

Fisher Funds Management Limited

Responsible Investment Policy

September 2024



1. Policy statement

Investing capital in a way that recognises Fisher Funds Management Limited and its related entities (Fisher Funds) fiduciary duty to act in the best economic interests of our clients and also encompasses Responsible Investing considerations, including taking into account environmental, social and governance (ESG) concerns, is an important consideration for Fisher Funds.

2. Scope

This Policy applies to all asset classes managed by Fisher Funds. Where an external manager is appointed under a separate investment mandate, this policy will also apply to them. Where Fisher Funds invests in a pooled vehicle and cannot influence investment guidelines, we will ensure that there is an alignment of interests, values and philosophies during the due diligence process.

This will ensure that the manager:

- has credentials and a policy aligned with our responsible investment and stewardship approach
- has a close fit with our investment philosophy and values
- has a strong evidenced approach to assessing and evaluating issuers with regards to ESG factors.

3. Approach

Fisher Funds aims to invest responsibly in three ways:

1. 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.
2. 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. These factors also help inform our local engagement with companies and our requirements with our global engagement partner Columbia Threadneedle.
3. 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 Investing Policy, Proxy Voting Policy and Master Exclusions List are published on our website and made readily accessible to all Fisher Funds staff and clients.

4. Responsibilities

The Investment Team is responsible for the day-to-day implementation of the Responsible Investment Policy. This is overseen by the ESG Committee and the Fisher Funds Management Limited Board.

5. Commitment

Fisher Funds became a signatory of the United Nations-backed Principles for Responsible Investment (PRI) in July 2017. Fisher Funds is committed to the PRI Principles and this extends through our responsible investment approach. Adopting these Principles provides us with an externally recognised benchmark against which we can monitor our progress towards best practice in responsible investment and active ownership practices.

Fisher Funds is also a member of the Responsible Investment Association of Australasia and is a founding member of the Aotearoa New Zealand Stewardship Code.

6. Implementation

Fisher Funds has an ESG Committee consisting of members appointed by the CEO. The ESG Committee oversees all ESG activities and reports to the Investment Strategy Committee (a committee of the Board).

The MEL is constructed by the Responsible Investment Team (RI Team) and will apply the Responsible Investment Policy. The MEL is adopted, reviewed and approved by the ESG Committee. The MEL is hardcoded and uploaded into our trading system for pre-trade compliance and is then provided to portfolio managers within Fisher Funds and to our external fund managers.

The criteria for entities placed on the MEL is summarised below.

Sanctions

Fisher Funds will not invest in countries that have sanctions against them, as defined by New Zealand law and otherwise in accordance with the Fisher Funds Sanctions Policy.

Controversial weapons

Fisher Funds will not invest in companies (and their subsidiaries and investments) that are involved in the manufacturing of core components or systems used in weapons. This includes, but is not limited to, anti-personnel mines or cluster munitions, landmines, biological and chemical and nuclear weapons. A 0% revenue threshold applies.

Civilian firearms

Fisher Funds will not invest in companies involved in the manufacturing of automatic and semi automatic civilian firearms. This includes assault weapons, automatic weapons, high cap magazine weapons, semi-automatic weapons and ammunition. A 0% revenue threshold applies.

Tobacco and related industries

Fisher Funds will not invest in companies that are involved in the production and manufacture of tobacco and products and electronic nicotine delivery systems (ENDS). A 0% revenue threshold applies.

Whaling

Fisher Funds will not invest in companies involved in the hunting of whales and the processing of whale meat. A 0% revenue threshold applies.

For-profit prisons

Fisher Funds will not invest in companies involved in operating prison facilities. A 25% revenue threshold applies.

Gambling

Fisher Funds will not invest in companies where their core business includes operating gambling establishments, or manufacture of specialised hardware or software used exclusively for gambling. A 5% revenue threshold applies.

Fossil fuels

Fisher Funds will not invest in companies that:

- have owned proved or probable fossil fuel reserves and revenue share from exploration and extraction of fossil fuels, excluding metallurgical coal, of 15% or more; or
- have their primary business activity in any of the following subsectors: integrated oil and gas, crude oil producers, offshore drilling and other services, oil and gas equipment and services, oil and gas drilling, oil and gas exploration and production, thermal coal mining (excluding metallurgical coal) and consumable fuels; or
- are in the Global Industry Classification standard: oil & gas exploration & production, coal & consumable fuels, oil & gas drilling, integrated oil & gas, oil & gas equipment & services.

Controversies

As part of our MEL process, we screen for entities that have been involved in controversies. This is done by using the 'norms based research' as provided by our external research provider and is intended to flag entities are not specifically excluded in the above categories, but nevertheless may negatively harm, or impact the planet, people or society. If a stock is held in our investment portfolio(s) it is flagged as being involved in a controversy, the RI team carries out an investigation and makes a recommendation to the ESG Committee regarding whether the entity is to be placed on the MEL and the stock divested. That decision is reviewed after two years, by following the same process of investigation and recommendation by the RI Team, and decision of the ESG Committee.

7. Divestment of prohibited securities

Decisions around divestment of securities is made by the ESG Committee. Fisher Funds will look to divest as soon as it is practicable to do so.

Where appropriate, Fisher Funds will try other means of engagement with the relevant entity, to resolve our concerns prior to making a decision to divest.

8. Responsibility, training and reporting

The MEL will be updated at least quarterly, or when required. The MEL will be uploaded into our pre-trade compliance system and will be issued to external fund managers. Existing portfolios will be reviewed against the MEL whenever the MEL is updated, and on a regular basis.

Portfolio Managers must take the MEL into account when determining portfolio additions.

Fisher Funds will maintain records of our proxy voting and disclose this monthly, one month in arrears on our website.

9. Review of policy

The Responsible Investment Policy will be reviewed biennially or more frequently if required. This Policy is subject to change at any time.