

# Fisher Funds Investment Series

## Statement of Investment Policy and Objectives

Prepared by Fisher Funds Management Limited | 26 March 2025



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## 1. About the Fisher Funds Investment Series

The Fisher Funds Investment Series (the **Scheme**) is registered under the Financial Markets Conduct Act 2013 (**FMCA**) as a managed investment scheme.

Fisher Funds Management Limited is the manager of the Scheme (**Manager, Fisher Funds, we, our or us**) and is responsible for, amongst other things, the management of the Scheme's investments.

Trustees Executors Limited is the supervisor of the Scheme (**Supervisor**) and is responsible for supervising the performance of the Manager's functions, acting on behalf of investors, and ensuring the Scheme's assets are appropriately held.

The Manager currently offers the following five funds to investors:

- CashPlus Fund
- New Zealand Fixed Income Trust
- BondPlus Fund
- Trans Tasman Equity Trust
- Global Fund

## 2. About the SIPO

The purpose of the statement of investment policy and objectives (**SIPO**) is to document the objectives and policies governing investment decisions in relation to each fund.

The current SIPO is available on the Fisher Funds website, at [fisherfunds.co.nz](https://fisherfunds.co.nz) and on the Disclose Register, at [disclose-register.companiesoffice.govt.nz](https://disclose-register.companiesoffice.govt.nz).

Fisher Funds' Investment Policy Committee (**Investment Policy Committee**) is responsible for determining the SIPO, having been delegated with this responsibility by the Manager. The SIPO is determined in consultation with the Supervisor.

The Investment Policy Committee is a committee with delegations from the Manager. Its objective is to provide oversight of the investment process with the aim of maintaining high standards of investment decision making and good outcomes for clients.

## 3. Investment objectives

The investment objectives specific to each fund are set out in the Appendix.

Where the investment objectives include an objective to outperform the return of an investment benchmark, the return of the investment benchmark is calculated as the return before tax and fees that would have been earned had the assets of the fund been invested in line with the fund's investment benchmark set out in the Appendix.

## 4. Investment philosophy

We believe superior investment returns can be achieved over time through adopting an active management approach. The principles that underpin this are:

- We are long term investors, seeking to build deep knowledge of our investments, which we think give us the best chance of picking winners and avoiding losers.
- We focus on the factors that we can predict and understand, like the quality and competitive advantage of a particular company, rather than unpredictable factors such as exchange rates.
- We understand the difference between price and value, and we know the market will get it wrong from time to time. We rely on our own assessment of value, rather than the market's price.
- By diversifying our investment portfolios across industries, sectors, and geographies we seek to guard against any one investment having an undue influence on overall returns.
- We are responsible investors who embed our environmental, social, and governance principles inside our research process.

Fisher Funds is principally an active investment manager of both global and local investments. As an active investment manager, we have the discretion to change the asset allocation (the mix of asset classes between shares, fixed interest, cash and other financial instruments) and to actively choose individual securities and investments within any applicable limits set out in the SIPO.

## 5. Investment strategies

The asset classes each fund may invest in, along with the benchmark asset allocation and ranges, are set out in the Appendix. The authorised investments within each asset class are listed in section 6.

Each fund may invest in units or sub-units or other shares or interest in any fund or managed investment scheme where the underlying assets are primarily investments that are authorised investments for the fund.

Currently, most of each fund's assets are invested in underlying wholesale funds issued and managed by Fisher Funds.

### Investment strategy review

Investment strategy reviews are conducted periodically as part of our strategic asset allocation review process. As part of this process, we determine the most effective target investment mix for each fund, based on each fund's stated investment objectives.

### External investment managers

It is possible that some of a fund's assets will be managed by external investment managers.

When selecting an external manager, we conduct due diligence including an assessment of their investment performance, financial stability, experience, reputation and history, quality and reliability of services provided to other customers, fees and costs, and the transparency of each, number and competence of staff and managers, organisational 'fit' with Fisher Funds and its strategic direction.

## 6. Asset classes

Each fund invests, in different proportions, across the asset classes described in the following table:

| Asset class                  | Authorised investments   |
|------------------------------|--|
| Cash and cash equivalents    | <ul style="list-style-type: none"> <li>• Cash</li> <li>• Cash on call</li> <li>• Term deposits</li> <li>• Debt securities</li> <li>• Derivatives thereof denominated in NZD</li> </ul>   |
| New Zealand fixed interest   | <ul style="list-style-type: none"> <li>• Term deposits</li> <li>• Debt securities</li> <li>• Derivatives thereof denominated in NZD</li> </ul>   |
| International fixed interest | <ul style="list-style-type: none"> <li>• Term deposits</li> <li>• Debt securities</li> <li>• Derivatives thereof that are non-NZD denominated</li> <li>• Outright short positions in debt securities or derivatives thereof</li> <li>• Forward foreign exchange contracts and currency swaps</li> </ul>  |
| Australasian shares          | <ul style="list-style-type: none"> <li>• Securities issued or traded in New Zealand or Australia (listed and unlisted) at time of purchase and derivatives thereof</li> <li>• For the Trans Tasman Equity Trust, securities headquartered in New Zealand or Australia at time of inclusion in the portfolio and derivatives thereof</li> <li>• Forward foreign exchange contracts and currency swaps</li> <li>• Underwriting or sub-underwriting is permitted</li> </ul> |
| International shares         | <ul style="list-style-type: none"> <li>• Securities issued or traded outside of New Zealand and Australia (listed and unlisted) and derivatives thereof</li> <li>• Forward foreign exchange contracts and currency swaps</li> <li>• Underwriting or sub-underwriting is permitted</li> </ul>   |
| Alternative assets           | <ul style="list-style-type: none"> <li>• Investments, strategies or derivatives that may lie outside the traditional investment classes of cash, fixed interest, equities and property and therefore may not be included in the asset classes mentioned above</li> <li>• Before any asset is classified as an alternative it must be approved by the Investment Policy Committee</li> </ul>  |

## 7. Investment policies

### Rebalancing policy

For each fund, the weightings in each asset class will be reviewed, at least, weekly and rebalanced if appropriate. The Manager will have regard for transaction costs when considering whether a rebalancing is appropriate.

### Hedging policy

Active currency management is used to control risk and improve risk-adjusted returns. Benchmark hedge ratios (detailed below) are established for each asset class. Tactical shifts away from these benchmark hedge ratios are permitted. These tactical shifts reflect our in-house view of the respective currencies.

For each fund, hedge levels are monitored daily to check that the hedge ratios remain in line with the desired benchmark level and within the permitted range.

| Asset class                  | Benchmark hedge into NZD | Permitted range | Proxy hedging* |
|------------------------------|--------------------------|-----------------|----------------|
| International fixed interest | 100%                     | 90% - 110%      |                |
| Australasian shares          | 70%                      | 0% - 110%       | permitted      |
| International shares         | 50%                      | 0% – 110%       | permitted      |

\* proxy hedging is using the currency of a country as a proxy for the currency of another country

### Responsible investing

Fisher Funds aims to invest responsibly in three ways:

- By maintaining a Master Exclusion List (**MEL**). The MEL identifies countries, sectors and entities that are not aligned with Fisher Funds' responsible investment approach or that we are required to exclude by law.
- Through our research. Fisher Funds, as part of our investment process, uses insights from our own research and a third party ESG research provider and then we integrate ESG factors, risks and opportunities into our fundamental research process, which in turn feeds into our investment decision making.
- Through an active stewardship approach as set out in our Proxy Voting Policy. Fisher Funds exercises its votes across all relevant portfolios. Fisher Funds retains full discretion over all voting decisions.

Our Responsible Investment Policy, Proxy Voting Policy and Master Exclusions List are available at [fisherfunds.co.nz](https://fisherfunds.co.nz)

### Liquidity requirements

Investors may redeem at short notice.

The liquidity needs of each fund will be managed through the market liquidity of its securities and consideration of fund inflows and outflows.

### Use of derivatives

Each fund is permitted to use derivatives that reference investments that are authorised in this SIPO. Where derivatives are used the resulting portfolio exposures to investments plus the economic exposure derived by derivative positions must comply with all appropriate guidelines in this SIPO.

### Conflicts of interest/related parties

The Manager has in place policies to identify and resolve potential conflicts of interest. Our Conflicts of Interest Policy can be found at [fisherfunds.co.nz](https://fisherfunds.co.nz) and on the Disclose Register website.

With respect to investments or investment transactions with Fisher Funds, the Supervisor, or related parties, Fisher Funds may enter into any transaction provided that the transaction is effected on an arm's length basis and on normal commercial terms, is in accordance with this SIPO and is in the best interests of investors.

## 8. Investment performance and compliance monitoring

### Investment performance monitoring

The Investment Policy Committee will monitor performance against both the primary and secondary investment objectives. Performance is measured and reviewed at least quarterly. This committee can make changes to delegated investment responsibilities if appropriate to correct investment performance shortfalls.

External managers who manage discrete portfolios of assets for us provide monthly reports that enable us to measure performance versus benchmark, and to reconcile their performance and strategies to the objectives they are managing the portfolio to.

We meet with portfolio managers or senior management either in person or via conference call periodically to discuss in detail the performance of the portfolio and the manager's current outlook and strategies that are in place. The performance of the funds and the manager's strategies are an agenda item for the Investment Policy Committee to review and discuss on a quarterly basis. Where we invest in a fund managed by external managers we will follow a similar procedure, though potentially we may not have the same accessibility to senior management and portfolio managers where our investment in the fund is not substantial.

### Compliance with the SIPO

Each day monitoring is undertaken to ensure the investments of the fund remain within the limits of the SIPO. (Funds are not automatically rebalanced to their benchmark weights, provided they remain within their permitted ranges.)

Compliance with the benchmark asset allocations and prudential limits imposed by this SIPO is taken into consideration before trades are executed and monitored post-trade. The pre-trade compliance consists of using models that show the resulting asset allocation of the fund assuming the planned trade is executed. Portfolio managers fully understand the prudential limits of the portfolios and take this into account when determining appropriate trades.

## 9. SIPO review

The Investment Policy Committee is responsible for conducting a review every two years of this SIPO and updating it if appropriate (subject to Supervisor approval). SIPO reviews take into consideration, but are not limited to, the following:

- a) review of a fund's target investment mix or investment objectives
- b) legal and regulatory changes; and
- c) industry best practice

Ad hoc reviews are undertaken where required to implement changes to reflect current market conditions.



## Appendix – Fund specific information

### CashPlus Fund

This fund is suitable for a short term or naturally cautious investor who is looking to make a withdrawal within 12 months or is most interested in low volatility of returns over achieving potential higher returns.

|                                       |  |
|---------------------------------------|--|
| <b>Fund description</b>               | Aims to provide stable returns and reduce the potential of capital loss over the short to medium term by investing in New Zealand cash and New Zealand short term fixed interest assets. |
| <b>Risk description</b>               | This is a low risk fund.   |
| <b>Investment type</b>                | This is a cash fund.   |
| <b>Primary investment objective</b>   | The aim is to provide capital protection.  |
| <b>Secondary investment objective</b> | The aim is to meet or exceed the return of the investment benchmark before fees and tax over the long term.  |
| <b>Investment benchmark</b>           | S&P/NZX 90 Day Bank Bill Index or equivalent index   |

### Investment strategy

Subject to the considerations set out in section 5, the fund may invest in the following asset classes. The authorised investments within each asset class are listed in section 6.

| Asset class               | Benchmark asset allocation<br>(long term target) | Permitted range |
|---------------------------|--|-----------------|
| Cash and cash equivalents | 100%   | n/a             |

## New Zealand Fixed Income Trust

This fund is suitable for a short term or naturally cautious investor who is looking to make a withdrawal within the short term or who values lower volatility of returns over achieving potential higher returns.

|                                       |   |
|---------------------------------------|---|
| <b>Fund description</b>               | Aims to provide stable returns over the long term by investing in New Zealand fixed interest assets.        |
| <b>Risk description</b>               | This is a low risk fund.  |
| <b>Investment type</b>                | This is a fixed interest fund.  |
| <b>Primary investment objective</b>   | The aim is to provide savings protection while generating a stable level of return over the long term.      |
| <b>Secondary investment objective</b> | The aim is to meet or exceed the return of the investment benchmark before fees and tax over the long term. |
| <b>Investment benchmark</b>           | Bloomberg New Zealand Bond Composite 0+ Year Index or equivalent index. .                                   |

### Investment strategy

Subject to the considerations set out in section 5, the fund may invest in the following asset classes. The authorised investments within each asset class are listed in section 6.

| Asset class                | Benchmark asset allocation<br>(long term target) | Minimum | Maximum |
|----------------------------|--|---------|---------|
| Cash and cash equivalents  | 0.0%   | 0.0%    | 30.0%   |
| New Zealand fixed interest | 100.0%   | 70.0%   | 100.0%  |

## BondPlus Fund

This fund is suitable for a naturally cautious investor who is looking to make a withdrawal in the short to medium term or who values lower volatility of returns over achieving higher potential returns.

|                                       |  |
|---------------------------------------|--|
| <b>Fund description</b>               | Aims to provide stable returns over the long term by investing in international fixed interest assets.                               |
| <b>Risk description</b>               | This is a low risk fund.   |
| <b>Investment type</b>                | This is a fixed interest fund.   |
| <b>Primary investment objective</b>   | The aim is predominantly to provide capital protection, while also generating a moderate level of capital growth over the long term. |
| <b>Secondary investment objective</b> | The aim is to meet or exceed the return of the investment benchmark before fees and tax over the long term.                          |
| <b>Investment benchmark</b>           | Bloomberg Global Aggregate Total Return Index or equivalent hedged into NZD.   |

### Investment strategy

Subject to the considerations set out in section 5, the fund may invest in the following asset classes. The authorised investments within each asset class are listed in section 6.

| Asset class                  | Benchmark asset allocation<br>(long term target) | Minimum | Maximum |
|------------------------------|--|---------|---------|
| Cash and cash equivalents    | 0.0%   | 0.0%    | 30.0%   |
| International fixed interest | 100.0%   | 70.0%   | 100.0%  |

## Trans Tasman Equity Trust

This fund is suitable for a long term investor who can tolerate significant volatility of returns in the expectation of potential higher returns and who has time on their side.

|                                       |  |
|---------------------------------------|--|
| <b>Fund description</b>               | Focuses on growth of your investment over the long term by investing in Australasian companies.                        |
| <b>Risk description</b>               | This is a high risk fund.  |
| <b>Investment type</b>                | This is a share fund.  |
| <b>Primary investment objective</b>   | The aim is to predominantly focus on capital growth of savings over the long term by investing in Australasian shares. |
| <b>Secondary investment objective</b> | The aim is to meet or exceed the return of the investment benchmark before fees and tax over the long term.            |
| <b>Investment benchmark</b>           | 50% S&P/NZX50 Gross Index including imputation credits and 50% S&P/ASX 200 Accumulation Index 70% hedged into NZD.     |

### Investment strategy

Subject to the considerations set out in section 5, the fund may invest in the following asset classes. The authorised investments within each asset class are listed in section 6.

| Asset class               | Benchmark asset allocation<br>(long term target) | Minimum | Maximum |
|---------------------------|--|---------|---------|
| Cash and cash equivalents | 0.0%   | 0.0%    | 20.0%   |
| Australasian shares       | 100.0%   | 0.0%    | 100.0%  |
| Alternatives              | 0.0%   | 0.0%    | 15.0%   |

## Global Fund

This fund is suitable for a long term investor who can tolerate significant volatility of returns in the expectation of potential higher returns and who has time on their side.

|                                       |   |
|---------------------------------------|---|
| <b>Fund description</b>               | Focuses on growth of your investment over the long term by investing in international companies.            |
| <b>Risk description</b>               | This is a high risk fund.   |
| <b>Investment type</b>                | This is a share fund.   |
| <b>Primary investment objective</b>   | The aim is to achieve capital growth over the long term by investing in international shares.               |
| <b>Secondary investment objective</b> | The aim is to meet or exceed the return of the investment benchmark before fees and tax over the long term. |
| <b>Investment benchmark</b>           | S&P Global Large MidCap Index 50% hedged into NZD.  |

### Investment strategy

Subject to the considerations set out in section 5, the fund may invest in the following asset classes. The authorised investments within each asset class are listed in section 6.

| Asset class               | Benchmark asset allocation<br>(long term target) | Minimum | Maximum |
|---------------------------|--|---------|---------|
| Cash and cash equivalents | 0.0%   | 0.0%    | 30.0%   |
| International shares      | 100.0%   | 70.0%   | 100.0%  |
| Alternatives              | 0.0%   | 0.0%    | 15.0%   |