

Civic Financial Services Ltd Statement of Intent

For the year to 31 December 2025



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1.0 What we do

- 1.1 We provide superannuation services for the local government sector through our SuperEasy KiwiSaver Superannuation Scheme and Local Government Superannuation Scheme.
- 1.2 We also provide high-quality, low-cost administration services to our client boards (Local Authority Protection Programme, Riskpool, Civic Liability Pool and Civic Property Pool).

2.0 Mission Statement

- 2.1 Civic Financial Services Ltd ('Civic') will be a trusted and preferred administration and financial services provider to the local government sector:
 - Dedicated to our shareholders.
 - Committed to our members.
 - A sound and successful business.

3.0 Financial Projections

- 3.1 Our primary source of income in 2025 will come from fees for providing superannuation administration for the local government sector through the SuperEasy KiwiSaver Superannuation Scheme and Local Government Superannuation Scheme.
- 3.2 We also receive income from providing administration, accounting and other services to the Local Authority Protection Programme, Riskpool, Civic Liability Pool and Civic Property Pool.
- 3.3 In addition, we will derive income from returns on our investments.
- 3.4 The Board's current policy is not to pay a dividend to our shareholders. It was agreed at a Special General Meeting in 2020 that the funds which could otherwise be provided as dividends to shareholders should be used to reduce the administration fees applied to our two superannuation schemes.
- 3.5 Fee reduction: We will reduce the SuperEasy KiwiSaver Superannuation Scheme and Local Government Superannuation Scheme base administration fee from 0.33% per annum to 0.32% per annum from 1 April 2025.

3.6 Financial projections for the years 2025 to 2027 are:

	2025 \$000's	2026 \$000's	2027 \$000's
Administration Income	3,270	3,441	3,569
Investment Income	425	386	394
Total Revenue	3,695	3,827	3,963
Expenses	3,561	3,698	3,780
Surplus before tax	134	129	183
Surplus after tax	96	93	132

Note - these are projections, not firm predictions.

4.0 Performance Measures

- 4.1 We aim to provide superannuation and savings products and services to at least 90% of local authorities.
- 4.2 We plan to be retained as administration manager for the Local Authority Protection Programme, Riskpool, Civic Liability Pool and Civic Property Pool.

5.0 Reporting to Shareholders

- 5.1 We will provide an audited report for the 2024 year by 30 April 2025. The report will contain a review of our operations during the year and audited annual accounts.
- 5.2 We will provide a report on the first half of 2025 by 30 September 2025. The report will contain a review of our operations during the half-year and unaudited half-yearly accounts.

6.0 Transactions with Related Parties

- 6.1 Civic has 73 shareholders, comprising 72 local authorities and TrustPower.
- 6.2 Local Government Superannuation Trustee Limited and Local Government Mutual Funds Trustee Limited are wholly owned subsidiaries of Civic. Because it is sharing management resources, the Local Authority Protection Programme, Riskpool, Civic Liability Pool and Civic Property Pool are also considered to be related parties to Civic.
- 6.3 Transactions with shareholder members include risk-financing services and superannuation and savings-related financial services.
- 6.4 Charges to and from shareholder members will be made for services provided as part of the normal trading activities of Civic and its subsidiaries. All transactions with shareholder members are made on a purely commercial basis.

7.0 Member Communication

- 7.1 We will continue to update our strategy which guides the future direction of Civic by focusing on three key areas; positioning, promoting and protecting our brand as a trusted and preferred superannuation provider to the local government sector. This strategy is consistent with Civic's people-centric model, an approach that cares about its members and their whānau and aims to maximize their retirement funds.
- 7.2 This has involved reviewing Civic's processes and product information to ensure it follows the BRACS formula: Believable, Relevant, Actionable, Compelling and Simple.
- 7.3 Our recently revamped Electronic Direct Mail newsletter has been very successful with lots of positive feedback from our members. We are also growing the attendance at our lunchtime Webinars for members.
- 7.4 Our second member survey was very successful with a 26% lift in participation compared to the previous survey and overall membership satisfaction remained extremely high at 87.34%. Despite this, more education is clearly needed around the benefits of our superannuation products and how members' investments are managed. We have taken this on board.
- 7.5 In early 2025, we will announce the delivery of our inaugural APP for our superannuation schemes. The APP will allow members instant access to their scheme information and balances and further enhance our communication with them.

