KiwiSaver Annual Report 2021

FMA
FINANCIAL MARKETS AUTHORITY
TE MANA TĀTAI HOKOHOKO

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 2020 to 30 June 2021, and contains a summary of the statistical returns that must be lodged by KiwiSaver schemes as at 31 March 2021.

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

Contents

Facts at a glance*

Total **membership**

3,090,631

up 2.1%

Average (mean) **balance**

$26,410

up 29%

Total **funds** under management

$81.6B

up 31.7%

Investment **returns**

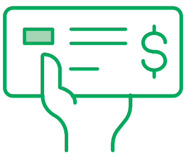
$13.2B

up 1708.4%

Member **withdrawals****

$3.05B

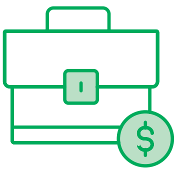
up 7.0%



Combined **fees revenue**†

$650.3M

up 20.7%



* All figures at 31 March 2021 and year-on-year

** First home, mortgage diversion, end payment, death, serious illness, life-shortening conditions, emigration, Australian transfers, other enactments

† Management fees, administration fees

Executive summary

KiwiSaver held up under pressure this year, as global markets bounced back from the initial shock of COVID-19, despite further lockdowns here and cases surging overseas.

By the time the 12 months covered by this report began on 1 July 2020, global equities markets had largely returned to pre-COVID levels; and by October had exceeded them. This was fuelled by there being few alternatives to equities for investors seeking returns – with low returns from term deposit and fixed income assets – and a rapid uptake of online investing during lockdown.

Despite the pandemic's ongoing impact, KiwiSaver has endured its toughest test to date, and continues to offer millions of New Zealanders an easy way to save for their future goals.

Funds under management

As markets recovered from the pandemic's initial impact, then went on to reach new heights, the value of KiwiSaver funds under management (FUM) recovered and grew correspondingly.

As at 31 March 2021, total FUM stood at $81.6 billion, up 31.7% from $62 billion a year earlier, and up from $57 billion at 31 March 2019.

Collectively, funds enjoyed positive investment returns of $13.2 billion, a major turnaround from a year earlier, when they suffered a loss of $820 million, and up from $3.8 billion two years earlier.

It must be noted that such growth and returns for a 12 month period are not typical and can be attributed to the very specific circumstances of the recovery underway by 1 April 2020.

In fact, when it became obvious how extraordinary some growth fund returns had been in the year to 31 March 2021, the FMA asked fund managers not to promote returns for that period in isolation, so as not to mislead investors. The FMA was concerned investors may form an inaccurate and unrealistic view, based on the 12 month returns, of what they should expect from investing in general; or of the skill of specific managers.

Fees

The higher returns many members enjoyed in 2020-21 also meant provider fees had less impact on balances this year.

Combined fees revenue (management and administration and fees) increased 20.7% to $650.3 million, reflecting higher aggregate FUM (up 31.7%) and extraordinary returns and associated fees. By comparison, combined fees revenue in the more 'normal' 2018-19 year was $479.8 million

It was encouraging to see income from administration fees decrease 4.8% to almost $80.8 million, as a number of KiwiSaver schemes reduced or changed the structure of administration fees. That compares with $91.8 million in the 2018-19 year. We have previously said that as scale and member balances increase, we see little justification for schemes to charge both a fixed membership fee and a base management fee, so it is pleasing to see a number of providers act on this.

In April 2021, the FMA published guidance outlining providers' responsibility to annually review their fees with their supervisor and check that these are not unreasonable and represent value for money. We detail this further on page 8.

Since the end of the reporting period, Westpac has announced it will remove its $12 administration fee and reduce fund charges by up to 0.26% from September 2021, while AMP has introduced a flat fund charge of 0.79%.

Withdrawals

While markets recovered swiftly in mid-2020, the period covered by this report included a rise in unemployment. These conditions prompted a big increase in members asking about hardship withdrawals, and providers reporting difficulties with the application process during lockdowns.

The FMA assisted by allowing alternative steps to verify applicants' identities and financial circumstances, and working with providers to ensure members were aware of government support packages, and being reminded that hardship withdrawals should be a last resort.

In the year to 31 March 2021, significant financial hardship withdrawals rose 42.8% to $159.3 million, up from $111.5 million a year earlier, and $107.9 million in 2019. There were 21,000 hardship withdrawals worth an average of $7,584 – up from 17,534 withdrawals worth an average of $6,359 the year before.

That's still a low proportion of all withdrawals. Over-65s withdrew $1.22 billion, down 8.3% year-on-year, but up from $1.04 billion in 2019. The number of over-65 members continued to increase, by 15% to 147,331. Fewer over-65s fully exited KiwiSaver during the year, down 14% to 19,512. Since 1 July 2019, over-65s have been allowed to join KiwiSaver and it is clear that more are continuing to leave money within the scheme beyond retirement age.

At the same time, the amount withdrawn for first homes rose 18.8% to $1.4 billion, continuing a steady trend upward, from $1.2 billion last year and $953 million in 2019.

It was also the first year people with congenital life-shortening conditions were allowed early access to KiwiSaver. From 26 March 2021, those with Down syndrome, cerebral palsy, Huntington's disease and fetal alcohol spectrum disorder were automatically entitled to apply to make such withdrawals, while those with rarer conditions can do so with medical verification. Three schemes have since paid $259,998 in respect of 14 withdrawal applications.

Fund switching

This year there were 377,895 switches between funds of different risk types but with the same provider. This is down 9.3% on the previous year, which included a very high level of switching associated with the market volatility of February to March 2020, but it is still well above the 240,378 fund switches seen in the 2018-19 year.

In total, almost $6.7 billion moved between funds with different risk profiles, including $2.6 billion into growth funds.

When COVID-19 hit, the FMA commissioned research into switching to better understand how investors behave when markets are volatile, and the drivers of that behaviour. See more on page 12.

Transfers

The total number of transfers between different KiwiSaver schemes was 157,679 – down 12.6% on the prior year.

Excluding the 45,336 default members who made an active choice to stay with the same scheme, the number of transfers was 112,343, down 18.2% year-on-year.

KiwiSaver members now have more choice, too, with the addition of four new schemes during the year – from Aurora, InvestNow, KiwiWrap and Select – taking the total number of schemes to 37.

Default funds

Around one in nine KiwiSaver members remain in a default scheme after being automatically enrolled when they started a new job. The number of members in default schemes who have not made an active choice was 356,021 at 31 March 2021, down 6.6% annually. This continues a steady downward trend in the proportion of default members who have not yet made an active decision about their fund.

In March 2021, the Government announced new settings for default members including a move from conservative to balanced funds.

Other changes from December 2021 include a reduction in default fund fees, the exclusion of fossil fuels and illegal weapons from equity holdings, and a requirement that providers engage with members at key life-stages, to help them make informed decisions about their savings.

We discuss default funds further in our Focus Area on page 14.

The amount withdrawn for first homes rose 18.8% to $1.4 billion, continuing a steady trend upward, from $1.2 billion last year and $953 million in 2019.

Money in*

Year to 31 March 2021

1,883,118

members contributed to their accounts

up 3.9%

Together they contributed:

$4.8B

through **salaries & wages**

up 16.3%

$1.85B

in **lump sum contributions**

up 14.5%

Other contributions included:

$2.7B

from **employers**

up 19.5%

$891M

from the **Crown**

up 6.1%

* All figures at 31 March 2021 and year-on-year

Money out

Year to 31 March 2021

$3.05B

member withdrawals**
were made

up 7.0%

Withdrawals included:

$1.22B

by **over-65s**

down 8.3%

$1.4B

for **first homes**

up 18.8%

$159.3M

for **hardship**

up 42.8%

KiwiSaver providers also charged:

$569.5M

in **management fees**

up 25.4%

$80.8M

in **administration fees**

down 4.8%

** First home, mortgage diversion, end payment, death, serious illness, life-shortening conditions, emigration, Australian transfers, other enactments

Key activities

FMA guidance on reasonable fees and value for money

In April 2021, the FMA published its *Managed fund fees and value for money* guidance, to help fund managers and supervisors demonstrate how they are meeting their obligations, statutory duties and conduct expectations in respect of fees and value for money.

The FMA published the guidance after research into the KiwiSaver market found:

- where scale exists in the industry, its benefits typically aren't being passed on to investors
- no systematic relationship between fees and returns, or the degree of active management
- active managers typically don't outperform their index over meaningful periods, after fees
- passive managers typically don't closely replicate their index's performance, after fees

Our guidance said managers are expected to annually review their fees with their supervisors, and to take concrete steps if they find their fees are unreasonable and don't represent value for money – by increasing their services, reducing fees, or both.

Managers were told they must prove such reviews are happening, and our message that failure to do so could trigger a regulatory response was conveyed widely by significant media coverage.

Key aspects of the guidance included:

- There is little justification for membership fees to be charged by investment managers who have achieved scale. So KiwiSaver schemes should move toward eliminating membership fees from their fee structures.
- Where fees are charged for advice, the investment manager must demonstrate the advice is received, not just 'offered'; is ongoing, not just at onboarding; that the fee charged is reasonable; and that the fee, and to whom it is paid, is disclosed to members.
- Where fees are charged for services other than advice (for example, a robust investment process), the manager must demonstrate how the service adds value to the member's account – by adding return, reducing risk, or ideally, both.

MEMBER FEES – ACTIVE & DEFAULT

Year	Active members	Total fees*	Average fees per member
2016	2,163,597	$295,582,958	$137
2017	2,275,613	$350,291,390	$154
2018	2,405,877	$415,246,077	$173
2019	2,535,979	$475,840,973	$188
2020	2,645,030	$542,374,889	$205
2021	2,734,610	$657,404,966	$240

Year	Default members	Total fees*	Average fees per member
2016	444,786	$30,330,423	$68
2017	446,534	$32,358,553	$72
2018	431,779	$32,469,497	$75
2019	398,289	$31,114,573	$78
2020	381,034	$29,576,781	$78
2021	356,021	$25,739,432	$72

* Management fees, administration fees, supervisor and trustee fees, other scheme expenses

Integrated financial products

In December 2020, the FMA issued guidance to the market on integrated financial products, the two main types being 'responsible' or 'ethical' KiwiSaver funds, and 'green' bonds.

The *Disclosure framework for integrated financial products* outlines expectations around fair dealing, the type of disclosure expected from issuers, and the FMA's enforcement options.

The guidance supports New Zealand's transition to an 'integrated financial system', which takes into account non-financial factors such as natural, social and human impacts, not just financial returns.

Misleading marketing, poor product design and other types of 'green-washing' all have the potential to undermine investor confidence in integrated financial products. This is complicated by providers not clearly explaining what they mean when they use terms such as 'responsible', or not substantiating those claims.

For example, while only some funds are explicitly labelled as responsible or ethical, FMA research has shown that 31 of 37 schemes state in their PDS that they consider aspects of responsible, ethical or ESG investment in their decision-making.

So while the data shows 22,119 members were in funds labelled as 'socially responsible' at 31 March 2021, which is up 56% year-on-year, and 151.5% over five years (with total holdings of $554 million, a leap of over 700% since 2016), that likely understates the number of members who have chosen a fund based on green, ethical or other values-based criteria.

Misleading marketing, poor product design and other types of 'green-washing' all have the potential to undermine investor confidence in integrated financial products.

Looksee fund choice campaign

In May 2021, the FMA undertook its annual campaign to encourage KiwiSaver members to engage with their KiwiSaver statements, and to take action to improve their settings, if applicable.

Our "Looksee" campaign again encouraged members to "take a looksee" at their statements, with a call this year to "check you're in the right fund for you", aimed at younger members in particular.

This year's focus on younger members followed data indicating over 12,000 members aged 26-35 were still in lower risk funds after switching from higher growth funds when COVID-19 first hit.

We also found that some young people are unsure how different types of KiwiSaver funds worked.

During the campaign, members were urged to ask themselves:

- Am I in the right KiwiSaver fund?
- Can I afford to contribute more?
- Am I getting good value from my KiwiSaver provider – do their fees seem reasonable?
- Am I happy with the amount of money I'll have in my KiwiSaver at 65?

Focus area: Fund switching

While changing fund risk types is encouraged when appropriate to a member's needs and goals, panic switching at times of volatility is not recommended due to the risk of crystallising losses and missing out on returns over the long-term.

In the year to 31 March 2021, there were 377,895 fund switches, worth almost $6.7 billion.

The number of switches is down 9.3% on the year before, which included the most volatile period of February to March 2020, but still 57.2% higher than the more 'normal' year ended March 2019.

Almost 39% of those who switched did so into a higher-risk growth fund – a figure that is similar to those who did the same in 2019 (34.6%) and 2018 (40.7%).

The FMA commissioned PwC to analyse and better understand the switching behaviour during the most volatile market period. The report used data from seven providers with 1.5 million members, capturing switching behaviour from February to April 2020 compared with the same period in 2019.

The report found 3.9% of the sample had made 88,112 switches during that three-month period, some making multiple switches. Of them, 70.5% had moved to lower risk funds during that volatile February to March 2020 period, and 18.5% into higher risk funds.

Younger people and members of bank-run schemes drove the higher level of switching. Those aged 26 to 35 made five times the number of switches, year-on-year, from 5,195 to 26,507, as did those in bank-run schemes, from 14,703 to 73,330.

The chart opposite from the PwC report shows the abnormally high level of switching in March 2020. As it ends in August 2020, it does not show the full extent of switching back to higher risk funds, as noted above.

Concerningly, less than 10% of those who went lower risk during February to April 2020 had gone back to a higher growth fund by August (the end period of data available for the PwC report), meaning 90% effectively locked in their losses. The fact the full year switching behaviour is only back to pre-COVID levels suggests the majority of those investors may still be in conservative funds.

Future considerations for providers included improvements to customer communications, such as highlighting the risks of switching, and prompts to have members pause before completing a switch.

Case study: Anna, 24

When Anna saw her KiwiSaver balance drop by $2000 in March 2020, she promptly changed her fund type from growth to conservative.

"I got scared because I didn't understand how KiwiSaver really works, so I thought I had lost a whole bunch of money and I would never get it back, so then I switched immediately to conservative to keep the money that I had and hopefully not lose any more."

Anna says she found the switching process straightforward but admits she didn't properly read her provider's questionnaire on the impact of switching funds.

"I was so in the moment that I just switched it without reading."

She then discussed her move with her mother, an accountant, who advised her to switch back to growth because it aligned with the timeline of her financial goals.

"She explained what [KiwiSaver] actually was to me [and said] if I don't want to use the money in the next, like, six years then I should keep it in growth."

Anna wants more communications from providers to explain how KiwiSaver works and the impact of market volatility on different types of investments.

Case study: Sarah, 45

Sarah got a fright when she saw her KiwiSaver balance drop by $8,000 in late March 2020. She immediately decided to switch her fund from balanced to conservative.

"When my balance dropped it was horror, really. I just thought, 'Oh this is going to put me further behind with getting on the [property] ladder.' I said I didn't want to lose more than I already had."

Sarah says she did receive some advice from her provider but it didn't influence her choice – the most important thing was that her balance didn't drop any further.

"I talked to one friend about it, she said, 'Nah, leave it where it is', but she is in a much better financial position than me. I just felt this was a better move for me."

She remembers social media debate about the merits of switching, but admits she is risk averse.

"It might be true that I shouldn't have switched, but there weren't guarantees at the time and I couldn't afford that or afford to take the risk, so I switched."

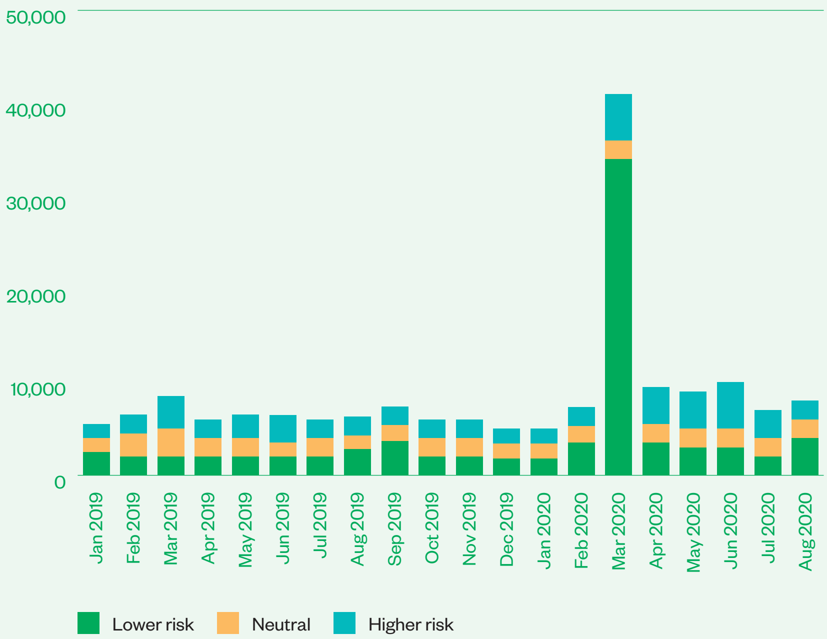
Sarah wants more education on KiwiSaver put out by providers, to improve the knowledge of those who are disengaged, so they understand how an investment fund works.

"The more information the better, the more explanations, it would really help."

*Anna and Sarah are not real names. Both were interviewed in April 2021 as part of the FMA's research into fund switching.

FUND SWITCHING DIRECTION BY MONTH
Jan 2019 - Aug 2020

Reporting period differs from FMA KiwiSaver Annual Report



Source: 'Lockdown: A review of KiwiSaver member behaviour in response to COVID-19', PwC, 2021

Focus area: Default providers

Up to this year, default funds have been a particular focus of the government and providers, with significant resources put into encouraging members to make an active choice by considering if their allotted fund was right for them.

What were meant to be 'parking space' funds where members would sit temporarily, with a lower-growth, less risky conservative setting, became permanent homes for the funds of those members lacking the information or inclination to move.

As at 31 March 2021, the number of people in default funds fell 6.6% year-on-year, to 356,021. That equates to 11.5% of all members, and continues a steady downward trend, from 17.1% in March 2016. Total FUM of all those default members fell slightly to $3.96 billion.

The proportion of default members who were contributing at the end of the year was 47.2% versus 62.7% of active members.

New KiwiSaver members allocated to a default scheme during the year decreased 16.8% to 51,113.

Meanwhile, the number of default members who made an active choice increased 5.1% to 45,336.

In March 2021, the Government announced new default arrangements, most notably that all current and future default members would be put into balanced funds.

Because of this change in risk settings, our future focus will be on whether any moves by default members out of their allotted default funds is in those members' interests. We will also be reviewing how many active members join the default funds, attracted by the lower fees and balanced risk setting. Providers must ensure their default funds are open to all members.

The Government also wanted to lower default fees and make them more simple and transparent, and MBIE managed a competitive procurement process that put downward pressure on fees, including asking providers how they will benefit members with low balances.

Providers were also restricted to charging one percentage-based fee and/or one fixed fee. All providers have ultimately opted for charging only a percentage-based fee.

Importantly, they must now engage with members at key milestones, such as when they first join, and 10 years and one year before they turn 65; after a first home withdrawal; when annual statements are sent out; during significant market volatility; and after 18 months of someone not contributing.

Six default providers were ultimately appointed, down from the previous nine. Four were retained as providers, while another five were not, as shown in the table below. None of the original six default providers from 2007 were among those reappointed.

The new default arrangements commence on 1 December 2021. At 30 June, there were 263,000 members of the five schemes that were not reappointed who will be transferred to one of the six appointed schemes. Members of reappointed schemes will be moved to a balanced fund with their current provider.

Non-continuing providers are expected to stop all proactive efforts to engage default members from 30 September 2021, excluding those in that month's final allocation of default members.

The FMA will monitor the transition and providers' progress against the engagement standards and all service standards under the Instrument of Appointment. Default providers will need to report to us every six months.

It's hoped positive outcomes from this year's changes, including default members earning better returns, will begin to show in the next 12 months.

DEFAULT MEMBERS MAKING ACTIVE CHOICES, BY PROVIDER

Number of members and annual difference

Provider	2020	2021	Difference
AMP	5,525	7,673	↑ 39%
ANZ	4,823	3,701	↓ 23%
ASB	12,024	9,858	↓ 18%
BNZ*	1,951	838	↓ 57%
Booster*	3,347	3,715	↑ 11%
BT Funds (Westpac)*	4,026	2,853	↓ 29%
Fisher Funds	3,448	5,016	↑ 46%
Kiwi Wealth (Kiwibank)*	2,546	6,204	↑ 144%
Mercer	5,433	5,478	↑ 1%
Total	**43,123**	**45,336**	**↑ 5%**

*Retained 2021 – 2028

KIWISAVER DEFAULT FUND PROVIDERS

Changes announced May 2021

Retained
- ✓ BNZ
- ✓ BT Funds (Westpac)
- ✓ Booster
- ✓ Kiwi Wealth (Kiwibank)

Newly selected
- ✓ Simplicity
- ✓ Smartshares (NZX)

Not retained
- ✕ AMP
- ✕ ANZ
- ✕ ASB
- ✕ Fisher Funds
- ✕ Mercer

Sir Michael Cullen

(1945–2021)

The Board and Chief Executive of the Financial Markets Authority note with sadness the passing of the architect of KiwiSaver, Sir Michael Cullen.

Sir Michael was Deputy Prime Minister and Minister of Finance when the KiwiSaver Act was passed in 2006 and the scheme began on 1 July 2007.

"KiwiSaver is a landmark in our social and economic history. It will help New Zealanders build up more financial assets more quickly. It will help more New Zealanders feel wealthier and more secure."

"Greater saving, coupled with increasing investment in innovation and productivity, will help make the economy much more resilient so we can better deal with the long term game."

Sir Michael Cullen, June 2007

Appendices

Appendix 1

Income and expenditure summary

KiwiSaver schemes as at 31 March 2021

	Default	Active	Total
Opening balance of scheme assets at start of annual return year	**$4,062,137,074**	**$57,891,908,947**	**$61,954,046,021**
Categories of income for annual return year			
Member contributions at section 64 contribution rate	$380,768,005	$4,458,524,581	$4,839,292,586
Employer contributions	$240,980,777	$2,457,987,988	$2,698,968,765
Crown contributions (section 226) and fee subsidies	$75,576,060	$815,375,787	$890,951,847
Transfers of members' accumulations into scheme from other KiwiSaver schemes	$7,222,195	$3,469,253,777	$3,476,475,972
Transfers of members' accumulations into scheme from other retirement schemes	$309,079	$47,840,092	$48,149,171
Transfers of members' accumulations into scheme from Australian superannuation schemes	$5,151,699	$144,743,456	$149,895,155
Lump sum contributions	$19,328,461	$1,828,219,380	$1,847,547,841
Other voluntary contributions over section 64 contribution rate	$3,189,648	$251,480,606	$254,670,254
Income from investment of scheme assets	$328,368,006	$12,868,509,102	$13,196,877,108
Other income	$349,205	$12,317,628	$12,666,833
Total income from annual return year	**$1,061,243,135**	**$26,354,252,397**	**$27,415,495,532**
Categories of expenditure for annual return year			
First home purchase withdrawals	$48,614,121	$1,367,425,641	$1,416,039,762
Mortgage diversion withdrawals	$0	$45,857	$45,857
KiwiSaver end payment date withdrawals	$45,389,837	$1,175,608,471	$1,220,998,308
Withdrawals on death	$5,402,343	$84,484,891	$89,887,234
Serious illness withdrawals	$3,575,110	$55,143,200	$58,718,310
Life-shortening congenital condition withdrawals	$0	$259,998	$259,998
Withdrawals or transfers on permanent emigration	$3,443,912	$42,540,746	$45,984,658
Significant financial hardship withdrawals	$8,485,011	$150,789,196	$159,274,207
Transfers of members' accumulations out of scheme into other KiwiSaver schemes	$986,560,080	$2,537,115,222	$3,523,675,302
Transfers of members' accumulations out of scheme into Australian superannuation schemes	$3,302,741	$42,536,345	$45,839,086
Amounts required to be paid under other enactments	$647,520	$13,957,742	$14,605,262
Invalid enrolment withdrawals	$5,931,211	$5,258,369	$11,189,580
Administration fees	$8,355,217	$72,408,538	$80,763,755
Investment management fees	$16,863,572	$552,702,777	$569,566,349
Supervisor fees and (in the case of a restricted scheme) Trustee fees	$313,852	$7,624,509	$7,938,361
Insurance premiums	$0	$0	$0
Taxation	$22,056,235	$452,614,672	$474,670,907
Other scheme expenses	$206,791	$24,669,142	$24,875,933
Total expenditure for annual return year	**$1,159,147,553**	**$6,585,185,316**	**$7,744,332,869**
Closing balance of scheme assets at end of annual return year	**$3,964,232,656**	**$77,660,976,028**	**$81,625,208,684**

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 2021

	Default	Active	Total
Number of contributing members at start of annual return year	**184,783**	**1,627,508**	**1,812,291**
Categories of entries of members for annual return year			
New members (other than transfers from other schemes)	48,486	53,074	101,560
Members restarting contributions at end of section 104 contribution holidays	4,432	28,520	32,952
Members restarting contributions after stopping contributions for any other reason	32,035	164,673	196,708
Members transferring into scheme from other KiwiSaver schemes	23	161,635	161,658
Members transferring into scheme from Australian superannuation schemes	27	1,402	1,429
Members transferring into scheme from other retirement schemes	5	443	448
Total entries for annual return year	**85,008**	**409,747**	**494,755**
Categories of membership exits for annual return year			
KiwiSaver end payment date exits	1,867	17,645	19,512
Deaths	381	2,852	3,233
Permanent emigration exits	212	1,656	1,868
Transfers out of scheme into other KiwiSaver schemes	59,437	98,242	157,679
Transfers out of scheme into Australian superannuation schemes	216	1,828	2,044
Other permanent exits	6,663	2,642	9,305
Invalid enrolment withdrawals	4,778	2,057	6,835
Members starting section 104 contribution holidays	2,643	36,269	38,912
Member stopping contributions for other reasons	25,413	159,127	184,540
Total temporary and permanent exits for annual return year	**101,610**	**322,318**	**423,928**
Number of contributing members at end of annual return year	168,181	1,714,937	1,883,118
Categories of non-contributing members on section 104 contribution holidays			
Number of members on section 104 contribution holidays at start of annual return year	19,752	109,155	128,907
Members starting section 104 contribution holidays	2,643	36,269	38,912
Members ending section 104 contribution holidays and restarting contributions	4,432	28,520	32,952
Members ending section 104 contribution holidays but not restarting contributions for any reason	3,812	18,047	21,859
Number of members on section 104 contribution holidays at end of annual return year	**14,151**	**98,857**	**113,008**
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	176,499	908,368	1,084,867
Members stopping contributions without section 104 contribution holidays	29,225	177,121	206,346
Members restarting contributions after having stopped contributions without section 104 contribution holidays	32,035	164,673	196,708
Number of other non-contributing members (not on section 104 contribution holidays) at end of annual return year	**173,689**	**920,816**	**1,094,505**
Total number of members at end of annual return year	**356,021**	**2,734,610**	**3,090,631**

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 2021

Default members

Age at end of annual return year	Female	Male	Gender unknown	Total
17 and under	3,116	2,888	12	6,016
18-25	31,639	35,929	772	68,340
26-30	19,209	22,127	346	41,682
31-35	23,662	24,528	295	48,485
36-40	19,625	20,730	243	40,598
41-45	16,174	16,874	185	33,233
46-50	16,079	16,252	174	32,505
51-55	14,108	14,472	148	28,728
56-60	12,736	12,653	95	25,484
61-65	9,159	9,451	90	18,700
66-70	3,989	4,103	33	8,125
71-75	1,578	1,563	8	3,149
76-80	242	283	2	527
81-85	5	7	0	12
86 and over	17	21	0	38
Unknown age	171	222	6	399
Totals	**171,509**	**182,103**	**2,409**	**356,021**

Active members

Age at end of annual return year	Female	Male	Gender unknown	Total
17 and under	123,902	130,469	1,224	255,595
18-25	185,646	190,699	2,582	378,927
26-30	150,172	152,721	1,953	304,846
31-35	146,138	145,528	2,354	294,020
36-40	129,066	124,229	2,182	255,477
41-45	117,634	108,455	1,794	227,883
46-50	126,743	111,903	1,520	240,166
51-55	123,063	107,458	1,227	231,748
56-60	119,464	104,549	1,060	225,073
61-65	98,844	85,733	722	185,299
66-70	46,389	41,147	257	87,793
71-75	20,226	18,514	93	38,833
76-80	4,180	4,073	36	8,289
81-85	188	182	5	375
86 and over	97	92	1	190
Unknown age	32	59	5	96
Totals	**1,391,784**	**1,325,811**	**17,015**	**2,734,610**

Total members

Age at end of annual return year	Female	Male	Gender unknown	Total
17 and under	127,018	133,357	1,236	261,611
18-25	217,285	226,628	3,354	447,267
26-30	169,381	174,848	2,299	346,528
31-35	169,800	170,056	2,649	342,505
36-40	148,691	144,959	2,425	296,075
41-45	133,808	125,329	1,979	261,116
46-50	142,822	128,155	1,694	272,671
51-55	137,171	121,930	1,375	260,476
56-60	132,200	117,202	1,155	250,557
61-65	108,003	95,184	812	203,999
66-70	50,378	45,250	290	95,918
71-75	21,804	20,077	101	41,982
76-80	4,422	4,356	38	8,816
81-85	193	189	5	387
86 and over	114	113	1	228
Unknown age	203	281	11	495
Totals	**1,563,293**	**1,507,914**	**19,424**	**3,090,631**

Appendix 4

Profile of new default and other members

KiwiSaver schemes as at 31 March 2021

	Number of members	Scheme assets held for those members ($)
Default members allocated to scheme by Commissioner under section 51 in annual return year	51,113	80,339,345
Other new members entering scheme in annual return year (including transfers from other schemes and active choice members)	90,406	1,466,540,852

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 2021

	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	176,499	1,019,553,418	908,368	10,480,304,664
Number of non-contributing members (not on section 104 contribution holidays) at end of annual return year	173,689	994,923,456	920,816	13,817,631,997

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 2021

	Number of members in each investment fund	Amount in each investment fund ($)
Default investment product under instrument of appointment in respect of default members	**356,021**	**3,964,232,656**
Totals	**356,021**	**3,964,232,656**
Multi Sector		
Active Default	304,881	6,319,441,883
Conservative	544,198	10,984,714,562
Balanced	756,256	21,822,455,867
Growth	1,328,805	32,716,699,662
Single Sector		
Cash	408,718	3,159,088,025
Fixed Interest	50,351	433,175,600
Shares	79,271	1,165,513,860
Property	7,414	88,089,585
Socially Responsible	22,119	554,323,908
Other	10,855	417,473,076
Totals	**3,512,868**	**77,660,976,028**

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 products into other investment funds

KiwiSaver schemes as at 31 March 2021

	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	**45,336**		**776,466,995**	
Switches into other investment funds				
Multi Sector				
Active Default		23,098		410,449,939
Conservative		1,520		26,107,108
Balanced		8,755		159,989,139
Growth		11,910		152,887,213
Single Sector				
Cash		804		11,008,219
Fixed Interest		85		888,396
Shares		1,241		10,410,056
Property		26		130,563
Socially Responsible		632		4,596,362
Total switches into other investment funds	**45,336**	**48,071**	**776,466,995**	**776,466,995**

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 2021

	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 ($)
Multi Sector					
Active Default	10,750	322,739,649	31,081	751,222,197	-428,482,548
Conservative	79,663	1,067,099,545	75,262	1,389,983,457	-322,883,912
Balanced	64,806	1,678,123,874	68,458	1,680,347,610	-2,223,736
Growth	148,885	2,602,502,147	111,279	1,553,455,657	1,049,046,490
Single Sector					
Cash	28,543	716,151,583	43,774	1,057,860,755	-341,709,172
Fixed Interest	8,165	59,414,632	8,441	76,026,853	-16,612,221
Shares	32,745	147,065,420	33,319	133,660,396	13,405,024
Property	3,615	14,390,463	4,435	16,265,109	-1,874,646
Socially Responsible	4,168	75,967,707	1,753	22,780,647	53,187,060
Other	68	3,061,986	93	4,914,325	-1,852,339
Total of switches between funds	**381,408**	**6,686,517,006**	**377,895**	**6,686,517,006**	**0**

Appendix 8

Profile of switches between investment funds

KiwiSaver schemes as at 31 March 2021

Number of switches between investment funds made in annual return year	Default	Active
1 switch	38,128	198,078
2 switches	0	26,334
3 switches	0	5,670
4 switches	0	2,579
5 switches or more	0	2,797

Appendix 9

Analysis according to size of scheme assets

KiwiSaver schemes as at 31 March 2021

	Number of schemes	Total assets $M	Total membership
Under $10m	2	3	52
$10m to under $100m	8	288	9,331
$100m to under $500m	7	2,316	65,041
$500m to under $1,000m	2	1,380	34,753
$1,000m to under $5,000m	12	30,035	1,036,555
$5,000m and over	5	47,604	1,944,899
Total	**36**	**81,625**	**3,090,631**

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 2021

Nature of scheme	Number of schemes	Total assets ($M)	Total membership
Default schemes	9	3,964	356,021
Retail (active choice)	31	76,168	2,707,752
Restricted schemes	5	1,493	26,858
Total	**36**	**81,625**	**3,090,631**

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 2021

Number of schemes

Assets grouping	Retail schemes	Restricted schemes	Total schemes
Under $10m	2		2
$10m to under $100m	5	3	8
$100m to under $500m	6	1	7
$500m to under $1,000m	2		2
$1,000m to under $5,000m	11	1	12
$5,000m and over	5		5
Total (all groups)	**31**	**5**	**36**

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		3		3
$10m to under $100m		190	98	288
$100m to under $500m	484	1,935	380	2,799
$500m to under $1,000m	3,481	1,380		4,861
$1,000m to under $5,000m		26,907	1,015	27,922
$5,000m and over		45,752		45,752
Total (all groups)	**3,964**	**76,168**	**1,493**	**81,625**

Total membership

Assets grouping	Default	Retail	Restricted	Total members
Under $10m		52		52
$10m to under $100m		6,372	2,959	9,331
$100m to under $500m	79,590	56,001	9,040	144,631
$500m to under $1,000m	276,431	34,753		311,184
$1,000m to under $5,000m		834,847	14,859	849,706
$5,000m and over		1,775,727		1,775,727
Total (all groups)	**356,021**	**2,707,752**	**26,858**	**3,090,631**

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ISSN No. 2324-5522 (Print)
ISSN No. 2324-5530 (Electronic)

FINANCIAL MARKETS AUTHORITY
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