



Report of the
Government Actuary

(in respect of the KiwiSaver Act 2006)

for the year ended
30 June 2009

*Presented to the House of Representatives pursuant to
Section 194 of the KiwiSaver Act 2006*

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MINISTER OF COMMERCE

In accordance with section 194 of the KiwiSaver Act 2006, I submit my report for the year ended 30 June 2009 on the principal matters transacted under that Act. This years report contains the second annual summary of statistical returns of KiwiSaver Schemes based on the Annual Returns for the period ended 31 March 2009 lodged by each individual scheme as required by section 125 of the KiwiSaver Act 2006.

INTRODUCTION

For the purposes of this report, the relevant parts of the KiwiSaver Act 2006 (the Act) came into force on 1 December 2006.

1. BACKGROUND

- 1.1 The Act places emphasis on the role and responsibilities of trustees and makes no distinction between schemes which are provided to the general public, or sponsored by private or state sector employers.
- 1.2 For any new KiwiSaver Scheme my role is to ensure and enable eligible schemes to be registered in a timely manner. This requires a review to ensure that the trust deed complies with the requirements of the legislation, that matters covered in Schedule 2 of the Act are adequately disclosed and that fees are not unreasonable as identified in Schedule 1 of the Act and the KiwiSaver Regulations 2006 (the Regulations).
- 1.3 The KiwiSaver regime has now been in force for two years and my role is similar to my role under the Superannuation Schemes Act 1989 (the 1989 Act), namely to react to the decisions and actions (or lack of action) of persons responsible for managing KiwiSaver Schemes, where necessary or appropriate. My aim is to encourage compliance with the Act and to resort to the use of my statutory powers only where that encouragement has proved ineffective, or where "encouragement" would be inappropriate due to the circumstances of the particular matter under consideration. From time to time, whether on request or when a situation comes to my attention, I may investigate whether a KiwiSaver Scheme is operating in accordance with the Act under the powers given in sections 188 and 189 of the Act.
- 1.4 In practice, the services that I require for the administration of the Act have been provided by the Insurance and Superannuation Unit of the Business Services Branch of the Ministry of Economic Development (the Ministry). In this report, the operations of myself and the Insurance and Superannuation Unit in connection with the Act are referred to as "the office".

2. GENERAL OVERVIEW OF YEAR ENDED 30 JUNE 2009

- 2.1 The office's activities have continued to be directed towards the development of processes to review the registration and regulation of KiwiSaver Schemes and to administer the relevant sections of the new Act in conjunction with the Inland Revenue who administer Parts 1 to 3 and Schedule 3. We have had regular contact with Inland Revenue to ensure the smooth running of the complete Act.
- 2.2 From Appendix 2 the numbers enrolled were close to 1 million at 31 March 2009. Subsequently by the end of July 2009 numbers were close to 1.113 million. Clearly this success continues to put pressure on the Inland Revenue to pass the contributions smoothly from the member and employer to the provider. It is the role of the Inland Revenue to ensure that money passes to the provider and our role (to investigate under section 188) is designed to follow up issues with providers. We do not have any general outstanding contribution issues with providers. However in Newsletter 63, I identified the general duty of the trustee of each provider to follow up any discrepancy between contributions expected and the contributions received, whether from the Inland Revenue or elsewhere, and then take appropriate action to address any discrepancy.
- 2.3 For members in employment the Inland Revenue collects the KiwiSaver member and any employer contribution via the IR345 form. We are aware that there can be delays when there is seen to be inconsistency in the completion of that form. However whilst the contributions remain with Inland Revenue an interest element will help compensate the member.
- 2.4 We have continued to be involved in discussions about individual KiwiSaver Scheme design and trust deed issues with trustees and their advisers using our usual draft review process. Many ad hoc issues were raised and discussed including interpretation issues on various sections of the Act.
- 2.5 The fees charged by the office are as prescribed by Schedule 2 of the Regulations.
- 2.6 We have had brought to our attention possible delays in implementation of voluntary transfers from one provider to another. We would bring to the attention of all providers the requirements of section 56(4) of the Act which requires compliance within 35 days. Communication between the two providers should eliminate this delay. It may be appropriate for the providers to work together to create a standard form for such transfers.

3. REGISTRATION OF SCHEMES

- 3.1 For the year to 30 June 2009 no new KiwiSaver Schemes were registered, however late in the year two KiwiSaver Schemes decided to exit the market bringing the total number of active registered schemes to 52.
- 3.2 At 30 June 2009 there are six default provider KiwiSaver Schemes. Of the 52 active schemes, 27 had “bolted on” a KiwiSaver Scheme to their existing registered superannuation scheme and three of were schemes that had converted from the 1989 Act regime.

4. UNREASONABLE FEES ASSESSMENT

- 4.1 As part of the registration process, under Schedule 2 of the Act “a statement of the fees charged in the period from registration to the first annual report or the basis on which those fees will be calculated” was required.
- 4.2 Some discussion for new schemes took place during the year but no new scheme finalised the overall registration process during the year.

The Government objective was to establish KiwiSaver as a low-cost work-based savings scheme at both the individual and employer level. The Act makes no distinction between schemes which are provided to the general public or to employers. In general terms, the result has been a range of fees which have some variations. The style of investment management, for example, will lead to different fee levels. But, in general terms, the higher the investment risk, the higher is the potential return and the higher the fee.

Fees can be compared on the Retirement Commission’s website www.sorted.org.nz. However that site does not allow comparison of both expected fees and expected returns which would demonstrate that funds with higher investment risk usually have higher fee levels but usually also have higher expected returns in the longer term. It is pleasing to see a fee comparison available at no cost to members.

KiwiSaver Schemes allow portability of member funds between schemes and sections 55-56 of the Act outline the voluntary transfer opportunities for members if their current scheme does not meet their needs.

Guidance Note KSGN1 clarified the way fees, which were defined as being deducted directly from the fund, would be viewed. The total of all fees including those which were not identified in numeric terms in the investment statement will be reviewed for unreasonableness as defined in the Act. At present I expect to review fees on an annual basis following receipt of the (audited) financial reports of the KiwiSaver Scheme. Section 6 of Newsletter 63 covers this in more detail. Given the review covers all fees charged to a KiwiSaver Scheme, there should be no possibility of unlimited deduction of fees.

Under section 189B of the Act any increase in fees must be advised as soon as reasonably practicable after the increase takes place. During the year there was an occasional minor adjustment such as an inflation adjustment to the member charge already identified in the Trust Deed.

There were two significant issues discussed in depth during the year for which legal advice was obtained and for which comment here is appropriate.

The first issue concerned whether fees could be increased and deemed to be not unreasonable if low membership meant that such an increase was necessary to cover the expenses. After considering both legal and technical advice, I concluded that KiwiSaver was designed as a low cost work place savings scheme and that the pattern of fees developed covered the range of fees likely to be regarded as “not unreasonable”. I use a small technical panel to help me review the “unreasonable fee” process and this panel provided my technical advice above.

The second issue concerned the issues for which I must be satisfied before signing off a fee as “not unreasonable”. Legal and technical advice was again sought. In summary the approval of the fees does not in itself provide tacit approval of any form of investment. It is the duty of the Trustee to ensure that the investment option meets section 13B or 13C of the Trustee Act. However if the investment option is complex then I would expect the Trustee to obtain written confirmation that the potential member understands the particular investment risk.

5. EXEMPT EMPLOYER, COMPLYING SUPERANNUATION FUND STATUS

- 5.1 On 30 June 2009, 483 (461 at 30 June 2008) private sector employers had applied and received exempt employer status. This means that new employees to those companies would not be subject to the automatic enrolment rules prescribed in the Act. Of the 483 private sector employers, 161 (98 at 30 June 2008) were associated with 28 (29 at 30 June 2008) stand alone employer superannuation schemes whilst the balance of 322 (336 at 30 June 2008) employers were spread between 8 (8 at 30 June 2008) master trust multi employer superannuation schemes.
- 5.2 2472 education sector employers ceased to have exempt employer status effective 30 September 2008.
- 5.3 With respect to Complying Superannuation Fund (CSF) status, as at 30 June 2009 there were 29 (30 at 30 June 2008) schemes that had obtained this status, of which 19 (20 at 30 June 2008) schemes were stand alone employer schemes. The other 10 (10 at 30 June 2007) were multi-employer schemes. 37 (116 at 30 June 2008) employers of multi employer schemes had received relevant participating employer complying fund status. The large decrease in CSF

employers of master trust schemes is due to one provider closing CSF sub-plans which had zero membership.

6. COMMUNICATIONS

- 6.1 The office endeavours to maintain effective communication with those concerned with KiwiSaver Schemes.
- 6.2 The office continues to be willing to discuss particular problems on an informal basis with trustees and their professional advisers. Within the office a facility is provided to respond to telephone enquiries from trustees and their professional advisers.
- 6.3 Guidance notes can be issued under section 127 of the Act from time to time. These guidance notes will be subject to a "peer review" process before being issued. Two Guidelines have been issued.

Guidance Note KSGN1

KSGN1 gave guidance on how I will treat fees which the trust deed of the scheme identified as being charged directly to the fund. I expect these non-numerically defined fees to be capped at levels defined in the guideline. Overall I must review all possible fees charged to a KiwiSaver Scheme.

Guidance Note KSGN2

KSGN2 gave guidance on performance fees and fees for ethical funds.

- 6.4 Additionally, one newsletter was issued under the 1989 Act, series numbers 64 which dealt with KiwiSaver issues. Draft newsletters are produced within the office and then sent to selected external experts for comment. However, where the content of the newsletter is not contentious, this procedure may be condensed.

Newsletter 64, October 2008:

This Newsletter principally contained advice regarding the ability for trustees to provide trustee annual reports electronically to members and beneficiaries.

Website:

We have re-launched our website at www.isu.govt.nz which contains pdf and html versions of Government Actuary Newsletters and Annual Reports. The website also contains the electronic KiwiSaver Scheme Register, the Exempt Employer Register and the Complying Superannuation Fund Register, as well as the Guidance Notes that are published under the Act.

7. COMMENTARY

KiwiSaver continues to develop in two distinct forms, namely:-

- “retail” schemes for members and participating employers and
- schemes for specific groups of people either in the same company or industry or other defined group.

The second group has restricted access which results in lower fees in general as the defined membership has a close connexion with the provider.

There are now over 1 million members and funds under management exceeded \$2.65bn at 31 March 2009. In time the economies of scale experienced because of the higher numbers of members, together with the ability for members to change their provider, should result in a more competitive environment between providers which will benefit members in general.

A member has the ability to track contributions passing through the Inland Revenue KiwiSaver website (www.kiwisaver.govt.nz) as well as on the websites of some individual providers. The Sorted website gives fees comparisons and the Sunday Star Times for example has just begun a regular table of most KiwiSaver fund size and investment return information. This all adds to the ability of members to understand the performance of their own funds within their providers KiwiSaver scheme.

Approximately half of all funds are invested in the Default funds. Whilst this has been to the benefit of members during the global credit crisis, it is hoped that as members see how the funds work in practice they will consider other investment options.

Overall there have been few issues to concern the Regulator. All KiwiSaver providers are identified on the register on the website www.isu.govt.nz.

There are of course some minor issues such as the need to ensure that transfers between providers happen within the time deadline identified in the Act. This is clearly the responsibility of both providers.

There are some issues of questionable selling practices which are being investigated.

The statistics also identify in Appendix 3 that there are over 160 thousand members age 17 or under. Whilst this is admirable it is important to stress the need for continued savings to make the account viable in the long term. Currently it is believed that over 90% of such members make no contributions. Clearly parents and grandparents and even other family members should be encouraged to make regular contributions in the same way that the post office savings introduced children to the savings concept in the last century.

8. STATISTICS

The Appendices 1 to 11 contain the aggregation of the 31 March 2009 statistical returns specified in Schedule 1 of the KiwiSaver regulations. Each appendix mirrors a form identified in the Schedule 1. 53 of the 54 KiwiSaver schemes registered as at 31 March 2009 had members and assets and completed a statistical return. It is noted that when the data supplied by the providers this year was aggregated the opening balances did not reconcile to the last years annual return closing balances. Reasons for this may include timing differences improvements in data collection and the use of the last years audited accounts closing balance.

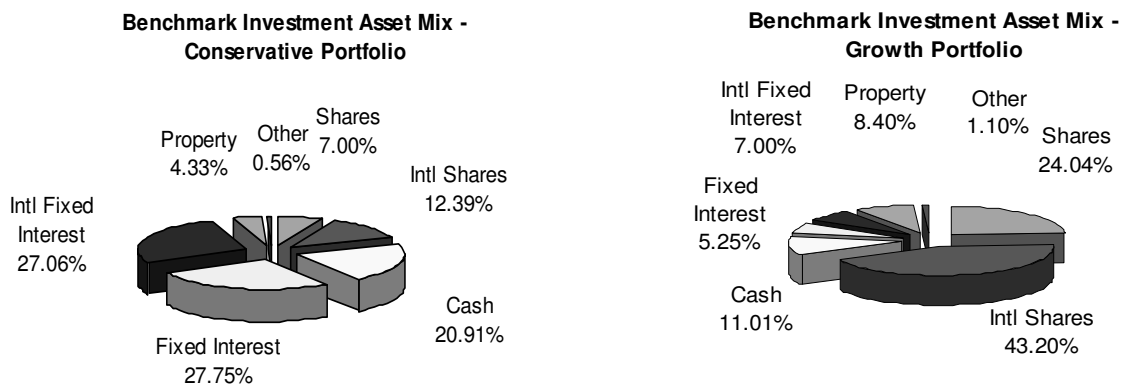
It is also of interest to note that as at 31 March 2009 in addition to the \$2.654 billion of KiwiSaver investments, the Inland Revenue was holding a further \$127.463 million of funds which were awaiting transfer to members chosen providers.

Under section 46 of the Act an employer can notify the Commissioner that they have chosen a preferred KiwiSaver Scheme. As at 31 March 2009 7,910 employers had chosen one of the six default providers and a further 8,550 had chosen a scheme which was not a default provider.

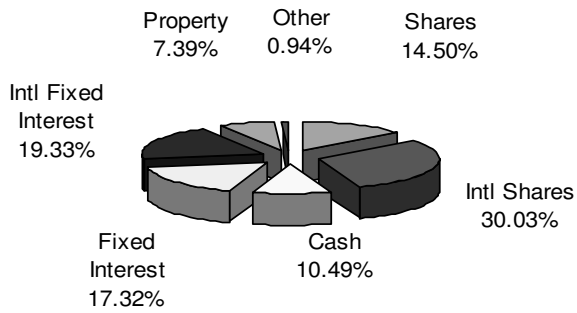
During the year Inland Revenue received 139 applications for withdrawal due to financial hardship under section 113. However only 10 met the definition of serious financial hardship in the KiwiSaver Act and were approved for payment.

There were also 15 requests to Inland Revenue for payment on the grounds of serious illness. Only one met the definition of serious illness in the KiwiSaver Act.

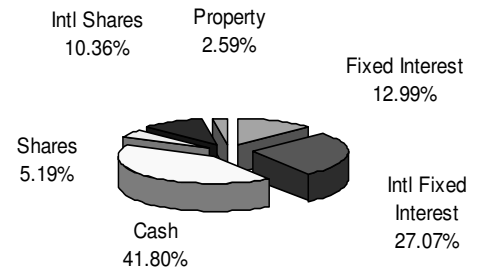
In the following pie charts the assets of the top ten KiwiSaver Schemes are shown by benchmark asset allocation for the Conservative, Balanced and Growth Funds. The average benchmark investment allocation for the six default funds is also shown.



**Benchmark Investment Asset Mix -
Balanced Portfolio**

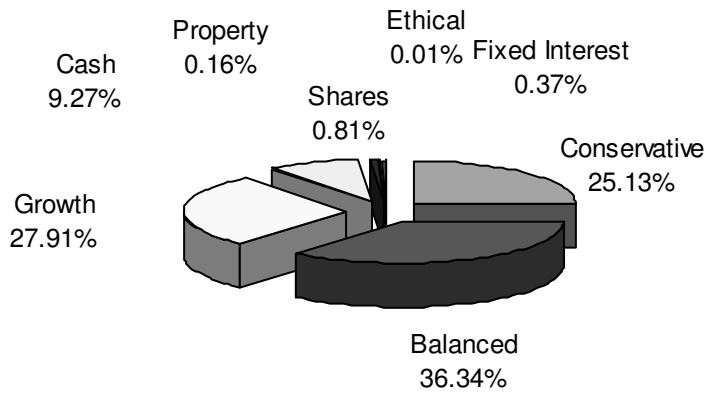


Investment Asset Mix - Default Schemes



A flavour of member preference is also demonstrated by taking the same ten providers and showing the asset classes. A conservative/balanced fund preference is clearly visible currently.

**Portfolio Allocation - Excluding Default
Members**



9. STAFF AND EXTERNAL ADVISERS

The office has a small team of dedicated individuals with particular skills and expertise. The office supplements its resources, where and if appropriate, by making use of other resources within the Business Services Branch of the Ministry, and by seeking external assistance from experts in the private sector in dealing with particular problems as they arise.

In seeking external professional advice, the office looks for persons who have particular skills and experience that match the nature of the problem. Appropriate external private sector professional advice is also sought to provide quality assurance processes.

During the year I have appreciated the assistance and advice given by Hugh Rennie QC, Chapman Tong, Kensington Swan, Simpson Grierson and the Ministry's in house legal team.

The staff carrying out the work of the Insurance and Superannuation Unit have shown ongoing dedication and commitment, and I would like to record my sincere appreciation for the continuing significant contribution during the year of Gavin Quigan, Manager Insurance and Superannuation Unit, Lesley Carrig, Superannuation Officer and Cecilia Heath, Technical Specialist.

A handwritten signature in black ink, appearing to be 'D G Benison', with a long horizontal line extending to the right.

D G Benison B.Sc.(Econ), FIA, FNZSA
Government Actuary

Appendix 1: KiwiSaver Schemes in Force as at 31 March 2009 - Income and Expenditure Summary

	Default	Active	Total
<i>Opening balance of scheme assets at start of annual return year</i>	\$246,204,963.28	\$456,116,644.53	\$702,321,607.81
Categories of income for annual return year			
Member contributions at section 64 contribution rate	\$308,371,952.91	\$547,167,759.41	\$855,539,712.32
Employer contributions	\$83,247,744.20	\$204,361,246.12	\$287,608,990.32
Crown contributions (section 226) and fee subsidies	\$292,182,335.25	\$521,651,601.80	\$813,833,937.05
Transfers of members' accumulations into scheme from other KiwiSaver schemes	\$12,469.93	\$88,402,694.87	\$88,415,164.80
Transfers of members' accumulations into scheme from registered superannuation schemes	\$272,325.25	\$9,652,064.32	\$9,924,389.57
Lump sum contributions	\$394,810.71	\$23,502,372.37	\$23,897,183.08
Other voluntary contributions over section 64 contribution rate	\$692,303.52	\$59,613,341.32	\$60,305,644.84
Income from investment of scheme assets	-\$7,206,067.90	-\$132,801,212.97	-\$140,007,280.87
Other income	\$21,383,439.18	\$57,549,354.07	\$78,932,793.25
Total income from annual return year	\$699,351,313.05	\$1,379,099,221.31	\$2,078,450,534.36
Categories of expenditure for annual return year			
First home purchase withdrawals	\$17,148.14	\$117,506.91	\$0.00
Mortgage diversion withdrawals	\$0.00	\$0.00	\$134,655.05
KiwiSaver end payment date withdrawals	\$264,533.56	\$795,353.02	\$0.00
Withdrawals on death	\$94,597.29	\$192,109.44	\$1,059,886.58
Serious illness withdrawals	\$42,023.33	\$73,469.73	\$286,706.73
Withdrawals or transfers on permanent emigration	\$465,557.98	\$826,015.33	\$115,493.06
Significant financial hardship withdrawals	\$59,452,481.58	\$27,456,949.97	\$1,291,573.31
Transfer of members' accumulations out of the scheme into other KiwiSaver schemes	\$6,043.00	\$7,396.81	\$86,909,431.55
Amounts required to be paid under other enactments	\$7,871,763.98	\$13,535,724.21	\$13,439.81
Administration fees	\$1,952,802.65	\$7,397,454.74	\$21,407,488.19
Investment management fees	\$189,205.51	\$493,928.26	\$9,350,257.39
Trustee fees	\$1,356,676.49	\$3,806,007.97	\$683,133.77
Other scheme expenses			\$5,162,684.46
Total expenditure for annual return year	\$71,712,833.51	\$54,701,916.39	\$126,414,749.90
Closing balance of scheme assets at end of annual return year	\$873,843,442.82	\$1,780,513,949.45	\$2,654,357,392.27

Note:

1. The statistical returns are unaudited and may not include all transactions.
2. Some providers currently have an inability to differentiate between types of transfers, therefore there are discrepancies in transfers to and transfers from KiwiSaver Schemes.

Appendix 2: KiwiSaver Schemes in Force as at 31 March 2009
Membership Summary

	Number of Members		
	Default	Active	Total
<i>Number of contributing members at start of annual return year</i>	143,326	264,937	408,263
Categories of entries of members for annual return year			
New members (other than transfers from other schemes)	175,431	311,665	487,096
Members restarting contributions at end of section 104 contribution holidays	691	480	1,171
Members restarting contributions after stopping contributions for any other reason	21,851	21,032	42,883
Members transferring into scheme from other KiwiSaver schemes	21	39,948	39,969
Members transferring into scheme from registered superannuation schemes	42	1,021	1,063
<i>Total entries for annual return year</i>	198,036	374,146	572,182
Categories of membership exits for annual return year			
KiwiSaver end payment date exits	-	-	-
Deaths	102	311	413
Permanent emigration exits	17	34	51
Transfers out of scheme into other KiwiSaver schemes	25,585	12,645	38,230
Other permanent exits	34	60	94
Members starting section 104 contribution holidays	7,335	7,143	14,478
Member stopping contributions for other reasons	53,870	118,124	171,994
<i>Total temporary and permanent exits for annual return year</i>	86,943	138,317	225,260
<i>Number of contributing members at end of annual return year</i>	254,419	500,766	755,185
Non-contributing members on section 104 contribution holidays			
<i>Number of members on section 104 contribution holidays at start of annual return year</i>	692	533	1,225
Members starting section 104 contribution holidays	7,335	7,169	14,504
Members ending section 104 contribution holidays and restarting contributions	691	470	1,161
Members ending section 104 contribution holidays but not restarting contributions for any reason	216	169	385
<i>Number of members on section 104 contribution holidays at end of annual return year</i>	7,120	7,063	14,183
Other non-contributing members (not on section 104 contribution holidays)			
<i>Number of other non-contributing members (not on section 104 contribution holidays) at start of annual return year</i>	15,944	60,902	76,846
Members stopping contributions without section 104 contribution holidays	54,086	118,274	172,360
Members restarting contributions after having stopped contributions without section 104 contribution holidays	21,851	21,114	42,965
<i>Number of other non-contributing members (not on section 104 contribution holidays) at end of annual return year</i>	48,179	158,062	206,241
Total number of members at end of annual return year	309,718	665,891	975,609

Note:

1. Some providers currently have an inability to differentiate between types of transfers, therefore there are discrepancies in transfers to and transfers from KiwiSaver Schemes.

Appendix 3: KiwiSaver Schemes in Force as at 31 March 2009
Age and Gender Profile of Members

Age at end of annual return year	Default members			Active members			Total active members
	Female	Male	Unknown gender	Female	Male	Unknown gender	
17 and under	2,916	2,909	803	74,978	75,917	3,887	154,782
18-25	35,658	37,252	13,945	35,830	35,951	7,857	79,638
26-30	14,259	15,621	5,595	18,564	16,955	3,127	38,646
31-35	13,039	13,303	4,542	20,301	17,189	2,820	40,310
36-40	13,918	12,773	4,532	24,979	20,543	2,769	48,291
41-45	14,066	11,905	4,158	27,049	22,510	2,616	52,175
46-50	13,690	10,705	3,855	29,551	24,874	2,442	56,867
51-55	11,439	9,067	2,881	30,097	24,626	1,973	56,696
56-60	9,563	8,155	2,269	33,440	28,027	1,585	63,052
61-65	5,714	5,762	1,357	33,454	30,275	1,023	64,752
66-70	353	429	128	4,398	4,359	118	8,875
71-75							0
76-80							0
81-85							0
86 and over							0
Unknown age	585	512	2,060	220	227	1,360	1,807
Totals	135,200	128,393	46,125	332,861	301,453	31,577	665,891

continued

Appendix 3: KiwiSaver Schemes in Force as at 31 March 2009
Age and Gender Profile of Members

Age at end of annual return year	Total members			Total members
	Female	Male	Unknown gender	
17 and under	77,894	78,826	4,690	161,410
18-25	71,488	73,203	21,802	166,493
26-30	32,823	32,576	8,722	74,121
31-35	33,340	30,492	7,362	71,194
36-40	38,897	33,316	7,301	79,514
41-45	41,115	34,415	6,774	82,304
46-50	43,241	35,579	6,297	85,117
51-55	41,536	33,693	4,854	80,083
56-60	43,003	36,182	3,854	83,039
61-65	39,168	36,037	2,380	77,585
66-70	4,751	4,788	246	9,785
71-75	0	0	0	0
76-80	0	0	0	0
81-85	0	0	0	0
86 and over	0	0	0	0
Unknown age	805	739	3,420	4,964
Totals	468,061	429,846	77,702	975,609

Appendix 4: KiwiSaver Schemes in Force as at 31 March 2009
Profile of New Default and Other Members

	Number of members	Scheme assets held for those members (\$)
Default members allocated to scheme by Commissioner under section 51 in annual return year	200,926	\$451,456,643.79
Other new members entering scheme in annual return year (including transfers from other schemes and active choice members)	15,235	\$41,503,461.05

Note:

Some providers have included members who have since opted out whilst others have not.

Appendix 5: KiwiSaver Schemes in Force as at 31 March 2009

Summary of Non-Contributing Members (not on section 104 contribution holidays)

	Number of Default Members	Scheme assets held for those members (\$)	Number of Active Members	Scheme assets held for those members (\$)
Number of non-contributing members (not on section 104 contribution holidays) at start of annual return year	15,944	\$18,892,988.87	60,948	\$38,086,647.30
Number of non-contributing members (not on section 104 contribution holidays) at end of annual return year	48,179	\$71,490,191.04	158,062	\$187,700,990.24

Note:

Non-contributing member –

- 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: KiwiSaver Schemes in Force as at 31 March 2009

Investment Fund Summary

Investment Funds	Number of members in each investment fund	Amount in each investment fund (\$)
Default	309,708	\$873,818,225.49
Totals	<u>309,708</u>	<u>\$873,818,225.49</u>
Active Default	63,186	\$156,289,048.23
Conservative	211,111	\$279,704,835.01
Balanced	242,620	\$633,567,038.78
Growth	217,637	\$474,992,478.33
Single sector funds		
<i>Cash</i>	217,202	\$143,222,839.39
<i>Shares</i>	13,761	\$22,288,531.22
<i>Fixed Interest</i>	3,363	\$5,204,640.97
<i>Property</i>	3,258	\$8,369,303.22
<i>Socially Responsible</i>	2,419	\$4,948,800.56
<i>Other</i>	24,292	\$54,452,749.45
Totals	<u>998,849</u>	<u>\$1,783,040,265.16</u>

Note:

1. The statistical returns are unaudited and may not include all transactions.
2. Some members will be invested in more than one Investment Fund.

Appendix 7: KiwiSaver Schemes in Force as at 31 March 2009
Switches Out of Default Investment Product Into Other Investment Funds

Switches in annual return year	Number of members out of default investment product	Number of members into others	Amount (\$) out of default investment product	Amount (\$) into others
<i>Switches out of default investment product under instrument of appointment</i>	4,081		\$7,969,512.37	
<i>Switches into other investment funds</i>				
Conservative		1,540		\$1,977,599.69
Balanced		1,284		\$2,252,645.08
Growth		1,329		\$2,411,486.52
Single sector funds				
Cash		463		\$870,355.86
Shares		142		\$192,384.36
Fixed Interest		84		\$263,123.98
Property				
Other				
Total of switches into other investment funds	4,081	4,842	\$7,969,512.37	\$7,967,595.49

continued

Appendix 7: KiwiSaver Schemes in Force as at 31 March 2009
Switches Between Investment Funds

Investment Funds	Switches into investment funds in annual return		Switches out of investment funds in annual return		Net change in amounts (\$)
	Number of switches	Amount (\$)	Number of switches	Amount (\$)	
Active default			99	\$229,261.00	-\$229,261.00
Conservative	3802	\$10,708,942.67	4781	\$10,244,427.29	\$464,515.38
Balanced	3987	\$11,647,683.83	5347	\$15,756,943.97	-\$4,109,260.14
Growth	3413	\$6,929,124.28	4179	\$11,223,930.88	-\$4,294,806.60
Single sector funds				\$0.00	\$0.00
Cash	3108	\$8,683,889.98	375	\$1,085,465.41	\$7,598,424.57
Shares	157	\$222,122.24	225	\$252,856.82	-\$30,734.58
Fixed Interest	310	\$858,959.44	180	\$364,274.49	\$494,684.95
Property	39	\$24,229.70	132	\$140,360.10	-\$116,130.40
Socially Responsible	81	\$217,304.53	16	\$22,619.25	\$194,685.28
Other	259	\$318,479.90	251	\$321,228.37	-\$2,748.47
Total of switches between funds	15156	\$39,610,736.57	15585	\$39,641,367.58	-\$30,631.01

Appendix 8: KiwiSaver Schemes in Force as at 31 March 2009
Profile of Switches Between Investment Funds

How many switches between investment funds made in annual return year	Number of members who made those switches	
	Default	Active
1 switch	3387	14,442
2 switches	119	781
3 switches	8	128
4 switches	0	10
5 switches or more	0	4

Appendix 9: Kiwisaver Schemes In Force At 31 March 2009
Analysis According To Size Of Scheme Assets

	Number of Schemes 2009	Total Assets 2009 \$m	Total Membership 2009
Assets grouping			
1 Under \$0.5m	11	1.6	446
2 \$0.5m to under \$2.5m	9	9.5	2,259
3 \$2.5m to under \$10m	10	51.3	15,565
4 \$10m to under \$25m	6	86.8	45,839
5 \$25m to under \$50m	6	210.3	79,759
6 \$50m to under \$100m	3	220.5	115,054
7 \$100m and over	9	2074.3	716,687
TOTAL	54	2654.3	975,609

Notes:

- 1 The data has been obtained from statistical returns made by the trustees of Kiwisaver schemes "registered" under the KiwiSaver Act 2006 that had commenced enrolling new members as at 31 March 2009.
- 2 Some totals may not add exactly, due to rounding.

Appendix 10: Kiwisaver Schemes In Force At 31 March 2009
Analysis By Nature Of Scheme

Nature of scheme	Number of Schemes	Total Assets	Total Membership
	2009	2009 \$m	2009
Default Schemes	6	874	309,718
Retail (Active Choice)	28	1,726	653,721
Employer (Bolt on)	11	7	1,294
Industry/Other	9	47	10,876
TOTAL	54	2,654	975,609

Notes:

- 1 Default Schemes statistics are only in respect of members and assets in the Default investment fund option.
- 2 Retail (Active Choice) Total Assets and Total Membership figures include that portion of the Default schemes where members have actively chosen to participate.
- 3 The data has been obtained from statistical returns made by the trustees of KiwiSaver schemes "registered" under the KiwiSaver Act 2006 to the members and beneficiaries of those schemes.
- 4 Some totals may not add exactly, due to rounding.

Appendix 11: Kiwisaver Schemes In Force At 31 March 2009
Analysis According To Nature Of Scheme And Size Of Scheme Assets

NUMBER OF SCHEMES:

Assets Grouping	Retail (see note 1)	Employer (Bolt on)	Industry/ Other	Total	Default
1 Under \$0.5m	2	6	3	11	0
2 \$0.5m to under \$2.5m	2	4	3	9	0
3 \$2.5m to under \$10m	8	1	2	11	0
4 \$10m to under \$25m	7	0	0	7	0
5 \$25m to under \$50m	5	0	1	6	0
6 \$50m to under \$100m	5	0	0	5	0
7 \$100m and over	5	0	0	5	6
Total, all groups	<u>34</u>	<u>11</u>	<u>9</u>	<u>54</u>	<u>6</u>

TOTAL ASSETS (\$ millions):

Assets Grouping	Default	Retail	Employer (Bolt on)	Industry/ Other	Total
1 Under \$0.5m	0	0.4	0.7	0.5	1.6
2 \$0.5m to under \$2.5m	0	2.9	3.4	3.1	9.4
3 \$2.5m to under \$10m	0	48.1	2.7	7.8	58.6
4 \$10m to under \$25m	0	111.5	0	0	111.5
5 \$25m to under \$50m	0	174.6	0	35.6	210.2
6 \$50m to under \$100m	0	330.2	0	0	330.2
7 \$100m and over	873.8	1,061.2	0	0	1932.8
Total, all groups	<u>873.8</u>	<u>1728.9</u>	<u>6.8</u>	<u>47</u>	<u>2654.3</u>

TOTAL MEMBERSHIP:

Assets Grouping	Default	Retail	Employer (Bolt on)	Industry/ Other	Total
1 Under \$0.5m	0	56	267	123	446
2 \$0.5m to under \$2.5m	0	898	803	558	2,259
3 \$2.5m to under \$10m	0	15,180	224	2,094	17,498
4 \$10m to under \$25m	0	53,943	0	0	53,943
5 \$25m to under \$50m	0	87,342	0	8,101	95,443
6 \$50m to under \$100m	0	131,518	0	0	131,518
7 \$100m and over	309,718	364,784	0	0	674,502
Total, all groups	<u>309,718</u>	<u>653,721</u>	<u>1,294</u>	<u>10,876</u>	<u>975,609</u>

Notes:

- 1 Default Schemes are included.
- 2 Default Schemes statistics are only in respect of members and assets in the Default investment fund option.
- 3 Retail (Active Choice) Total Assets and Total membership figures include that portion of the Default schemes where members have actively chosen to participate.
- 4 The data has been obtained from statistical returns made by the trustees of KiwiSaver schemes "registered" under the KiwiSaver Act 2006 to the members and beneficiaries of those schemes.
- 5 Some totals may not add exactly, due to rounding.