



# KiwiSaver Annual Report 2022

### **Purpose of this 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 a cornerstone of a successful economy and the financial wellbeing of all New Zealanders.

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.

We are required to report each year on our main KiwiSaver activities. This year’s report covers the period from 1 July 2021 to 30 June 2022, and contains a summary of the statistical returns that must be lodged by KiwiSaver schemes as at 31 March 2022.

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



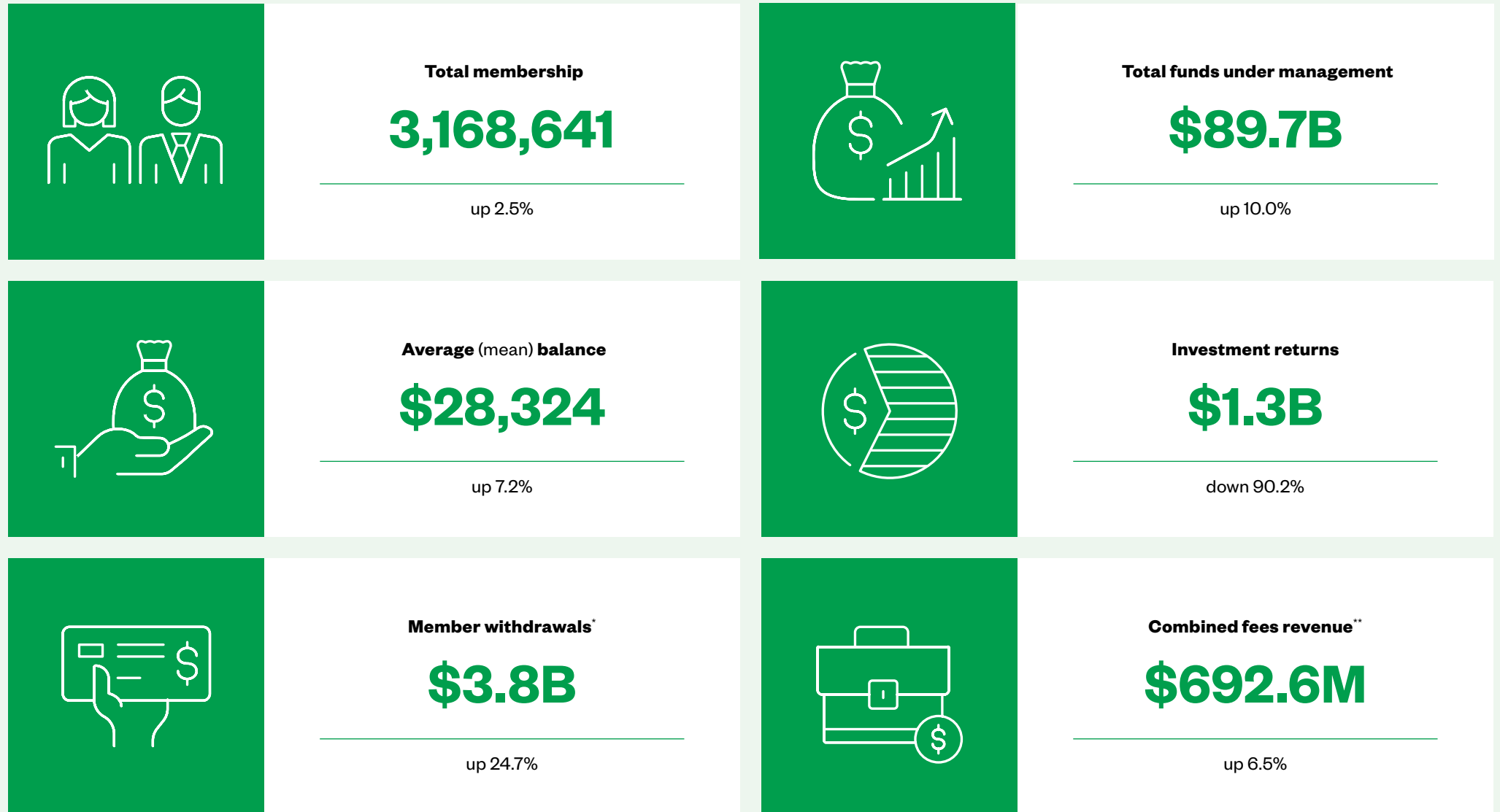


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# Facts at a glance

Year to 31 March 2022



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

\*\* Management fees, administration fees

# Executive summary

**KiwiSaver navigated uncertain seas in its fifteenth year, as global markets deflated while inflation climbed and new uncertainty arose over supply chain shortages and war in eastern Europe.**

In the year to 30 June 2022, local and most global equities markets have seen declines of at least 10% – a correction partly due to central banks tightening credit and hiking interest rates in response to rising inflation, with New Zealand’s CPI more than doubling since our last report.

Despite such conditions, most KiwiSaver members’ balances have been buoyant, and most members have stayed with the same fund – showing appreciation of the concept that KiwiSaver is a long-term journey for most, with volatility a necessary feature of its design.

**Funds under management**

While most asset classes have let off some of the steam enabled by global quantitative easing programmes, the value of all KiwiSaver funds under management (FUM) continued to climb.

As at 31 March 2022, total FUM stood at \$89.7 billion, up 10.0% from \$81.6 billion a year earlier.

Almost half of that was in growth funds, totalling \$38.5 billion, up 17.7% year-on-year. Conservative funds held \$18.2 billion, which was down 14.4%, largely due to default members being moved to balanced funds, which rose 20.8% in value to \$26.4 billion.

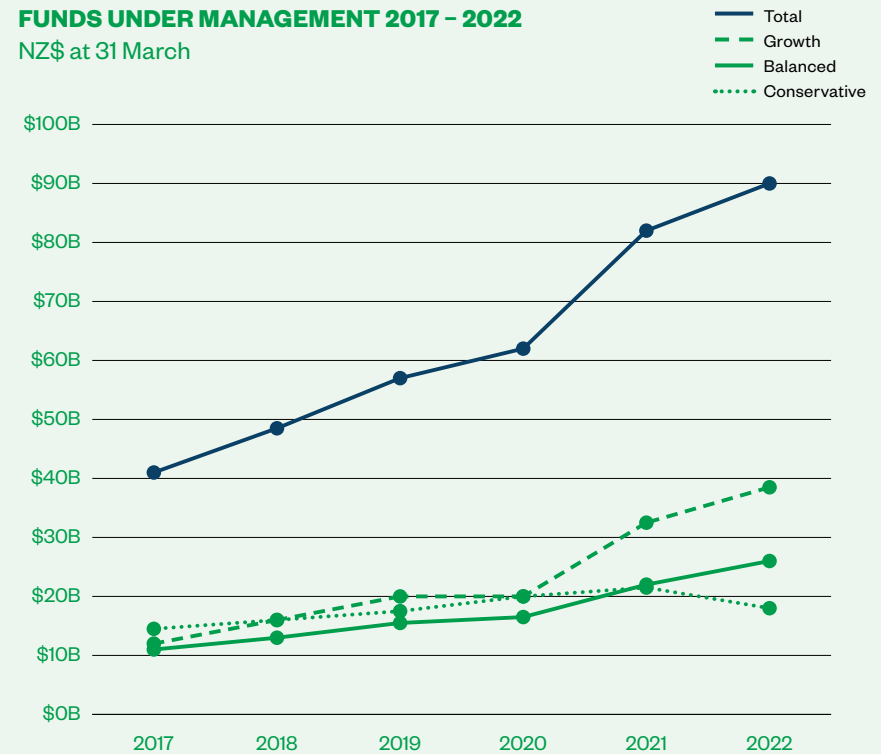
Default member assets were worth \$2.5 billion by the end of the year – a big fall from the \$4 billion they had in conservative funds a year earlier, as many made active choices ahead of the Government’s changes to default providers in December 2021.

Amid variable market conditions, investment returns totalled almost \$1.3 billion. While this is a sharp fall on 2021’s extraordinary \$13.2 billion gain, it is up on 2020’s COVID-induced \$820 million loss, and in line with the more ‘normal’ year to March 2019, which gained \$3.8 billion.

Of note, and contrary to what investors might expect, conservative funds saw negative average returns this year, according to our KiwiSaver Tracker data, while growth funds enjoyed positive average returns. This is likely to be influenced by most conservative funds’ weighting towards bonds, which suffered significant price declines.

**FUNDS UNDER MANAGEMENT 2017 - 2022**

NZ\$ at 31 March



### Default funds

It was a milestone year for KiwiSaver default accounts, with the majority of default members being moved to a different provider under the Government's new default arrangements announced last year.

According to KiwiSaver providers' data, there were 298,381 default members on 31 March 2022 – a 16.2% decrease from 356,021 a year earlier, which itself was down 6.6% from the previous year.

Default members' holdings fell 37.0% to \$2.5 billion, and collectively their accounts experienced negative investment returns of -\$26 million.

A big factor in the decline in the number of default members was heightened engagement between providers and default members ahead of the changes to default providers in December 2021. These changes and their associated effects are discussed below and in greater detail on page 11.

### Fees

Provider fees had a lot more impact on balances this year, with investment returns significantly lower after the previous year's extraordinary rally.

Combined (management and administration) fees revenue rose to \$692.6 million, equivalent to over half the year's investment returns of \$1.3 billion. This is up 6.5% from \$650.3 million last year, and reflective of the 10.0% higher total FUM. Most of the revenue collected was investment management fees, which collectively rose 12.8% in value.

Income from administration fees continued to fall, by 37.7% to \$50.3 million – from \$80.8 million last year and a peak of \$92 million in the year to March 2019.

This is likely to be partly due to changes to the default KiwiSaver settings, which saw roughly one in 10 members compulsorily moved to funds with lower, percentage-based fees. These are funds all members can join, and we hope this extra choice continues to put downward pressure on all fees.

We are encouraged to see another reduction in the average fee paid by default members, by 11.1% to \$64 – in part due to default funds changing to lower-fee accounts – and only a slight rise in the average fee paid by active members, up 2.1% to \$245.

We remain focused on value for money for fee-paying KiwiSaver members, following our 2021 guidance on providers' responsibility to ensure their fees are reasonable and offer value for money, and the need to review this annually from 2023.

During the year, a pilot study to test implementation of the guidance found good performance among managed funds, but the benefit of that to investors was reduced by fees and commission costs paid by some managers to third parties. More on this on page 13.





### Withdrawals

A big surprise in this year's data is the spike in withdrawals by over-65s, to \$1.95 billion – up 59.5% on last year's \$1.22 billion, and almost double the amount they withdrew in the year to March 2019. This means retirees are again the biggest withdrawers, after a dip last year that saw them exceeded by first home buyers for the first time.

More retirees chose to fully exit KiwiSaver this year too – up 10.0% to 21,466 – after a sudden fall in the year to March 2020.

The number of over-65 members kept growing, however, by 14.0% to 168,028 – on top of last year's 15.0% increase. This trend is in part due to KiwiSaver being more popular with 'younger' people over the past 15 years, i.e. more signing up in their fifties, who are now reaching retirement age.

First home withdrawals stayed relatively static after last year's hike, up just 1.4% to \$1.44 billion. This is still double the amount withdrawn in the year to March 2018, which can be attributed to the corresponding rise in house prices, and heightened public awareness of KiwiSaver home withdrawals.

With unemployment down during the year, so too were significant financial hardship withdrawals, decreasing 33.4% to \$106 million, back to the levels seen before last year's jump. Again, the FMA assisted such applicants and their providers during the Level 4 lockdown of August to September 2021, by permitting alternative ways to verify identities and financial circumstances.

Funds withdrawn by those with life-shortening congenital conditions rose 49.9% to \$389,751 – this being the first full year that people with Down syndrome, cerebral palsy, Huntington's disease and fetal alcohol spectrum disorder could automatically apply, and those with rarer conditions providing medical verification.

### Fund switching

During the year there were 454,698 switches between funds of different risk types within the same provider. This is up 76,803, or 20.3%, and even higher than the level seen when COVID-19 first hit. For context, there were 240,378 switches in the more normal year to March 2019.

A big factor in the latest rise is the movement of 80,033 default members from a conservative fund to a balanced fund with the same provider, as part of the new default arrangements.

But the main beneficiaries from switching were growth funds, acquiring a net total 43,657 members.

### Transfers

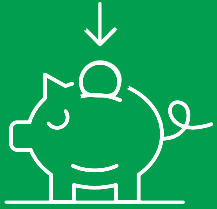
Also influenced by the new default arrangements is the number of transfers between different KiwiSaver providers. This year's total of 437,315 is almost triple last year's 157,679 – but it includes 323,533 default members, many of whom were transferred under the new default arrangements.

A more accurate measure of market sentiment was active member transfers, which rose 15.8% year-on-year to 113,782 – albeit back around the same level as previous years.

The number of KiwiSaver schemes briefly grew to 38 during the year, with the addition of the Kernel KiwiSaver Scheme in April 2022. However, the Aon KiwiSaver Scheme closed to new members in May 2022, before its members were transferred to the Fisher Funds Two KiwiSaver Scheme. The Aon KiwiSaver scheme was wound up effective August 2022, taking the total number of schemes back to 37.

# Money in

Year to 31 March 2022



**1,938,233**

members **made contributions**

up 2.9%



**\$11.3B**

**was contributed\***

up 7.0%



**\$5.1B**

via **salaries and wages**

up 6.2%



**\$2.7B**

from **employers**

up 0.02%



**\$2.2B**

in **lump sums**

up 20.3%



**\$909M**

from the **Crown**

up 2.0%

\* Member (salaries & wages), employer, Crown, lump sum, other voluntary contributions



# Money out

Year to 31 March 2022



**199,494**

**withdrawals** were made

up 58.3%



**\$3.8B**

was **withdrawn\***

up 24.7%



**\$1.9B**

by **over-65s**

up 59.5%



**\$1.4B**

for **first homes**

up 1.4%



**\$642.3M**

in **management fees**

up 12.8%



**\$50.3M**

in **administration fees**

down 37.7%

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

# Key activities

## FMA guidance on advertising financial products

**In October 2021, we issued guidance to the market on the advertising of financial products, in the context of their fair dealing and disclosure obligations under the Financial Markets Conduct Act.**

This followed consultation in 2020, and resulted in three key principles that organisations, including KiwiSaver providers, should consider when advertising financial products or services:

1. What is the overall impression created by the advertisement when viewed for the first time?
2. Ensure the advertisement includes all relevant information, as omissions can be misleading, deceptive or confusing.
3. Any claims in the advertising must be substantiated.

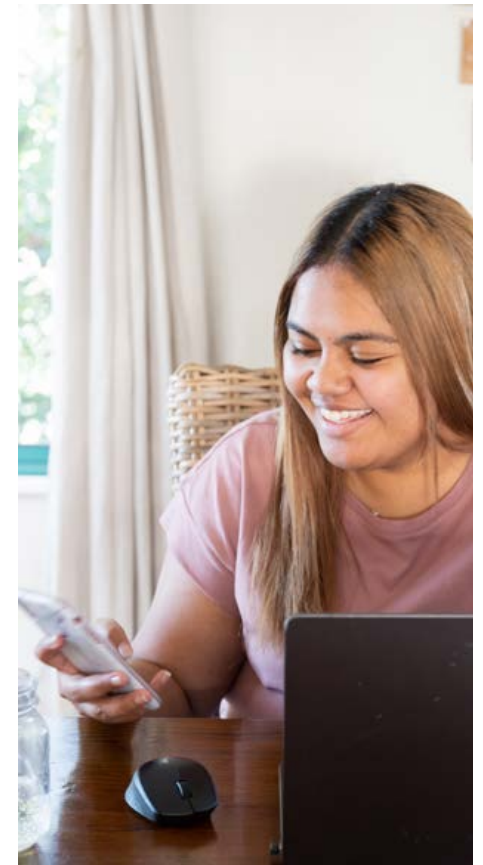
The guidance specifies that advertisements should:

- be truthful and accurate
- take care when comparing different products
- balance risk and reward
- take care with phrasing and jargon
- ensure forecasts are based on reasonable and supportable assumptions
- not overemphasise performance
- prominently display warnings and disclaimers
- clearly disclose fees and costs
- not claim to be endorsed, approved or regulated
- be discernible from other content (such as sponsored content)
- clearly state that offers made to wholesale investors are not available to retail investors.

We encouraged market participants to not only follow the principles set out in the guidance, but also to consider how their conduct actively assists investors in making appropriate and considered investment decisions.

Prior to publishing the guidance, we asked fund managers not to market or advertise their returns for the year to 31 March 2021 in isolation, because the period had none of the impact of COVID-19 volatility and all of its recovery. After publication, in March 2022 we directed KiwiSaver provider [Simplicity](#) to remove advertising deemed likely to mislead due to an unsubstantiated claim that people could “retire with up to 20% more than the average KiwiSaver plan” with Simplicity.

During the year the FMA also published a [guide for social media influencers](#) on talking about money online, following concerns some may be straying into regulated financial advice.



# Key activities

## ESG consumer research and industry review

**There is growing consumer interest in integrated financial products (IFP) that take non-financial factors into account, such as environmental, social and governance (ESG) impacts.**

This year's data shows membership of 'socially responsible' funds jumped 64.1% to 36,307 members, while their holdings climbed 60.8% to \$891.1 million.

Providers are responding to such demand. At the start of the year, roughly 5% of the 1,029 managed funds registered in NZ (304 of which were KiwiSaver funds) could be identified as an IFP fund by name alone (e.g. 'ethical', 'responsible', 'sustainable'); while 17% could be identified as such based on their detailed fund descriptions on the Disclose Register.

To gain a better understanding of this trend, the FMA undertook research during the year into both the consumer and industry perspectives.

Our consumer research found that while 68% of Kiwi investors prefer their money to be invested ethically and responsibly,

only 31% had selected a fund manager based on ethical credentials. Most did not read a product disclosure statement, instead relying on information such as provider websites, marketing and advertising, friends' opinions, or other 'gut-feel' approaches.

The ESG category was seen as difficult to navigate, and the terminology confusing; and once committed, ethical investors generally didn't monitor the ongoing ethical performance of their chosen fund, nor consider replacing it with another.

Our industry-focused thematic report concluded that managers of managed investment schemes are not sufficiently explaining or supporting the ESG features and benefits of their funds.

We conducted a high-level review of 14 KiwiSaver and non-KiwiSaver funds claiming to be ethical, responsible, sustainable or otherwise considered ESG-oriented, to evaluate fund managers' uptake of the FMA's IFP guidance issued in December 2020.



Our focus was on how well fund managers had applied the guidance to their formal and informal disclosures, but did not inspect their ESG funds' actual investment allocations.

We found fund managers do not provide information consistently, which makes

informed investor decision-making more difficult. While we did not assess if there was 'greenwashing' in the funds we selected, we concluded that managers have an immature approach to disclosure of these products, and asked that they address these shortcomings.

## Key activities

# Annual KiwiSaver campaign

**In June 2022, the FMA undertook its annual campaign to encourage KiwiSaver members to engage with their annual statements.**

Once again, we reminded members to check their statements and suggested they ask themselves: if they're happy with the amount they're projected to have at 65; if they can afford to contribute more, and;

if they think they're getting good value from their KiwiSaver provider.

The campaign achieved coverage reaching an estimated combined audience of over 2 million. We used a range of channels to reach our target audiences, including news media coverage, podcasts, media partnerships, and social media advertising, including TikTok. Our promotional video

(featuring the actors pictured below) had more than 130,000 views.

The effectiveness of these campaigns can be seen in the results of our latest KiwiSaver statements survey, which found 80% of members had read their latest statement, compared to 76% in 2020. There was also a rise in those who said they found the projected retirement balances on their

statements "useful", from 80% in 2020, the year they were introduced, to 90% this year.

Our latest annual [Investor Confidence Research](#) also found that of those who use investment materials to make informed investing decisions, one third said they use their KiwiSaver statements to do so.



## Focus area

# Default member transfers

**New default arrangements commenced on 1 December 2021, directly affecting more than 300,000 members who by then had not made an active choice about their scheme.**

As shown in the table to the right, roughly three-quarters were transferred out of the five departing schemes and into the six appointed schemes (four of which were remaining as default providers and two of which were new). The other quarter stayed with the four remaining schemes but were switched from a conservative fund to a balanced fund.

Thanks to a competent, collective effort by default providers and the Financial Services Council, overseen and coordinated by Inland Revenue, MBIE and the FMA, there was an orderly transition of those members and their assets. Costs were minimal, particularly relative to the expected long-term benefits of the changes.

According to the data from providers, at 31 March 2022 there were 298,381 default members who had not made an active choice to be in a default fund, down 16.2% year-on-year. That equates to roughly one in 10 KiwiSaver members, which compares favourably with one in six in March 2017.

At the same time, the number of default members who made an active choice during the year jumped 71.8% to 77,886 – largely thanks to heightened engagement between default providers and members ahead of the changes that took effect on 1 December 2021.

As the amount of members in default funds decreases, so does the value of their holdings, this year down 37.0% to just under \$2.5 billion.

The proportion of default members contributing to their accounts at the end of the year rose to 51.7%, whereas the proportion of active members who were contributing dipped slightly to 62.2%.

### RECONCILING DEFAULT MEMBERS & FUNDS

	Pre-transition		Post-transition
	31/03/21 <sup>†</sup>	30/09/21 <sup>**</sup>	31/03/22 <sup>†</sup>
<b>Funds under management</b>			
5 departing providers	\$3,480,660,341	\$2,524,255,579	\$0
4 remaining providers	\$483,572,315	\$481,499,642	\$1,827,330,003
2 new providers	\$0	\$0	\$734,831,677
<b>Total default FUM</b>	<b>\$3,964,232,656</b>	<b>\$3,005,755,221</b>	<b>\$2,562,161,680</b>
<b>Members</b>			
5 departing providers	276,431	236,774	0
4 remaining providers	79,580	80,605	222,691
2 new providers	0	0	77,803
<b>Total default members</b>	<b>356,021</b>	<b>317,379</b>	<b>300,494</b>

\* KiwiSaver Annual Report 2021 \*\* FMA

<sup>†</sup> Disclose Register data; includes non-default members who actively joined a default fund

A potentially early sign of the positive impact of the default changes was the 11.1% decrease in the average annual fees paid by default members to \$64 (as shown in the graphic on page 14).

The change to a balanced risk setting, and introduction of enhanced engagement standards, allow the FMA to shift focus away from getting members to make an active choice, and more into ensuring any such choices, out of their allotted default funds, are in their interests. We will also be watching how many active members join those funds, attracted by the lower fees and balanced risk setting.

We will be monitoring to ensure default providers meet the new terms around enhanced customer engagement, with contact now required at specific milestones, including when members first join, as annual statements go out, and during significant market volatility.

Reporting by the six new default providers is now biannual, and their first report will cover the seven months to 30 June 2022. Outcomes will be included in next year's KiwiSaver Annual Report.



## Focus area

# Value for money

**In April 2021, the FMA published value for money guidance setting expectations that fund managers – including KiwiSaver providers – would, with help from their supervisors, annually review the reasonableness of their fees and value for money.**

The purpose of the guidance was to help fund managers and their supervisors meet existing statutory requirements to not charge unreasonable fees (in KiwiSaver) and to act in their members' interests (all fund managers).

The guidance is clear that value for money does not necessarily mean 'cheap'. It frames value as, primarily, return after fees relative to an appropriate market index, but also as advice that helps members make good investment decisions, and other services – such as a good investment process – which demonstrably add to member balances.

The FMA and supervisors (Covenant Trustee Services Ltd, New Zealand Guardian Trust Ltd, Public Trust Ltd, Trustees Executors Ltd) then conducted a pilot study with 14 fund managers selected by the supervisors – plus some volunteers – to ensure a consistent approach to the review process.

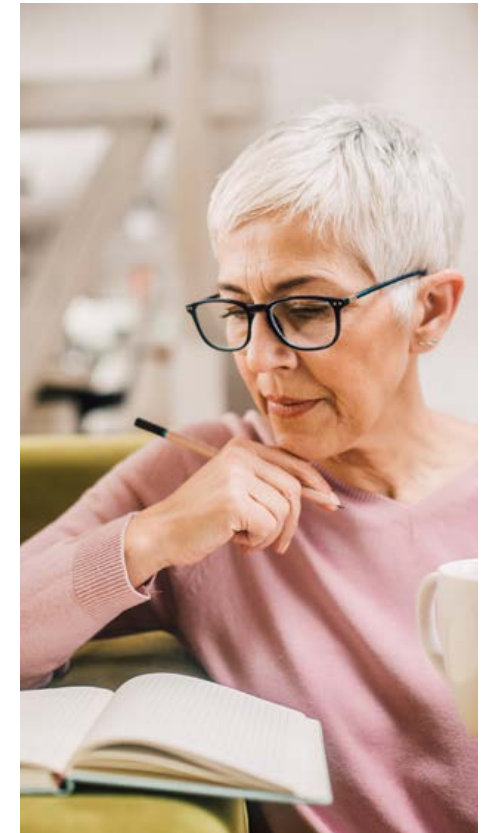
The results of the pilot were published in May 2022 and reached these conclusions:

- Repeatable competence is present among fund managers with passive and active strategies, but the drag of fees reduces the benefit of this to investors in some funds.
- Fund managers are not using an appropriate market index for their funds and/or performance fee models, and there is scepticism about the value of a market index in determining value for money.
- Managers commonly pay commission to third parties for introducing new members to their funds, thereby having an ongoing impact on fund costs and fees, without this payment being clearly disclosed to potential investors, either by fund managers or advisers.

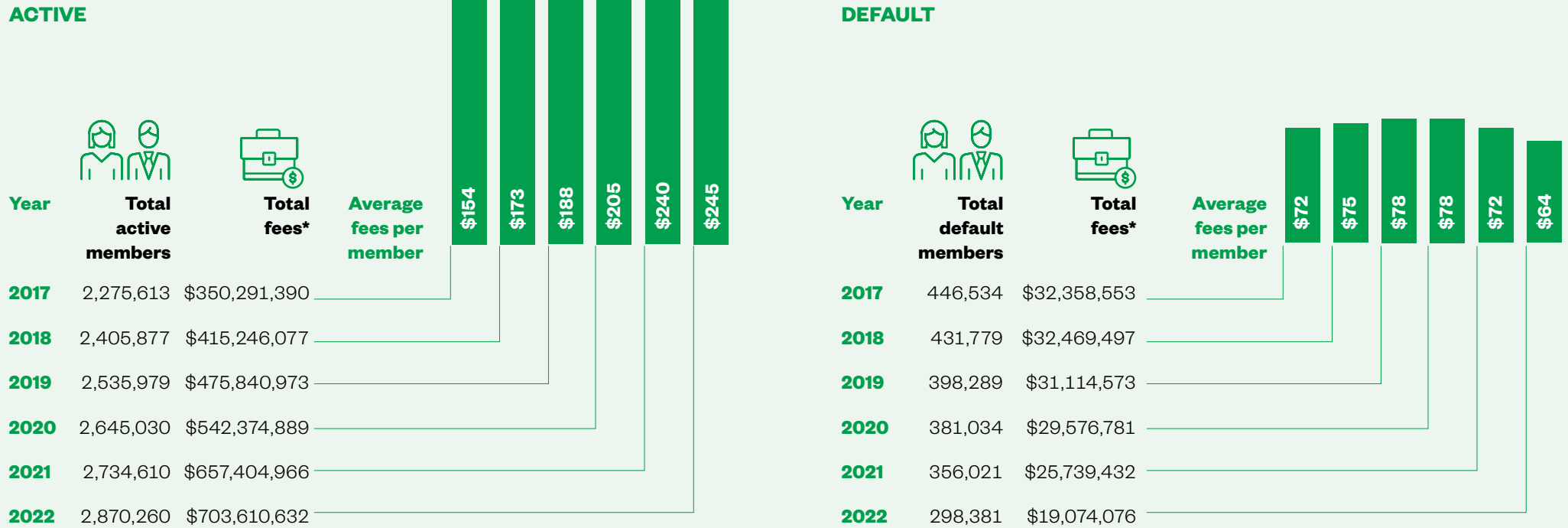
The FMA is committed to engaging with industry on the market index and commission findings, and to reviewing the self-assessment questionnaire, and we have other regulatory tools available if persistent conduct issues are found.

We do not have the power or desire to set fees or push the industry toward passive investment. The FMA does not and will not confuse acting on poor value with preventing access to providers and products that have a solid investment proposition and robust risk management, even if they are novel, relatively expensive (which is not the same as poor value) and/or relatively complex.

We were encouraged to again see a decline in the average fees paid by default members, and only a small increase for active members, as shown in the graphic overleaf. Default members paid \$64 on average, down 11.1%; while active members paid \$245 on average, up 2.1%. We look forward to the trend in average fees paid by members continuing to stabilise and reduce, as a key indicator of industry scale and maturity.



## Active & default member fees 2017 - 2022



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



## Focus area

# Liquidity risk management

**In mid-2021, we published the findings of a thematic review of managed investment schemes' (MIS) liquidity risk management (LRM) processes, following the completion of a self-assessment survey in August 2020 by 51 regulated entities, almost half of which manage KiwiSaver schemes.**

Liquidity risk is the risk that a MIS manager cannot easily (or, in the worst cases, at all) turn assets into cash to fund withdrawal requests or meet other demands on liquidity. Liquidity issues can disrupt the operation of a fund, prolong withdrawals so investors are exposed to more market movement than necessary, or even freeze withdrawals altogether for a period.

Our review found MIS managers in general appear to have an overly positive view of their liquidity risk management capabilities, based on their responses to our detailed questions. While there were some exceptions, even stronger performers showed some significant gaps in particular areas, such as the frequency of stress

testing and use of available tools and metrics. Worryingly, 43% did not or could not provide a date for their last stress test, and 16% had no LRM Policy at all.

We advised MIS managers against becoming complacent about their own capabilities, and said we expected them to complete liquidity stress tests at least once in any 12-month period – or more frequently if warranted by market conditions, such as those seen since our last report.

For KiwiSaver providers, the usual liquidity risks arising from volatility and associated investor withdrawals are compounded by the requirement that member requests to switch or transfer out of funds should happen as quickly as possible. This risk is potentially exacerbated by the inclusion of less liquid assets in KiwiSaver portfolios, which is more common in (but not exclusive to) higher-risk funds.

The data shows higher-risk growth funds remain the most popular choice, and increasingly so, with 1.46 million members and \$38.5 billion in assets at 31 March 2022, as shown in the graphic on the next page.



Single sector funds are rising in popularity too, notably those specialising in shares, whose members have grown 86.1% in five years to 89,711 people, with \$1.3 billion in assets; while those specialising in property now have 7,629 members and \$92 million.

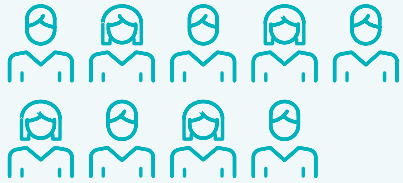
This trend away from a conservative asset bias is also evident in our 2022 [Investor Confidence Research](#), which found 24% of Kiwis now own shares (other than in KiwiSaver or other funds), exceeding term deposits for the first time; while one in 10 owns cryptocurrencies.

The FMA is currently preparing LRM guidance to help fund managers put in place appropriate processes and controls for identifying and managing their liquidity risks, and tailoring those processes and controls to their portfolios, management approach, cashflows and investor base. This is particularly important where KiwiSaver managers include less liquid assets like unlisted property and private equity in their funds. The guidance is likely to include a regular stress-testing expectation.

## Conservative vs. Growth: 2017 & 2022

### CONSERVATIVE

2017 MEMBERS

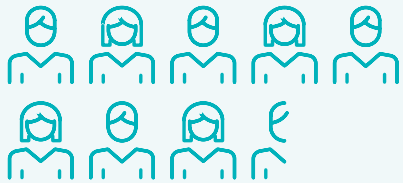


**887,278** (active)

2017 FUM

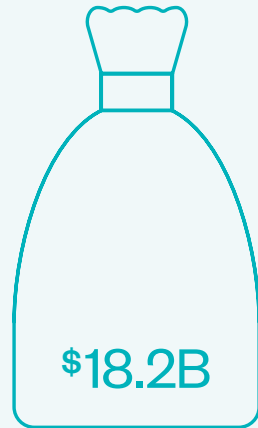


2022 MEMBERS



**855,157**

2022 FUM



### GROWTH

2017 MEMBERS

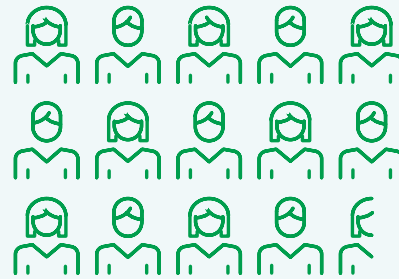


**943,453**

2017 FUM



2022 MEMBERS



**1,460,621**

2022 FUM



# Appendices

## Appendix 1 Income and expenditure summary

KiwiSaver schemes as at 31 March 2022

	Default	Active	Total
<b>Opening balance of scheme assets at start of annual return year (01/04/21)</b>	<b>\$3,958,101,642</b>	<b>\$77,678,009,946</b>	<b>\$81,636,111,588</b>
<b>Categories of income for annual return year</b>			
Member contributions at section 64 contribution rate	\$302,060,228	\$4,835,234,938	\$5,137,295,166
Employer contributions	\$182,873,871	\$2,516,626,072	\$2,699,499,943
Crown contributions (section 226) and fee subsidies	\$63,529,187	\$845,490,413	\$909,019,600
Transfers of members' accumulations into scheme from other KiwiSaver schemes	\$2,248,270,644	\$5,462,453,763	\$7,710,724,407
Transfers of members' accumulations into scheme from other retirement schemes	\$539,376	\$37,104,930	\$37,644,306
Transfers of members' accumulations into scheme from Australian superannuation schemes	\$4,418,454	\$165,253,448	\$169,671,902
Lump sum contributions	\$11,068,271	\$2,211,443,923	\$2,222,512,194
Other voluntary contributions over section 64 contribution rate	\$2,207,386	\$293,999,999	\$296,207,385
Income from investment of scheme assets	(\$-26,006,695)	\$1,325,057,974	\$1,299,051,279
Other income	\$2,731,800	\$111,619,877	\$114,351,677
<b>Total income from annual return year</b>	<b>\$2,791,692,522</b>	<b>\$17,804,285,337</b>	<b>\$20,595,977,859</b>

(CONTINUED ON NEXT PAGE)

### 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 do not align with last year's reported closing balances. This year's opening balance of \$81,625,208,684 is \$10,902,904 less than last year's closing balance of \$81,636,111,588 – due to errors acknowledged by filers

## Appendix 1

### Income and expenditure summary continued

KiwiSaver schemes as at 31 March 2022

(CONTINUED FROM PREVIOUS PAGE)

	Default	Active	Total
<b>Categories of expenditure for annual return year</b>			
First home purchase withdrawals	\$24,458,270	\$1,411,889,844	\$1,436,348,114
Mortgage diversion withdrawals	\$0	\$42,695	\$42,695
KiwiSaver end payment date withdrawals	\$32,069,296	\$1,914,899,768	\$1,946,969,064
Withdrawals on death	\$3,846,171	\$117,199,278	\$121,045,449
Serious illness withdrawals	\$2,711,401	\$65,225,826	\$67,937,227
Life-shortening congenital condition withdrawals	\$0	\$389,751	\$389,751
Withdrawals or transfers on permanent emigration	\$1,924,436	\$39,075,942	\$41,000,378
Significant financial hardship withdrawals	\$3,610,020	\$102,401,275	\$106,011,295
Transfers of members' accumulations out of scheme into other KiwiSaver schemes	\$4,153,556,104	\$3,532,038,516	\$7,685,594,620
Transfers of members' accumulations out of scheme into Australian superannuation schemes	\$1,437,343	\$37,997,125	\$39,434,468
Amounts required to be paid under other enactments	\$1,250,915	\$45,543,785	\$46,794,700
Invalid enrolment withdrawals	\$4,342,867	\$8,540,380	\$12,883,247
Administration fees	\$4,311,061	\$46,035,984	\$50,347,045
Investment management fees	\$13,359,455	\$628,898,948	\$642,258,403
Supervisor fees and (in the case of a restricted scheme) Trustee fees	\$217,193	\$7,171,220	\$7,388,413
Insurance premiums	\$0	\$0	\$0
Taxation	\$4,332,617	\$252,252,350	\$256,584,967
Other scheme expenses	\$1,186,367	\$21,504,480	\$22,690,847
<b>Total expenditure for annual return year</b>	<b>\$4,252,613,516</b>	<b>\$8,231,107,167</b>	<b>\$12,483,720,683</b>
<b>Closing balance of scheme assets at end of annual return year (31/03/22)</b>	<b>\$2,497,180,648</b>	<b>\$87,251,188,116</b>	<b>\$89,748,368,764</b>

**Note:** Some providers pay all costs out of a single fee they charge their members and this is categorised above under 'Investment management fees'. Hence, the totals given above for 'Administration fees' and 'Supervisor fees' are not a true reflection of those costs.

## Appendix 2

### Membership summary

KiwiSaver schemes as at 31 March 2022

	Default	Active	Total
<b>Number of contributing members at start of annual return year (01/04/21)</b>	<b>168,014</b>	<b>1,713,136</b>	<b>1,881,150</b>
<b>Categories of entries of members for annual return year</b>			
New members (other than transfers from other schemes)	97,872	60,515	158,387
Members restarting contributions at end of section 104 contribution holidays	9,893	19,074	28,967
Members restarting contributions after stopping contributions for any other reason	156,168	172,646	328,814
Members transferring into scheme from other KiwiSaver schemes	180,273	218,899	399,172
Members transferring into scheme from Australian superannuation schemes	9	711	720
Members transferring into scheme from other retirement schemes	6	217	223
<b>Total entries for annual return year</b>	<b>444,221</b>	<b>472,062</b>	<b>916,283</b>
<b>Categories of membership exits for annual return year</b>			
KiwiSaver end payment date exits	1,652	19,814	21,466
Deaths	311	3,237	3,548
Permanent emigration exits	184	1,548	1,732
Transfers out of scheme into other KiwiSaver schemes	323,533	113,782	437,315
Transfers out of scheme into Australian superannuation schemes	82	1,037	1,119
Other permanent exits	4,986	2,853	7,839
Invalid enrolment withdrawals	5,011	2,336	7,347
Members starting section 104 contribution holidays	2,143	33,372	35,515
Member stopping contributions for other reasons	120,059	223,260	343,319
<b>Total temporary and permanent exits for annual return year</b>	<b>457,961</b>	<b>401,239</b>	<b>859,200</b>
<b>Number of contributing members at end of annual return year (31/03/22)</b>	<b>154,274</b>	<b>1,783,959</b>	<b>1,938,233</b>

(CONTINUED ON NEXT PAGE)

**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 2

### Membership summary continued

KiwiSaver schemes as at 31 March 2022

(CONTINUED FROM PREVIOUS PAGE)

	Default	Active	Total
<b>Categories of non-contributing members on section 104 contribution holidays</b>			
Number of members on section 104 contribution holidays at 01/04/21	14,040	96,447	110,487
Members starting section 104 contribution holidays	2,143	33,372	35,515
Members ending section 104 contribution holidays and restarting contributions	9,893	19,074	28,967
Members ending section 104 contribution holidays but not restarting contributions for any reason	2,791	13,237	16,028
<b>Number of members on section 104 contribution holidays at 31/03/22</b>	<b>3,499</b>	<b>97,508</b>	<b>101,007</b>
<b>Categories of other non-contributing members (not on section 104 contribution holidays)</b>			
Number of other non-contributing members (not on section 104 contribution holidays) at 01/04/21	173,978	924,894	1,098,872
Members stopping contributions without section 104 contribution holidays	122,798	236,545	359,343
Members restarting contributions after having stopped contributions without section 104 contribution holidays	156,168	172,646	328,814
<b>Number of other non-contributing members (not on section 104 contribution holidays) at 31/3/22</b>	<b>140,608</b>	<b>988,793</b>	<b>1,129,401</b>
<b>Total non-contributing members at end of annual return year (31/03/22)</b>	<b>144,107</b>	<b>1,086,301</b>	<b>1,230,408</b>
<b>Total number of members at end of annual return year (31/03/22)</b>	<b>298,381</b>	<b>2,870,260</b>	<b>3,168,641</b>

## Appendix 3

### Age and gender profile of members

KiwiSaver schemes as at 31 March 2022

#### Default members

Age at end of annual return year	Female	Male	Gender unknown	Total
17 and under	352	331	1	684
18-25	20,864	23,503	20,383	64,750
26-30	10,222	12,303	12,948	35,473
31-35	12,463	13,121	16,971	42,555
36-40	10,654	11,132	14,649	36,435
41-45	8,462	8,989	10,884	28,335
46-50	7,593	8,176	9,648	25,417
51-55	6,679	7,205	8,722	22,606
56-60	5,606	6,069	7,213	18,888
61-65	4,066	4,582	5,276	13,924
66-70	1,808	1,982	2,320	6,110
71-75	663	744	928	2,335
76-80	139	170	226	535
81-85	5	8	8	21
86 and over	46	57	0	103
Unknown age	35	58	117	210
<b>Totals</b>	<b>89,657</b>	<b>98,430</b>	<b>110,294</b>	<b>298,381</b>

#### Active members

Age at end of annual return year	Female	Male	Gender unknown	Total
17 and under	115,221	121,340	1,203	237,764
18-25	187,425	192,480	5,573	385,478
26-30	151,180	154,520	3,448	309,148
31-35	158,269	157,204	4,189	319,662
36-40	139,000	133,699	3,827	276,526
41-45	125,560	116,591	3,142	245,293
46-50	130,588	116,097	2,673	249,358
51-55	131,856	114,835	2,207	248,898
56-60	125,854	110,420	1,821	238,095
61-65	106,419	93,132	1,459	201,010
66-70	52,545	46,290	553	99,388
71-75	23,853	21,805	191	45,849
76-80	6,529	6,197	69	12,795
81-85	292	270	9	571
86 and over	166	153	2	321
Unknown age	30	61	13	104
<b>Totals</b>	<b>1,454,787</b>	<b>1,385,094</b>	<b>30,379</b>	<b>2,870,260</b>

## Appendix 3

### Age and gender profile of members continued

KiwiSaver schemes as at 31 March 2022

#### Total members

Age at end of annual return year	Female	Male	Gender unknown	Total
17 and under	115,573	121,671	1,204	238,448
18-25	208,289	215,983	25,956	450,228
26-30	161,402	166,823	16,396	344,621
31-35	170,732	170,325	21,160	362,217
36-40	149,654	144,831	18,476	312,961
41-45	134,022	125,580	14,026	273,628
46-50	138,181	124,273	12,321	274,775
51-55	138,535	122,040	10,929	271,504
56-60	131,460	116,489	9,034	256,983
61-65	110,485	97,714	6,735	214,934
66-70	54,353	48,272	2,873	105,498
71-75	24,516	22,549	1,119	48,184
76-80	6,668	6,367	295	13,330
81-85	297	278	17	592
86 and over	212	210	2	424
Unknown age	65	119	130	314
<b>Totals</b>	<b>1,544,444</b>	<b>1,483,524</b>	<b>140,673</b>	<b>3,168,641</b>

## Appendix 4

### Profile of new default and other members

KiwiSaver schemes as at 31 March 2022

	Number of members	Scheme assets held for those members
Default members allocated to scheme by Commissioner under section 51 in annual return year	205,549	\$1,582,005,471
Other new members entering scheme in annual return year (including transfers from other schemes and active choice members)	101,187	\$1,761,934,149

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



## Appendix 5

### Summary of non-contributing members

KiwiSaver schemes as at 31 March 2022

	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 <b>start</b> of annual return year (01/04/21)	173,978	\$996,617,178	924,894	\$13,944,478,629
Number of non-contributing members (not on section 104 contribution holidays) at <b>end</b> of annual return year (31/03/22)	140,608	\$672,511,445	988,793	\$18,118,701,314

**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 2022

	Number of members in each investment fund	Amount in each investment fund (\$)
Default investment product under instrument of appointment in respect of default members	298,381	\$2,497,180,648
<b>Totals</b>	<b>298,381</b>	<b>\$2,497,180,648</b>
<b>Multi sector funds</b>		
Active Default	4,841	\$61,715,141
Conservative	855,157	\$18,196,257,563
Balanced	774,378	\$23,798,558,580
Growth	1,460,621	\$38,523,719,885
<b>Single sector funds</b>		
Cash	215,760	\$3,398,854,330
Fixed Interest	55,812	\$522,892,668
Shares	89,711	\$1,316,667,921
Property	7,629	\$92,242,248
<b>Socially responsible funds</b>	36,307	\$891,080,605
<b>Other</b>	11,015	\$449,199,175
<b>Totals</b>	<b>3,511,231</b>	<b>\$87,251,188,116</b>

**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 investment products into other investment funds

KiwiSaver schemes as at 31 March 2022

	Number of members out of default investment product	Number of members into other funds	Amount out of default investment product	Amount into other funds
<b>Switches out of default investment product under instrument of appointment</b>	<b>77,886</b>		<b>\$1,462,716,633</b>	
<b>Switches into other investment funds</b>				
<b>Multi sector funds</b>				
Active Default		1,104		\$9,453,983
Conservative		45,418		\$895,872,068
Balanced		12,241		\$269,930,397
Growth		15,108		\$214,149,476
<b>Single sector funds</b>				
Cash		1,061		\$14,416,753
Fixed Interest		1,433		\$14,267,133
Shares		781		\$8,072,006
Property		14		\$52,790
<b>Socially responsible funds</b>				
		3,778		\$36,502,026
<b>Total switches into other investment funds</b>	<b>77,886</b>	<b>80,938</b>	<b>\$1,462,716,633</b>	<b>\$1,462,716,632</b>

**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 7b

### Switches between investment funds

KiwiSaver schemes as at 31 March 2022

	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
<b>Multi sector funds</b>					
Active Default	23,913	\$151,943,590	6,399	\$75,428,020	\$76,515,570
Conservative	125,396	\$1,679,135,579	166,350	\$2,489,750,404	(\$810,614,825)
Balanced	61,967	\$1,875,509,656	72,744	\$2,089,862,494	(\$214,352,838)
Growth	178,789	\$2,628,881,058	135,132	\$1,998,830,783	\$630,050,275
<b>Single sector funds</b>					
Cash	25,490	\$892,817,978	31,178	\$593,869,314	298,948,664
Fixed Interest	10,107	\$53,313,397	13,786	\$60,627,169	(\$7,313,772)
Shares	19,373	\$143,698,177	24,194	\$166,607,798	(\$22,909,621)
Property	1,960	\$12,812,523	2,422	\$17,895,304	(\$5,082,781)
<b>Socially responsible funds</b>	4,976	\$101,672,204	2,355	\$47,767,041	\$53,905,163
<b>Other</b>	114	\$4,392,786	104	\$5,726,740	(\$1,333,954)
<b>Total switches between funds</b>	<b>452,202</b>	<b>7,547,603,946</b>	<b>454,698</b>	<b>7,547,603,946</b>	<b>0</b>

## Appendix 8

### Profile of switches between investment funds

KiwiSaver schemes as at 31 March 2022

	Default	Active
1 switch	52,544	219,040
2 switches	0	69,365
3 switches	0	8,297
4 switches	0	2,161
5 switches or more	0	2,123

## Appendix 9

### Analysis according to size of scheme assets

KiwiSaver schemes as at 31 March 2022

	Number of schemes	Total assets \$M	Total membership
Under \$10m	1	7	156
\$10m to under \$100m	9	378	11,657
\$100m to under \$500m	8	2,749	76,162
\$500m to under \$1,000m	2	1,448	38,045
\$1,000m to under \$5,000m	12	35,164	1,140,033
\$5,000m and over	5	50,002	1,902,588
<b>Total</b>	<b>37</b>	<b>89,748</b>	<b>3,168,641</b>

**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 2022

Nature of scheme	Number of schemes	Total assets \$M	Total membership
Default schemes	6	2,497	298,381
Retail (active choice)	33	86,726	2,858,069
Restricted schemes	4	525	12,191
<b>Total</b>	<b>37</b>	<b>89,748</b>	<b>3,168,641</b>

**Notes:**

- 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 2022

Assets grouping	Retail schemes	Restricted schemes	Total schemes
Under \$10m	1		1
\$10m to under \$100m	6	3	9
\$100m to under \$500m	7	1	8
\$500m to under \$1,000m	2		2
\$1,000m to under \$5,000m	12		12
\$5,000m and over	5		5
<b>Total (all groups)</b>	<b>33</b>	<b>4</b>	<b>37</b>

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

Assets grouping	Default assets	Retail assets	Restricted assets	Total assets
Under \$10m	0	7		7
\$10m to under \$100m		265	113	378
\$100m to under \$500m	2,497	2,337	412	5,246
\$500m to under \$1,000m		1,448		1,448
\$1,000m to under \$5,000m		33,633		33,633
\$5,000m and over		49,035		49,035
<b>Total (all groups)</b>	<b>2,497</b>	<b>86,726</b>	<b>525</b>	<b>89,748</b>

## Appendix 11b

### Analysis according to nature of scheme and size of scheme assets

KiwiSaver schemes as at 31 March 2022

	Default	Retail	Restricted	Total members
Under \$10m	0	156		156
\$10m to under \$100m		8,576	3,081	11,657
\$100m to under \$500m	298,381	67,052	9,110	374,543
\$500m to under \$1,000m		38,045		38,045
\$1,000m to under \$5,000m		958,635		958,635
\$5,000m and over		1,785,605		1,785,605
<b>Total (all groups)</b>	<b>298,381</b>	<b>2,858,069</b>	<b>12,191</b>	<b>3,168,641</b>

## Appendix 12

### Where is KiwiSaver money invested

KiwiSaver schemes as at 31 March 2022

	Actual percent
Cash	11.8%
Commodities	0.6%
Australasian equity	18.6%
International equity	33.5%
International fixed interest	16.4%
NZ fixed interest	12.0%
Listed properties	3.9%
Unlisted properties	0.8%
Other	2.4%
Unknown	0.0%

## Appendix 13

### Profile of new default and other members

KiwiSaver schemes as at 31 March 2022

	Members out	Default members	Default transfer out
Summary of default KiwiSaver scheme members	77,886	323,533	245,647

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