

Product Disclosure Statement

Local Government Superannuation Scheme

Offer of membership of the Local Government
Superannuation Scheme 5 March 2025

Issued by Local Government Superannuation Trustee Limited

This document is a replacement product disclosure statement.
It replaces the product disclosure statement for the Local
Government Superannuation Scheme dated 1 July 2024.

This document gives you important information about this
investment to help you decide whether you want to invest.
There is other useful information about this offer on
www.disclose-register.companiesoffice.govt.nz.

Local Government Superannuation Trustee Limited has
prepared this document in accordance with the Financial Markets
Conduct Act 2013. You can also seek advice from a financial
advice provider to help you to make an investment decision.



1 Key information summary

What is this?

This is a managed investment scheme. Your money will be pooled with other investors' money and invested in various investments. Local Government Superannuation Trustee Limited (**Trustee**) will invest your money and charge you a fee for its services. The returns you receive are dependent on the investment decisions of the Trustee and the performance of the investments. The value of those investments may go up or down. The types of investments and the fees you will be charged are described in this document.

What will your money be invested in?

The Local Government Superannuation Scheme (**Scheme**) offers 5 different investment options for you to invest into. You can choose one investment option or a combination of investment options.

These investment options are summarised below. More information about the investment target and strategy for each investment option is provided at Section 3, 'Description of your investment option(s)'.

See Section 4, 'What are the risks of investing?' for an explanation of the risk indicator and for information about other risks that are not included in the risk indicator. To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at <https://www.sorted.org.nz/tools/investor-kickstarter>.

Fund name	Brief description of fund, its investment objectives, and risk indicator	Estimated annual fund charges (p.a. of the investment option's net asset value, including estimated in-fund costs)																						
		Current	From 1 April 2025																					
Aggressive Fund	<p>The Aggressive Fund target asset allocations are 90% in growth assets and 10% in income assets.</p> <p>Its objective is to achieve a high level of real returns over the medium to long term, accepting that the returns may be subject to significant short term variations.</p> <p>Risk indicator¹</p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td colspan="4">◀ Potentially lower returns</td> <td colspan="3">Potentially higher returns ▶</td> </tr> <tr> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td style="background-color: #cccccc;">5</td> <td>6</td> <td>7</td> </tr> <tr> <td colspan="4">◀ Lower risk</td> <td colspan="3">Higher risk ▶</td> </tr> </table>	◀ Potentially lower returns				Potentially higher returns ▶			1	2	3	4	5	6	7	◀ Lower risk				Higher risk ▶			0.333%	0.323%
◀ Potentially lower returns				Potentially higher returns ▶																				
1	2	3	4	5	6	7																		
◀ Lower risk				Higher risk ▶																				

Fund name	Brief description of fund, its investment objectives, and risk indicator	Estimated annual fund charges (p.a. of the investment option's net asset value, including estimated in-fund costs)																									
		Current	From 1 April 2025																								
Growth Fund	<p>The Growth Fund target asset allocations are 70% in growth assets and 30% in income assets.</p> <p>Its objective is to achieve positive real returns over the medium to long term, while managing volatility through diversification of the Fund's assets.</p> <p>Risk indicator¹</p> <table border="1"> <tr> <td colspan="4">◀ Potentially lower returns</td> <td colspan="4">Potentially higher returns ▶</td> </tr> <tr> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> <td>6</td> <td>7</td> <td></td> </tr> <tr> <td colspan="4">◀ Lower risk</td> <td colspan="4">Higher risk ▶</td> </tr> </table>	◀ Potentially lower returns				Potentially higher returns ▶				1	2	3	4	5	6	7		◀ Lower risk				Higher risk ▶				0.333%	0.323%
◀ Potentially lower returns				Potentially higher returns ▶																							
1	2	3	4	5	6	7																					
◀ Lower risk				Higher risk ▶																							
Balanced Fund	<p>The Balanced Fund target asset allocations are 50% in growth assets and 50% in income assets.</p> <p>Its objective is to achieve positive real returns over the medium to long term through investment in a balanced mix of growth and income assets.</p> <p>Risk indicator¹</p> <table border="1"> <tr> <td colspan="4">◀ Potentially lower returns</td> <td colspan="4">Potentially higher returns ▶</td> </tr> <tr> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> <td>6</td> <td>7</td> <td></td> </tr> <tr> <td colspan="4">◀ Lower risk</td> <td colspan="4">Higher risk ▶</td> </tr> </table>	◀ Potentially lower returns				Potentially higher returns ▶				1	2	3	4	5	6	7		◀ Lower risk				Higher risk ▶				0.333%	0.323%
◀ Potentially lower returns				Potentially higher returns ▶																							
1	2	3	4	5	6	7																					
◀ Lower risk				Higher risk ▶																							
Conservative Fund	<p>The Conservative Fund target asset allocations are 20% in growth assets and 80% in income assets.</p> <p>Its objective is to reduce the likelihood of negative returns over the short term, while still providing an opportunity for positive real returns over the longer term.</p> <p>Risk indicator¹</p> <table border="1"> <tr> <td colspan="4">◀ Potentially lower returns</td> <td colspan="4">Potentially higher returns ▶</td> </tr> <tr> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> <td>6</td> <td>7</td> <td></td> </tr> <tr> <td colspan="4">◀ Lower risk</td> <td colspan="4">Higher risk ▶</td> </tr> </table>	◀ Potentially lower returns				Potentially higher returns ▶				1	2	3	4	5	6	7		◀ Lower risk				Higher risk ▶				0.333%	0.323%
◀ Potentially lower returns				Potentially higher returns ▶																							
1	2	3	4	5	6	7																					
◀ Lower risk				Higher risk ▶																							

Fund name	Brief description of fund, its investment objectives, and risk indicator	Estimated annual fund charges (p.a. of the investment option's net asset value, including estimated in-fund costs)																																																																																					
		Current	From 1 April 2025																																																																																				
Automatic Fund	<p>The Automatic Fund is a life cycle investment option. Each month, between the ages of 20 and 80, the Automatic Fund will automatically and smoothly change a member's target investments to a more conservative mix.</p> <p>Its objective is to achieve an improved long term outcome by accepting a higher investment risk and return volatility in the early stages of a member's working life as a trade-off for potentially higher returns.</p> <p>Risk indicators¹</p> <p>Age 20:</p> <table border="1"> <tr> <td colspan="4">◀ Potentially lower returns</td> <td colspan="3">Potentially higher returns ▶</td> </tr> <tr> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> <td>6</td> <td>7</td> </tr> <tr> <td colspan="4">◀ Lower risk</td> <td colspan="3">Higher risk ▶</td> </tr> </table> <p>Age 40:</p> <table border="1"> <tr> <td colspan="4">◀ Potentially lower returns</td> <td colspan="3">Potentially higher returns ▶</td> </tr> <tr> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> <td>6</td> <td>7</td> </tr> <tr> <td colspan="4">◀ Lower risk</td> <td colspan="3">Higher risk ▶</td> </tr> </table> <p>Age 60:</p> <table border="1"> <tr> <td colspan="4">◀ Potentially lower returns</td> <td colspan="3">Potentially higher returns ▶</td> </tr> <tr> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> <td>6</td> <td>7</td> </tr> <tr> <td colspan="4">◀ Lower risk</td> <td colspan="3">Higher risk ▶</td> </tr> </table> <p>Age 80:</p> <table border="1"> <tr> <td colspan="4">◀ Potentially lower returns</td> <td colspan="3">Potentially higher returns ▶</td> </tr> <tr> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> <td>6</td> <td>7</td> </tr> <tr> <td colspan="4">◀ Lower risk</td> <td colspan="3">Higher risk ▶</td> </tr> </table> <p>See page 12 for more information about the asset mix at each age.</p>	◀ Potentially lower returns				Potentially higher returns ▶			1	2	3	4	5	6	7	◀ Lower risk				Higher risk ▶			◀ Potentially lower returns				Potentially higher returns ▶			1	2	3	4	5	6	7	◀ Lower risk				Higher risk ▶			◀ Potentially lower returns				Potentially higher returns ▶			1	2	3	4	5	6	7	◀ Lower risk				Higher risk ▶			◀ Potentially lower returns				Potentially higher returns ▶			1	2	3	4	5	6	7	◀ Lower risk				Higher risk ▶			0.333%	0.323%
◀ Potentially lower returns				Potentially higher returns ▶																																																																																			
1	2	3	4	5	6	7																																																																																	
◀ Lower risk				Higher risk ▶																																																																																			
◀ Potentially lower returns				Potentially higher returns ▶																																																																																			
1	2	3	4	5	6	7																																																																																	
◀ Lower risk				Higher risk ▶																																																																																			
◀ Potentially lower returns				Potentially higher returns ▶																																																																																			
1	2	3	4	5	6	7																																																																																	
◀ Lower risk				Higher risk ▶																																																																																			
◀ Potentially lower returns				Potentially higher returns ▶																																																																																			
1	2	3	4	5	6	7																																																																																	
◀ Lower risk				Higher risk ▶																																																																																			
		0.333%	0.323%																																																																																				
		0.333%	0.323%																																																																																				
		0.333%	0.323%																																																																																				

¹ See page 13 for more information about how the risk indicators have been calculated.

Administration fee: \$72 per member per annum. You will be charged \$6.00 once a month, regardless of the number of investment options you have chosen. **This fee is not payable if you are employed by a Participating Employer that is a local authority.**

Who manages the Local Government Superannuation Scheme?

Local Government Superannuation Trustee Limited (**Trustee, we, our, or us**) is the trustee of the Scheme.

See Section 7 'Who is involved?' for more information.

How can you get your money out?

You can get your money out of the Scheme:

- on or after your retirement from service having reached age 65; or
- on or after leaving the service of a Participating Employer (at any age).

You may also be able to withdraw some or all of your money in the case of financial hardship or death.

See Section 2 'How does this investment work?' for more information.

How will your investment be taxed?

The Scheme is a portfolio investment entity (**PIE**).

The amount of tax you pay in respect of a PIE is based on your prescribed investor rate (**PIR**). This can be 10.5%, 17.5%, or 28%. See Section 6 of the PDS (What taxes will you pay?) on page 16 for more information.

Where can you find more key information?

The Trustee is required to publish annual updates for each investment option. The updates show the returns, and the total fees actually charged to investors, during the previous year. The latest fund updates are available at www.supereasy.co.nz. The Trustee will also give you copies of those documents on request.

Table of Contents

1	Key information summary	2
2	How does this investment work?	7
3	Description of your investment option(s)	11
4	What are the risks of investing?	13
5	What are the fees?	14
6	What taxes will you pay?	16
7	Who is involved?	17
8	How to complain	17
9	Where you can find more information	18
10	How to apply	18

2 How does this investment work?

This Product Disclosure Statement (**PDS**) contains an offer of membership of the Local Government Superannuation Scheme (**Scheme**). The Scheme is a registered restricted workplace savings scheme under the Financial Markets Conduct Act 2013 (**FMCA**).

As the Scheme is a restricted scheme, only those persons outlined below may become members of the Scheme. Restricted status also means that one of the directors of the Trustee holds a licence under the FMCA.

The purposes of the Scheme are to provide retirement benefits (when you reach age 65) and benefits upon ceasing employment or engagement with specified persons. You may also be able to receive benefits in limited other circumstances. See page 9 for more information about how you can get your money out.

The key benefits of the Scheme are:

- your money is pooled with other members' money and invested by us, giving you greater access to investments you may not otherwise be able to access as an individual
- choice of a range of investment funds to enable you to select the option that is most appropriate for your circumstances and appetite for volatility – see Section 3 'Description of your investment option(s)' for more information
- access to the Automatic Fund, an investment option which automatically and smoothly changes your target investments to a more conservative mix each month between the ages of 20 and 80
- your investment is managed by experienced professionals.

Structure of the Scheme

The Scheme is governed by a trust deed between us and Civic Financial Services Limited (**Civic**), the Administration Manager of the Scheme.

The Scheme is a managed fund. This means that your money is pooled with other members' money and invested in underlying funds by the Trustee. A managed fund can give you access to investments that you may not be able to access as an individual.

Your contributions and any contributions from your employer (including amounts transferred from other schemes) are allocated to separate accounts in the Scheme known as your member's account and your employer's account. We also maintain a reserve account within the Scheme, into which any portion of your employer's account you are not yet eligible to withdraw (see below) is paid.

Your savings are invested in one or more of the available investment options (Aggressive Fund, Growth Fund, Balanced Fund, Conservative Fund, or the Automatic Fund) selected by you, and their value varies in accordance with the returns achieved by the investment options chosen. As a member of the Scheme, you have an interest in your share of the assets held in the investment options you are invested in.

The investment options are run independently of one another. This means that the assets of one investment option are not generally available to be applied to meet the liabilities of any other investment option in the Scheme, unless there is a winding up of the Scheme or an investment option has no assets remaining to meet its liabilities.

The Scheme is a defined contribution scheme. This means that the benefits you receive depend on the contributions paid to your accounts, the returns of the investment options chosen, and the money deducted from your accounts (for example, for fees and taxes). The value of your accounts will change during the lifetime of your membership.

Joining the Scheme

Who can join

In order to join the Scheme, you must be employed, or engaged under a contract of service or apprenticeship by a **Participating Employer**. A Participating Employer is a person accepted by us, who must be:

- a a Local Authority or a Council Controlled Organisation; or
- b an entity listed in the appendix to the trust deed for the Scheme (see Section 9 'Where you can find more information' for details about how to obtain a copy of the trust deed).

You may also join the Scheme if you are a director or officer of a Participating Employer, provided you belong to the local government industry.

Each Participating Employer must have had an application accepted by us in order to participate in the Scheme, which may include additional eligibility criteria for becoming a member of the Scheme. Details of any additional criteria will be set out in the benefit summary for your employer (**Benefit Summary**), which is available on request to us (see Section 9 'Where you can find more information' for details about how to request a copy of your Benefit Summary).

To become a member of the Scheme, please contact us, or your employer, for an application form.

Your investment options

Once a member, you can choose one or a combination of the investment options, and you are able to switch investments between the options. If you choose more than one option, you must invest at least 20% in each option and your choices must add up to 100%. If you do not select an investment option, we will invest your money in the Automatic Fund, as the Scheme's default option.

Making investments

As a member of the Scheme, you will contribute as follows:

If your employer participates in the Scheme	<p><i>Your contributions</i></p> <p>Your contributions will be taken out of your salary through the payroll system. The contribution amount will depend on your salary payments, and will be deducted on a monthly, fortnightly, or weekly basis. The minimum contribution you are currently required to make is \$520 per annum.</p> <p><i>Your employer's contributions</i></p> <p>You may also be entitled to an employer contribution of the amount set out in your Benefit Summary. Your Benefit Summary is available on request to us (see Section 9 'Where you can find more information' for details about how to request a copy of your Benefit Summary).</p> <p>Tax is deducted from employer contributions.</p>
--	--

<p>If your employer does not participate in the Scheme</p>	<p><i>Your contributions</i></p> <p>Your contributions are to be remitted to the Scheme's trust bank account on a monthly basis (contact us for details at the address set out on page 17). The minimum regular contribution that you are required to make is \$520 per annum, or an initial lump sum of at least \$2,000.</p>
<p>If you want to make additional contributions (whether or not your employer participates)</p>	<p>You can also make voluntary contributions by regular or lump sum payments. The minimum increase in regular contributions (over the \$520 per annum you are already required to contribute) is \$260 per annum, and the minimum lump sum contribution is \$500.</p> <p>Any additional regular or lump sum contribution you make may or may not attract a subsidy from your employer. Additional regular contributions are to be sent to Civic as the Administration Manager, or paid directly to the Scheme's bank account.</p>

In addition, you may also be able to transfer your savings into the Scheme from another workplace savings or superannuation scheme.

We may change the above minimums in the future.

When can I stop making contributions?

If your employer participates in the Scheme, you may elect to cease your contributions at any time, with the agreement of your employer. If you are not employed by a Participating Employer, you may elect to cease your contributions at any time. If you decide to cease contributions, your benefits will be correspondingly lower than what they would have been had contributions been maintained.

Withdrawing your investments

When can your investment be withdrawn?

- on or after your retirement from service having reached age 65; or
- on or after leaving the service of a Participating Employer (at any age); or
- if you suffer financial hardship or die,

subject to any terms or conditions that may apply if you have transferred to the Scheme from another scheme.

This is summarised in the following table:

Withdrawal type	What can I withdraw?	
	Member contribution	Employer contribution
Retirement (from age 65) ¹	√	See footnote 1
Leaving service ¹	√	See footnote 1
Death	√	√
Financial hardship ²	√	√

¹ When you cease to be an employee, your employer's contributions will be divided between your member's account and the reserve account, in accordance with the vesting scale set by your employer (see your Benefit Summary for your vesting scale). You will then be able to make withdrawals from your member's account.

² A benefit may be available if you suffer financial hardship which, subject to any conditions we may impose from time to time, in our absolute discretion justifies the withdrawal, and the current Participating Employer (if any) consents to the withdrawal.

You may also be able to transfer to another workplace savings, superannuation, or KiwiSaver scheme. Unless you have left service or retired, your Participating Employer's consent will be required.

You are not required to leave the Scheme when you become eligible for a benefit. Once we are satisfied you have become entitled to a benefit and apply for a withdrawal, we will normally process your application within 1 – 4 weeks. You may make a partial or full withdrawal of the amount you are entitled to withdraw. If you do not request payment of your full benefit entitlement when you leave service or retire, you will continue to be eligible to an amount equal to the remaining balance of your leaving service benefit or retirement benefit. If you commence service with another Participating Employer, any additional amounts you become entitled to (over and above your existing leaving service or retirement benefits) may only be withdrawn when you become eligible for a leaving service or retirement benefit in respect of your new Participating Employer, or in the case of a withdrawal for financial hardship or death.

We may set terms and conditions for partial withdrawals (such as limits on how often a partial withdrawal can be made, and how much is required to be withdrawn). Currently, the minimum amount for a partial withdrawal is \$1,000.

Subject to all relevant law, we may defer payment of any benefit for any period we see fit if we are satisfied that paying the benefit may affect the registration status of the Scheme under the FMCA.

See the Scheme's register entry for more information about withdrawals. See www.supereasy.co.nz or contact us for the required forms. You will need to satisfy certain legal requirements (including providing evidence of entitlement to withdraw) and our processes before you can make a withdrawal.

How to switch between funds

You are able to switch investments between investment options, subject to you investing a minimum of 20% in any chosen option and your choices adding up to 100%.

You can do so by completing a 'Change of Fund Application' online form, or alternatively it can be downloaded from our website www.supereasy.co.nz, and emailed to admin@civicfs.co.nz, or sent to us at our address set out at Section 7.

3 Description of your investment option(s)

This table shows details of each investment option. As the Automatic Fund has target asset allocations set by us and which depend on the member's age, the table also shows details of sample life cycle stages within the Automatic Fund for investors at ages 20, 40, 60, and 80.

Fund name	Summary of investment objectives and strategy (including target investment mix)	Risk category ¹ (lower risk involves potentially lower returns and higher risk involves potentially higher returns)	Minimum suggested investment time frame and suitability
Aggressive Fund	<p>The Aggressive Fund target asset allocations are 90% in growth assets and 10% in income assets.</p> <p>Its objective is to achieve a high level of real returns over the medium to long term primarily through investment in equities, accepting that the returns may be subject to significant short-term variations.</p>	5	<p>10+ years</p> <p>This option is suitable for members willing to take an additional amount of risk for potentially higher but more volatile returns over the long term.</p>
Growth Fund	<p>The Growth Fund target asset allocations are 70% in growth assets and 30% in income assets.</p> <p>Its objective is to achieve positive real returns over the medium to long term through investment in growth assets, while managing volatility through diversification of the Fund's assets.</p>	4	<p>8+ years</p> <p>This option is suited to members seeking long term growth with risk reduced by broad diversification. It is intended to be less volatile than the Aggressive Fund, and therefore may realise lower returns over the longer term.</p>
Balanced Fund	<p>The Balanced Fund target asset allocations are 50% in growth assets and 50% in income assets.</p> <p>Its objective is to achieve positive real returns over the medium to long term through investment in a balanced mix of growth and income assets.</p>	4	<p>6+ years</p> <p>This option is suited to members seeking a return profile which balances medium term growth with risk. It is intended to be less volatile than the Growth Fund, and therefore may realise lower returns over the longer term.</p>

¹ Market index returns for periods prior to September 2021, rather than the Fund's actual returns, have been used to fill in the risk indicator, as the Fund's investment policy changed in 2021 and the Trustee considers that using actual returns for the Fund before the change is inappropriate. As a result, the risk indicators may provide a less reliable indicator of the potential future volatility of the Fund. More information is available on www.disclose-register.companiesoffice.govt.nz.

Fund name	Summary of investment objectives and strategy (including target investment mix)	Risk category ¹ (lower risk involves potentially lower returns and higher risk involves potentially higher returns)	Minimum suggested investment time frame and suitability
Conservative Fund	<p>The Conservative Fund target asset allocations are 20% in growth assets and 80% in income assets.</p> <p>Its objective is to reduce the likelihood of negative returns over the short term. It has higher proportions of investment in defensive assets, such as cash and bonds, while still providing an opportunity for positive real returns over the longer term by investing a smaller proportion of the Fund in growth assets such as equities and property.</p>	3	<p>2+ years</p> <p>This option is suited to members seeking low volatility and low risk. It is intended to provide a low chance of a negative return, and therefore may realise lower returns.</p>
Automatic Fund	<p>The Automatic Fund target asset allocations are as follows for the following stages:</p> <ul style="list-style-type: none"> - Age 20: 95% growth, 5% income assets - Age 40: 75% growth, 25% income assets - Age 60: 55% growth, 45% income assets - Age 80: 25% growth, 75% income assets <p>The investment objectives of the Automatic Fund are to try to achieve an improved long-term outcome for investors by accepting a higher investment risk and return volatility in the early stages of a member's working life as a trade-off for potentially higher returns. When a member is younger, the Automatic Fund provides greater exposure to investments with the potential for growth such as overseas and New Zealand equities.</p>	<p>Age 20: 5</p> <p>Age 40: 4</p> <p>Age 60: 4</p> <p>Age 80: 3</p>	<p>Age 20: 10+ years</p> <p>Age 40: 8+ years</p> <p>Age 60: 6+ years</p> <p>Age 80: 2+ years</p> <p>This option is suitable for members who want their growth asset exposure automatically reduced each month without having to organise this for themselves.</p>

Each of the Scheme's underlying fund managers applies responsible investment principles to the funds the Scheme invests in, including restrictions on investing in companies that operate in certain industries. We regularly review the underlying fund managers' approach to responsible investment and take it into account when deciding whether to appoint an underlying fund manager. Please contact Civic for further details at any time.

The statement of investment policy and objectives (**SIPO**) sets out the investment policies and objectives for each investment option. We may make changes to the SIPO from time to time without notifying you, if we decide a change is desirable, after taking advice from the Scheme's Consulting Actuary. See the Scheme's website www.supereasy.co.nz, register entry or contact us for a copy of the current SIPO. Material changes to the SIPO will be described in the Scheme's annual report.

Further information about the assets in the investment options can be found in the fund updates at www.supereasy.co.nz.

4 What are the risks of investing?

Understanding the risk indicator

Managed funds in New Zealand must have a standard risk indicator. The risk indicator is designed to help investors understand the uncertainties both for loss and growth that may affect their investment. You can compare funds using the risk indicator.

◀ Potentially lower returns				Potentially higher returns ▶		
1	2	3	4	5	6	7
◀ Lower risk				Higher risk ▶		

See the table on pages 2 – 4 for the filled-in risk indicator for each investment option.

The risk indicator is rated from 1 (low) to 7 (high). The rating reflects how much the value of the fund's assets goes up and down (volatility). A higher risk generally means higher potential returns over time, but more ups and downs along the way.

To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at <https://www.sorted.org.nz/tools/investor-kickstarter>.

Note that even the lowest category does not mean a risk-free investment.

This risk indicator is not a guarantee of a fund's future performance. The risk indicator is based on the returns data for the five years to 31 December 2024. While risk indicators are usually relatively stable, they do shift from time to time. You can see the most recent risk indicator in the latest fund update for each investment option.

General investment risks

Some of the things that may cause a fund's value to move up and down, which affect the risk indicator, are set out below.

Investment risk	Description
Investment return risk	Events affecting investments cannot always be foreseen. Underlying assets will rise and fall in value and returns from time to time may be negative.
Market risk	The value of investments may rise or fall as a result of developments in economies, financial markets, and regulatory or political conditions. The performance of individual assets, securities, and issuers can impact returns.
Company risk	This is the financial uncertainty faced by an investor who holds securities in a specific firm. Company risk can be mitigated through diversification; by purchasing securities in additional companies and uncorrelated assets, investors can limit a portfolio's exposure to the ups and downs of a single company's performance.
Credit risk	An issuer of debt securities in which the scheme invests in, or a counterparty to a transaction may fail to perform its contractual obligations or suffer a credit downgrade affecting the value of its outstanding debt securities. More broadly, credit spreads can vary over time.
Currency risk	As some of the assets in the funds are invested overseas, returns in New Zealand can be affected by movements between the New Zealand dollar and overseas currencies. If the New Zealand dollar goes up, the relative value of these assets goes down. If the New Zealand dollar goes down, the relative value of these assets goes up.

Investment risk	Description
Liquidity risk	The underlying securities in some asset classes take longer to sell than in other classes. For example, cash securities are very liquid while some fixed income and equity securities may take longer to sell. The current market environment may also impact on the ability to sell securities to meet scheme cashflows.

The Trustee is not aware of any circumstances that exist or are likely to arise that significantly increase the risk to returns for investors, other than circumstances already reflected in the risk indicator.

See the 'Other material information' document on the Scheme's register entry at disclose-register.companiesoffice.govt.nz for more information about risks.

5 What are the fees?

You will be charged fees for investing in the Scheme. Fees are deducted from your investment and will reduce your returns. If we invest in other funds, those funds may also charge fees. The fees you pay will be charged in two ways:

- regular charges (for example, annual fund charges). Small differences in these fees can have a big impact on your investment over the long term
- one-off fees (for example, exit fees – although we do not currently charge these).

The Scheme's fees are as follows:

Fund	Total annual fund charges (p.a. estimated of the investment option's net asset value)		Administration fee
	Current	From 1 April 2025	
Aggressive Fund	0.333%*	0.323%*	\$72 per annum per member (this fee (if applicable) is charged \$6 per month, regardless of how many investment options you choose)**
Growth Fund	0.333%*	0.323%*	
Balanced Fund	0.333%*	0.323%*	
Conservative Fund	0.333%*	0.323%*	
Automatic Fund Age 20	0.333%*	0.323%*	
Automatic Fund Age 40	0.333%*	0.323%*	
Automatic Fund Age 60	0.333%*	0.323%*	
Automatic Fund Age 80	0.333%*	0.323%*	

*In each case this includes estimated in-fund costs.

** No administration fee is payable if you are employed by a participating local authority.

The fees outlined above cover the following:

Fee	What it covers
Annual fund charges	<p>The annual fund charges comprise:</p> <ul style="list-style-type: none"> an annual management fee of 0.33% (0.32% from 1 April 2025) per annum expressed as a percentage of the Fund's net asset value, deducted from the Scheme. This fee covers Civic's management of the Scheme, as well as the Scheme's underlying fund manager fees, and other scheme-related charges and expenses paid by Civic as Administration Manager. fees and expenses recovered from the underlying funds we invest in (referred to as 'in-fund costs') of 0.003% per annum expressed as a percentage of the Fund's net asset value. <p>The in-fund costs are not fixed as the actual amount of these costs will vary slightly from year to year based on average balances. This means that this component of the annual fund charges can only be estimated.</p> <p>The annual fund charges exclude transaction costs incurred by the funds in which the Scheme invests.</p>
Administration fee	<p>Paid to Civic for the administration services it provides to the Scheme. Where applicable, this fee is paid from your member account, at the rate of \$6.00 monthly in arrears from the start of your membership.</p>

All fees are disclosed on a before-tax basis and are deducted from the Scheme or its underlying investments, as appropriate. GST will be added to fees and may be included in some expenses, where applicable.

There are no performance based fees charged by the Scheme.

Individual action fees

We do not currently charge contribution, establishment, termination, or withdrawal fees, and we intend that, for the foreseeable future, we will not introduce any such fees. However, we could charge these or other fees in the future. Accordingly, you may be charged other fees on an individual basis for investor-specific decisions or actions. See the Scheme's register entry at disclose-register.companiesoffice.govt.nz for more information.

Example of how fees apply to an investor

Ian invests \$10,000 in the Growth Fund.

The starting value of his investment is \$10,000.

He is charged management fees and in-fund costs, which work out to about \$33.30 (0.333% of \$10,000).

These fees might be more or less if his account balance has increased or decreased over the year.

Over the next year, Ian pays other charges (administration fee) of \$72.

Estimated total fees for the first year

Individual action fees: \$0

Fund charges (management fees and in-fund costs): \$33.30

Other charges (administration fee): \$72 (he will not pay this fee if he is employed by a Participating Employer that is a local authority)

See the latest fund update for an example of the actual returns and fees investors were charged over the past year.

This example applies only to the Growth Fund. If you are considering investing in other funds or investment options in the Scheme, this example may not be representative of the actual fees you may be charged.

The example above reflects the management fees and in-fund costs as at the date of the PDS. The base management fee component of the fund charges for each fund will reduce from 0.33% to 0.32% p.a. from 1 April 2025.

The fees can be changed

We are entitled to alter charges (including increasing fees or introducing new fees) at any time. There are no limits on the charges that may be set. Details of the current charges are set out above and in the annual financial statements of the Scheme.

We must publish a fund update for each investment option showing the fees actually charged during the most recent year. Fund updates, including past updates, are available at www.supereasy.co.nz.

6 What taxes will you pay?

The Scheme is a portfolio investment entity (**PIE**). The amount of tax you pay is based on your prescribed investor rate (**PIR**). To determine your PIR, go to www.ird.govt.nz/income-tax/income-tax-for-businesses-and-organisations/types-of-business-income/income-from-portfolio-investment-entities-pies. If you are unsure of your PIR, we recommend you seek professional advice or contact the Inland Revenue Department. It is your responsibility to tell us your PIR when you invest or if your PIR changes. If you do not tell us, a default rate may be applied. If the rate applied to your PIE income is lower than your correct PIR, you will be required to pay any tax shortfall as part of the income tax year-end process. If the rate applied to your PIE income is higher than your PIR, any tax over-withheld will be used to reduce any income tax liability you may have for the tax year and any remaining amount will be refunded to you.

See the 'Other material information' document on the Scheme's register entry at disclose-register.companiesoffice.govt.nz for more information about the tax consequences of an investment in the Scheme.

7 Who is involved?

About Local Government Superannuation Trustee Limited

The current trustee of the Scheme, who is also responsible under the FMCA for managing the Scheme, is Local Government Superannuation Trustee Limited.

We can be contacted at:

Level 7, Civic Chambers
116 Lambton Quay
PO Box 5521
Wellington 6140

Telephone 04 978 1250

Who else is involved?

	Name	Role
Custodian	Local Government Superannuation Trustee Limited	We hold the Scheme's assets in our capacity as trustee of the Scheme.
Administration Manager	Civic Financial Services Limited	Appointed by us to administer the Scheme, including implementing our investment decisions.
Underlying Fund Managers	Harbour Asset Management Limited and Mercer (N.Z.) Limited	Manage the underlying funds in which the Scheme's assets are invested.

8 How to complain

If you have a complaint, please contact us. We can be contacted at:

Level 7, Civic Chambers
116 Lambton Quay
PO Box 5521
Wellington 6140

Telephone 04 978 1250

If we are unable to resolve your complaint, you can complain to the Insurance & Financial Services Ombudsman Scheme (**IFSO**). The IFSO can be contacted at:

Office of the Insurance and Financial Services Ombudsman Scheme
Level 2, Solnet House
70 The Terrace
PO Box 10-845
Wellington 6143

Telephone 04 499 7612

The IFSO will not charge a fee to any complainant to investigate or resolve a complaint.

9 Where you can find more information

Further information relating to the Scheme, including financial statements, annual reports, annual fund updates, the Scheme's trust deed, and SIPO, is available on the offer register and the scheme register at disclose-register.companiesoffice.govt.nz. A copy of the information on the offer register or scheme register is available on request from the Registrar of Financial Service Providers.

The above information is also available free of charge on our website at www.supereasy.co.nz or by contacting us at admin@civicfs.co.nz.

You may also obtain a copy of the application form, your Benefit Summary, and an estimate of your current benefits free of charge by contacting us using the details below.

You will also be sent annual tax statements which will include the amount of PIE income attributed to you and the amount of PIE tax paid at your PIR. You will also be asked to confirm your IRD number and PIR.

You can obtain general information about us and the Scheme on our website at www.supereasy.co.nz.

10 How to apply

You can apply for membership in the Scheme online at <https://signup.supereasy.co.nz/join/form/lqss/start>, or by completing an application form and submitting it to the Scheme's Administration Manager:

Civic Financial Services Limited
PO Box 5521
Wellington 6140

or to

admin@civicfs.co.nz

Please contact us, or your employer, for an application form.

