NZ Funds KiwiSaver Scheme

Statement of Investment Policy and Objectives

11 November 2019
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1. DESCRIPTION OF THE NZ FUNDS KIWISAVER SCHEME

The NZ Funds KiwiSaver Scheme (Scheme) is registered as a KiwiSaver scheme under the Financial Market Conduct Act 2013 (FMC Act). The manager of the Scheme is New Zealand Funds Management Limited (NZ Funds, our, us or we). The supervisor of the Scheme is The New Zealand Guardian Trust Company Limited (Supervisor).

The Scheme offers four investment options: three funds (Income Strategy, Inflation Strategy and Growth Strategy) and a lifecycle investment option (LifeCycle). Under LifeCycle, a Member’s investment is automatically allocated across the three Strategies in the Scheme each year based on their age.

More information on LifeCycle and each Strategy is included in the Scheme’s Product Disclosure Statement (PDS). This document should be read in conjunction with the PDS. Terms used in this document are defined in the Glossary on page 11.

2. PHILOSOPHY AND OVERVIEW

NZ Funds is a wealth management specialist. We define wealth management as helping New Zealanders achieve their investment goals. We believe the most reliable way for New Zealanders to do this is through the integration of financial advice and investment management (see section 5 ‘Investment process’ for more information).

Our approach to wealth management aims to provide each Member with a financial strategy to achieve their investment goals and regular access to financial advisers to help them make informed financial decisions.

The Scheme is designed to provide Members with access to shares, bonds and other securities including a range of global investment specialists. The LifeCycle investment option is designed to ensure that a Member’s investment is allocated in a manner consistent with their investment timeframe at all times.

Our objective is for each client to hold a globally diversified, value-orientated portfolio with downside mitigation through use of specialist investment managers and our active management approach, which seeks to maintain a balance between preserving Member’s capital and growing their wealth in a manner consistent with each Strategy’s objective. Our active management approach also seeks to ensure that, over the economic cycle, Members are exposed to both active and passively managed investments and that their capital is diversified across New Zealand and international investment markets. This is discussed further in section 4 ‘Investment approach’.
3. STRATEGY APPROACH

Strategy objectives

The Strategies are designed and managed to seek to meet Member orientated objectives instead of solely meeting or exceeding the returns of a single asset class index, such as New Zealand bonds or global shares.

The table below sets out the investment objective and strategy, permitted assets, target investment mix, minimum suggested investment timeframe, and economic exposure limits for each of the Strategies.

<table>
<thead>
<tr>
<th>NAME</th>
<th>OBJECTIVE</th>
<th>PERMITTED ASSETS</th>
<th>TARGET INVESTMENT MIX / STRATEGY SUMMARY</th>
<th>MINIMUM SUGGESTED TIMEFRAME</th>
<th>ECONOMIC EXPOSURE LIMIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>To provide exposure to income assets.</td>
<td>Cash and cash equivalents</td>
<td>Anticipated to hold mainly Australasian and international bonds.</td>
<td>2 years+</td>
<td>300%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>New Zealand fixed interest</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>International fixed interest</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Alternative securities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inflation</td>
<td>To mitigate the impact of inflation on your investment over the medium and/or long term.</td>
<td>Cash and cash equivalents</td>
<td>Anticipated to hold mainly Australasian and international bonds, and Australasian and international shares.</td>
<td>5 years+</td>
<td>300%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>New Zealand fixed interest</td>
<td></td>
<td></td>
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</tr>
<tr>
<td></td>
<td></td>
<td>International fixed interest</td>
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<tr>
<td></td>
<td></td>
<td>Australasian equities</td>
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<td></td>
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<td>International equities</td>
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<tr>
<td></td>
<td></td>
<td>Listed property</td>
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<td></td>
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<td>Commodities</td>
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<tr>
<td></td>
<td></td>
<td>Alternative securities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Growth</td>
<td>To grow your investment over the long term.</td>
<td>Cash and cash equivalents</td>
<td>Anticipated to hold mainly Australasian and international shares, and/or hedge funds.</td>
<td>10 years+</td>
<td>No limit</td>
</tr>
<tr>
<td></td>
<td></td>
<td>New Zealand fixed interest</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>International fixed interest</td>
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<tr>
<td></td>
<td></td>
<td>Australasian equities</td>
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<td>International equities</td>
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<td>Alternative securities</td>
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</tbody>
</table>

1. Targets indicate what is expected to apply over the course of an economic cycle and should be considered as general guidance only. NZ Funds is an active manager and may use investment strategies that differ materially from the above targets. The Strategies may be invested in permitted assets in any proportion. 2. Economic exposure is a measure developed and used by NZ Funds to illustrate a Strategy's total exposure. An economic exposure limit of 100% is equivalent to the Strategy’s net asset value and a limit of 300% is equivalent to three times the Strategy’s net asset value. For more information on economic exposure, see the 'Other Material Information' document on the offer register at disclose-register.companies.govt.nz.

Investment structure

The Strategies currently invest in a series of wholesale unit trusts managed by NZ Funds which hold investments. These investments may include directly held securities and/or investments in funds, managed by NZ Funds or specialist investment managers selected by NZ Funds.

The wholesale trust investment structure provides operational and administrative efficiencies. This investment structure means that a review of a Strategy’s investments will predominantly occur at the underlying wholesale trust level, having regard to the relevant Strategy’s objective and risk profile. The Strategies also currently invest directly in cash and cash equivalents, and derivatives and are authorised to invest directly in other assets as well.
4. INVESTMENT APPROACH

Active management
We take an active approach to managing each Strategy. Our active management approach is designed to enable us to better meet the Member orientated objectives of each Strategy and to take advantage of investment opportunities as they arise.

Dynamic asset allocation
As part of our active management approach, each Strategy’s asset allocation is dynamic (able to change over time) rather than strategic (a fixed allocation over time). NZ Funds’ Investment Team selects each Strategy’s asset allocation at any time, based on their investment knowledge and/or research, with reference to each Strategy’s investment objective and risk profile. Securities, currencies, commodities, derivatives and/or specialist investment managers can be used to achieve a desired Strategy asset allocation.

Wide mandates
All Strategies have wide investment mandates. This means that while there may be long-term target asset allocations for each Strategy, in managing a Strategy we are able to take a wide variety of actions and are not constrained by a benchmark or target. The actions we take include, but are not limited to:
• altering the proportion invested in each security or asset class;
• altering the manner in which a Strategy is exposed to each security or asset class;
• investing directly or indirectly;
• using derivatives and/or any resulting leverage;
• using collective investment vehicles;
• using specialist investment managers (including hedge funds);
• taking foreign currency positions;
• applying hedging; or
• taking short positions.

Specialist investment managers
Specialist investment managers (including hedge funds) may be selected where NZ Funds considers that the manager’s investment approach will help meet the objectives of the Strategies. These specialist investment managers are intended to complement NZ Funds’ own investment skills and can provide Members with access to diverse investment approaches.

The appointment of specialist investment managers is subject to due diligence and an approval process. In addition, all specialist investment managers are subject to a monitoring and review process which includes consideration of the manager’s performance, portfolio composition, and statistical measures of effectiveness. The specialist investment managers are expected to change over time as part of our active management approach. The current specialist investment managers can be found on our website at www.nzfunds.co.nz.

Foreign currency
NZ Funds actively manages the foreign currency exposure of each Strategy. Where a Strategy holds assets denominated in a foreign currency, NZ Funds has the choice of whether to hedge back to the New Zealand dollar or retain a foreign currency exposure. The Strategy may also take active foreign currency positions by holding non-New Zealand dollar cash and/or foreign currency derivatives.
Risks of an active approach

The way in which our active management approach is implemented may change over time as, by way of example, the nature of the investment opportunities we may be seeking to gain exposure to changes. This may result in the Strategies being constructed with different combinations of investments. In order to allow these changes to occur, each Strategy has a wide mandate.

Our active management approach and wide mandates mean an investment in the Scheme is subject to different risks (which may be considered higher risks) than a non-active management approach. As a result, our active management approach may cause the returns and capital stability of a Strategy to significantly differ from the returns and capital stability of the underlying asset classes utilised.

5. INVESTMENT PROCESS

Collaborative decision-making process

NZ Funds takes a collaborative approach to investment management and believes investment performance is a collectively achieved outcome. Each Strategy is assigned one or more portfolio managers who are responsible for overseeing the daily management of the Strategy.

Investment decisions, with some exceptions, are primarily made through a series of internal investment meetings attended primarily by members of the Investment and Compliance Teams. These meetings enable portfolio managers and investment analysts to present investment research and thinking in a way that encourages wide participation in, and peer review of, investment decisions.

Investment tools and techniques

In managing the Strategies, NZ Funds uses a wide range of investment tools and techniques including economic and financial modelling, quantitative screens and technical indicators. In using these tools and techniques, we may consider, amongst other factors, investment themes, valuation metrics, mean reversion and/or momentum.

In seeking to mitigate the downside, NZ Funds invests with specialist investment managers which have the potential to profit from asset price declines, such as trend following managers; managers who short shares; and derivative and option specialists. NZ Funds may also actively reduce a Strategy’s exposure to an asset class, or hedge a Strategy’s exposure by investing additional funds in an asset class with the potential to offset returns. While designed to mitigate the downside, these downside-orientated managers, tools and techniques may not be successful in mitigating the downside and, in some circumstances, may instead add to a Strategy’s losses.

Strategy construction

As part of NZ Funds’ active management, asset classes, securities and specialist investment managers are selected based on NZ Funds’ analysis of those assets which will, in its opinion, in combination with the other investments in the Strategy, help to achieve the objectives of the Strategy.

In constructing the Strategies, NZ Funds considers different scenarios and may project how investments may react in those scenarios. NZ Funds may also consider historical volatility and correlations during both normal and stressed investment environments and may revisit the assumptions used periodically as economic and market conditions change.
Responsible investment approach

NZ Funds is committed to investing responsibly and has adopted a Responsible Investment Policy requiring that its investment research and management process include consideration of environmental, social and governance (ESG) matters. As part of our responsible investing approach, we contract with a third party to provide ESG research. We may also supplement this ESG research with our own.

The Investment Team is responsible for ensuring that no fund managed by NZ Funds, and no discrete mandate managed on behalf of NZ Funds by an underlying investment manager, holds securities issued by any company identified by our ESG research to be:

- directly involved in the manufacture or deployment of controversial weapons (cluster munitions, anti-personnel mines, chemical or nuclear weapons);
- materially contravening global norms;
- a producer of tobacco related products;
- a producer of civilian firearms,
- a producer of gambling services,
- a producer of pornography,
- engaged in unsustainable palm oil production;
- generating 10% or more of its revenue from oil sands; or
- generating 10% or more of its revenue from thermal coal.

6. INVESTMENT OVERSIGHT

Overview

NZ Funds has policies, procedures and controls to cover the investment function. Strategy management decisions are subject to daily transparency through our proprietary investment monitoring system. Regular meetings are held to cover: investment research and portfolio management; investment guidelines and SIPO compliance; and overall investment governance.

Our investment strategy review and monitoring process commences with the Research & Portfolio Meeting which includes monitoring of security research and portfolio management. The minutes of these meetings are raised at the Investment Committee meeting.

The Investment Guidelines Meeting monitors compliance with the internal investment guidelines and this SIPO (see below for more information on the role of the investment guidelines). Any material matters arising from these meetings are raised at the Investment Committee meeting.

Overall responsibility for investment strategy review and monitoring rests with the Investment Committee under delegated authority from the NZ Funds Board. The Investment Committee meets at least four times a year to review investment matters, which include (but are not limited to) the investment component of NZ Funds’ risk register, investment counterparty risk, liquidity risk, redemption risk, stress testing, and the minutes of internal investment related meetings. The Investment Committee minutes are included as a standing item at the NZ Funds Board meeting.
The NZ Funds Board meets approximately six weekly. In addition to the Investment Committee minutes and associated reports, the NZ Funds Board reviews NZ Funds’ risk register which summarises the major risks and controls (including those related to investment management). The NZ Funds Board also receives a direct report from the Chief Investment Officer at each meeting.

**Investment guidelines**

As part of its investment management processes, NZ Funds has developed internal investment guidelines which assist in the oversight of each Strategy. These guidelines are designed to help ensure that each Strategy invests in accordance with its investment objective and risk profile.

As part of our active management approach, the guidelines may be amended from time to time. Guidelines, and any changes to them, must be approved by the Investment Committee and ratified or approved by the NZ Funds Board. We are also required to notify the Supervisor of any guideline changes.

**Investment performance**

The Investment Committee is responsible for monitoring and reviewing investment performance and reports to the NZ Funds Board. Strategy performance is monitored through NZ Funds’ proprietary investment monitoring system. The system generates a daily attribution report which includes daily, month to date and year-to-date performance reports for each Strategy and individual investments held by each Strategy.

Investment performance reports are prepared and are reviewed by the Investment Committee. Long-term performance is also monitored over various periods. Performance is measured on an absolute basis (after fees and expenses), against term deposits as well as relative to one or more, or a combination of, relevant market indices.

**7. INVESTMENT POLICIES**

NZ Funds has investment policies and procedures to support its investment governance framework. The key policies are summarised below. Each of these policies and any material changes to them (except where otherwise noted) are approved by the relevant Board subcommittee and the NZ Funds Board. The policies are administered by the relevant Board subcommittee and any material issues are reported to the NZ Funds Board.

**Trade allocation policy**

NZ Funds’ trade allocation policy applies to the trading of securities that are directly managed by NZ Funds. It requires that when allocating trades, no Strategy receives preferential treatment over another by requiring that all trades involving more than one Strategy be allocated on a predetermined basis. The policy is administered by the Investment Committee.

**Trade execution policy**

NZ Funds’ trade execution policy applies to the trading of securities that are directly managed by NZ Funds. It requires that all trades are made with approved counterparties, and that the list of approved counterparties is regularly reviewed. The policy is administered by the Investment Committee.
**Investment guidelines policy**

NZ Funds’ investment guidelines policy applies to the administration and monitoring of the investment limits set out in this SIPO and the guidelines set out in the investment guidelines. It requires that all portfolios are managed within the limits set out in this SIPO and the investment guidelines, and describes the process for changing these limits. It also describes the internal process for dealing with a SIPO limit break or investment guideline being exceeded. The policy is administered by the Investment Committee.

**Settlement and cash management policy**

NZ Funds’ settlement and cash management policy applies to the settlement of investments and cash management transactions made by NZ Funds. It requires that all settlement and cash management transactions comply with the Trust Deed and internal investment guidelines, and are authorised for payment by an NZ Funds’ staff member with the appropriate level of authority. The policy is administered by the Business Risk Committee.

**Valuation and pricing policy**

NZ Funds’ valuation and pricing policy applies to the valuation and pricing of the Strategies and the underlying wholesale trusts in which the Strategies invest. It requires that valuation and pricing is accurate, equitable and complies with the Trust Deed. The policy sets out procedures for the valuation of assets and determination of unit prices. NZ Funds has also established procedures for reporting and resolving any pricing errors or non-compliance with pricing methodologies. The policy is administered by the Business Risk Committee.

**Conflicts of interest policy**

NZ Funds’ conflicts of interest policy applies to the identification and management of actual or potential conflicts of interest. It requires that all conflicts of interest be reported to NZ Funds’ Compliance Team and managed in an appropriate manner. The policy is complemented by NZ Funds’ personal holdings policy (which prohibits employees holding or trading in securities unless permitted by the policy or approved by the NZ Funds Board) and NZ Funds’ related party transactions policy (discussed below). The conflicts of interest policy is approved by the NZ Funds Board and any material changes require the approval of the NZ Funds Board. The policy is administered by the Compliance Team.

**Responsible investment policy**

NZ Funds’ responsible investment policy applies to the selection of securities for the Strategies and requires that the investment research and management process includes consideration of environmental, social and governance (ESG) matters. The policy requires that no fund managed by NZ Funds, and no discrete mandate managed on behalf of NZ Funds by an underlying investment manager, will hold securities issued by any company identified by its ESG research to be in breach of the ESG criteria, discussed in more detail on page 7. It also requires that the policy be communicated to the underlying investment managers appointed to manage non-discrete (or pooled) mandates (while acknowledging that NZ Funds cannot obligate these underlying investment managers to comply with the policy). The policy also sets out a process for obtaining an exemption. The policy is administered by the Investment Committee.

**Related party transactions policy**

NZ Funds’ related party transactions policy applies to all related party transactions (as defined under the FMC Act). The policy sets out processes for identifying related party transactions and ensures that these transactions are conducted in accordance with the rules on related party transactions that apply to managed investment schemes under the FMC Act. The policy is administered directly by the NZ Funds Board.
8. MARKET INDICES

In the quarterly fund updates, we are required to report performance against an appropriate market index or indices. The relevant market indices for each Strategy are set out in the Appendix. In the fund updates these indices are reported gross, without the deduction of any fees or tax which would, in normal circumstances, need to be deducted from investor returns.

We may change the market indices at any time and without notice to investors, provided that any relevant requirements of the FMC Act are met. For more information on the market indices, see the ‘Other Material Information’ document on the offer register at disclose-register.companies.govt.nz.

9. SIPO REVIEW

The NZ Funds Board is responsible for the SIPO and ensuring that the SIPO is followed. The SIPO is reviewed by the NZ Funds Board annually. Ad hoc reviews occur where there is a material change in the investment policy or objectives of a Strategy, where there is a material change to the Product Disclosure Statement, or where considered appropriate by the NZ Funds Board.

NZ Funds may make changes to the SIPO at any time after consulting with the Supervisor. A description of any material changes to the SIPO will be included in the Scheme’s annual report. Where required by the Trust Deed or law, Members will receive notice of material changes before they occur.

This SIPO takes effect from 11 November 2019. The most current version of the SIPO is available on the scheme register at disclose-register.companies.govt.nz.
## Glossary

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alternative securities</td>
<td>Asset classes not usually accessed by retail investors, for example, private equity, venture capital and hedge funds. These tend to be asset classes where valuation and liquidity may be uncertain and returns may be volatile. Includes derivatives on alternative securities.</td>
</tr>
</tbody>
</table>
|Asset class| These are the available asset classes that the Strategies may invest in. Not all Strategies can invest in all asset classes. The asset classes are:  
- Cash and cash equivalents  
- New Zealand fixed interest  
- International fixed interest  
- Australasian equities  
- International equities  
- Listed property  
- Commodities  
- Alternative securities  
Note: The above asset classes are from the Financial Markets Conduct Regulations 2014 (Regulations), except for ‘alternative securities’ which falls under ‘Other’ in the Regulations. These are the same asset classes used in the fund updates.|
|Australasian bonds| Debt securities issued in New Zealand or Australia and derivatives on Australasian bonds. For regulatory and fund update purposes, debt securities issued in New Zealand are classified as ‘New Zealand fixed interest’ and debt securities issued in Australia are classified as ‘international fixed interest’.|
|Australasian shares/equities| Shares listed on New Zealand or Australian stock exchanges and derivatives on Australasian shares.|
|Cash and cash equivalents| Cash, or other assets that can be readily converted into cash, including bank term deposits and short term debt securities.|
|Commodities| A product which is, for example, agricultural, mineral or energy related, and is interchangeable with another product of the same type, and which may be bought or sold directly or indirectly through derivatives or an exchange traded fund.|
|Debt securities| Debt securities are securities issued by an entity to enable it to borrow money. They are usually accompanied by an offering document which sets out the terms of the loan, for example, the period of time before repayment and the interest rate payable if applicable. Debt securities cover a wide range of issuing entities and security types. Debt securities also include, but are not limited to, loans, floating rate securities and zero-coupon bonds. And include derivatives on debt securities. Debt securities held by a Strategy may be secured or unsecured over the assets of the borrower and may be subordinated, meaning that the Strategy may be repaid or receive interest only after other creditors of the borrower have been paid. |
## Glossary

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Derivative</td>
<td>A financial instrument the value of which is derived from changes in the value of another asset (for example, a share market index, a commodity, a bond, or a currency). Examples of derivatives include futures, options, forwards and swaps.</td>
</tr>
<tr>
<td>Economic exposure</td>
<td>Economic exposure is a measure developed by NZ Funds to illustrate the aggregate exposure that a Strategy has to the various asset classes it is invested in.</td>
</tr>
<tr>
<td>Growth assets</td>
<td>Investments where the return is expected to be made up predominantly of capital gains and losses over the investment period and/or investments where the expected yield or return of capital is relatively high. Shares are usually referred to as growth assets.</td>
</tr>
<tr>
<td>Hedge funds</td>
<td>Alternative investment vehicles generally only available to institutional and other sophisticated investors. Hedge funds typically have an absolute performance objective. They can invest in a wide variety of assets and use non-traditional investment techniques (for example, short selling, leverage, arbitrage and swaps).</td>
</tr>
<tr>
<td>Income assets</td>
<td>Investments where the return is expected to be made up predominantly of interest income. Cash and cash equivalents and bonds (fixed interest) are usually referred to as income assets.</td>
</tr>
<tr>
<td>International bonds</td>
<td>Debt securities issued outside New Zealand and Australia and derivatives on international bonds. For regulatory and fund update purposes, all debt securities issued outside New Zealand are classified as ‘international fixed interest’.</td>
</tr>
<tr>
<td>International shares/equities</td>
<td>Shares listed on stock exchanges (other than New Zealand or Australian stock exchanges) and derivatives on international shares. International shares also include collective investment vehicles which invest in international shares including equity long/short hedge funds.</td>
</tr>
<tr>
<td>Investment Committee</td>
<td>The NZ Funds Investment Committee that reports to the NZ Funds Board.</td>
</tr>
<tr>
<td>Listed property</td>
<td>Shares listed on stock exchanges which own or invest in property, buildings or land, and derivatives on listed property.</td>
</tr>
<tr>
<td>Member</td>
<td>A member of the Scheme.</td>
</tr>
<tr>
<td>Net asset value</td>
<td>The value of the assets of a Strategy, less any liabilities.</td>
</tr>
<tr>
<td>NZ Funds</td>
<td>New Zealand Funds Management Limited.</td>
</tr>
<tr>
<td>Scheme</td>
<td>NZ Funds KiwiSaver Scheme.</td>
</tr>
<tr>
<td>Specialist investment manager</td>
<td>An external manager selected by NZ Funds who may manage a portfolio of securities directly held by a Wholesale Trust or an underlying fund in which a Wholesale Trust invests and derivatives on specialist investment managers.</td>
</tr>
<tr>
<td>Supervisor</td>
<td>The New Zealand Guardian Trust Company Limited.</td>
</tr>
<tr>
<td>Trust Deed</td>
<td>The amended and consolidated trust deed for the Scheme dated 12 October 2016.</td>
</tr>
<tr>
<td>Wholesale Trusts</td>
<td>A series of wholesale unit trusts managed by NZ Funds into which the Strategies invest.</td>
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</tbody>
</table>
APPENDIX

Income Strategy

- 50% S&P/NZX Investment Grade Corporate Bond Index Total Return; and
- 50% Bloomberg Barclays Global Aggregate Corporate Total Return Index Hedged USD

Inflation Strategy

- 30% S&P/NZX Bank Bills 90 Day Total Return;
- 25% S&P/NZX 50 Portfolio Index Gross with Imputation;
- 10% S&P/ASX Accumulation 200 Index; and
- 35% MSCI All Countries World Daily TR Net Local Currency

Growth Strategy

- 70% MSCI All Countries World Daily TR Net Local Currency;
- 20% S&P/NZX 50 Portfolio Index Gross with Imputation; and
- 10% S&P/ASX Accumulation 200 Index

LifeCycle Process: age 0-54

- 3.0% S&P/NZX Bank Bills 90 Day Index Total Return;
- 2.5% S&P/NZX Investment Grade Corporate Bond Index Total Return;
- 2.5% Bloomberg Barclays Global Aggregate Corporate Total Return Index Hedged USD;
- 19.5% S&P/NZX 50 Portfolio Index Gross with Imputation;
- 9.5% S&P/ASX Accumulation 200 Index; and
- 63.0% MSCI All Countries World Daily TR Net Local Currency

LifeCycle Process: age 65

- 10.2% S&P/NZX Bank Bills 90 Day Index Total Return;
- 13.5% S&P/NZX Investment Grade Corporate Bond Index Total Return;
- 13.5% Bloomberg Barclays Global Aggregate Corporate Total Return Index Hedged USD;
- 16.3% S&P/NZX 50 Portfolio Index Gross with Imputation;
- 7.3% S&P/ASX Accumulation 200 Index; and
- 39.2% MSCI All Countries World Daily TR Net Local Currency

LifeCycle Process: age 75

- 10.2% S&P/NZX Bank Bills 90 Day Index Total Return;
- 17.5% S&P/NZX Investment Grade Corporate Bond Index Total Return;
- 17.5% Bloomberg Barclays Global Aggregate Corporate Total Return Index Hedged USD;
- 14.7% S&P/NZX 50 Portfolio Index Gross with Imputation;
- 6.5% S&P/ASX Accumulation 200 Index; and
- 33.6% MSCI All Countries World Daily TR Net Local Currency