



Why our SuperEasy KiwiSaver Superannuation Scheme is made for KiwiSaver (helpful comments from Civic Financial Services Ltd)

Irrespective of age: All new KiwiSaver members who join up through the automatic enrolment process have their funds invested in a conservative low-risk investment fund. There has been much media comment on whether this is a suitable choice of fund for all new KiwiSaver members.

The consensus of opinion is: This should somehow be managed to reflect the member's age at the time they join KiwiSaver. Much debate and discussion has taken place on this topic since KiwiSaver was introduced in July 2007 without an ideal solution yet being made available to new KiwiSaver members. The good news for all of the New Zealand Local Government sector is that Civic Financial Services Ltd ("Civic") has solved that dilemma by having their Automatic Fund set up as their KiwiSaver default fund since the inception of KiwiSaver in July 2007.

Exclusive to Local Government: As far as we are aware the facility the Automatic Fund brings does not exist in any other KiwiSaver scheme in New Zealand, and it is only those people that work in the New Zealand Local Government sector (*and including their immediate family*) that can join our SuperEasy KiwiSaver Superannuation Scheme. Saying that, once you are in the scheme you can remain a member for as long as you choose which could be for the rest of your life! Yes this means that even if you leave the services of Local Government you can still remain a member of the scheme and still continue to enjoy Civic's low wholesale charging structure.

This is made for KiwiSaver: Our Automatic Fund has pre-determined target asset allocations of growth assets (higher-return, higher-risk) and income assets (lower-risk, lower-return) that depend on your age. Our Automatic Fund will automatically reduce investment risk **each month** as you get older and remove the need to continually reassess your investment strategy for your superannuation savings. The Automatic Fund recognises you can tolerate higher investment risk in the early stages of your working life in favour of higher expected returns. So when you're younger the Automatic Fund provides a greater exposure to investments with the potential for growth.

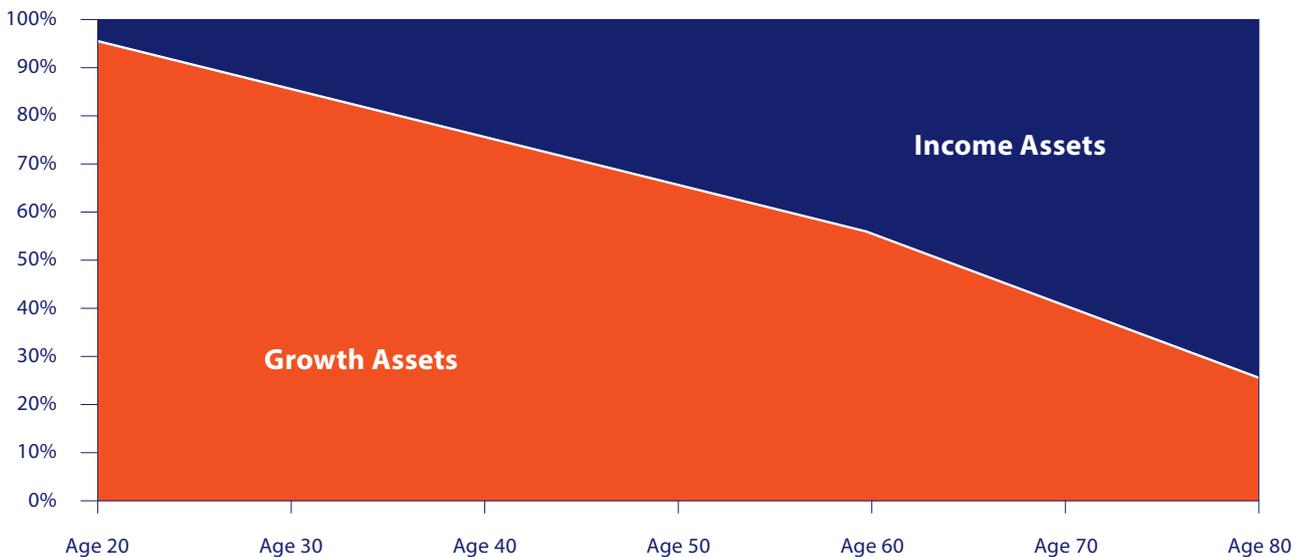
Our Automatic Fund is our default fund: This means that any member who joins our SuperEasy KiwiSaver Superannuation Scheme through the automatic enrolment process will have their funds invested in the Automatic Fund and be allocated an investment split for that age. It works for all new members as there is a different split for all ages.

Investment risk matches your age: **Each month** as you get older the Automatic Fund will smoothly reduce your investment risk by reducing your target proportion of growth assets and increasing your target proportion of income assets. This means you are invested in a fund that provides a risk-profile commensurate with your age, not only when you join the scheme but also throughout your working life and your retirement.

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Our Automatic Fund takes care of you for life: The fund has been designed to work for you throughout your whole life, not just until you stop work or reach retirement age. For example if you stop work at age 60 hopefully you will still have another 20 or so years to enjoy life in retirement, which is a long time! So you can still have your funds invested in the Automatic Fund after you have stopped work. That is why our Automatic Fund at that age will provide you with a target asset allocation split of 55% growth assets and 45% income assets. This will continue to smoothly reduce your risk **each month** right through until age 80, as set out in the diagram below.

Whatever Your Age At Joining – You Commence With a Split For That Age Reducing Your Risk Month by Month from Age 20 to Age 80



Good options when you have access to your savings: You can still continue to pay into the scheme if you want to, or stop paying in and leave your existing funds to grow, or make a partial withdrawal whenever it suits you, or a full withdrawal of your savings. It's up to you! Meantime, without you having to do anything your risk will continue to reduce **each month** right through until age 80. And yes, if you want to you can still belong to the scheme after age 80, for the rest of your life, again it's up to you. The only difference is that from age 80 onwards the asset allocation remains constant.

Also available if you work in NZ Local Government sector: As well as joining our SuperEasy KiwiSaver Superannuation Scheme you can join our employer superannuation scheme SuperEasy. This may provide flexibility to structure your retirement savings according to your individual needs and circumstances. You will be comforted to know that the Automatic Fund is also available in our employer SuperEasy Superannuation Scheme.

You can find more information: On our Automatic Fund and all aspects of our SuperEasy KiwiSaver Superannuation Scheme on our website www.supereasy.co.nz.

Local Government Superannuation Trustee Limited is the issuer of the Local Government Superannuation Scheme and the SuperEasy KiwiSaver Superannuation Scheme. A product disclosure statement is available for each Scheme, which can be obtained by contacting Civic Financial Services Limited, or on the register entry for each Scheme at www.companiesoffice.govt.nz/disclose.