



OneAnswer KiwiSaver Scheme

Statement of Investment Policy
and Objectives (SIPO)

Effective from 23 October 2025

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The most up-to-date version of the SIPO is available on the scheme and offer registers (Disclose Register), which can be found at disclose-register.companiesoffice.govt.nz. You can also read other information about the scheme and the offer, including the product disclosure statement, the guide and other material information on this website.

1. Description of the scheme

The OneAnswer KiwiSaver Scheme (the **scheme**) is a managed investment scheme.

Funds

The scheme offers 14 funds (each a **fund** and together the **funds**), including both multi-asset-class funds and single-asset-class funds.

The multi-asset-class funds are:

- High Growth Fund
- Growth Fund
- Balanced Growth Fund
- Balanced Fund
- Conservative Balanced Fund
- Conservative Fund

The single-asset-class funds are:

- Cash Fund
- New Zealand Fixed Interest Fund
- International Fixed Interest Fund
- Australasian Property Fund
- International Property Fund
- Australasian Share Fund
- International Share Fund
- Select International Share Fund¹

See Appendix A for more information on the asset classes our funds invest in.

Lifetimes

The scheme also offers a Lifetimes option. If you select the Lifetimes option, your KiwiSaver savings are invested in one of our multi-asset-class funds (excluding High Growth Fund), or in our Cash Fund, based on your age.

2. Manager, supervisor and custodian

ANZ New Zealand Investments Limited is the manager of the scheme (**ANZ Investments, manager, we, us and our**). As the manager, we are responsible for managing the investments of the funds.

¹ Formerly Sustainable International Share Fund

The New Zealand Guardian Trust Company Limited is the licensed supervisor of the scheme (**supervisor**) and custodian for the scheme (**custodian**). The supervisor is independent of us and supervises how we run the scheme, for the benefit of you and other investors. As custodian, they hold the scheme's assets "in trust" for you, entirely separate from both their assets and our assets.

3. Investment philosophy

Our investment philosophy is based on a set of key beliefs which are considered together when making investment decisions.

Practically, the beliefs guide:

- how, when, and where we should invest
- how we structure our portfolio including where active management is likely to work best
- how we set ourselves up operationally – our people and our processes
- how ANZ Investments' board and management work together
- what external partners we work with (and why); and
- ultimately, the value received by our investors for the risk taken and the fee they pay.

We are an active investor with the flexibility to implement investments through active and passive strategies.

Our beliefs are:

Key area	Beliefs
Return and value	The main reason investors invest with us is to get a return which represents value for the risk they take and the fee they pay.
Investment horizon	Thinking long-term gives us more choices in what we invest in, how we invest, and how we build our team. When we do this well, we build scale, which gives us even more choices for how we invest to deliver better long-term investor outcomes.
Governance	A consistent investment approach, connecting the right people, processes and tools, and transparency and trust between ANZ Investments' board and management, drives better investment decision-making and long-term investment results.
Investment style	There are many ways to outperform markets. We choose the markets we invest in, and how we invest. Our approach, including our investment style, needs to be flexible if conditions change.
Investment risk management	Investment risk occurs in many ways and throughout the investment process. Strong risk management is therefore the most important thing we do to deliver returns which represent value to our investors.
Partnership	Our chosen partners must have broad and deep market knowledge so there is more potential to add value. Successful partnerships require robust checks and balances, good commercial terms and sharing expertise to better inform our investment decisions.

Our beliefs (cont.)

Key area	Beliefs
Responsible investment	Investment decisions must consider social, environmental and governance factors, so we can add value for our investors over the long term. Sustainability issues like climate change and biodiversity loss affect all of us and must be included in our investment decision-making, and it must be clear to our investors how we are doing this. Engaging directly or through our partners with the companies we invest in to influence their decisions and activities, including using our voting rights, is an important part of being an active investor. If we believe our engagements will not be successful, we should exit.

4. Investment strategy

Investment strategy

Each fund has a different investment strategy. The investment strategy of a fund is made up of the:

- investment objectives
- target investment mix
- target investment mix ranges (or limits), and
- index or composite index that performance is measured against.

For our multi-asset-class funds, we use a total portfolio approach. The starting point is to set the target investment mix which is the long-term asset allocation for the fund that enables it to achieve its investment objectives. This serves as the foundation for setting each fund's:

- expected composite index return, and
- total risk.

We then seek to add value above the expected return of the composite index through active management decisions, with the aim of enhancing fund returns for the given level of total risk.

See Appendix B for more information on the investment strategies of our funds.

Permitted investments

Our funds are permitted to invest in underlying funds, cash and cash equivalents, and derivatives.

See Appendix A for more information on the nature and type of investments that our underlying funds invest in.

5. Investment objectives

Each fund has a different investment objective. See Appendix B for more information on the objectives of our funds.

6. Investment policy and processes

The investment policy of the scheme is to invest the assets of each fund according to the investment strategy described in the SIPO, while complying with:

- all applicable laws, and
- the requirements of the scheme's governing document.

The processes set out below are followed when managing the assets of each fund.

Investment strategy review

We review the investment strategy for each fund at least once every three years with the aim of:

- increasing the probability of achieving the investment objectives, and
- achieving the highest expected return over time within acceptable risk levels for the fund.

As part of the review, we evaluate our capital markets assumptions, refine the target investment mix and ranges, and apply scenario modelling, stress testing and other analytics to assess portfolio resilience to downside and concentration risks.

For single-asset-class funds it is unlikely that the fund's target investment mix and ranges will change because each fund is focused on investing in one asset class with a small exposure to cash and cash equivalents.

Tactical asset allocation

For the multi-asset-class funds, we use tactical asset allocation to set each fund's desired investment mix (within the target investment mix ranges), based on how we believe an asset class is likely to perform over the short to medium term. We may also vary the investment mix to manage risk and cash flow.

Underlying funds

Our multi-asset-class funds invest into underlying wholesale multi-asset-class funds that we manage. Our underlying wholesale multi-asset-class funds invest into underlying funds that each invest in a single asset class.

Our single-asset-class funds invest into underlying wholesale single-asset-class funds that we manage. Each underlying wholesale single-asset-class fund invests in a single asset class.

We use external fund managers to select the assets in some of our underlying single-asset-class funds.

See Appendix A for more information on the nature and type of investments that our underlying funds invest in.

See Appendix C for more information on our underlying fund structure.

Rebalancing

A fund's investment mix is generally monitored each business day to check that it is within its target investment mix ranges. The target investment mix and ranges are based on:

- the cash and cash equivalents held by the fund, and
- the asset class of the underlying single-asset-class funds.

They are not based on the cash, cash equivalents or any other assets held by the underlying fund(s).

Factors that may cause a fund's ranges to be exceeded may include:

- size and timing of cash flows, and
- market volatility.

If a fund's ranges are exceeded, we will rebalance its actual investment mix to bring it back within the ranges. This process usually occurs within five business days.

Liquidity risk management

We maintain a liquidity risk management framework that includes strategies and controls to manage liquidity risk. Our management of liquidity risk includes consideration of asset allocation, diversification across and within asset classes, the liquidity of the assets held and our ability to readily pay withdrawal requests.

Currency hedging

Currency hedging is used to mitigate foreign currency risk. It is carried out in line with the hedging style, benchmark and ranges set out in the table below for the applicable asset class. Currency hedging is generally implemented using derivatives such as forward foreign exchange contracts.

Currency hedging is generally monitored each business day to check that it is in line with the fund's desired hedging level and within the fund's currency hedging ranges.

Asset class	Sub-class	Hedging style	Benchmark (%)	Range (%)
Cash and cash equivalents (all funds)		Passive	100	Targets 100
New Zealand fixed interest (all funds)		Not applicable	Not applicable	Not applicable
International fixed interest (all funds)		Passive	100	Targets 100
Listed property assets (all funds)	Australasian	Passive	100	Targets 100
	International	Passive	100	Targets 100
Australasian equities (multi-asset-class funds)	Australia	Active	75	0-100
Australasian equities (single-asset-class funds)	Australia	Active	0	0-100
International equities (multi-asset-class funds)	Developed	Active	60	0-100
	Emerging markets	Unhedged	Not applicable	Not applicable
International equities (single-asset-class funds)	Developed	Active	0	0-100
	Emerging markets	Unhedged	Not applicable	Not applicable
Other (multi-asset-class funds)	Listed infrastructure	Passive	100	Targets 100

Active hedging aims to add value to a fund by tactically adjusting the hedging level above or below the benchmark and/or by adjusting the mix of currencies that the New Zealand dollar is hedged to. This is always done within specified ranges based on the view of how the New Zealand dollar will perform.

Passive hedging targets the benchmark hedging level (i.e. 100%), although actual hedging may differ from this, due to cash flow and market movements.

Derivatives

Derivatives are used to reduce investment risks, such as currency risk, or as an efficient way to gain exposure to an asset or an asset class such as equities (e.g. using equity futures). The use of derivatives is carefully managed within defined limits set out in our Derivatives Framework. The Derivatives Framework is designed to ensure all derivative positions are consistent with the fund's investment strategy and risk profile. Derivative exposures are managed and monitored each business day. In addition, our derivative counterparties must meet minimum credit ratings.

The use of derivatives is governed by the Derivatives Framework, this SIPO, the SIPOs of the underlying funds and the governing document.

Trade allocation

All our funds invest in other funds (called underlying funds) managed by us. Orders to buy or sell units in underlying funds are generally fully allocated. For derivatives such as forward foreign currency contracts and futures, orders to buy or sell these contracts are generally fully allocated. In the unlikely event that an order isn't fully allocated, it will be allocated fairly on a pro rata basis of the total order.

Proxy voting

As the funds do not hold equities directly, they are not called on to vote on resolutions proposed for securities in which the funds ultimately invest. However, for the underlying funds that hold equities, our general policy is to vote on all proxies. We vote on resolutions in line with our investment beliefs and our Responsible Investment Framework. For more information, see our Responsible Investment Framework at anz.co.nz/responsibleinvesting.

Valuation

We generally calculate the unit price for each fund on each business day. This unit price will set the transactional value of a fund on that day for those investors wishing to contribute to or withdraw from the fund, and takes into account the following factors:

- known assets and liabilities
- expected income, and
- daily fees and charges.

Our valuation process will generally:

- use market values where available (including either the bid, ask or last traded prices for quoted investments) to value investments held
- assume investments are held on a going concern basis
- apply exchange rates on the basis of the exchange rate applicable to a transaction, or value investments held at the WM/Refinitiv 4pm London Exchange Rates, and
- value most assets and liabilities held by the fund each business day using the latest market information available.

In addition, our valuations are objective, not subject to undue influence and are independently verified by external audit processes on an annual basis.

Once the daily unit price is calculated and verified, it is applied to investors' accounts within our registry. The value of an investor's account on a particular day is the unit price calculated for that day multiplied by the number of units on issue to that investor (plus or minus any tax accrual).

In the event market values, systems or pricing interfaces are unavailable, we may price the fund based on the movement of the market index the fund is measured against. Once market values become available, the normal valuation/pricing process will be followed.

External fund manager selection and monitoring

We have a research and due diligence process for selecting our external fund managers, who manage some of the assets in the underlying funds.

Once selected, an external fund manager is subject to a rigorous on-going monitoring process. Our external fund managers may change from time to time. The current external fund managers can be found in the 'Underlying Funds and External Fund Managers' document available at anz.co.nz/kiwisaverforms and on the offer register at disclose-register.companiesoffice.govt.nz.

Global expertise

We may use external global experts to support or help deliver investment management functions such as identifying investment opportunities, investment risk management, trade processing and external fund manager selection and monitoring.

We have appointed BlackRock Investment Management (Australia) Limited (BlackRock) to provide services to our underlying wholesale multi-asset-class funds and some underlying single-asset-class funds such as:

- trade execution and completion for currency hedging and exchange traded futures
- rebalancing and cashflow management
- access to global investment expertise and insights
- monitoring and analytics across these funds

The services complement and enhance our existing investment and risk management capabilities, helping us to deliver improved investment outcomes. We remain responsible for all investment decision-making, the active management of our funds and our investment philosophy.

Responsible investment

Responsible investment is a broad-based approach to investing which factors in people, society and the environment, along with financial performance, when making investment decisions. Our approach to responsible investment is a core component in the way we research, select and manage investments.

Our Responsible Investment Framework at anz.co.nz/responsibleinvesting sets out our approach to responsible investment and how we apply it to our investment activities. It also sets out how we monitor and report on our approach.

We believe investment decisions must consider environmental, social and governance (ESG) factors, so we can add value for our investors over the long term.

The three core components of this approach are exclusions, ESG integration, and stewardship.

1. We exclude some companies² and industries based on their involvement in areas of harm, or for breaching global norms.
2. For the companies we invest in or are looking to invest in, we integrate ESG considerations into our evaluation of a company.
3. For the companies we invest in, we demonstrate our stewardship through engagement and proxy voting.

For the avoidance of doubt, we do not make investments in companies or industries based solely on ESG factors. There are additional responsible investment considerations for the Select International Share Fund. For more information, please refer to Appendix B.

Climate change

We believe that climate change affects all of us. Climate-related risks and opportunities can materially impact investments so we've developed a climate-related goal supported by an interim target, and a specific climate approach as part of our investment framework.

Our goal is to reach net zero greenhouse gas emissions by 2050 across all of our funds under management (FUM), although not on a fund by fund basis. This is our 'Net Zero 2050' goal. 'Net zero' means cutting greenhouse gas emissions to as close to zero as possible, with any remaining emissions re-absorbed from the atmosphere.

In order to reach our goal, we use a stewardship-based approach to decarbonisation. Stewardship involves using our influence as a manager with a view to shaping the behaviour and climate impact of a number of the companies we invest in.

We use a variety of tools to identify, assess and manage climate risks and opportunities as part of our ESG integration. We consider climate risk and opportunities throughout our investment decision making process. Once we have invested, working on behalf of investors, the aim is to encourage the companies we invest in to align their business with the transition to net zero greenhouse gas emissions by 2050 as well as mitigating their physical and transition risks.

We monitor the effectiveness of our stewardship activities and may take steps such as divestment or exclusion.

Further information on our Net Zero 2050 goal and our approach to achieving it is set out in our Responsible Investment Framework.

² The term 'companies' and 'company' is used broadly in our Responsible Investment Framework to refer to companies and other issuers, including government entities.

7. Investment performance

Measuring performance

We measure performance for each fund on:

- an after-fees and before-tax basis, and
- an after-fees and after-tax basis (at the highest prescribed investor rate).

Each month, the daily performance outcomes for each fund are aggregated into longer-term measures of performance, including but not limited to monthly, three-monthly, one-year, three-year and five-year measures of performance. These are compared against fund objectives, indices, peers and other like funds.

Market indices

The performance of each fund is compared against a relevant market index or composite index. See Appendix C for more information on these indices.

8. SIPO compliance and review

We generally monitor the funds each business day to confirm compliance with the SIPO.

We review the SIPO annually and on an ad-hoc basis as required. An ad-hoc review may be carried out due to:

- creation of a new fund within the scheme,
- a review of a fund's target investment mix or investment objectives,
- a change in the underlying funds or external fund managers;
- fundamental changes in the investment environment, or
- a change in law or regulation.

We can make changes to the SIPO at any time. Any changes are approved by us in accordance with our internal policies and procedures. This may include approval by internal committees and forums covering product and investment management (as appropriate to the change). We will consult with the supervisor before making any changes and any material changes will be outlined in the scheme's annual report.

Appendix A – Asset classes

The asset classes that our funds and underlying funds invest in are described below:

Asset class	Description
Cash and cash equivalents	Interest-bearing deposits with one or more registered banks (such as term deposits), short-term debt securities (maturity no greater than 365 days), floating rate notes.
New Zealand and international fixed interest	Debt securities issued by governments, corporations, local authorities or banks (called issuers). The issuer generally pays a set (or fixed) interest rate for a set period of time. Cash and cash equivalents may also be included in fixed interest assets.
Listed property	Shares or units in property trusts or companies. Those trusts or companies own or invest directly in property. These investments are generally listed on a stock exchange.
Australasian and international equities	Investments that give the holder part-ownership of a company, corporation or similar entity, including units, shares, or other equity investments, such as some types of exchange traded futures or exchange traded funds. These investments are generally listed on a stock exchange. Equities might sometimes be referred to as shares.
Other (listed infrastructure)	Shares in infrastructure companies. Those companies own or invest directly in assets that communities and economies require to function, for example water, gas and electricity distribution assets, airports, toll-roads and telecommunication towers. These investments are generally listed on a stock exchange.
Other (alternatives)	An asset that doesn't fit into the asset classes above. Alternative assets may include for example commodities, hedge funds and private equity.

The funds and underlying funds may invest in other investments that we consider to be part of the relevant asset class. We may also use derivatives – see section 6 for more information.

Appendix B – Fund objectives and strategy

The investment strategy and objectives for each fund are outlined on the following pages.

Capital market assumptions

Our fund objectives are based on capital market assumptions. Capital market assumptions are long term forecasts of how we expect each asset class to perform and interact with other asset classes.

These forecasts are based on a range of economic and financial factors and help with the construction of the target investment mix and ranges.

Our fund objectives are intended to be measured over the long term, which we define as at least one complete market cycle. Market cycles typically last 5-15 years. For this reason when assessing our fund objectives, we focus on longer-term return expectations.

No guarantee of investments in the scheme

ANZ Investments is not an authorised deposit-taking institution (ADI) under Australian law and investments in the scheme aren't deposits in or liabilities of ANZ Bank New Zealand Limited, Australia and New Zealand Banking Group Limited, or their subsidiaries (together 'ANZ Group'). ANZ Group does not stand behind or guarantee ANZ Investments. Investments are subject to risk, including possible repayment delays, and loss of income and principal invested. ANZ Group will not be liable to you for the capital value or performance of your investment.

Your investment in the scheme is not guaranteed by ANZ Group, the supervisor, any of their directors or any other person.

No guarantee of fund objectives

We do not guarantee that the objectives of each fund will be achieved.

High Growth Fund

Description

The High Growth Fund invests in growth assets (equities, listed property and listed infrastructure), with a very small exposure to income assets (cash and cash equivalents and fixed interest). The fund may also invest in alternative assets.

For more information on these asset classes, see Appendix A.

Objectives

The High Growth Fund aims to achieve (after the fund charge and before tax) over the long term higher returns, allowing for larger ups and downs in value.

Target investment mix and ranges

Asset class	Sub-class	Target (%)	Range (%)
Cash and cash equivalents		5	0-25
New Zealand fixed interest		0	0-20
International fixed interest	Australia	0	0-20
	International	0	0-20
Other	Alternatives	0	0-10
Income assets		5	0-25
Listed property	Australasian	0	0-10
	International	0	0-10
Australasian equities	New Zealand	17.7	8-48
	Australia	10.7	
International equities	Developed	60.1	40-80
	Emerging markets	6.5	0-17
Other	Infrastructure	0	0-10
	Alternatives	0	0-10
Growth assets		95	75-100

Growth Fund

Description

The Growth Fund invests mainly in growth assets (equities, listed property and listed infrastructure), with a small exposure to income assets (cash and cash equivalents and fixed interest). The fund may also invest in alternative assets.

For more information on these asset classes, see Appendix A.

Objectives

The Growth Fund aims to achieve (after the fund charge and before tax) over the long term high returns, allowing for large ups and downs in value.

Target investment mix and ranges

Asset class	Sub-class	Target (%)	Range (%)
Cash and cash equivalents		5	0-25
New Zealand fixed interest		6.2	0-26
International fixed interest	Australia	0	0-20
	International	10.8	0-31
Other	Alternatives	0	0-10
Income assets		22	2-42
Listed property	Australasian	0	0-10
	International	0	0-10
Australasian equities	New Zealand	14.4	3-43
	Australia	8.8	
International equities	Developed	49.0	29-69
	Emerging markets	5.8	0-16
Other	Infrastructure	0	0-10
	Alternatives	0	0-10
Growth assets		78	58-98

Lifetimes option

Investors who have selected the Lifetimes option will be allocated to the Growth Fund if they are aged 35 or under.

Balanced Growth Fund

Description

The Balanced Growth Fund invests mainly in growth assets (equities, listed property and listed infrastructure), with some exposure to income assets (cash and cash equivalents and fixed interest). The fund may also invest in alternative assets.

For more information on these asset classes, see Appendix A.

Objectives

The Balanced Growth Fund aims to achieve (after the fund charge and before tax) over the long term moderate to high returns, allowing for moderate to large ups and downs in value.

Target investment mix and ranges

Asset class	Sub-class	Target (%)	Range (%)
Cash and cash equivalents		6.5	0-27
New Zealand fixed interest		11.3	0-31
International fixed interest	Australia	0	0-20
	International	19.2	0-39
Other	Alternatives	0	0-10
Income assets		37	17-57
Listed property	Australasian	0	0-10
	International	0	0-10
Australasian equities	New Zealand	11.7	0-38
	Australia	6.6	
International equities	Developed	40.2	20-60
	Emerging markets	4.5	0-15
Other	Infrastructure	0	0-10
	Alternatives	0	0-10
Growth assets		63	43-83

Lifetimes option

Investors who have selected the Lifetimes option will be allocated to the Balanced Growth Fund if they are aged between 36 and 45.

Balanced Fund

Description

The Balanced Fund invests in similar amounts of income assets (cash and cash equivalents and fixed interest) and growth assets (equities, listed property and listed infrastructure). The fund may also invest in alternative assets.

For more information on these asset classes, see Appendix A.

Objectives

The Balanced Fund aims to achieve (after the fund charge and before tax) over the long term moderate returns, allowing for moderate ups and downs in value.

Target investment mix and ranges

Asset class	Sub-class	Target (%)	Range (%)
Cash and cash equivalents		14	0-34
New Zealand fixed interest		15.5	0-36
International fixed interest	Australia	0	0-20
	International	22.5	3-43
Other	Alternatives	0	0-7.5
Income assets		52	32-72
Listed property	Australasian	0	0-7.5
	International	0	0-7.5
Australasian equities	New Zealand	8.9	0-29
	Australia	4.6	
International equities	Developed	31	16-46
	Emerging markets	3.5	0-11
Other	Infrastructure	0	0-7.5
	Alternatives	0	0-7.5
Growth assets		48	33-63

Lifetimes option

Investors who have selected the Lifetimes option will be allocated to the Balanced Fund if they are aged between 46 and 55.

Conservative Balanced Fund

Description

The Conservative Balanced Fund invests mainly in income assets (cash and cash equivalents and fixed interest), with some exposure to growth assets (equities, listed property and listed infrastructure). The fund may also invest in alternative assets.

For more information on these asset classes, see Appendix A.

Objectives

The Conservative Balanced Fund aims to achieve (after the fund charge and before tax) over the long term low to moderate returns, allowing for small to moderate ups and downs in value.

Target investment mix and ranges

Asset class	Sub-class	Target (%)	Range (%)
Cash and cash equivalents		19	0-39
New Zealand fixed interest		19	0-39
International fixed interest	Australia	0	0-20
	International	29	9-49
Other	Alternatives	0	0-7.5
Income assets		67	47-87
Listed property	Australasian	0	0-7.5
	International	0	0-7.5
Australasian equities	New Zealand	6.2	0-25
	Australia	3.8	
International equities	Developed	23	8-38
	Emerging markets	0	0-7.5
Other	Infrastructure	0	0-7.5
	Alternatives	0	0-7.5
Growth assets		33	18-48

Lifetimes option

Investors who have selected the Lifetimes option will be allocated to the Conservative Balanced Fund if they are aged between 56 and 60.

Conservative Fund

Description

The Conservative Fund invests mainly in income assets (cash and cash equivalents and fixed interest), with a smaller exposure to growth assets (equities, listed property and listed infrastructure). The fund may also invest in alternative assets.

For more information on these asset classes, see Appendix A.

Objectives

The Conservative Fund aims to achieve (after the fund charge and before tax) over the long term low relatively stable returns, allowing for small ups and downs in value.

Target investment mix and ranges

Asset class	Sub-class	Target (%)	Range (%)
Cash and cash equivalents		23	3-43
New Zealand fixed interest		24	4-44
International fixed interest	Australia	0	0-20
	International	35	15-55
Other	Alternatives	0	0-7.5
Income assets		82	62-100
Listed property	Australasian	0	0-7.5
	International	0	0-7.5
Australasian equities	New Zealand	3.4	0-20
	Australia	1.4	
International equities	Developed	13.2	0-28
	Emerging markets	0	0-7.5
Other	Infrastructure	0	0-7.5
	Alternatives	0	0-7.5
Growth assets		18	3-33

Lifetimes option

Investors who have selected the Lifetimes option will be allocated to the Conservative Fund if they are aged between 61 and 64.

Cash Fund

Description

The Cash Fund invests in cash and cash equivalents. These may include investments issued by New Zealand and Australian registered banks, governments, corporations or local authorities.

Objective

The Cash Fund aims to achieve (after the fund charge and before tax) over the short term lower but stable returns, allowing for smaller ups and downs in value.

Target investment mix and ranges

Asset class	Sub-class	Target (%)	Range (%)
Cash and cash equivalents		100	100

Lifetimes option

Investors who have selected the Lifetimes option will be allocated to the Cash Fund if they are aged 65 or over.

New Zealand Fixed Interest Fund

Description

The New Zealand Fixed Interest Fund invests mainly in New Zealand fixed interest assets. Investments may include:

- fixed interest assets in New Zealand dollars, or issued by New Zealand located or incorporated entities and hedged back to New Zealand dollars, and
- cash and cash equivalents.

Objectives

The New Zealand Fixed Interest Fund aims to achieve a return (after the fund charge and before tax) that over the long term is broadly in line with the relevant market index.

Target investment mix and ranges

Asset class	Sub-class	Target (%)	Range (%)
New Zealand fixed interest		100	90-100
Cash and cash equivalents		0	0-10

International Fixed Interest Fund

Description

The International Fixed Interest Fund invests mainly in international fixed interest assets. Investments may include:

- fixed interest assets issued by governments or international companies, and
- cash and cash equivalents.

Objectives

The International Fixed Interest Fund aims to achieve a return (after the fund charge and before tax) that over the long term is broadly in line with the relevant market index.

Target investment mix and ranges

Asset class	Sub-class	Target (%)	Range (%)
International fixed interest		100	90-100
Cash and cash equivalents		0	0-10

Australasian Property Fund

Description

The Australasian Property Fund invests mainly in New Zealand and Australian listed property assets. Investments may include:

- companies, funds or trusts that invest in property and are listed or intend to list, and
- cash and cash equivalents.

Objectives

The Australasian Property Fund aims to achieve a return (after the fund charge and before tax) that over the long term outperforms the relevant market index.

Target investment mix and ranges

Asset class	Sub-class	Target (%)	Range (%)
Listed property	Australasian	100	0-100
Australasian equities		0	0-100
Cash and cash equivalents		0	0-15

International Property Fund

Description

The International Property Fund invests mainly in international listed property assets. Investments may include:

- companies, funds or trusts that invest in property and are listed or are soon to be listed, and
- cash and cash equivalents.

Objectives

The International Property Fund aims to achieve a return (after the fund charge and before tax) that over the long term outperforms the relevant market index.

Target investment mix and ranges

Asset class	Sub-class	Target (%)	Range (%)
Listed property	International	100	0-100
International equities		0	0-100
Cash and cash equivalents		0	0-10

Australasian Share Fund

Description

The Australasian Share Fund invests mainly in New Zealand and Australian equities. Investments may include:

- equities in companies that are listed or intend to list on the New Zealand or Australian stock exchanges, and
- cash and cash equivalents.

Objectives

The Australasian Share Fund aims to achieve a return (after the fund charge and before tax) that over the long term outperforms the relevant market index.

Target investment mix and ranges

Asset class	Sub-class	Target (%)	Range (%)
Australasian equities		100	90-100
Cash and cash equivalents		0	0-10

International Share Fund

Description

The International Share Fund invests mainly in international equities. Investments may include:

- equities in companies that are listed or are soon to be listed on a stock exchange, and
- cash and cash equivalents.

Objectives

The International Share Fund aims to achieve a return (after the fund charge and before tax) that over the long term outperforms the relevant market index.

Target investment mix and ranges

Asset class	Sub-class	Target (%)	Range (%)
International equities		100	90-100
Cash and cash equivalents		0	0-10

Select International Share Fund

Description

The Select International Share Fund invests mainly in international equities with a focus on environmental, social and governance (ESG) considerations. Investments may include:

- equities in companies that are listed on a recognised stock exchange and
- cash and cash equivalents.

Objectives

The Select International Share Fund aims to achieve a return (after the fund charge and before tax) that over the long term outperforms the relevant market index.

Target investment mix and ranges

Asset class	Sub-class	Target (%)	Range (%)
International equities		100	90-100
Cash and cash equivalents		0	0-10

Investment strategy

The Select International Share Fund invests in the ANZ Wholesale International Share – No. 5 Fund, an underlying single-asset-class fund managed by us. We use Northern Trust Investments, Inc (Northern Trust) as the external fund manager of this underlying fund. Northern Trust's investment strategy focuses on companies that:

- screen well on quality, including measures of profitability and return on equity
- have a low carbon intensity as measured by a company's carbon emissions compared to annual sales revenues
- have a high ESG score (that is, how well a company scores on environmental, social and governance factors), and
- score well on their ability to transition to a low carbon economy as measured by the ISS Carbon Risk Rating³.

We monitor and measure the Select International Share Fund's performance against four ESG indicators specific to the fund. We measure whether the fund has:

- carbon intensity at least 50% lower than the relevant market index
- fossil fuel reserves at least 50% lower than the relevant market index
- an average ESG score higher than the relevant market index, and
- an ISS Carbon Risk Rating lower than the relevant market index.

³ The ISS Carbon Risk Rating scores how well a company is managing climate-related risks based on its industry. It gives a forward-looking view of how prepared the company is for the shift to a low-carbon economy.

The results are published quarterly on our website for investor reference. While these indicators are actively monitored, we do not guarantee they will be met.

The fund's performance against the indicators is currently measured using ESG ratings and climate risk metrics provided by MSCI and ISS, but we may change the provider of our ESG research at any time.

The external fund manager is subject to our ongoing monitoring process as described on page 8. While we measure and report the indicators quarterly, in keeping with our long-term investment approach, we also use a rolling 3-year timeframe for assessing to what extent they are being met. We assess the measures in aggregate, rather than individually. Over time there may be periods where some or all of the indicators are not met.

We will engage with our external fund manager to discuss and review how the fund is tracking against the indicators, and the key reasons for exceeding or not meeting them. If there are extended periods where the external fund manager does not meet the fund's indicators, we could change the indicators, request changes to the external fund manager's process to improve their ability to meet the indicators, or change the external fund manager. We consider the impact on expected risk-adjusted returns before making any change.

Appendix C – Information on underlying fund structure and market indices

Overview

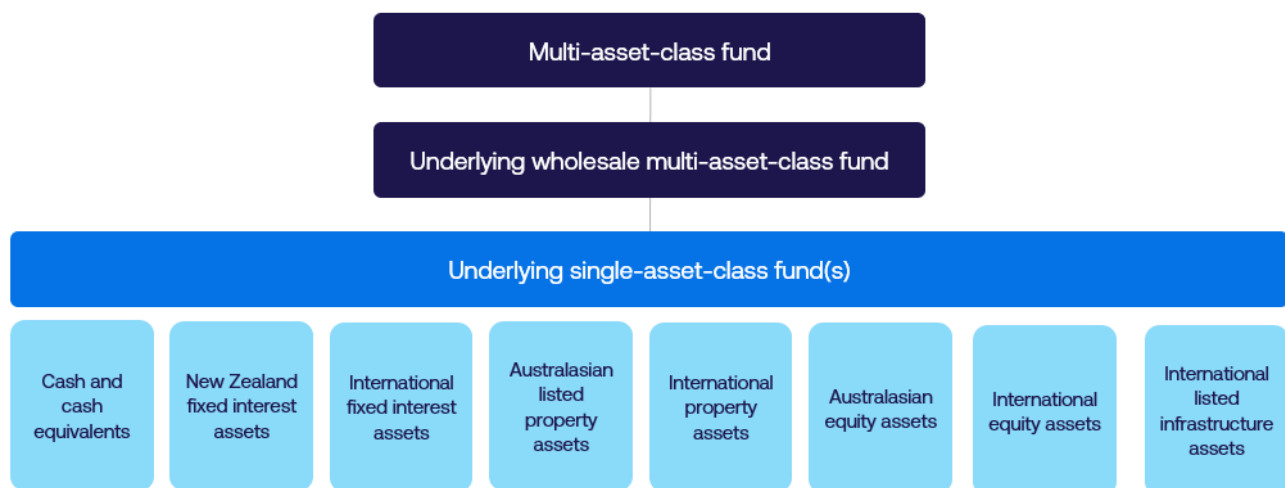
Each multi-asset-class fund will invest in its corresponding underlying wholesale multi-asset-class fund, being one of:

- ANZ Wholesale Conservative Fund
- ANZ Wholesale Conservative Balanced Fund
- ANZ Wholesale Balanced Fund
- ANZ Wholesale Balanced Growth Fund
- ANZ Wholesale Growth Fund, and
- ANZ Wholesale High Growth Fund.

Our wholesale multi-asset-class funds are managed by us. These funds will gain exposure to asset classes by investing in underlying funds that each focus on investing in a single-asset-class.

Our single-asset-class funds gain exposure to asset classes by investing into underlying funds that each focus on investing in a single-asset-class.

A diagram of our multi-asset-class fund investment structure is set out below.



We choose either to manage all the assets of an underlying single-asset-class fund ourselves or use carefully chosen external fund managers to manage a portion of the assets. We monitor what these external fund managers do and how they perform.

We can change any (or all) of the underlying funds and external fund managers provided we continue to comply with the restrictions detailed in the SIPO.

For more information on the underlying funds and external fund managers, see the 'Underlying Funds and External Fund Managers' document available at anz.co.nz/kiwisaverforms and on the offer register at disclose-register.companiesoffice.govt.nz.

Composite indices

The relevant index for each of the multi-asset-class funds is a composite index. This is calculated using the target investment mix of each multi-asset-class fund and the relevant indices of the asset class.

Relevant market indices

The market indices for each asset class are as follows:

Multi-asset-class funds

Asset class	Sub-class	Relevant market index
Cash and cash equivalents		S&P/NZX Call Rate Deposit Index
New Zealand fixed interest		Bloomberg NZ Bond Composite 0+ Years Index
International fixed interest	International	Bloomberg Barclays Global Aggregate Total Return Index (100% hedged to the New Zealand dollar)
Australasian equities	New Zealand	S&P/NZX50 Gross Index (with imputation credits re-invested)
	Australia	S&P/ASX 200 Accumulation Index (75% hedged to the New Zealand dollar)
International equities	Developed	MSCI World ex Australia Index with net dividends re-invested (60% hedged to the New Zealand dollar)
	Emerging markets	MSCI Emerging Markets Index with net dividends reinvested (unhedged)

Single-asset-class funds

Asset class	Sub-class	Relevant market index
Cash and cash equivalents		S&P/NZX Call Rate Deposit Index
New Zealand fixed interest		Bloomberg NZ Bond Composite 0+ Years Index
International fixed interest		Bloomberg Barclays Global Aggregate Total Return Index (100% hedged to the New Zealand dollar)
Listed property	Australasian	50% S&P/NZX All Real Estate (Industry Group) Gross (with imputation credits re-invested), and 50% S&P/ASX 200 Acc A-REIT Index (100% hedged to NZD)
	International	FTSE EPRA Nareit Developed Rental Net Total Return Index (100% hedged to the New Zealand dollar)
Australasian equities		S&P/NZX50 Gross Index (with imputation credits re-invested)
International equities	(International Share Fund)	MSCI All Countries (AC) World ex Australia Index with net dividends re-invested (unhedged)
	(Select International Share Fund)	MSCI World (ex Australia) Index with net dividends reinvested (New Zealand dollar)

More information about the market indices can be found at the index providers' websites:

- spglobal.com/spdji
- ftserussell.com
- bloomberg.com/professional/product/indices
- msci.com/index-solutions

The above links may change from time to time.