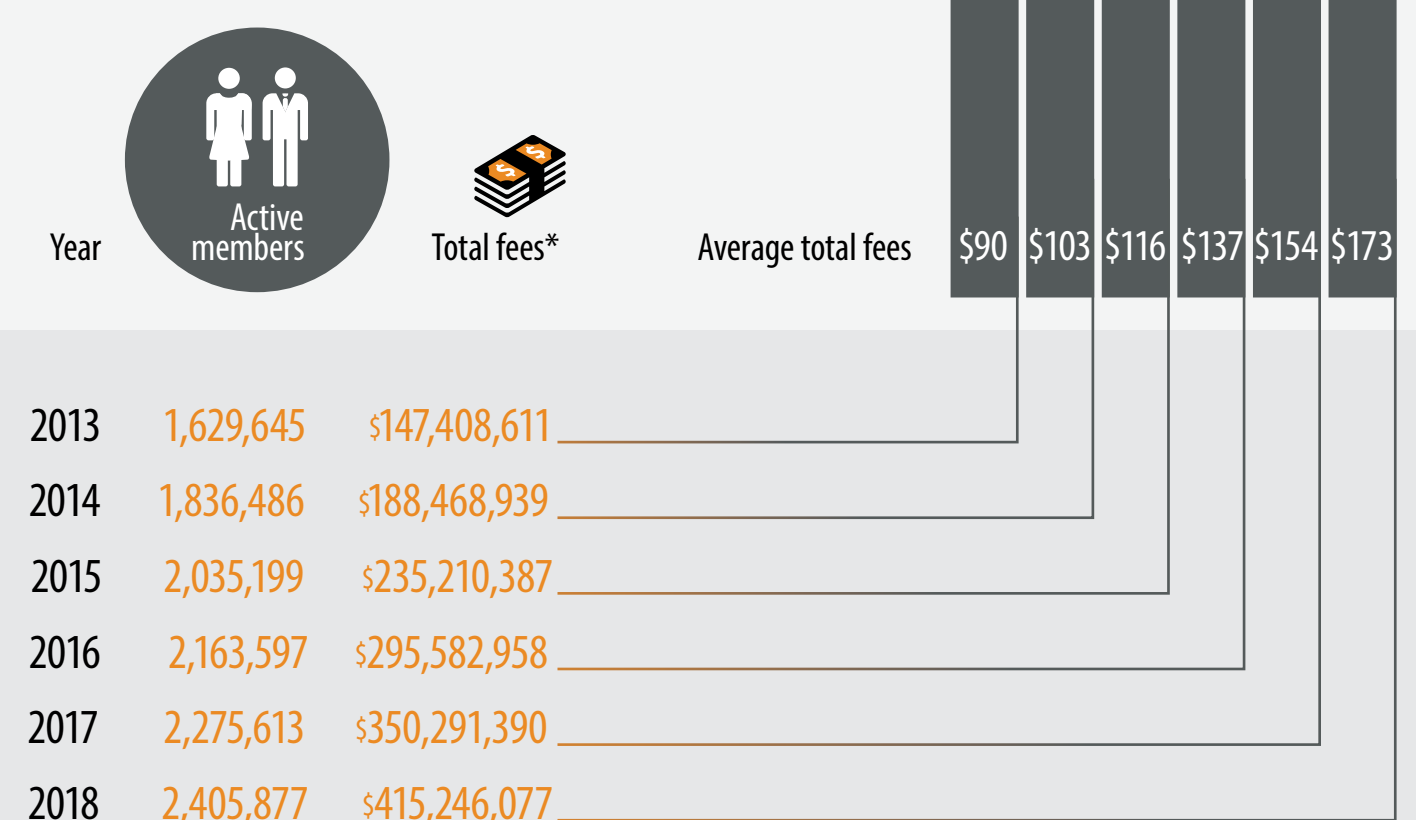


*Total fees includes administration fees, investment management fees, trustee fees and other scheme expenses.

Reviewing fees disclosure

The FMA has helped determine an appropriate methodology to show providers how to present their individualised annual statements to investors. As a next step we intend to carry out a review of some of the disclosures that customers are receiving based on that methodology.

We have powers to look at fees when they appear to be 'unreasonable' compared to other fees in the market. Where we have seen some fee structures or levels that concern us, we have challenged those providers. We will be undertaking further work in this area throughout the coming year.



*Total fees includes administration fees, investment management fees, trustee fees and other scheme expenses.

KiwiSaver Tracker

In 2017, we introduced our KiwiSaver Tracker tool as part of our ongoing focus on using disclosure to drive good conduct by providers and encourage informed investor decision-making. This tool enables users to see how much of a fund's return is paid in fees and where their fund and other similar funds sit in a plot. It has been a popular tool for investors, with more than 75,000 views.

It shows:

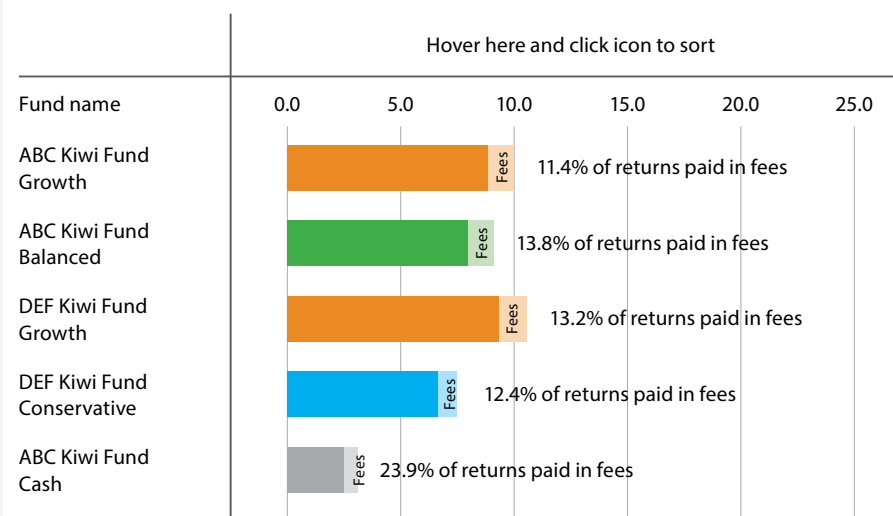
- the risk profile, returns and fees for each fund
- a percentage figure for how much of the return is paid to the fund manager in fees (excluding fixed membership fees) and how much is paid to investors
- data that currently covers the past year and average five-year returns
- funds that have been invested for less than a year and restricted schemes are excluded.

FMA KiwiSaver Tracker

Show me individual funds Dig into the data: select 1-year or 5-year returns About the tracker

Past returns are no guarantee of future performance

5-year average return (%) to March 2018



Over five years, the data in the tool suggests a link between higher-risk investments and higher returns. Investors have generally been rewarded with higher returns for taking on higher risks in growth funds. The tracker shows there is no clear link between higher fees and higher returns, apart from a couple of standout funds.

KiwiSaver campaign

This year we ran a campaign calling on KiwiSaver members to check their annual statements. The campaign targeted women aged 18-30, the group least likely to pay attention to their KiwiSaver and those who have the most to gain from doing so. All KiwiSaver members were due to receive their annual statement in May and, for the first time, all KiwiSaver providers were required to tell members exactly how much they have been paying in fees in dollars.

We used influencers as part of our social media outreach to encourage KiwiSaver members to check our new Health Checker page in the hope they would take a few simple steps which could make a big difference in the long-term.

Future work on fees

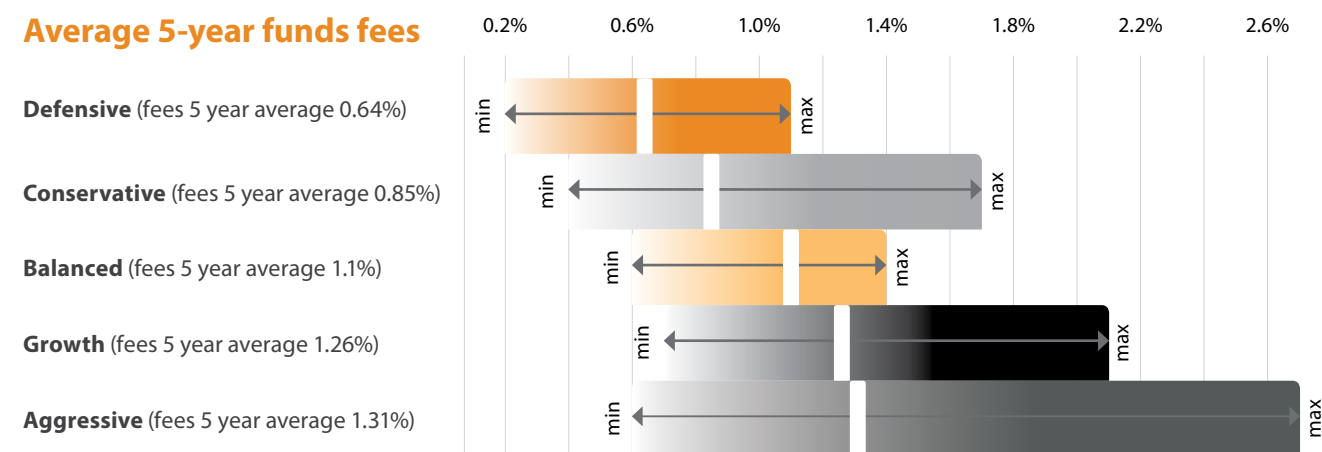
Throughout the coming year, we will be conducting further work on the unreasonable fees test, as defined in the KiwiSaver Act. This will involve a data-driven, analytical review of fees based on 'reasonableness', and a review of relevant legislation and guidance to establish the limits of the current test, and whether changes should be sought. We also intend to continue research into KiwiSaver fee levels in the New Zealand market to assess whether these represent value for money, including a comparison with international levels.

In addition, the government has announced its plans to conduct a review of fees as part of the default providers' review in 2019. This year also brings a further opportunity for default schemes to review their offers and submit to MBIE on lowering their fees.

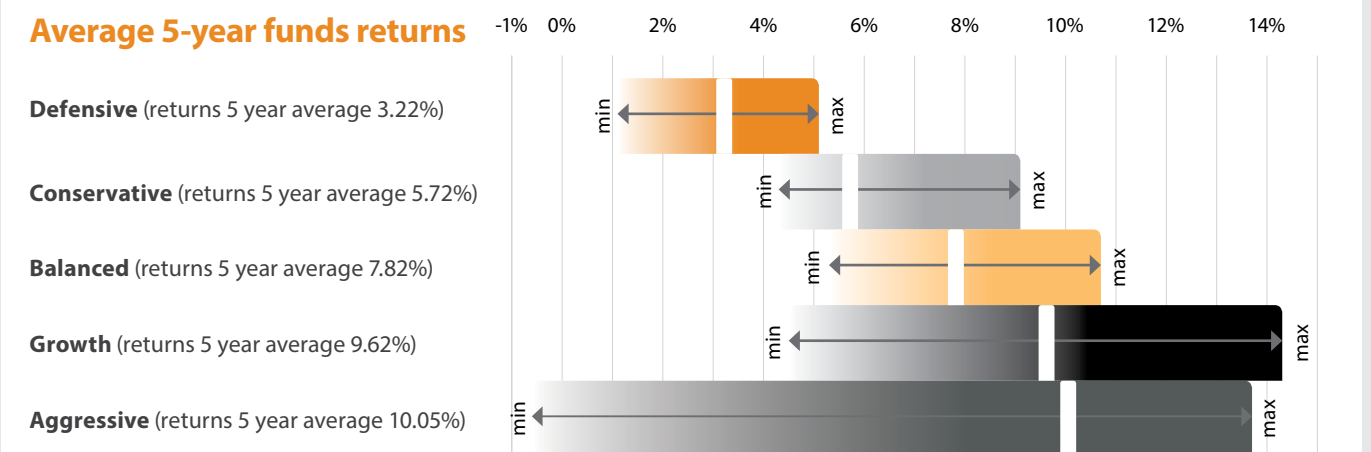
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The tracker shows there is no clear link between higher fees and higher returns, apart from a couple of standout funds.

Average 5-year funds fees



Average 5-year funds returns



Encouraging default members to make active decisions

The financial literacy obligation for default providers has been included in the instruments of appointment since 2014. This requires default providers 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 been reporting on this activity since 2016. Last year we made our expectations and our concerns clear to the CEOs of default providers about the low levels of commitment demonstrated by their overall results.

While some default providers have responded positively to last year’s call to action (some have doubled their results),

there are some that have found it difficult, or failed to improve.

Providers continue to tell us that poor data hinders their efforts to communicate with default members. We accept that it is not easy to reach and engage with people in defaults, and we know that almost half of default members are not contributing to their KiwiSaver, which may further reduce their incentive to engage. However, some providers have improved this year, which shows us that these challenges are not insurmountable.

We have engaged with all firms whose performance has not improved, to understand what initiatives were

undertaken over the past year to improve engagement. We have asked the lowest performing providers to give us detailed plans of how they will seek to improve their engagement results in the coming year, and we will be monitoring their performance against these plans.

With the upcoming government review of default providers starting next year we expect that the efforts providers have made to encourage decisions and engagement with their default members will be considered as part of the review.

We also ask providers to tell us what they are doing to attract new members, because we want to be assured they are appropriately balancing new member acquisition with their obligations under the instrument of appointment. The statistical returns also enable us to see how many default members leave providers’ schemes.

What works?

Providers who have improved their results:

- provide greater management oversight of financial literacy results – regular reporting to senior management, and setting clear targets for results
- spend time and effort improving contact details
- increase the number of staff available to make member phone calls
- call members outside of business hours
- simplify scripting on inbound and outbound phone calls
- run targeted marketing campaigns, often incorporating lessons from the FMA’s behavioural insight trials
- provide improved tools for branch staff to help them have good conversations with members
- provide clearer class-based advice to help members make a decision.

Just doing one of these things is unlikely to lead to improvements. Providers tell us there is a multiplier effect when a range of activities are underway. They use every contact point to reinforce key messages about setting up a KiwiSaver account.

Scheme	Total default members ¹	Default members making an active choice within the named scheme number ²					
		2018	2018	2017	2016	2016	2016
Booster	18,308	2,797	15%	1,282	9%	2,205	22%
ANZ Default	72,443	7,615	10%	3,651	5%	4,868	6%
Mercer	81,861	6,263	8%	2,553	3%	5,033	5%
BNZ	22,172	1,112	5%	449	3%	355	3%
KiwiWealth	22,295	1,064	5%	624	4%	478	4%
Fisher Two	68,508	3,316	5%	3,462	5%	2,781	4%
ASB	90,456	3,766	4%	1,394	2%	1,441	1%
Westpac	22,492	660	3%	385	2%	440	4%
AMP	112,620	2,073	2%	2,286	2%	11,007	8%
	511,155	28,666		16,086		28,608	

1. The sum of contributing default members at the start of the reporting period, plus all new default members gained during the year, plus all non-contributing default members at the start of the reporting period.

2. Rounded to nearest %.

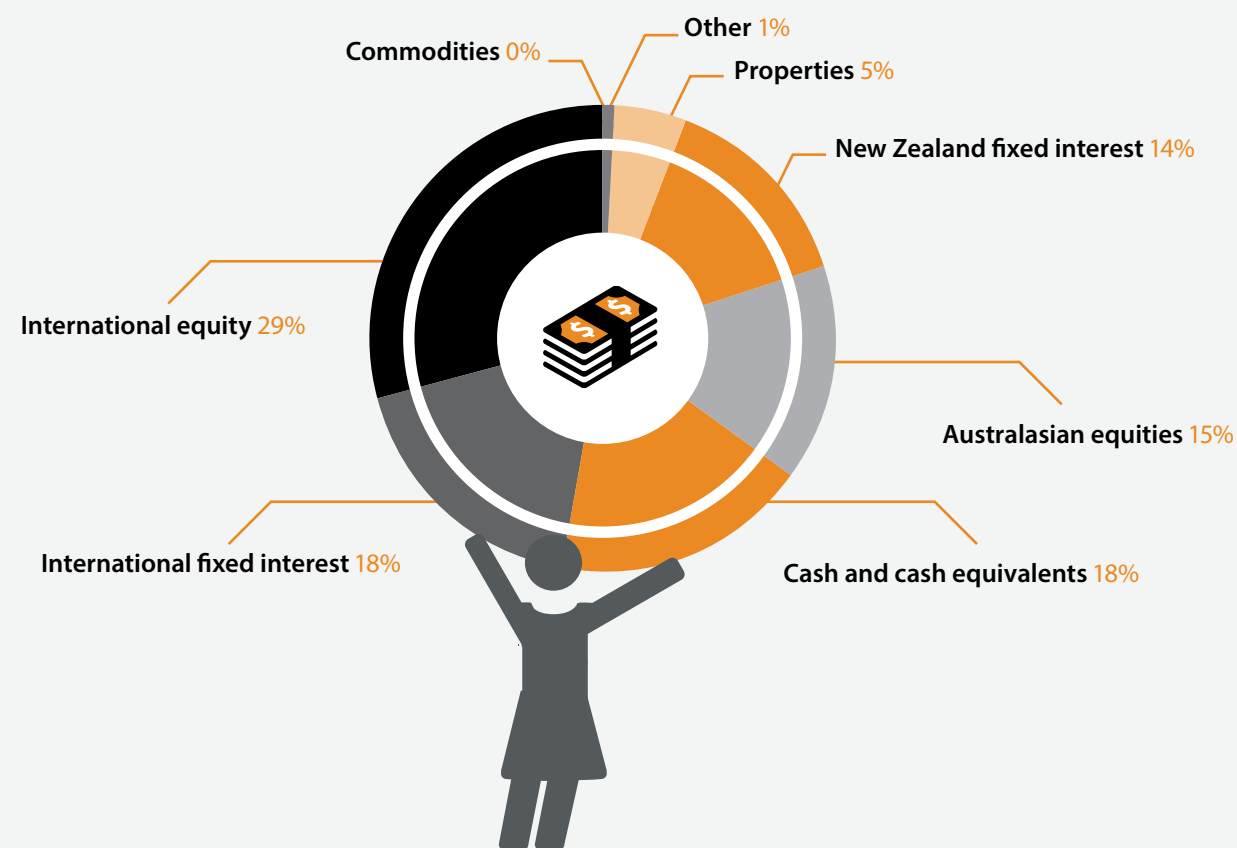


We regard active choices as important as they are a good indication that the provider’s financial literacy efforts have resulted in a member making a meaningful, informed choice in their own interest.

Where is KiwiSaver money invested?

Unless noted otherwise, the following statistics are taken from 2018 annual statistical returns and refer to the period from 1 April 2017 to 31 March 2018.

Investment fund summary



Funds under management



	2018	2017	Change
Number of schemes	30	30	0
Membership			
Contributing members	1,681,977	1,572,693	⬆ 7%
Non-contributing members	1,155,679	1,149,454	⬆ 1%
Total members	2,837,656	2,722,147	⬆ 4%
Assets invested	\$48.6 billion	\$40.8 billion	⬆ 19%
Investment returns	\$3.2 billion	\$2.7 billion	⬆ 17%
Fees			
Administration fees	\$87.5 million	\$82.4 million	⬆ 6%
Average administration fee per member	\$30.84	\$30.28	⬆ 2%
Investment management fees	\$330.7 million	\$266.3 million	⬆ 24%
Investment fees as % of returns	10.5%	9.8%	0.6 % points
Average management fee per member	\$116.55	\$97.82	⬆ 19%
Member contributions			
Standard contributions	\$3.4 billion	\$3.0 billion	⬆ 13%
Lump sum contributions	\$630.3 million	\$453.5 million	⬆ 39%
Other voluntary contributions	\$172.6 million	\$155.2 million	⬆ 11%
Employer contributions	\$2.0 billion	\$1.8 billion	⬆ 10%
Crown contributions	\$753.8 million	\$696.9 million	⬆ 8%
Withdrawals			
Significant financial hardship	\$101.0 million	\$80.8 million	⬆ 25%
First home purchase	\$723.3 million	\$614.4 million	⬆ 18%
Aged 65 and over	\$731.2 million	\$630.8 million	⬆ 16%
Default schemes			
Total membership	15.2%	16.4%	-1.2 % points
Total assets	9.6%	11.2%	-1.7 % points

Appendix 1

Income and expenditure summary

KiwiSaver schemes as at 31 March 2018

	Default	Active	Total
Opening balance of scheme assets at start of annual return year	4,583,564,790	36,178,630,983	40,762,195,773
Categories of income for annual return year			
Member contributions at section 64 contribution rate	452,774,677	2,910,100,369	3,362,875,046
Employer contributions	284,577,712	1,681,907,314	1,966,485,026
Crown contributions (section 226) and fee subsidies	102,870,639	650,940,609	753,811,248
Transfers of members' accumulations into scheme from other KiwiSaver schemes	2,929,237	2,503,163,271	2,506,092,508
Transfers of members' accumulations into scheme from registered superannuation schemes	1,015,692	31,220,664	32,236,356
Transfers of members' accumulations into scheme from Australian superannuation schemes	8,546,891	160,340,686	168,887,577
Lump sum contributions	17,219,179	613,056,991	630,276,170
Other voluntary contributions over section 64 contribution rate	4,955,792	167,667,020	172,622,812
Income from investment of scheme assets	207,484,982	2,954,934,517	3,162,419,499
Other income	779,887	6,209,043	6,988,931
Total income from annual return year	1,083,154,686	11,679,540,486	12,762,695,172
Categories of expenditure for annual return year			
First home purchase withdrawals	53,086,518	670,218,399	723,304,917
Mortgage diversion withdrawals	1,850	106,053	107,903
KiwiSaver end payment date withdrawals	54,765,547	676,421,795	731,187,342
Withdrawals on death	5,495,800	57,488,170	62,983,970
Serious illness withdrawals	4,149,940	34,854,271	39,004,211
Withdrawals or transfers on permanent emigration	4,587,291	29,910,689	34,497,980
Significant financial hardship withdrawals	8,247,811	92,742,458	100,990,269
Transfers of members' accumulations out of scheme into other KiwiSaver schemes	809,549,265	1,698,289,031	2,507,838,296
Transfers of members' accumulations out of scheme into Australian superannuation schemes	333,935	3,975,378	4,309,313
Amounts required to be paid under other enactments	375,314	5,333,096	5,708,410
Invalid enrolments	2,866,396	3,529,670	6,396,066
Administration fees	11,847,974	75,661,974	87,509,948
Investment management fees	20,071,277	310,647,384	330,718,662
Trustee fees	398,313	5,875,623	6,273,935
Insurance premiums	0	0	0
Taxation	27,670,851	223,811,691	251,482,542
Other scheme expenses	151,932	23,061,096	23,213,029
Total expenditure for annual return year	1,003,600,014	3,911,926,779	4,915,526,793
Closing balance of scheme assets at end of annual return year	4,663,119,462	43,946,244,692	48,609,364,153

Notes:
The statistical returns are unaudited and may not include all transactions. Some providers are not able to differentiate between 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 2018

	Default	Active	Total
Number of contributing members at start of annual return year	240,794	1,331,899	1,572,693
Categories of entries of members for annual return year			
New members (other than transfers from other schemes)	64,220	83,472	147,692
Members restarting contributions at end of section 104 contribution holidays	3,316	13,141	16,457
Members restarting contributions after stopping contributions for any other reason	37,359	163,318	200,677
Members transferring into scheme from other Kiwisaver schemes	258	187,466	187,724
Members transferring into scheme from Australian superannuation schemes	120	2,615	2,735
Members transferring into scheme from registered superannuation schemes	23	454	477
Total member entries for annual return year	105,296	450,466	555,762
Categories of membership exits for annual return year			
KiwiSaver end payment date exits	2,083	17,189	19,272
Deaths	420	2,737	3,157
Permanent emigration exits	401	1,742	2,143
Transfers out of scheme into other KiwiSaver schemes	72,462	117,274	189,736
Transfers out of scheme into Australian superannuation schemes	28	135	163
Other permanent exits*	1,550	3,602	5,152
Invalid enrolment withdrawals	2,432	835	3,267
Members starting section 104 contribution holidays	5,073	27,415	32,488
Members stopping contributions for other reasons	31,184	159,916	191,100
Total temporary and permanent exits for annual return year	115,633	330,848	446,478
Number of contributing members at end of annual return year	230,457	1,451,520	1,681,977

*Mainly covers withdrawals due to illness

	Default	Active	Total
Non-contributing members on section 104 contribution holidays			
Number of members on section 104 contribution holidays at start of annual return year	24,104	79,984	104,088
Members starting section 104 contribution holidays	5,073	27,415	32,488
Members ending section 104 contribution holidays and restarting contributions	3,316	13,141	16,457
Members ending section 104 contribution holidays but not restarting contributions for any reason	3,581	10,053	13,634
Number of members on section 104 contribution holidays at end of annual return year	22,280	84,205	106,485
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	181,636	863,727	1,045,363
Members stopping contributions without section 104 contribution holidays	34,765	169,743	204,508
Members restarting contributions after having stopped contributions without section 104 contribution	37,359	163,318	200,677
Number of other non-contributing members at end of annual return year	179,042	870,152	1,049,194
Total number of members at end of annual return year	431,779	2,405,877	2,837,656

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 2018

Default members				
Age at end of annual return year	Female	Male	Gender not specified	Total default members
17 and under	4,255	4,079	122	8,456
18-25	32,196	37,102	1,209	70,507
26-30	27,161	29,516	349	57,026
31-35	27,468	28,348	278	56,094
36-40	23,200	23,600	294	47,094
41-45	22,177	21,388	218	43,783
46-50	22,654	20,901	208	43,763
51-55	19,595	17,927	162	37,684
56-60	16,515	15,333	120	31,968
61-65	11,575	11,047	84	22,706
66-70	4,546	4,761	21	9,328
71-75	1,352	1,321	2	2,675
Unknown age	298	393	4	695
Totals	212,992	215,716	3,071	431,779

Active members				
Age at end of annual return year	Female	Male	Gender not specified	Total active members
17 and under	148,138	155,529	1,399	305,066
18-25	176,091	181,999	1,403	359,493
26-30	133,233	136,468	1,339	271,040
31-35	115,183	113,116	1,450	229,749
36-40	102,295	96,847	1,328	200,470
41-45	101,788	91,784	1,155	194,727
46-50	110,043	95,523	1,060	206,626
51-55	105,538	92,043	816	198,397
56-60	100,320	86,361	710	187,391
61-65	82,642	71,611	426	154,679
66-70	38,119	34,633	168	72,920
71-75	12,767	11,899	88	24,754
Unknown age	166	245	154	565
Totals	1,226,323	1,168,058	11,496	2,405,877

Total members

Age at end of annual return year	Female	Male	Gender not specified	Total members
17 and under	152,393	159,608	1,521	313,522
18-25	208,287	219,101	2,612	430,000
26-30	160,394	165,984	1,688	328,066
31-35	142,651	141,464	1,728	285,843
36-40	125,495	120,447	1,622	247,564
41-45	123,965	113,172	1,373	238,510
46-50	132,697	116,424	1,268	250,389
51-55	125,133	109,970	978	236,081
56-60	116,835	101,694	830	219,359
61-65	94,217	82,658	510	177,385
66-70	42,665	39,394	189	82,248
71-75	14,119	13,220	90	27,429
Unknown age	464	638	158	1,260
Totals	1,439,315	1,383,774	14,567	2,837,656

Appendix 4

Profile of new default and other members

KiwiSaver schemes as at 31 March 2018

	Number of members	Scheme assets held for those members (\$)
Default members allocated to scheme by Commissioner under section 51 in annual return year	65,892	73,393,249
Other new members entering scheme in annual return year (including transfers from other schemes and active choice members)	162,505	1,448,444,990

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

Appendix 5

Summary of non-contributing members

(not on section 104 contribution holidays)

KiwiSaver schemes as at 31 March 2018

	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	181,636	1,025,892,728	863,728	6,336,205,863
Number of non-contributing members (not on section 104 contribution holidays) at end of annual return year	179,042	1,057,514,591	870,152	7,686,686,185

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 2018

Investment funds	Number of members in each investment fund	Amount in each investment fund
Default	431,779	4,663,119,462
Totals	431,779	4,663,119,462
Multi sector funds		
Active Default	282,644	3,563,801,212
Conservative	580,607	7,945,553,633
Balanced	699,189	13,155,156,627
Growth	1,066,506	15,893,858,629
Single sector funds		
Cash	314,039	1,819,937,058
Shares	45,064	522,589,743
Fixed Interest	44,626	264,024,949
Property	5,909	47,604,981
Other	31,331	626,748,326
Socially responsible	8,528	106,969,535
Totals	3,078,443	43,946,244,692

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 2018

Switches in annual return year	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 construction of appointment	28,603		403,322,678	
Switches into other investment funds				
Conservative		8,254		145,267,045
Balanced		9,473		134,255,261
Growth		10,041		107,683,674
Active default		1,093		3,482,269
Single sector funds				
Cash		777		6,729,657
Shares		699		4,747,072
Fixed Interest		28		128,285
Property		16		41,007
Socially responsible		104		988,409
Total of switches into other investment funds	28,603	30,485	403,322,678	403,322,678

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 2018

Switches into investment funds in annual return year			Switches out of investment funds in annual return year		
Investment funds	Number of switches	Amount (\$)	Number of switches	Amount (\$)	Net change in amounts (\$)
Active Default	7,869	130,663,180	12,939	181,601,383	-50,938,203
Conservative	19,537	381,990,745	49,708	665,833,076	-283,842,330
Balanced	47,312	826,618,908	46,867	813,313,053	13,305,855
Growth	73,696	909,376,640	38,285	663,106,454	246,270,186
Single sector funds					
Cash	13,769	218,241,485	13,647	149,342,981	68,898,504
Shares	12,526	52,435,051	9,992	42,654,423	9,780,628
Fixed Interest	2,453	12,143,556	2,877	17,585,739	-5,442,183
Property	1,219	3,325,402	1,471	6,960,935	-3,635,533
Other	1,893	13,314,935	1,621	10,798,413	2,516,522
Socially responsible	598	5,553,596	387	2,467,041	3,086,555
Total of switches between funds	180,872	2,553,663,498	177,794	2,553,663,498	0

Note:
Difference in cash flow is due to deduction of PIE tax before re-investment.

Appendix 8

Profile of switches between investment funds

KiwiSaver schemes as at 31 March 2018

How many switches between investment funds made in annual return year	Number of members who made those switches	
	Default	Active
1 switch	27,989	110,351
2 switches		8,468
3 switches		1,530
4 switches		497
5 switches or more		457

Appendix 9

Analysis according to size of scheme assets

KiwiSaver schemes as at 31 March 2018

Assets grouping	Number of schemes	Total assets \$m	Total membership
Under \$10m	2	7.40	587
\$10m to under \$100m	5	225.39	9,546
\$100m to under \$500m	7	1,890.74	75,453
\$500m to under \$1,000m	3	2,078.71	87,621
\$1,000m to under \$5,000m	9	17,120.79	944,224
\$5,000m and over	4	27,286.34	1,720,225
Total	30	48,609.36	2,837,656

Note:
The data has been obtained from statistical returns made by the trustees of KiwiSaver schemes ‘registered’ under the KiwiSaver Act 2006. Some totals may not be exact, due to rounding.

Appendix 10

Analysis by nature of scheme

KiwiSaver schemes as at 31 March 2018

Nature of scheme	Number of schemes	Total assets \$m*	Total membership
Default schemes	9	4,663.12	431,779
Retail (active choice)	25	43,017.8	2,379,873
Restricted schemes	5	928.44	26,004
Total	30	48,609.36	2,837,656

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 trustees of KiwiSaver schemes ‘registered’ under the KiwiSaver Act 2006 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 2018

Number of schemes

Assets grouping	Retail	Restricted schemes	Total
Under \$10m	1	1	2
\$10m to under \$100m	3	2	5
\$100m to under \$500m	6	1	7
\$500m to under \$1,000m	4	1	5
\$1,000m to under \$5,000m	8		8
\$5,000m and over	3		3
Total (all groups)	25	5	30

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		0*	7.40	7.40
\$10m to under \$100m	298.43	169.83	55.56	523.82
\$100m to under \$500m		1,652.76	237.97	1,890.74
\$500m to under \$1,000m	2,123.23	3,238.29	627.51	5,989.03
\$1,000m to under \$5,000m	2,241.46	16,900.16		19,141.62
\$5,000m and over		21,056.76		21,056.76
Total (all groups)	4,663.12	43,017.80	928.44	48,609.36

*One retail scheme wound up after balance date.
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Appendix 11B

Analysis according to nature of scheme and size of scheme assets

KiwiSaver schemes as at 31 March 2018

Total membership

Assets grouping	Default	Retail	Restricted schemes	Total
Under \$10m			587	587
\$10m to under \$100m	68,378	7,509	2,037	77,924
\$100m to under \$500m		67,069	8,384	75,453
\$500m to under \$1,000m	185,002	129,612	14,996	329,610
\$1,000m to under \$5,000m	178,399	783,883		962,282
\$5,000m and over		1,391,800		1,391,800
Total (all groups)	431,779	2,379,873	26,004	2,837,656

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 trustees of KiwiSaver schemes 'registered' under the KiwiSaver Act 2006 relating to the members and beneficiaries of those schemes.

Some totals may not be exact, due to rounding.

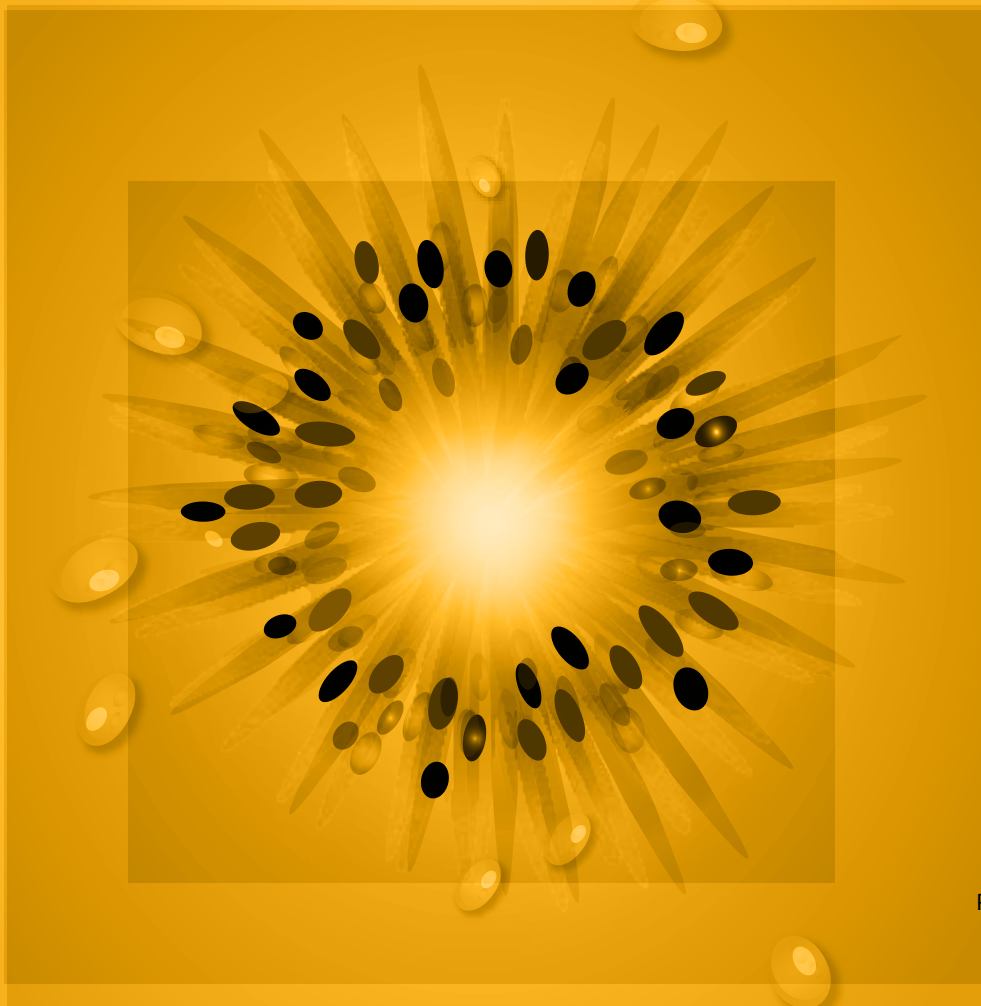
Appendix 12

Summary of member transfer activity

KiwiSaver schemes as at 31 March 2018

	Transferring in Members from other providers schemes transferring in to the named providers' scheme				Transferring out Default members from the named scheme transferring out to another providers' scheme		
	2016	2017	2018		2016	2017	2018
AMP	2,151	1,907	3,234	AMP	10,502	9,722	9,763
ANZ (3 Schemes)	35,728	30,909	28,483	ANZ Default	5,271	5,722	5,212
ASB	25,559	23,431	31,117	ASB	7,298	6,892	6,849
BNZ	13,851	13,665	19,256	BNZ	1,289	2,226	2,722
Booster	2,283	3,371	3,997	Booster	783	1,503	2,026
Fisher (2 schemes)	9,192	11,088	9,655	Fisher TWO	5,989	5,837	5,597
KiwiWealth	16,288	18,934	19,000	KiwiWealth	753	1,127	1,316
Mercer	27	66	132	Mercer	7,637	7,294	7,584
Westpac	19,331	25,181	18,121	Westpac	888	1,899	2,763
Totals	124,410	128,552	132,995		40,410	42,222	43,832

Please note: This year's data restates the numbers of members transferring in. This is because in 2016 and 2017, default active choices were previously included in these totals.



AUCKLAND

Level 5, Ernst & Young Building
2 Takutai Square, Britomart
PO Box 106 672, Auckland 1143

Phone: +64 9 300 0400 Fax: +64 9 300 0499

WELLINGTON

Level 2, 1 Grey Street
PO Box 1179, Wellington 6140

Phone: +64 4 472 9830 Fax: +64 4 472 8076

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