

SuperEasy puts more money into your pocket.

Presentation by Charlie Howe CEO

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supereasy





CHARLIE HOWE

CEO CIVIC FINANCIAL SERVICES LIMITED

Grew up in Palmerston North and attended Palmerston North Boys' High School.

I joined the National Bank in 1977 and spent 40 years with the company. Held Senior Executive roles which covered different communities within New Zealand. General Manager of Business / Retail Banking and part of the Executive Team responsible for the biggest bank merger in New Zealand history, combining the National Bank into ANZ.

*"The bank was my second **whānau**, and I loved every day of my job."*

I then worked in Central Government as Director for Māori and Pacific at MSD, supporting the development of Te Pae Tawhiti, the Māori strategy.

The role as CEO of Civic Financial Services Ltd is about telling our story of helping people save for their first home and their retirement.

Been married for 45 years, raised four talented kids and is now a doting grandfather to six grandkids. I'm a sports fanatic (specifically a Liverpool supporter) and have represented New Zealand in both football and softball at the age group level.

The landscape of KiwiSaver for Aotearoa 31 March 2024



- \$111.8 billion funds under management
- \$11.2 billion contributions
- \$6.9 billion by members
- \$3.3 billion by employers
- \$1 billion by the Crown
- \$5 billion of withdrawals
- \$1.2 billion used for first-home buyers
- \$3 billion withdrawn by over 65's
- \$0.8 billion for others like hardship, fees
- \$13.1 billion net investment returns
- 3.3 million KiwiSaver members
- Average balance of \$33,514 per member
- 38 schemes as of 31 March 2024



Who is Civic Financial Services Ltd?



- Moved from insurance provider to providing administration services
- Administers superannuation services for local government staff and their whānau via the SuperEasy KiwiSaver Superannuation Scheme and Local Government Superannuation Scheme
- Provides administration services to Local Authority Protection Programme, Riskpool and Civic Liability Pool
- SuperEasy KiwiSaver Superannuation Scheme is a preferred provider for 71 out of New Zealand's 78 councils
- In October 2024, we have 11,400 members for both schemes
- In October 2024, over \$600 million in funds under management

Our overarching superannuation goal



We're committed to putting people first and providing members with long-term financial wellbeing (putting more money in the pockets of our members).

- Low fees
- Good returns
- Automatic Fund
- Personal service
- Whānau can join
- Member for life



Why SuperEasy KiwiSaver Superannuation Scheme?



- Low fees and reducing
- Good returns
- Owned by councils – New Zealand owned
- Profits and dividends used to reduce members' fees
- Whānau can join
- Restricted scheme for local government staff and whānau
- Funds are managed by two very strong companies
- A unique Automatic Fund takes all the stress away
- You don't have to take your money out when you turn 65
- Enjoy low fees and good returns in your retirement
- Personal touch with our service
- You can speak directly to the CEO
- We care about looking after you and your whānau
- Member for life
- We help members into their first home



What is the Local Government Superannuation Scheme?



- Low fees and good returns
- Restricted scheme for Local Government staff
- Employer Scheme
- Some councils pay more than the 3% KiwiSaver contributions, e.g., they may add another 2% on top. This means you can also match the 2% through our Employer Scheme
- If you want to save more than 3% towards your retirement, you can utilise this scheme and contribute whatever amount you wish. However, the council you work for must be a SuperEasy participating employer
- Automatic Fund is an option
- If you leave the council, you can withdraw these funds
- If you transfer to another council, you can ringfence your funds and start a new employer's scheme at the new council
- You can withdraw your ringfenced funds at any time



Appointed Fund Managers

**Civic is not linked to in-house investment teams*



ESG ✓



Mercer

- One of the world's largest managers of third-party funds with \$600 billion of client funds under management globally
- Managing \$15 billion on behalf of New Zealand investors
- Helping New Zealanders manage their retirement savings for over 65 years
- Global workforce of 20,000+ employees across 130 countries
- SuperRatings KiwiSaver platinum award winner eight years in a row

Harbour

- \$7.5 billion funds under management
- Experienced investment team that has worked together for 22 years
- 76% owned by Jarden Group, 24% by 15 employees
- Formed in December 2009
- Embedded ESG principles in all their portfolios
- Focused on investment management, and research, and providing clients with deep insight into markets



Where is your KiwiSaver money invested?

Four main funds:

- Aggressive
- Growth
- Balanced
- Conservative



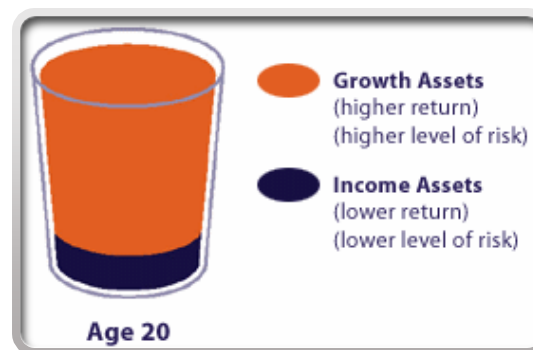
ASSET CLASS	PRODUCT	AGGRESSIVE	GROWTH	BALANCED	CONSERVATIVE
NZ equities	Harbour NZ Shares Index Fund	20.0%	15.0%	10.0%	5.0%
Int. equities	Mercer Overseas Shares Index Portfolio	47.0%	28.50%	19.2%	6.4%
	Mercer Hedged Overseas Shares Index Portfolio	13.0%	11.5%	10.8%	3.6%
Global listed property	Harbour Real Estate Investment Fund	10.0%	15.0%	10.0%	5.0%
Total growth assets		90.0%	70.0%	50.0%	20.0%
NZ fixed interest	Harbour NZ Core Fixed Interest Fund	3.0%	10.0%	20.0%	35.0%
Int. fixed interest	Hunter Global Fixed Interest Fund	5.0%	15.0%	20.0%	15.0%
Cash	Harbour Enhanced Cash Fund	2.0%	5.0%	10.0%	30.0%
Total income assets		10.0%	30.0%	50.0%	80.0%



Our exclusive Automatic Fund

Age	Growth Asset (Higher return) (Higher level of risk)	Income Asset (Lower return) (Lower level of risk)
20	95	5
30	85	15
40	75	25
50	65	35
60	55	45
70	40	60
80+	25	75

- Exclusive and unique for SuperEasy members
- Our default fund for KiwiSaver
- Automatically reduces investment risk each month as you get older (20 years to 80 years old plus)
- Removes the need to continually reassess your investment strategy
- Designed for saving for retirement
- Designed for managing savings in retirement
- Over 80% of our members have chosen the Automatic Fund
- Competitive returns





Automatic Fund asset allocations

Current target asset allocation of the Automatic Fund has a range of investments as set out in the table.



ASSET CLASS	PRODUCT	AGE 20	AGE 40	AGE 60	AGE 80
NZ equities	Harbour NZ Shares Index Fund	20.0%	17.5%	12.5%	5.0%
Int. equities	Mercer Overseas Shares Index Portfolio	53.3%	33.7%	18.6%	6.4%
	Mercer Hedged Overseas Shares Index Portfolio	11.7%	11.3%	8.9%	3.6%
Global listed property	Harbour Real Estate Investment Fund	10.0%	12.5%	15.0%	10.0%
Total Growth Assets		95.0%	75.0%	55.0%	25.0%
NZ fixed interest	Harbour NZ Core Fixed Interest Fund	1.0%	8.0%	20.0%	30.0%
Int. fixed interest	Hunter Global Fixed Interest Fund	2.0%	12.0%	20.0%	15.0%
Cash	Harbour Enhanced Cash Fund	2.0%	5.0%	5.0%	30.0%
Total Income Assets		5.0%	25.0%	45.0%	75.0%



Investment returns for SuperEasy with rankings

Quarter ending 30 September 2024 (after fees and before taxes).

The following table shows the performance of the Schemes' funds to 30 September 2024. The peer group used are the KiwiSaver funds from the MJW Investment Survey, which can be found online at <https://mjw.co.nz/InvSurvey-Sep24>.

Returns are after fees and before tax. Members' actual returns will be lower depending on their tax rate. Please note that the Schemes' returns have been estimated based on current cost levels. These may differ from the historical returns.

Please treat this, and other similar analyses, with care. Past performance is not a good indicator of future performance. We encourage you to seek appropriate financial advice before making any decisions with respect to your savings.

Performance Summary as at 30 September 2024

	3 months	1 year	3 years pa	5 years pa	10 years pa
Aggressive	4.1	20.9	6.5	8.7	10.5
Rank	11 of 16	5 of 16	1 of 16	2 of 16	1 of 14
Age 20	4.3	20.8	6.7	9.0	10.7
Rank	7 of 16	5 of 16	1 of 16	2 of 16	1 of 14
Median peer	4.2	19.3	4.6	7.3	8.4
Growth	4.6	17.4	3.8	5.9	8.4
Rank	6 of 16	15 of 16	13 of 16	16 of 16	7 of 14
Age 40	4.7	17.6	4.2	6.3	8.6
Rank	3 of 16	15 of 16	11 of 16	14 of 16	4 of 14
Median peer	4.2	19.3	4.6	7.3	8.4
Balanced	4.2	15.4	3.0	4.6	6.8
Rank	8 of 18	14 of 18	14 of 18	16 of 18	8 of 16
Age 60	5.0	14.8	2.1	3.9	6.7
Rank	1 of 18	16 of 18	16 of 18	17 of 18	8 of 16
Median peer	3.9	16.8	3.4	5.4	6.7
Conservative	3.7	11.1	2.0	2.5	4.4
Rank	11 of 19	18 of 19	10 of 19	12 of 19	7 of 17
Age 80	4.0	11.0	1.7	2.3	4.4
Rank	3 of 19	18 of 19	14 of 19	14 of 19	7 of 17
Median peer	3.7	12.3	2.0	2.8	4.2

The returns highlighted in blue are in the upper half of their peer group, and those in bold font are in the highest quartile of their peer group.



SuperEasy KiwiSaver Superannuation Scheme fees

- As of 1 April 2024
- Low fees since inception of both schemes
- Fees will continue to reduce
- If you leave the council the same fees will remain
- Lower fees, bigger savings
- Savings will last longer in retirement
- Very competitive

SuperEasy KiwiSaver account balance	\$10,000	\$100,000	\$200,000	\$250,000
Management fee (0.33% per annum)	\$33	\$330	\$660	\$825
Annual in-fund fee (0.003% per annum)	\$0.30	\$3	\$6	\$7.50
Administration fee \$54 per year	\$54	\$54	\$54	\$54
Total fee charged for the year	\$87.30	\$387	\$720	\$886.50





How does SuperEasy compare to the average KiwiSaver management fees?



	SuperEasy KiwiSaver		KiwiSaver average	
	Management fee % pa	Management cost \$ pa	Management fee \$ pa	Management cost \$ pa
Aggressive	0.333	54	0.83	18
Growth	0.333	54	1.03	15
Balanced	0.333	54	0.85	15
Conservative	0.333	54	0.83	16

Annual fee assuming \$50,000 balance

	SuperEasy	Average	Difference
Aggressive	\$221	\$433	\$212
Growth	\$221	\$530	\$310
Balanced	\$221	\$440	\$220
Conservative	\$221	\$393	\$210

More details on these fee comparisons is available at <https://smartinvestor.sorted.org.nz/kiwisaver-and-managed-funds> dated September 2024

Fee reductions

Fees							
Administration Fees	SKSS - \$4.50 per month	LGSS - \$6.00 per month (if not employed at a Participating Employer (P.E.))					
SKSS & LGSS Investment Management Fees - History	1/04/2019	1/04/2020	1/04/2021	1/04/2022	1/04/2023	1/04/2024	
	0.50%	0.44%	0.40%	0.37%	0.35%	0.33%	





What you, your employer and the Govt contribute to your superannuation

- You joined KiwiSaver on 1st July
- An employee earning \$50k per annum
- Contributing minimum of 3% gross salary
- Your employer contributes 3% less tax
- Government contribution at a rate of 0.50 cents per \$ you pay up to \$521 max
- KiwiSaver year runs from 01/07 to 30/06
- Employer ECST tax rate of 17.5%
- This doesn't include any investment returns

Years in KiwiSaver	Total you have paid	Total employer has paid	Total govt. has paid	Total paid into your KiwiSaver
1	\$ 1,500	\$ 1,237	\$ 521	\$ 3,258
2	\$ 3,000	\$ 2,475	\$ 1,042	\$ 6,517
5	\$ 7,500	\$ 6,187	\$ 2,605	\$ 16,292
10	\$15,000	\$ 12,375	\$ 5,210	\$ 32,585
15	\$22,500	\$ 18,562	\$ 7,815	\$ 48,877
20	\$30,000	\$ 24,750	\$10,420	\$ 65,170
AND	ON	IT	GOES	TO AGE 65



Pay rise

+



Investment returns

+



Compounding interest



We pay your tax!



- PIE investment – is tax paid on members' behalf
- PIR is the rate charged on your investment income
- Both SuperEasy schemes are portfolio investment entities
- Default rate of 28%
- Subject to your income over the past two years using the lowest income year
- Income earned \$14k or less is a rate of 10.5%
- Income earned \$14k - \$48k is a rate of 17.5%
- Income earned \$48k and over is a rate of 28.0%



Who can join our superannuation schemes?



SuperEasy KiwiSaver Superannuation Scheme

- NZ citizen or eligible to be in NZ indefinitely in terms of the Immigration Act 2009
- Local government employees/council employees
- Council-controlled organisation employees
- Council employee family members
- Local Government NZ
- Taituarā
- Civic

Local Government Superannuation Scheme

- Local government employees/council employees
- Local Government NZ
- Taituarā
- Civic

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**It's super
easy to join!**

www.supereasy.co.nz

