



KiwiSaver Annual Report 2023



Purpose of the report

The Financial Markets Authority – Te Mana Tātai Hokohoko (FMA) is an independent Crown entity and New Zealand's principal conduct regulator of financial markets.

Our overarching statutory purpose is to promote and facilitate the development of fair, efficient and transparent financial markets. Well-regulated financial markets are the cornerstone of a successful economy and the financial wellbeing of all New Zealanders. The FMA's purpose and vision is to foster the fairest financial sector in the world so that more New Zealanders than ever believe the financial services sector is working well for them.

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 a large part of their retirement savings and ultimate financial security. KiwiSaver is designed with the purpose of increasing individuals' well-being and financial independence; reporting on the principal matters transacted is intended to serve that purpose.

We are required to report to the relevant Minister each year. This year's report covers the period from 1 July 2022 to 30 June 2023, and contains a summary of the statistical returns that must be lodged by KiwiSaver schemes as at 31 March 2023.

This report will be presented to the House of Representatives pursuant to Section 159 of the KiwiSaver Act 2006.

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Facts at a glance

Year to 31 March 2023*



3,254,336

**KiwiSaver
members**

(up 2.7%)



\$93.7B

**total funds under
management**

(up 4.3%)



\$28,778

**average (mean)
balance per member**

(up 1.6%)



\$10.5B

**contributed to
KiwiSaver**

(down 6.7%)



-\$1.9B

**Net investment
returns**

(down from \$1.3B gain)



\$4.2B

**withdrawn
by members****

(up 11.7%)



\$664.1M

paid in fees***

(down 8.1%)

*Throughout this report, all comparative data is year-on-year unless otherwise stated.

**This figure includes withdrawals for first home purchase deposits, mortgage diversion, end payment date, significant financial hardship, serious illness, life-shortening congenital conditions, death, permanent emigration or transfers to Australian schemes, and amounts required to be paid under other enactments.

***Fees include investment management fees, administration fees, supervisor and trustee fees, and other scheme expenses. In previous reports, the total fees reported only included management fees and administration fees. See more on page 13.

From the Chief Economist

This year saw investment losses across major asset classes and risk profiles. It has been a tough time for investors. That said, it's worth noting that the data for this report covers the year ending 31 March 2023, and many investments have recovered ground since then.

Regardless, it's important for everyone to remember that investing is a long-term game: staying in the market and not constantly moving money around is the best way to achieve investing goals.

For those some way off retirement, that means consistently contributing, in good times and bad. While there have been losses, the last time this happened markets bounced back.

For those nearing retirement, seeing investment losses can be distressing. But most people are unlikely to spend all their KiwiSaver investments in the first year of retirement. Leaving money in KiwiSaver means there is time for the balance to recover and avoids locking in any losses. The last few years' data show that investors are doing just that, leaving money in their KiwiSaver accounts after turning 65, so their savings can continue to grow, and they can access it when they need.

This option – sometimes referred to as 'drawdown' – is available to KiwiSaver members over 65.

This report highlights two points of concern, I expect both driven by the cost-of-living challenges. Firstly, hardship withdrawals are up 36.7% compared to 2022. They hit their highest level in the wake of COVID lockdowns but it is concerning to see them rising again. It's important for people to have access to hardship withdrawals when life goes badly off plan, but it's a last resort. And once the acute issue has passed people need to continue saving for retirement.



Secondly, the number of members on savings suspensions is up 19.8%. That's understandable if people are really struggling, but re-starting contributions as soon as possible will set them up for a better retirement.

The industry and the FMA have a role to play too. Over the coming year, we'll be talking with KiwiSaver providers to understand how they support their customers to build savings habits and help them achieve their retirement goals.

We can categorise 2023 as a year when KiwiSaver 'held firm', when contributions proved more important than investment returns. But early signs suggest KiwiSaver will make more positive ground in 2024.

Stuart Johnson
FMA Chief Economist



Executive summary

Overview

KiwiSaver held firm in its sixteenth year, as markets continued to experience significant volatility after the previous year's correction, and the global economy grappled with higher inflation, higher interest rates and ongoing geopolitical tensions.

By 31 March 2023, KiwiSaver's total balance was \$93.7 billion, up \$4 billion, or 4.3%, year-on-year – growth that was largely thanks to the ongoing contributions of members, employers and the Crown, as net investments made a loss due to markets trending downwards during the year.

From a consolidated perspective, this is only the fourth year KiwiSaver investments have made an annual loss – the others being in the years to March 2008, 2009 and 2020, all of which were times of global economic uncertainty. Nevertheless, KiwiSaver members' savings continue to grow with the average (mean) balance more than tripling over the past decade to \$28,778.

This year's rise in total funds illustrates that even in challenging economic conditions, member balances can still grow through ongoing member, employer and Crown contributions. Read more under *FUM & returns* on page 6.

KiwiSaver continues to be part of important national conversations too, not just around retirement and buying a first home, but also topics like equality and environmental responsibility. And with more and more New Zealanders joining and benefiting from KiwiSaver, its importance to New Zealanders' wellbeing continues to grow.



Members & contributions

Almost two-thirds of New Zealand's population has a KiwiSaver account, with 3,254,336 members as at 31 March 2023, a 2.7% increase on the same time last year, and up 55.4% since 2013.

Of them, 2,929,647 were ‘active’ members, having made a choice to belong to their scheme. The other 324,689 were ‘default’ members, having not yet chosen a scheme since being automatically enrolled in one on entering employment.

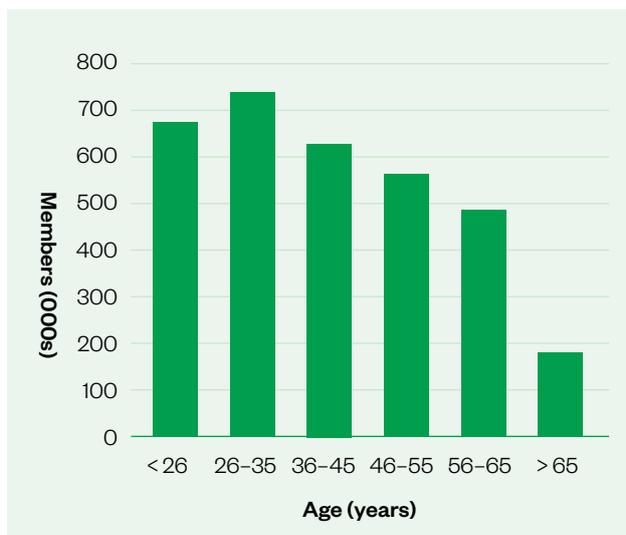
In total, members put a net \$6.5 billion into their accounts during the year, via deductions from salaries and wages, lump sums and other voluntary contributions. That is 15% down on the previous year, primarily due to a 62.6% fall in lump sum payments, to \$832 million – a level last seen in 2018–19.

Another \$3.0 billion came from employer contributions (up 12.5%), and \$963 million from the Crown (up 5.9%).

The number of members classed as ‘non-contributing’ – being those who made no payments in the last two months of the year or didn’t meet their agreed contributions frequency – rose by 0.5% to 1,134,921, while another 121,019 were on a formal savings suspension, up 19.8%.

However, the latter statistic may in part be the result of adjustments resulting from the default members reallocation process that took place in December 2021. Overall, it would appear there has been an increase in the number of members commencing a savings suspension, which may be attributed to both the current economic environment and the recent cyclone events.

Graph 1: Members by age



Withdrawals

In total, KiwiSaver members withdrew \$4.2 billion during the year, up 11.7% year on year.

The largest category of withdrawals (by value) was those made by members aged 65 and older. Collectively they withdrew more than \$2.8 billion, up 46.3% year-on-year. This might be attributed in part to the higher term deposit rates banks now offer, with one-year rates more than doubling in the year to March. It is important to note that over-65s are not required to withdraw their full balance and some providers now enable regular (e.g. fortnightly) drawdowns to supplement retirement incomes. More than 170,000 over-65s remain KiwiSaver members and more are joining. The proportion of new KiwiSaver joiners in this age group has risen in the past three years – from 1.44% in 2020 to 3.71% in 2022 – according to Inland Revenue data¹.

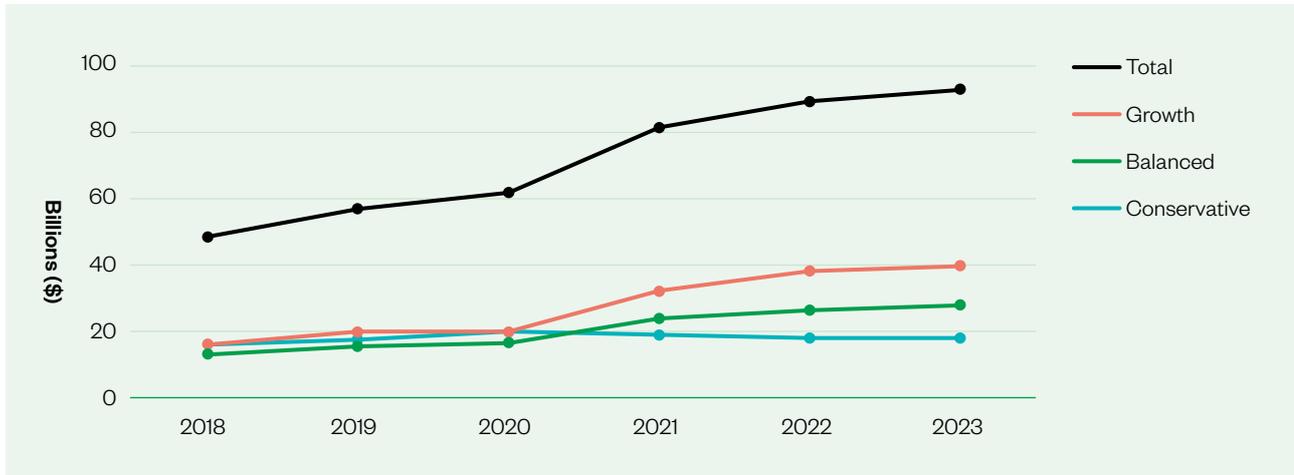
Conversely, withdrawals for first home purchases fell 35.6% to \$925.6 million – back down to a level last seen in 2018–19. This comes in a year when mortgage interest rates rose steeply, with the Official Cash Rate climbing from 1.5% in April 2022 to 4.75% by February 2023.² A total of 30,625 such withdrawals contributed an average of \$30,223 towards each first home deposit.

At the same time, significant financial hardship withdrawals rose 36.7% to \$144.9 million – up to the same level seen in 2020–21, when many people were feeling the economic effects of COVID-19. In the latest year, 18,291 such withdrawals were made, providing an average withdrawal of \$7,921; compared to 21,000 withdrawals at an average \$7,584 in the year to 31 March 2021, during COVID.

1 www.ird.govt.nz/about-us/tax-statistics/kiwisaver/datasets

2 www.rbnz.govt.nz/monetary-policy/monetary-policy-decisions

Graph 2: Funds under management 2018–2023



Note: Default and active default FUM were included in Conservative FUM between 2018 and 2021 before moving to Balanced in 2022-23.

FUM & returns

The total funds under management (FUM) at 31 March 2023 was \$93.7 billion – a 4.3% rise, year-on-year, and almost double what was held in 2018, as illustrated in Graph 2.

This year’s growth is largely thanks to the combined contributions of members, their employers and the Crown, worth \$10.5 billion (down 6.7%). The cumulative impact of contributions significantly outweighs the cumulative impact of returns, as can be seen in Graph 3. This highlights the importance of maintaining regular contributions to KiwiSaver.

Conversely, net investment returns equated to a combined loss of \$1.9 billion – a turnaround after last year’s \$1.3 billion gain. This can be attributed to the price decline in global equities and bonds that continued through most of 2022.

The total FUM of funds with a conservative risk profile decreased by 1%, to just under \$18 billion, after a 7% fall in members. Conversely, balanced funds’ FUM grew the most, by 6.3% to \$28 billion, after a 7% gain in members. Funds with a growth risk profile continued to have the most FUM, at \$40 billion (up 3.9%) and the most members (1.45 million).

This was the first *full* year that default members were in funds with a balanced risk profile – resulting from the Government’s changes to the default settings implemented in December 2021. The value of default members’ savings was \$2.7 billion as at 31 March 2023.

Fees

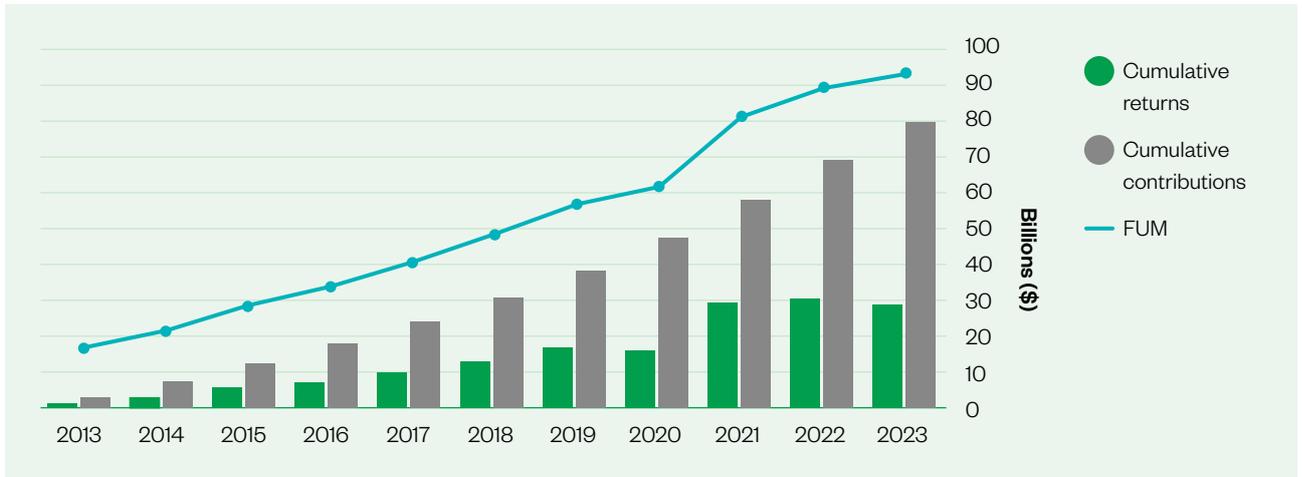
The total value of fees deducted from KiwiSaver accounts was \$664.1 million in the year to 31 March 2023, representing an annual 8.1% decrease.

This is the first year in KiwiSaver history that total fees have not risen – the combined effect of lower default fund fees, some providers removing membership fees, and others not earning the same level of performance fees as they may have in previous years (see *Value for money* on page 12 for more).

Administration fees charged this year were the lowest ever, at \$17.3 million – a 65.7% fall from last year’s \$50.3 million, and down 81.2% from their peak of \$91.8 million in the year to March 2019.

Investment management fees accounted for the bulk of the overall fees charged at \$626.3 million, which was just 2.5% less than last year’s all-time high of \$642.3 million.

Graph 3: KiwiSaver Cumulative returns, contributions and FUM 2013–2023



Note: We have used year-end FUM, which also reflects the impact of tax and withdrawals.

% Fund movements

Fund “switching” is when members keep their balance with the same provider but switch it to a fund that’s less or more risky, or to a particular class of assets (e.g. cash, shares).

The year to March 2023 saw 19.1% fewer switches, with 367,945 separate movements, which is more in line with the year to March 2021.

The predominant switching sentiment was out of conservative funds, which saw a net loss of 83,865 members (i.e. the net number of members that switched out of conservative funds) representing \$25.7 million (i.e. the net value of switches out of conservative funds).

At the same time, growth funds’ made a net gain from switching of 35,026 members, but recorded a net loss of \$429.9 million. In other words, while there were more people switching into growth funds than there were switching out, the former had lower balances, on average, than the latter (see Appendix 7b).

Meanwhile, “transfers” between providers (including movements to different risk types) were 131,260, down 16.8% on 2021, and the lowest number since 2013.

A third category of movements are permanent exits out of KiwiSaver, of which the biggest group are those aged 65-plus, as expected. This year a total of 36,121 retirees fully exited KiwiSaver, which is up 68.3% year-on-year, and the highest number ever. Typically, such exits have totalled around 20,000, with the previous highest

being 23,458 in the year to March 2019. While this year’s number may be an anomaly, it is still only around one-fifth of all members aged 65-plus which indicates the four-fifths are comfortable leaving at least some savings in their KiwiSaver scheme.

Finally, emigration accounted for 3,648 exits (up 28.0%), taking almost \$98 million out of the country (up 21.6%). Australia accounted for almost half of those emigrants, with 1766 people moving \$54.8 million over to Australian super schemes (or \$31,043 each, on average) – compared to 756 people transferring \$159.4 million *into* KiwiSaver from Australia (or \$210,805 each).

The number of KiwiSaver schemes sat at 38 at year’s end, versus 37 one year earlier – the new addition being the Sharesies KiwiSaver Scheme. Fisher Funds purchased the management rights to the Kiwi Wealth KiwiSaver Scheme reinstating Fisher Funds Management Limited as a default provider.

Money in

Year to 31 March 2023



1,998,396

members were contributing

(up 3.1% year-on-year)



\$10.5B

contributed*

(down 6.7%)



\$6.5B

by members**

(down 15%)



\$3.0B

by employers

(up 12.5%)



\$962.8M

by the Crown

(up 5.9%)

* Member contributions at section 64 contribution rate, lump sums, other voluntary contributions, employer contributions, Crown contributions.

** Member contributions at section 64 contribution rate, lump sums, other voluntary contributions.

Money out

Year to 31 March 2023



\$5.0B

**deducted from
KiwiSaver accounts***

(up 3.7%)



\$2.8B

**withdrawn by
those aged 65+**

(up 46%)



\$925.6M

**withdrawn for first
home purchases**

(down 35.6%)



\$144.9M

**withdrawn due
to financial hardship**

(up 36.7%)



\$664.1M

**paid in
provider fees****

(down 8.1%)

* This figure includes withdrawals (first home purchase deposits, mortgage diversion, end payment date, significant financial hardship, serious illness, life-shortening congenital conditions, and death, as well permanent emigration or transfers to Australian schemes, and amounts required to be paid under other enactments) and fees (for investment management, administration, supervisors and trustees), as well as other scheme expenses and taxation. It excludes transfers into other KiwiSaver schemes and invalid enrolments.

** Investment management fees, administration fees, supervisor & trustee fees, other scheme expenses.



Focus area

Member engagement

Regular, informative and honest engagement by providers with their KiwiSaver members is vital to ensure they get the most out of their investments. With almost 3.26 million members, achieving this has never been more important.

This is particularly so given that 1.26 million members (38.6%) were classed as 'non-contributors' – a number that is persistently high, though slowly trending downwards, as a proportion of total members, from 38.8% last year, and 40.7% in 2018.

The FMA continues to monitor providers' communications with consumers, and actively encourage members to keep an eye on their KiwiSaver accounts and make well informed decisions that align with their future needs.

Our monitoring during the year included reviews to ensure marketing materials were not false, misleading or deceptive, and contacting providers to check they were meeting requirements for member engagement, such as issuing annual statements and contacting individual members at key life stages.

In May 2023, we censured Aurora Financial Group Ltd for misleading existing and potential clients about KiwiSaver returns. Following a review, we were satisfied there was material contravention of two market services licensee obligations when recommending Aurora KiwiSaver funds to consumers in 2021 and 2022.

The representations made implied the funds had an established history, which they did not.³

In September 2022, we published our biannual KiwiSaver Statements Survey,⁴ based on feedback from more than 2,000 New Zealanders, around three-quarters of whom were members. Among the insights were reasons roughly two-fifths of members choose not to contribute: unemployment or irregular income, or just not being able to afford it.

We know from this year's data that around 25,500 more members⁵ weren't contributing to their accounts as at 31 March 2023, and that financial hardship withdrawals were up 36.7%. In the coming year, the FMA intends to engage more closely with providers about their responses to the rising cost of living and heightened vulnerability of many New Zealanders.

3 www.fma.govt.nz/news/all-releases/media-releases/fma-censures-aurora-financial-group-limited

4 www.fma.govt.nz/assets/Reports/KiwiSaver-Statements-Report-0722.pdf

5 The number of members classed as "non-contributing" rose by 0.5% to 1,134,921, while another 121,019 were on a savings suspension, up 19.2%



In June 2023, our annual awareness campaign encouraged members to engage with their KiwiSaver statements, reminding them that small steps can make a big difference to their future. This year's theme ("Own your Tomorrow") was aimed at women, who retire with 25% less in their KiwiSaver, according to Retirement Commission research⁶, and have lower levels of financial confidence, knowledge and participation than their male counterparts. Given the heightened cost of living, the campaign also highlighted ways to maximise KiwiSaver without lifting contributions, such as by being in the right fund and ensuring they get the government contribution.

The campaign achieved coverage reaching an estimated combined audience of more than 4.2 million. We used a range of channels to reach our target audiences, including news coverage, media partnerships, podcasts, social media content and advertising, including TikTok. Our promotional video (featuring the actor pictured above) had more than 176,000 views.

This year's campaign, **Own your Tomorrow**, encouraged women to engage with their KiwiSaver statement to ensure they are in the right fund and getting the government contribution.

6 Melville Jessup Weaver (MJW) KiwiSaver Demographic Study (March 2023), Te Ara Ahunga Ora Retirement Commission



Focus area

Value for money

Value for money in KiwiSaver does not mean fees must be low. It means members should receive appropriate value for what they pay, and both value and price should be transparent.

Fund managers can provide value for investors in many ways, including by spending on systems that reduce the risk of disruptions or pricing errors, by proactively offering investors meaningful on-going financial advice to improve their investment decisions, or by having investment processes that demonstrably add value. KiwiSaver providers have reviewed, and their respective Supervisors have assessed, value for money in recent months. It is part of the Supervisors role to report any concerns to us and we will respond as appropriate.

The total fees deducted from KiwiSaver accounts in this latest year reduced by 8.1% to \$664.1 million. This is the first time in KiwiSaver’s history that overall total fees have not increased. A major driver of this was a 65.7% fall in administration fees, to \$17.3 million. Other factors include:

- Lower default fund fees, falling 40.1% to \$11.3 million (compared to 7.2% for active members to \$652.9 million) – although the default figure is skewed by the drop in the number of default members ahead of their move to balanced schemes in late 2021.
- More providers removing their monthly membership fees.

- Some providers not earning performance fees due to insufficient investment returns – particularly larger providers such as Fisher Funds and Milford Asset Management.

The average (mean) total annual fee was \$204 per member; \$223 for active and just \$35 for default, the latter being a significant decrease – as shown in Graph 4 opposite.

In September 2022, our biannual KiwiSaver Statements Survey⁷ found about half of all members said the fees they pay are ‘about right’, while three in 10 said they are ‘too high’ – both results being fairly static with previous years. Member perceptions are closely related to their investment returns, as those who said their returns had fallen were more likely to think fees are high. In contrast, perceptions of getting value for money from fees had dipped, with 54% of members rating theirs as ‘good’ or ‘very good’, compared to 58% two years earlier.

The FMA will continue to engage with the Supervisors of KiwiSaver providers to ensure the value offered to members is clear and the fees being charged are reasonable – as per our 2021 value for money guidance.⁸

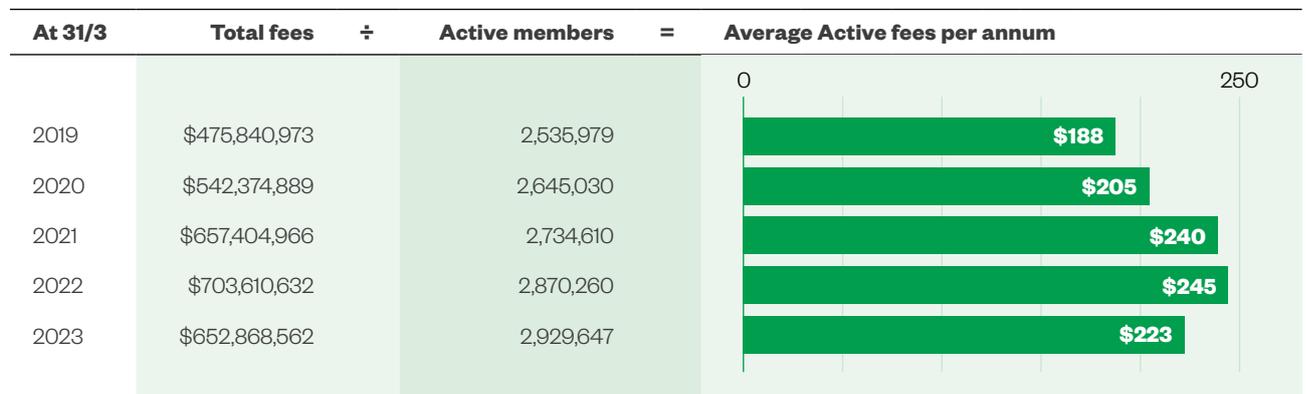
7 www.fma.govt.nz/assets/Reports/KiwiSaver-Statements-Report-0722.pdf

8 www.fma.govt.nz/assets/Guidance/Managed-fund-fees-and-value-for-money-guidance.pdf

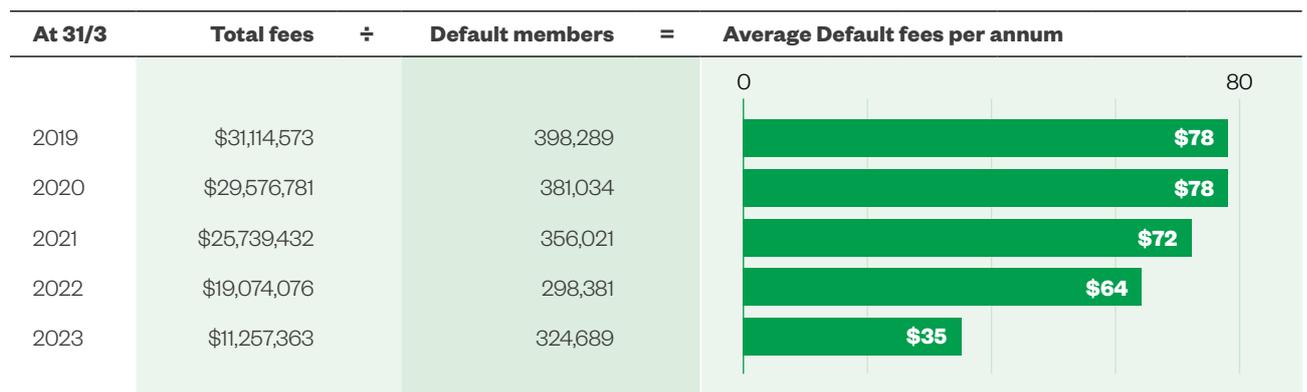


Graph 4: Fees per member

Active member fees



Default member fees





Focus area

Risk management

In January 2023, the FMA published our Managed Investment Schemes (MIS) Sector Risk Assessment, which analysed key risks in funds management. Our report noted that effective risk management by MIS managers is an important mitigant against the potential for harm to investors.

Our findings⁹ were based on a survey of the four Supervisors of 53 licensed fund managers – including KiwiSaver providers – with the results aggregated by fund manager, risk category (business, governance, investment and operational), sub-sector, and sector level.

Key risk factors include macro impacts on investments, investment operations and outsourcing oversight, and new (and typically volatile and/or illiquid) financial instruments. We also noted emerging risks in cyber security, business continuity planning, and the ability to meet future climate-related disclosure obligations.

Our report concluded that the controls currently used by managers reduce the overall risk of the sector to medium/low, whereas without controls the risk would be medium/high. Within the overall rating, however,

effectiveness of controls varied and in all cases, risks were heightened by prevailing macroeconomic conditions.

We also highlighted the importance of Supervisors' continued efforts to monitor the sector and ensure that existing mitigants and controls remain adequate and effective.

We will use our MIS sector risk assessment to identify risk areas and guide our engagement with Supervisors and our future supervisory activity in the sector.

9 www.fma.govt.nz/news/all-releases/media-releases/fma-publishes-fund-manager-risk-assessment-report



Focus area

Default funds

Default members are those members who have not yet made an active choice about their KiwiSaver provider, having been automatically enrolled with one when they started work.

The year covered by this report was the first full year in which default members were covered by the revised default arrangements implemented in December 2021. The new settings mean default members will pay lower fees and be invested in a balanced rather than conservative fund, and benefit from enhanced service levels and better member engagement. Default funds also exclude investments in fossil fuels.¹⁰

As at 31 March 2023, there were 324,689 default members, up 8.8% on the same time last year, just a few months after the changes were implemented. That excludes members who have actively chosen to be in a default scheme.

Total FUM for default members stood at \$2.7 billion (up 8.9%) giving an average (mean) balance of \$8,375 – roughly a quarter of the average balance for active members of \$31,039.

Consistent with KiwiSaver generally, default funds saw a net investment loss of \$51.7 million, further to last year's loss of \$26 million.

The six KiwiSaver default providers have now been through two cycles of reporting under their latest Instrument of Appointment, and we are comfortable with the progress they are making to comply with their new member engagement obligations. This will take time for providers to develop and fully implement programmes that achieve positive engagement from default members.

In coming years, we plan to increase our focus on their engagement with members, and in particular, what 'success' looks like when it comes to those communications.

¹⁰ www.fma.govt.nz/library/articles/update-on-the-kiwisaver-default-scheme-provider-change-process

Appendices



Appendix 1: Income & expenditure summary

KiwiSaver schemes as at 31 March 2023

| | Default | Active | Total |
|--|------------------------|-------------------------|-------------------------|
| Opening balance of scheme assets at start of annual return year (01/04/22) | \$2,495,506,726 | \$87,252,857,972 | \$89,748,364,698 |
| Categories of income for annual return year | | | |
| Member contributions at section 64 contribution rate | \$330,509,695 | \$5,192,151,074 | \$5,522,660,769 |
| Employer contributions | \$201,792,303 | \$2,835,941,746 | \$3,037,734,049 |
| Crown contributions (section 226) and fee subsidies | \$59,653,474 | \$903,191,073 | \$962,844,547 |
| Transfers of members' accumulations into scheme from other KiwiSaver schemes | \$51,516 | \$3,263,287,412 | \$3,263,338,928 |
| Transfers of members' accumulations into scheme from other retirement schemes | \$212,765 | \$32,349,356 | \$32,562,121 |
| Transfers of members' accumulations into scheme from Australian superannuation schemes | \$4,314,360 | \$155,054,359 | \$159,368,719 |
| Lump sum contributions | \$4,356,648 | \$827,689,376 | \$832,046,024 |
| Other voluntary contributions over section 64 contribution rate | \$992,179 | \$155,722,194 | \$156,714,373 |
| Income from investment of scheme assets | (\$51,656,167) | (\$1,893,423,654) | (\$1,945,079,821) |
| Other income | \$3,608,202 | \$111,800,064 | \$115,408,266 |
| Total income from annual return year | \$553,834,975 | \$11,583,763,000 | \$12,137,597,975 |
| Categories of expenditure for annual return year | | | |
| First home purchase withdrawals | \$14,344,407 | \$911,242,883 | \$925,587,290 |
| Mortgage instalment withdrawals | \$0 | \$40,490 | \$40,490 |
| KiwiSaver end payment date withdrawals | \$22,989,587 | \$2,825,665,384 | \$2,848,654,971 |
| Withdrawals on death | \$2,475,658 | \$135,037,678 | \$137,513,336 |
| Serious illness withdrawals | \$1,866,091 | \$75,077,876 | \$76,943,967 |
| Life-shortening congenital condition withdrawals | \$2,222 | \$290,230 | \$292,452 |
| Withdrawals or transfers on permanent emigration | \$1,582,507 | \$41,457,753 | \$43,040,260 |
| Significant financial hardship withdrawals | \$4,529,317 | \$140,347,847 | \$144,877,164 |
| Transfers of members' accumulations out of scheme into other KiwiSaver schemes | \$266,197,679 | \$3,000,257,377 | \$3,266,455,056 |
| Transfers of members' accumulations out of scheme into Australian superannuation schemes | \$1,889,492 | \$52,932,766 | \$54,822,258 |
| Amounts required to be paid under other enactments | \$658,945 | \$17,277,572 | \$17,936,517 |
| Invalid enrolment withdrawals and late opt-outs | \$2,690,426 | \$3,617,068 | \$6,307,494 |
| Administration fees | (\$39,440) | \$17,322,122 | \$17,282,682 |
| Investment management fees | \$11,205,367 | \$615,064,024 | \$626,269,391 |
| Supervisor fees and (in the case of a restricted scheme) trustee fees | \$68,356 | \$5,502,402 | \$5,570,758 |
| Insurance premiums | \$0 | \$0 | \$0 |
| Taxation | (\$405,836) | \$46,587,131 | \$46,181,295 |
| Other scheme expenses | \$23,080 | \$14,980,014 | \$15,003,094 |
| Total expenditure for annual return year | \$330,077,858 | \$7,902,700,617 | \$8,232,778,475 |
| Closing balance of scheme assets at end of annual return year (31/03/23) | \$2,719,263,844 | \$90,933,920,355 | \$93,653,184,199 |

Notes:

- The statistical returns are unaudited and may not include all transactions.
- Some providers are not able to differentiate between different types of transfers, so discrepancies can occur between transfers to and from schemes.
- Opening balances may not align with last year's reported closing balances due to filing discrepancies.
- Some providers pay all costs out of a single fee they charge their members, and this is categorised above under 'Investment management fees'. Hence, totals for 'Administration fees' and 'Supervisor fees' are not a true reflection of those costs.

Appendix 2: Membership summary

KiwiSaver schemes as at 31 March 2023

| | Default | Active | Total |
|--|---------------|----------------|----------------|
| Number of contributing members at start of annual return year (01/04/22) | 157,576 | 1,782,098 | 1,939,674 |
| Categories of entries of members for annual return year | | | |
| New members (other than transfers from other schemes) | 69,682 | 73,661 | 143,343 |
| Members restarting contributions at end of section 104 savings suspensions | 712 | 20,482 | 21,194 |
| Members restarting contributions after stopping contributions for any other reason | 24,666 | 202,201 | 226,867 |
| Members transferring into scheme from other KiwiSaver schemes | 10 | 132,170 | 132,180 |
| Members transferring into scheme from Australian superannuation schemes | 10 | 746 | 756 |
| Members transferring into scheme from other retirement schemes | 1 | 318 | 319 |
| Total entries for annual return year | 95,081 | 429,578 | 524,659 |
| Categories of membership exits for annual return year | | | |
| KiwiSaver end payment date exits | 1,645 | 34,476 | 36,121 |
| Deaths | 272 | 3,959 | 4,231 |
| Permanent emigration exits | 200 | 1,682 | 1,882 |
| Transfers out of scheme into other KiwiSaver schemes | 33,942 | 97,318 | 131,260 |
| Transfers out of scheme into Australian superannuation schemes | 108 | 1,658 | 1,766 |
| Other permanent exits | 240 | 3,266 | 3,506 |
| Invalid enrolment withdrawals | 6,356 | 4,839 | 11,195 |
| Members starting section 104 savings suspensions | 4,075 | 50,236 | 54,311 |
| Members stopping contributions for other reasons | 45,035 | 176,630 | 221,665 |
| Total temporary and permanent exits for annual return year | 91,873 | 374,064 | 465,937 |
| Number of contributing members at end of annual return year (31/03/23) | 160,784 | 1,837,612 | 1,998,396 |

Appendix 2: Membership summary (continued)

KiwiSaver schemes as at 31 March 2023

| | Default | Active | Total |
|--|----------------|------------------|------------------|
| Number of members on section 104 savings suspensions at start of annual return year (01/04/22) | 3,533 | 97,985 | 101,518 |
| Categories of members on section 104 savings suspensions | | | |
| Members starting section 104 savings suspensions | 4,075 | 50,241 | 54,316 |
| Members ending section 104 savings suspensions and restarting contributions | 712 | 20,487 | 21,199 |
| Members ending section 104 saving suspensions but not restarting contributions for any reason | 628 | 12,988 | 13,616 |
| Number of members on section 104 saving suspensions at end of annual return year | 6,268 | 114,751 | 121,019 |
| Number of non-contributing members (not on section 104 savings suspensions) at start of this annual return year | 136,640 | 989,862 | 1,126,502 |
| Categories of non-contributing members (not on section 104 savings suspensions) | | | |
| Members stopping contributions without section 104 saving suspensions | 45,663 | 189,623 | 235,286 |
| Members restarting contributions after having stopped contributions without section 104 saving suspensions | 24,666 | 202,201 | 226,867 |
| Number of non-contributing members (not on section 104 savings suspensions) at end of this annual return year | 157,637 | 977,284 | 1,134,921 |
| Total non-contributing members at end of annual return year (31/03/23) | 163,905 | 1,092,041 | 1,255,946 |
| Total number of members at end of annual return year (31/03/23) | 324,689 | 2,929,647 | 3,254,336 |

Appendix 3: Age & gender profiles of members

| Default members | | | | |
|----------------------------------|---------------|----------------|----------------|----------------|
| Age at end of annual return year | Female | Male | Gender unknown | Total |
| 17 and under | 106 | 106 | 0 | 212 |
| 18–25 | 21,100 | 23,317 | 26,411 | 70,828 |
| 26–30 | 10,585 | 12,693 | 14,315 | 37,593 |
| 31–35 | 13,173 | 13,891 | 19,211 | 46,275 |
| 36–40 | 11,796 | 12,038 | 17,217 | 41,051 |
| 41–45 | 9,124 | 9,838 | 13,013 | 31,975 |
| 46–50 | 7,813 | 8,485 | 10,811 | 27,109 |
| 51–55 | 7,066 | 7,626 | 9,671 | 24,363 |
| 56–60 | 5,631 | 6,229 | 7,754 | 19,614 |
| 61–65 | 4,356 | 4,785 | 5,917 | 15,058 |
| 66–70 | 1,927 | 2,140 | 2,681 | 6,748 |
| 71–75 | 726 | 864 | 1,143 | 2,733 |
| 76–80 | 207 | 243 | 360 | 810 |
| 81–85 | 6 | 17 | 14 | 37 |
| 86 and over | 37 | 51 | 4 | 92 |
| Unknown age | 31 | 51 | 109 | 191 |
| Total | 93,684 | 102,374 | 128,631 | 324,689 |

Appendix 3: Age & gender profiles of members (continued)

KiwiSaver schemes as at 31 March 2023

| Active members | | | | |
|----------------------------------|------------------|------------------|----------------|------------------|
| Age at end of annual return year | Female | Male | Gender unknown | Total |
| 17 and under | 104,748 | 110,149 | 1,375 | 216,272 |
| 18-25 | 185,374 | 190,794 | 8,064 | 384,232 |
| 26-30 | 150,734 | 155,239 | 4,674 | 310,647 |
| 31-35 | 167,062 | 167,326 | 6,069 | 340,457 |
| 36-40 | 146,159 | 142,922 | 5,380 | 294,461 |
| 41-45 | 130,666 | 123,394 | 4,566 | 258,626 |
| 46-50 | 129,800 | 117,496 | 3,739 | 251,035 |
| 51-55 | 135,965 | 119,252 | 3,110 | 258,327 |
| 56-60 | 127,312 | 111,789 | 2,550 | 241,651 |
| 61-65 | 109,444 | 96,369 | 2,009 | 207,822 |
| 66-70 | 52,614 | 46,721 | 739 | 100,074 |
| 71-75 | 24,996 | 22,630 | 258 | 47,884 |
| 76-80 | 8,767 | 8,206 | 98 | 17,071 |
| 81-85 | 327 | 325 | 4 | 656 |
| 86 and over | 182 | 158 | 5 | 345 |
| Unknown age | 22 | 54 | 11 | 87 |
| Total | 1,474,172 | 1,412,824 | 42,651 | 2,929,647 |

| Total members | | | | |
|----------------------------------|------------------|------------------|----------------|------------------|
| Age at end of annual return year | Female | Male | Gender unknown | Total |
| 17 and under | 104,854 | 110,255 | 1,375 | 216,484 |
| 18-25 | 206,474 | 214,111 | 34,475 | 455,060 |
| 26-30 | 161,319 | 167,932 | 18,989 | 348,240 |
| 31-35 | 180,235 | 181,217 | 25,280 | 386,732 |
| 36-40 | 157,955 | 154,960 | 22,597 | 335,512 |
| 41-45 | 139,790 | 133,232 | 17,579 | 290,601 |
| 46-50 | 137,613 | 125,981 | 14,550 | 278,144 |
| 51-55 | 143,031 | 126,878 | 12,781 | 282,690 |
| 56-60 | 132,943 | 118,018 | 10,304 | 261,265 |
| 61-65 | 113,800 | 101,154 | 7,926 | 222,880 |
| 66-70 | 54,541 | 48,861 | 3,420 | 106,822 |
| 71-75 | 25,722 | 23,494 | 1,401 | 50,617 |
| 76-80 | 8,974 | 8,449 | 458 | 17,881 |
| 81-85 | 333 | 342 | 18 | 693 |
| 86 and over | 219 | 209 | 9 | 437 |
| Unknown age | 53 | 105 | 120 | 278 |
| Total | 1,567,856 | 1,515,198 | 171,282 | 3,254,336 |

Appendix 4: Profile of new default and other members

KiwiSaver schemes as at 31 March 2023

| | Number of members | Scheme assets held for those members |
|--|-------------------|--------------------------------------|
| Default members allocated to scheme by Commissioner under section 51 in annual return year | 69,692 | \$127,319,684 |
| Other new members entering scheme in annual return year (including transfers from other schemes) | 52,693 | \$762,028,544 |

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

Appendix 5: Summary of non-contributing members

| | Default | | Active | |
|--|-------------------|--------------------------------------|-------------------|--------------------------------------|
| | Number of members | Scheme assets held for those members | Number of members | Scheme assets held for those members |
| Number of non-contributing members (not on section 104 savings suspensions) at start of this annual return year (01/04/22) | 136,640 | \$650,216,815 | 989,862 | \$17,978,779,348 |
| Number of non-contributing members (not on section 104 savings suspensions) at end of this annual return year (31/03/23) | 157,637 | \$786,332,883 | 977,284 | \$18,555,209,838 |

Note: 'Non-contributing member' is defined as:

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

It excludes members on section 104 savings suspensions.

Appendix 6: Investment fund summary

KiwiSaver schemes as at 31 March 2023

| | Number of members in each investment fund | Amount of each investment fund |
|---|---|--------------------------------|
| Default investment product under instrument of appointment in respect of default members | 324,689 | \$2,719,263,844 |
| Multi sector funds | | |
| Active Default | 16,081 | \$205,013,127 |
| Conservative | 795,220 | \$17,994,302,448 |
| Balanced | 813,594 | \$25,106,237,994 |
| Growth | 1,452,955 | \$40,008,351,431 |
| Single sector funds | | |
| Cash | 227,097 | \$4,117,739,290 |
| Fixed Interest | 59,903 | \$562,297,343 |
| Shares | 95,985 | \$1,389,314,191 |
| Property | 7,693 | \$76,811,793 |
| Socially responsible funds | 45,495 | \$1,051,877,638 |
| Other | 10,526 | \$421,975,100 |
| Total | 3,524,549 | \$90,933,920,355 |

Notes:

- 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 funds into other funds

KiwiSaver schemes as at 31 March 2023

| | Number of member exits from default fund | Value of exits from default fund |
|---|--|--|
| | Numbers | Amount |
| Switches out of default investment product under instrument of appointment | 14,208 | \$99,700,087 |
| | Number of member transfers into other funds in Scheme | Value of transfers into other funds in Scheme |
| | Members | \$ Amount |
| Multi sector funds | | |
| Active Default | 4,005 | \$27,744,601 |
| Conservative | 1,208 | \$10,835,491 |
| Balanced | 2,260 | \$14,822,703 |
| Growth | 4,380 | \$29,604,404 |
| Single sector funds | | |
| Cash | 1,198 | \$9,302,206 |
| Fixed Interest | 815 | \$3,772,481 |
| Shares | 154 | \$447,725 |
| Property | 12 | \$8,366 |
| Socially responsible funds | 1,270 | \$3,162,108 |
| Total | 15,302 | \$99,700,085 |

Notes:

- The statistical returns are unaudited and may not include all transactions.
- Some members will be invested in more than one investment fund.

Appendix 7b: Switches between funds

KiwiSaver schemes as at 31 March 2023

| | Number of member switches into this fund | Value of switches into this fund | Number of member switches out of this fund | Value of switches out of this fund | Net value of change in amounts |
|-----------------------------------|---|--|---|---------------------------------------|--------------------------------------|
| Multi sector funds | | | | | |
| Active Default | 2,911 | \$43,478,632 | 4,631 | \$30,796,175 | \$12,682,457 |
| Conservative | 57,097 | \$1,457,354,276 | 140,962 | \$1,483,019,134 | (\$25,664,857) |
| Balanced | 50,594 | \$1,373,023,796 | 56,612 | \$1,643,954,668 | (\$270,930,872) |
| Growth | 127,976 | \$1,515,749,783 | 92,950 | \$1,945,644,310 | (\$429,894,525) |
| Single sector funds | | | | | |
| Cash | 31,846 | \$1,175,594,929 | 19,773 | \$455,669,805 | \$719,925,125 |
| Fixed Interest | 4,872 | \$59,361,777 | 10,320 | \$47,418,572 | \$11,943,205 |
| Shares | 18,623 | \$111,654,182 | 36,111 | \$133,959,843 | (\$22,305,663) |
| Property | 1,306 | \$4,057,011 | 2,660 | \$8,233,676 | (\$4,176,664) |
| Socially responsible funds | 4,120 | \$57,762,010 | 3,846 | \$49,846,691 | \$7,915,319 |
| Other | 112 | \$2,889,400 | 80 | \$2,382,924 | \$506,476 |
| Total | 299,457 | \$5,800,925,796 | 367,945 | \$5,800,925,798 | \$1 |

Appendix 8a: Profile of switches between funds

KiwiSaver schemes as at 31 March 2023

| | Default | Active |
|--------------------|---------|---------|
| 1 switch | 14,161 | 179,163 |
| 2 switches | 0 | 27,782 |
| 3 switches | 0 | 4,607 |
| 4 switches | 0 | 1,968 |
| 5 switches or more | 0 | 5,993 |

Appendix 8b: Profile of non-contributing members

KiwiSaver schemes as at 31 March 2023

| Last contribution made (calculated from end of annual return year) | Default | | Active | |
|--|----------------|----------------------|----------------|-------------------------|
| | Members | Assets | Members | Assets |
| 1 year or less | 82,517 | \$438,215,160 | 295,567 | \$7,391,922,906 |
| 2 years or less, but more than 1 year | 53,934 | \$282,648,134 | 130,278 | \$3,982,425,148 |
| 3 years or less, but more than 2 years | 4,842 | \$12,424,073 | 80,359 | \$2,101,660,855 |
| 5 years or less, but more than 3 years | 7,601 | \$21,087,401 | 109,478 | \$2,166,072,668 |
| More than 5 years | 8,743 | \$31,958,113 | 361,608 | \$2,913,154,303 |
| Total | 157,637 | \$786,332,881 | 977,290 | \$18,555,235,880 |

Note: Excludes members on section 104 savings suspensions

Appendix 9: Analysis according to size of scheme assets

KiwiSaver schemes as at 31 March 2023

| Asset grouping | Number of schemes | Total assets \$M | Total membership |
|----------------------------|-------------------|------------------|------------------|
| Under \$10m | 2 | 11 | 221 |
| \$10m to under \$100m | 8 | 359 | 10,620 |
| \$100m to under \$500m | 8 | 2,176 | 60,705 |
| \$500m to under \$1,000m | 3 | 1,756 | 49,644 |
| \$1,000m to under \$5,000m | 11 | 32,632 | 1,135,954 |
| \$5,000m and over | 6 | 56,719 | 1,997,192 |
| Total | 38 | 93,653 | 3,254,336 |

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 2023

| Nature of scheme | Number of schemes | Total assets \$M | Total membership |
|------------------------|-------------------|------------------|------------------|
| Default schemes | 6 | 2,719 | 324,689 |
| Retail (active choice) | 34 | 90,396 | 2,917,112 |
| Restricted schemes | 4 | 538 | 12,535 |
| Total | 38 | 93,653 | 3,254,336 |

Notes:

- Default scheme statistics are only in respect of members and assets in the default investment fund options. As members can make an active choice to be in a default scheme, these 6 schemes are also counted in the number of retail schemes (but not in retail assets or membership).
- Some totals may not be exact due to rounding.
- 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.

Appendix 11: Analysis of schemes according to nature & assets

KiwiSaver schemes as at 31 March 2023

| Number of schemes | | | |
|----------------------------|----------------|--------------------|---------------|
| Asset grouping | Retail schemes | Restricted schemes | Total schemes |
| Under \$10m | 2 | | 2 |
| \$10m to under \$100m | 5 | 3 | 8 |
| \$100m to under \$500m | 7 | 1 | 8 |
| \$500m to under \$1,000m | 3 | | 3 |
| \$1,000m to under \$5,000m | 11 | | 11 |
| \$5,000m and over | 6 | | 6 |
| Total (all groups) | 34 | 4 | 38 |

| Assets within schemes | | | | |
|----------------------------|----------------------|---------------------|-------------------------|--------------------|
| Asset grouping | Default assets (\$M) | Retail assets (\$M) | Restricted assets (\$M) | Total assets (\$M) |
| Under \$10m | | 11 | | 11 |
| \$10m to under \$100m | | 240 | 119 | 359 |
| \$100m to under \$500m | 2,177 | 1,757 | 419 | 4,353 |
| \$500m to under \$1,000m | 542 | 1,756 | | 2,298 |
| \$1,000m to under \$5,000m | | 30,942 | | 30,942 |
| \$5,000m and over | | 55,690 | | 55,690 |
| Total (all groups) | 2,719 | 90,396 | 538 | 93,653 |

| Membership of schemes | | | | |
|----------------------------|-----------------|------------------|--------------------|------------------|
| Asset grouping | Default members | Retail members | Restricted members | Total members |
| Under \$10m | | 221 | | 221 |
| \$10m to under \$100m | | 7,502 | 3,118 | 10,620 |
| \$100m to under \$500m | 262,468 | 51,288 | 9,417 | 323,173 |
| \$500m to under \$1,000m | 62,221 | 49,644 | | 111,865 |
| \$1,000m to under \$5,000m | | 934,108 | | 934,108 |
| \$5,000m and over | | 1,874,349 | | 1,874,349 |
| Total (all groups) | 324,689 | 2,917,112 | 12,535 | 3,254,336 |

Note: The tables above do not take into account the default component of the schemes.

Appendix 12: Where KiwiSaver money is invested

KiwiSaver schemes as at 31 March 2023

| Cash | Commodities | Australasian Equity | International Equity | International Fixed Interest | NZ Fixed Interest | Listed Properties | Unlisted Properties | Other |
|-------|-------------|---------------------|----------------------|------------------------------|-------------------|-------------------|---------------------|-------|
| 11.9% | 0.6% | 18.6% | 33.5% | 16.3% | 12.0% | 3.9% | 0.8% | 2.4% |

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