



QUAYSTREET®
ASSET MANAGEMENT

QUAYSTREET KIWISAVER SCHEME

STATEMENT OF INVESTMENT POLICY
AND OBJECTIVES

31 MARCH 2026

KiwiSaver™
Poua he Oranga

SMARTSHARES LIMITED

This document replaces the Statement of Investment Policy and Objectives dated 19 April 2024

STATEMENT OF INVESTMENT POLICY AND OBJECTIVES

PURPOSE

The purpose of this Statement of Investment Policy & Objectives (“SIPO”) is to document the investment policies of, and the internal guidelines in relation to, the QuayStreet KiwiSaver Scheme.

The QuayStreet KiwiSaver Scheme is registered under the KiwiSaver Act 2006 and was established by the Trust Deed between Smartshares Limited (also referred to as “Smartshares”, “we”, “our” and “us” in this SIPO) and The New Zealand Guardian Trust Company Limited (as the “Supervisor”) dated 16 August 2007, as amended.

Smartshares is responsible for issuing and managing the Scheme.

We have appointed QuayStreet Limited (“Investment Manager”) as investment manager of each investment option in the Scheme and of each fund in the QuayStreet Funds scheme.

The Investment Manager is responsible for proposing the investment strategy and objectives of each investment option in the Scheme, including proposing the strategic and tactical asset allocation of each investment option and the investments to be invested in by each investment option in pursuance of those allocations.

We remain responsible for overseeing the identification and management of key investment risks at the Scheme level and for monitoring the performance of the Investment Manager.

INVESTMENT OPTIONS

We offer twelve investment options (or “funds”) through the Scheme. Each of these funds invests into the corresponding fund within the QuayStreet Funds as listed below (each a “QuayStreet Fund” and together the “QuayStreet Funds”):

- > QuayStreet Fixed Interest Fund;
- > QuayStreet Income Fund;
- > QuayStreet New Zealand Equity Fund;
- > QuayStreet Australian Equity Fund;
- > QuayStreet Altum Fund;
- > QuayStreet International Equity Fund;
- > QuayStreet International Equity (NZD Hedged) Fund;
- > QuayStreet Conservative Fund;
- > QuayStreet Balanced Fund;
- > QuayStreet Socially Responsible Investment Fund;
- > QuayStreet Growth Fund; and
- > QuayStreet High Growth Fund.

We are also the manager of the QuayStreet Funds. The Investment Manager is also the investment manager of the QuayStreet Funds.

INVESTMENT PHILOSOPHY

The Scheme offers investments in the QuayStreet Funds.

Each QuayStreet Fund has its own performance benchmarks, and we monitor and measure the performance of each QuayStreet Fund against its benchmark.

The underlying QuayStreet Funds are managed by the Investment Manager with the investment philosophy that a carefully selected portfolio of securities with greater focus on relative value and profitability can provide better returns than the market benchmark over the long-term.

Each Fund, except for the QuayStreet Socially Responsible Investment Fund (“SRI Fund”), is managed by the Investment Manager in accordance with the QuayStreet Responsible Investment Policy (“RI Policy”), incorporating Environmental, Social and Governance factors (“ESG”) within our investment decision-making framework. For the SRI Fund, investments are selected by the Investment Manager in accordance with the QuayStreet

Socially Responsible Investment Policy (“SRI Policy”) and each investment is monitored to ensure ongoing compliance with the SRI Policy.

The Investment Manager targets investments which have good and sustainable underlying business models which are trading at an attractive valuation in relation to their “intrinsic value”. The “intrinsic value” is the valuation the Investment Manager derives after analysis that values the investment’s future cash flows at today’s prices. This basic philosophy applies to all security types and assets that each Fund invest in.

Following this investment philosophy, the QuayStreet Funds tend to be more concentrated than their respective market benchmarks. The Investment Manager has a high level of conviction in its investment ideas which is reflected by larger investments in a smaller number of securities. However, an appropriate level of diversification relative to each QuayStreet Fund’s risk profile is maintained by the Investment Manager at all times.

The Investment Manager is proactive, but not hyperactive in managing the portfolios. The Investment Manager does not transact frequently and generally buys securities with the intention of holding them for the long term. The Investment Manager monitors investments closely and adds to holdings that it believes are good value relative to their outlook and reduces those which it believes may be facing increasing risks.



FUND INVESTMENT STRATEGIES AND OBJECTIVES

As a KiwiSaver Scheme, the purpose of the Scheme is to provide retirement benefits to its investors. The Scheme achieves this purpose by offering investments in the underlying QuayStreet Funds and investors may choose a fund or a combination of funds that best suit their risk profile and investment objectives.

As the Scheme invests members funds into the underlying QuayStreet Funds, the investment strategies, objectives, benchmarks and guidelines for the Scheme are the same as the corresponding QuayStreet Fund. The details for each QuayStreet Fund are set out below.

There are no separate limits on the types or proportions of investments at the Scheme level.

1. QUAYSTREET FIXED INTEREST FUND

INVESTMENT STRATEGY AND OBJECTIVES

The QuayStreet Fixed Interest Fund invests in a diversified portfolio of fixed interest and derivative investments, with an emphasis on corporate bonds. The investment objective is to provide a level of return above the New Zealand corporate fixed interest market over the long term, consistent with the Fund's benchmark. Investment returns may vary from year to year and may

be negative. The Fund aims to make quarterly distributions.

The Fund targets investment grade securities issued in New Zealand and international fixed interest markets. The investments may be spread across multiple issuers, sectors, maturities and regions to provide an appropriate level of risk diversification. The Fund may use derivatives to manage interest

rate and currency risk for international investments relative to the Fund's benchmark. The Fund has the ability to invest into other funds to obtain desired market exposures. The Fund's return will be measured in New Zealand dollars and currency exposure will be actively managed by the Investment Manager in a manner consistent with the investment objectives.

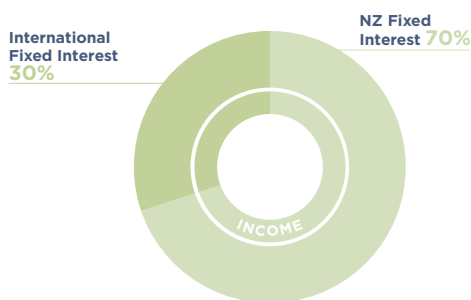
PERFORMANCE BENCHMARK AND ASSET ALLOCATION

The performance benchmark is the S&P/NZX Investment Grade Corporate Bond Total Return Index.

The asset allocation guidelines are shown below:

ASSET	TARGET ALLOCATION	MINIMUM ALLOCATION	MAXIMUM ALLOCATION
Australasian Equity	0%	0%	0%
International Equity	0%	0%	0%
Listed Property	0%	0%	0%
Unlisted Property	0%	0%	0%
NZ Fixed Interest	70%	0%	100%
International Fixed Interest	30%	0%	100%
Cash	0%	0%	40%
Growth Assets	0%	0%	0%
Defensive Assets	100%	100%	100%

TARGET INVESTMENT MIX



INVESTMENT GUIDELINES

Apart from the asset allocation guidelines specified above the Fund will be invested by the Investment Manager within the following guidelines:

- › Cash is defined as cash, term deposits and any other money market security with 12 months or less until maturity;
- › No more than 10% of the Fund may be invested in securities without an investment grade credit rating. This does not include unrated securities that the Investment Manager consider to be investment grade;
- › A minimum number of 15 securities will be held at all times with no more than 20% of the Fund exposed to a single issuer (with the exception of the NZ Government and related entities and excluding cash securities); and
- › No more than 30% of the Fund may be invested in subordinated debt and perpetual securities.

2. QUAYSTREET INCOME FUND

INVESTMENT STRATEGY AND OBJECTIVES

The QuayStreet Income Fund will invest in a diversified portfolio with an emphasis on income producing assets such as New Zealand and International fixed interest investments and derivatives. The Fund may include an allocation to growth assets such as listed property and equity securities. The investment objective is to provide a level of return above the Fund's benchmark over the long term, and to preserve the real value of investments

relative to inflation. The Fund aims to make quarterly distributions. Investment returns may vary from year to year and may be negative.

The Fund will target assets that can provide a sustainable level of income with low levels of volatility in total return. The investments may be spread across multiple asset types, geographies, markets, issuers, sectors and maturities to provide a higher

level of diversification. The Fund does have the ability to invest in other funds and may use derivatives for the purposes of risk management or to obtain desired market exposures. The Fund's return will be measured in New Zealand dollars and currency exposure will be actively managed by the Investment Manager in a manner consistent with the investment objectives.

PERFORMANCE BENCHMARK AND ASSET ALLOCATION

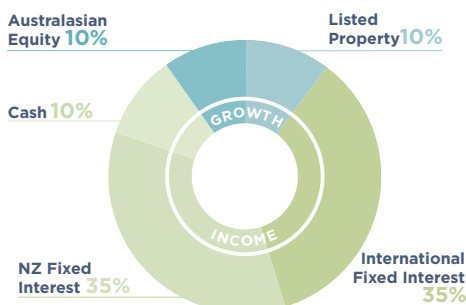
The performance benchmark is the NZ Official Cash Rate + 2%.

Our Quarterly Fund Updates and Annual Reports will report the Fund's returns against a composite market index consisting of the S&P/NZX 50 Gross Index (5%), S&P/ASX 200 Total Return Index (5%), S&P/ASX 200 A-REIT Total Return Index (5%), S&P/NZX All Real Estate Index (5%), S&P/NZX Investment Grade Corporate Bond Total Return Index (70%) and S&P/NZX Bank Bills 90-Day Total Return Index (10%). This is due to the Official Cash Rate not being recognised as a market index under the Financial Markets Conduct Act 2013.

The asset allocation guidelines are shown below:

ASSET	TARGET ALLOCATION	MINIMUM ALLOCATION	MAXIMUM ALLOCATION
Australasian Equity	10%	0%	30%
International Equity	0%	0%	30%
Listed Property	10%	0%	30%
Unlisted Property	0%	0%	0%
NZ Fixed Interest	35%	0%	100%
International Fixed Interest	35%	0%	100%
Cash	10%	0%	20%
Growth Assets	20%	0%	30%
Defensive Assets	80%	70%	100%

TARGET INVESTMENT MIX



INVESTMENT GUIDELINES

Apart from the asset allocation guidelines specified above the Fund will be invested by the Investment Manager within the following guidelines:

- › Cash is defined as cash, term deposits and any other money market security with 12 months or less until maturity;
- › No more than 5% of the Fund may be invested in any one security;
- › The Fund will typically be invested in 40-80 securities; and
- › No more than 10% of the Fund shall be exposed to a single issuer (excluding cash securities).

3. QUAYSTREET CONSERVATIVE FUND

INVESTMENT STRATEGY AND OBJECTIVES

The QuayStreet Conservative Fund invests in a diversified portfolio, with an emphasis on conservative assets such as fixed interest investments. The investment objective is to provide a level of return above the Fund's benchmark over the long term. Investment returns may vary from year to year and may be negative.

The Fund investments may be spread across multiple asset types, geographies, markets, issuers, sectors and maturities to provide a high level of diversification. The Fund does have the ability to invest in other funds and may use derivatives for the purposes of risk management or to obtain desired market exposures.

The Fund's return is measured in New Zealand dollars and currency exposure may be actively managed by the Investment Manager in a manner consistent with the investment objectives.

PERFORMANCE BENCHMARK AND ASSET ALLOCATION

The performance benchmark is based on the target asset allocation shown below and comprised of the following market indices.

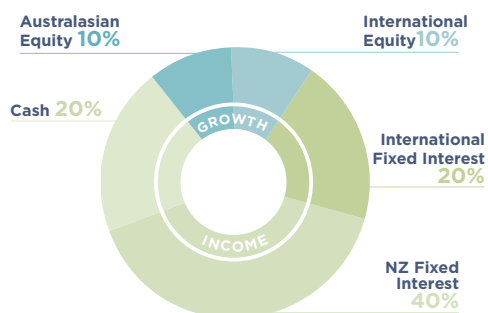
The asset allocation guidelines are shown below:

ASSET	TARGET ALLOCATION	MINIMUM ALLOCATION	MAXIMUM ALLOCATION
Australasian Equity	10%	0%	20%
International Equity	10%	0%	20%
Listed Property	0%	0%	20%
Unlisted Property	0%	0%	20%
NZ Fixed Interest	40%	0%	100%
International Fixed Interest	20%	0%	100%
Cash	20%	0%	100%
Growth Assets	20%	0%	40%
Defensive Assets	80%	60%	100%

Market indices:

MARKET INDEX	BENCHMARK WEIGHT
S&P/NZX 50 Gross Index	5%
S&P/ASX 200 Total Return Index	5%
MSCI World (NZD) Net Total Return Index	10%
S&P/NZX Investment Grade Corporate Bond Total Return Index	60%
S&P/NZX Bank Bills 90-Day Total Return Index	20%

TARGET INVESTMENT MIX



INVESTMENT GUIDELINES

Apart from the asset allocation guidelines specified above the Fund will be invested by the Investment Manager within the following guidelines:

- Cash is defined as cash, term deposits and any other money market security with 12 months or less until maturity.

4. QUAYSTREET BALANCED FUND

INVESTMENT STRATEGY AND OBJECTIVES

The QuayStreet Balanced Fund invests in a diversified portfolio with a balance between fixed interest and growth assets such as shares. The investment objective is to provide a level of return above the Fund's benchmark over the long term. Investment returns may vary considerably from year to year and may be negative.

The Fund investments may be spread across multiple asset types, geographies, markets, issuers, sectors and maturities to provide a high level of diversification. The Fund does have the ability to invest in other funds and may use derivatives for the purposes of risk management or to obtain desired market exposures. The Fund's return is measured in New Zealand

dollars and currency exposure is actively managed by the Investment Manager in a manner consistent with the investment objectives.

PERFORMANCE BENCHMARK AND ASSET ALLOCATION

The performance benchmark is based on the target asset allocation shown below and comprised of the following market indices.

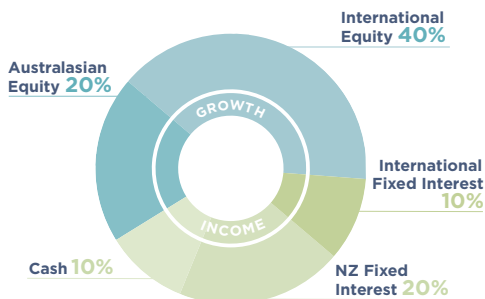
The asset allocation guidelines are shown below:

ASSET	TARGET ALLOCATION	MINIMUM ALLOCATION	MAXIMUM ALLOCATION
Australasian Equity	20%	0%	80%
International Equity	40%	0%	80%
Listed Property	0%	0%	40%
Unlisted Property	0%	0%	40%
NZ Fixed Interest	20%	0%	60%
International Fixed Interest	10%	0%	60%
Cash	10%	0%	60%
Growth Assets	60%	40%	80%
Defensive Assets	40%	20%	60%

Market indices:

MARKET INDEX	BENCHMARK WEIGHT
S&P/NZX 50 Gross Index	10%
S&P/ASX 200 Total Return Index	10%
MSCI World (NZD) Net Total Return Index	40%
S&P/NZX Investment Grade Corporate Bond Total Return Index	30%
S&P/NZX Bank Bills 90-Day Total Return Index	10%

TARGET INVESTMENT MIX



INVESTMENT GUIDELINES

Apart from the asset allocation guidelines specified above the Fund will be invested by the Investment Manager within the following guidelines:

- > Cash is defined as cash, term deposits and any other money market security with 12 months or less until maturity.

5. QUAYSTREET SOCIALLY RESPONSIBLE INVESTMENT FUND

INVESTMENT STRATEGY AND OBJECTIVES

The QuayStreet Socially Responsible Investment Fund (SRI Fund) endeavours to have a diversified portfolio of investments that are considered to be environmentally and socially sustainable, whilst still applying the Investment Manager's traditional portfolio investment criteria. The Fund invests in income (e.g. fixed interest) and growth assets (e.g. shares) which are selected by the Investment Manager in accordance with the SRI Policy. A key benefit of investing in the SRI Fund is that all investments must be selected by the Investment Manager in accordance with the SRI Policy and each such investment is monitored by the Investment Manager to ensure ongoing compliance with the standards and criteria outlined in the SRI Policy. The SRI Policy contains information relating to the nature

and criteria of socially responsible investment in the SRI Fund and is available on the offer register, disclose-register.companiesoffice.govt.nz and the QuayStreet website, quaystreet.com/socially-responsible-investment-process.

The investment objective is to provide a level of return above the SRI Fund's benchmark over the long term. The portfolio can vary between a growth and a balanced investment strategy, allowing the SRI Fund's overall risk exposure to be adjusted by the Investment Manager depending on market conditions.

The SRI Fund only includes investments that satisfy the standards and criteria outlined in the SRI Policy (including exclusionary screening and ESG evaluation), which means that the SRI Fund can only invest in a limited

range of assets, and this may affect the SRI Fund's returns and volatility relative to a traditional portfolio due to limited investments risk. Investment returns may vary considerably from year to year and may be negative. The SRI Fund's investments may be spread across multiple asset types, geographies, markets, issuers, sectors and maturities to provide a high level of diversification. The SRI Fund has the ability to invest in other funds that adhere to the SRI Policy standards and criteria. The SRI Fund may use derivatives for the purposes of risk management or to obtain desired market exposures. The SRI Fund's return is measured in New Zealand dollars and currency exposure is actively managed by the Investment Manager in a manner consistent with the investment objectives.

PERFORMANCE BENCHMARK AND ASSET ALLOCATION

The following benchmark weights will apply, as per the overall investment strategy being applied:

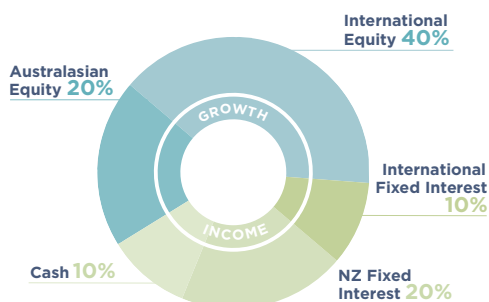
The asset allocation guidelines are shown below:

ASSET	TARGET ALLOCATION	MINIMUM ALLOCATION	MAXIMUM ALLOCATION
Australasian Equity	20%	0%	100%
International Equity	40%	0%	100%
Listed Property	0%	0%	40%
Unlisted Property	0%	0%	40%
NZ Fixed Interest	20%	0%	60%
International Fixed Interest	10%	0%	60%
Cash	10%	0%	60%
Growth Assets	60%	40%	100%
Defensive Assets	40%	0%	60%

Market indices:

MARKET INDEX	BENCHMARK WEIGHT
S&P/NZX 50 Gross Index	10%
S&P/ASX 200 Total Return Index	10%
MSCI World (NZD) Net Total Return Index	40%
S&P/NZX Investment Grade Corporate Bond Total Return Index	30%
S&P/NZX Bank Bills 90-Day Total Return Index	10%

TARGET INVESTMENT MIX



INVESTMENT GUIDELINES

Apart from the asset allocation guidelines specified above the SRI Fund will be invested by the Investment Manager within the following guidelines:

- > Cash is defined as cash, term deposits and any other money market security with 12 months or less until maturity; and
- > The securities in the SRI Fund and any potential new investments will be monitored for adherence to the standards and criteria as specified in the SRI Policy.

6. QUAYSTREET GROWTH FUND

INVESTMENT STRATEGY AND OBJECTIVES

The QuayStreet Growth Fund invests in a diversified portfolio with an emphasis on growth assets such as shares. The investment objective is to provide a level of return above the Fund's benchmark over the long term. Investment returns may vary substantially from year to year and may be negative.

The Fund's investments may be spread across multiple asset types, geographies, markets, issuers, sectors and maturities to provide a high level of diversification. The Fund does have the ability to invest in other funds and may use derivatives for the purposes of risk management or to obtain desired market exposures. The Fund's

return is measured in New Zealand dollars and currency exposure is actively managed by the Investment Manager in a manner consistent with the investment objectives.

PERFORMANCE BENCHMARK AND ASSET ALLOCATION

The performance benchmark is based on the target asset allocation shown below and comprised of the following market indices.

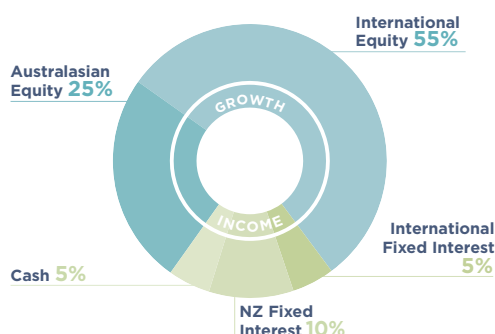
The asset allocation guidelines are shown below:

ASSET	TARGET ALLOCATION	MINIMUM ALLOCATION	MAXIMUM ALLOCATION
Australasian Equity	25%	0%	100%
International Equity	55%	0%	100%
Listed Property	0%	0%	40%
Unlisted Property	0%	0%	40%
NZ Fixed Interest	10%	0%	40%
International Fixed Interest	5%	0%	40%
Cash	5%	0%	40%
Growth Assets	80%	60%	100%
Defensive Assets	20%	0%	40%

Market indices:

MARKET INDEX	BENCHMARK WEIGHT
S&P/NZX 50 Gross Index	12.5%
S&P/ASX 200 Total Return Index	12.5%
MSCI World (NZD) Net Total Return Index	55%
S&P/NZX Investment Grade Corporate Bond Total Return Index	15%
S&P/NZX Bank Bills 90-Day Total Return Index	5%

TARGET INVESTMENT MIX



INVESTMENT GUIDELINES

Apart from the asset allocation guidelines specified above the Fund will be invested by the Investment Manager within the following guidelines.

- > Cash is defined as cash, term deposits and any other money market security with 12 months or less until maturity.

7. QUAYSTREET HIGH GROWTH FUND

INVESTMENT STRATEGY AND OBJECTIVES

The QuayStreet High Growth Fund invests in a diversified portfolio, mainly focused on growth assets such as shares. The investment objective is to provide a level of return above the Fund's benchmark over the long term. Investment returns may vary substantially from year to year and may be negative.

The Fund's investments may be spread across multiple asset types, geographies, markets, issuers, sectors and maturities to provide a level of diversification. The Fund does have the ability to invest in other funds and may use derivatives for the purposes of risk management or to obtain desired market exposures.

The Fund's return is measured in New Zealand dollars and currency exposure is actively managed by the Investment Manager in a manner consistent with the investment objectives.

PERFORMANCE BENCHMARK AND ASSET ALLOCATION

The performance benchmark is based on the target asset allocation shown below and comprised of the following market indices.

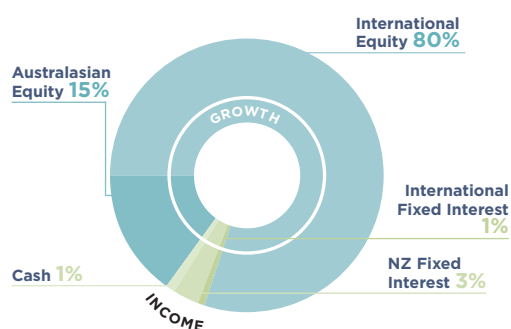
The asset allocation guidelines are shown below:

ASSET	TARGET ALLOCATION	MINIMUM ALLOCATION	MAXIMUM ALLOCATION
Australasian Equity	15%	0%	100%
International Equity	80%	0%	100%
Listed Property	0%	0%	40%
Unlisted Property	0%	0%	40%
NZ Fixed Interest	3%	0%	20%
International Fixed Interest	1%	0%	20%
Cash	1%	0%	20%
Growth Assets	95%	80%	100%
Defensive Assets	5%	0%	20%

Market indices:

MARKET INDEX	BENCHMARK WEIGHT
S&P/NZX 50 Gross Index	7.5%
S&P/ASX 200 Total Return Index	7.5%
MSCI World (NZD) Net Total Return Index	80%
S&P/NZX Investment Grade Corporate Bond Total Return Index	4%
S&P/NZX Bank Bills 90-Day Total Return Index	1%

TARGET INVESTMENT MIX



INVESTMENT GUIDELINES

Apart from the asset allocation guidelines specified above the Fund will be invested by the Investment Manager within the following guidelines.

- > Cash is defined as cash, term deposits and any other money market security with 12 months or less until maturity.

8. QUAYSTREET NEW ZEALAND EQUITY FUND

INVESTMENT STRATEGY AND OBJECTIVES

The QuayStreet New Zealand Equity Fund invests in a portfolio of shares from the New Zealand market, targeting returns above the long-term performance of the New Zealand sharemarket. The investment objective is to provide a level of return above the Fund's benchmark over the long term. Investment returns may vary substantially from year to year and may be negative.

The Fund invests predominantly in companies that are in the S&P/NZX 50 Index. However, there may be an allocation to smaller companies listed on the NZX Main Board or to unlisted companies which have the intention of listing on a recognised exchange within 12 months. The Fund may also invest in cash, including when there is a lack of suitable investment options available and may use derivatives for

the purposes of risk management or to obtain desired market exposures.

The Fund's return will be measured in New Zealand dollars.

PERFORMANCE BENCHMARK AND ASSET ALLOCATION

The performance benchmark is the S&P/NZX 50 Gross Index.

The asset allocation guidelines are shown below:

ASSET	TARGET ALLOCATION	MINIMUM ALLOCATION	MAXIMUM ALLOCATION
Australasian Equity*	100%	0%	100%
International Equity	0%	0%	0%
Listed Property*	0%	0%	100%
Unlisted Property	0%	0%	0%
NZ Fixed Interest	0%	0%	0%
International Fixed Interest	0%	0%	0%
Cash	0%	0%	30%
Growth Assets	100%	70%	100%
Defensive Assets	0%	0%	30%

* This will be fully invested in New Zealand securities.

TARGET INVESTMENT MIX

New Zealand
Equity **100%**



INVESTMENT GUIDELINES

Apart from the asset allocation ranges specified above the Fund will be invested by the Investment Manager within the following guidelines:

- > Cash is defined as cash, term deposits and any other money market security with 12 months or less until maturity; and
- > The Fund will typically be invested in 20-40 securities.

9. QUAYSTREET AUSTRALIAN EQUITY FUND

INVESTMENT STRATEGY AND OBJECTIVES

The QuayStreet Australian Equity Fund invests in a portfolio of shares from the Australian market, targeting returns above the long-term performance of the Australian sharemarket. The investment objective is to provide a level of return above the Fund's benchmark over the long term. Investment returns may vary substantially from year to year and may be negative.

The Fund invests predominantly in companies that are in the S&P/ASX 200 Index. However, there may be an allocation to smaller companies listed on the Australian Stock Exchange or to unlisted companies which have the intention of listing on a recognised exchange within 12 months. The Fund may also invest in cash, including when there is a lack of suitable investment options available and may

use derivatives for the purposes of risk management or to obtain desired market exposures. The Fund's return is measured in New Zealand dollars and currency exposure is actively managed by the Investment Manager in a manner consistent with the investment objectives.

PERFORMANCE BENCHMARK AND ASSET ALLOCATION

The performance benchmark is the S&P/ASX 200 Total Return Index.

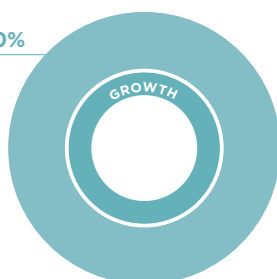
The asset allocation guidelines are shown below:

ASSET	TARGET ALLOCATION	MINIMUM ALLOCATION	MAXIMUM ALLOCATION
Australasian Equity*	100%	0%	100%
International Equity	0%	0%	0%
Listed Property*	0%	0%	100%
Unlisted Property	0%	0%	0%
NZ Fixed Interest	0%	0%	0%
International Fixed Interest	0%	0%	0%
Cash	0%	0%	30%
Growth Assets	100%	70%	100%
Defensive Assets	0%	0%	30%

* This will be fully invested in Australian securities.

TARGET INVESTMENT MIX

Australian Equity 100%



INVESTMENT GUIDELINES

Apart from the asset allocation ranges specified above the Fund will be invested by the Investment Manager within the following guidelines:

- > Cash is defined as cash, term deposits and any other money market security with 12 months or less until maturity; and
- > The Fund will typically be invested in 20-40 securities.

10. QUAYSTREET INTERNATIONAL EQUITY FUND

INVESTMENT STRATEGY AND OBJECTIVES

The QuayStreet International Equity Fund invests in a portfolio of shares from the international market, diversifying investors away from the New Zealand dollar. The investment objective is to provide a level of return above the Fund's benchmark over the long term. Investment returns may vary substantially from year to year and may be negative.

The Fund will invest in some or all of the following: listed company shares

(including preference and convertible shares), country and/or sector share funds (listed or unlisted), Exchange Traded Funds and funds of specialist sub managers. The Fund may also use derivatives such as, but not limited to, total return swaps and futures and options in order to gain exposure to markets, rather than using direct share investments or index funds, or to reduce risk. The mix of the Fund's investments will vary and, at any point

in time, all or a substantial proportion of the Fund's exposure may comprise one of the classes of instrument, including derivatives.

The Fund's exposure to foreign currency is not hedged to enable investors to diversify away from New Zealand dollar denominated investments.

PERFORMANCE BENCHMARK AND ASSET ALLOCATION

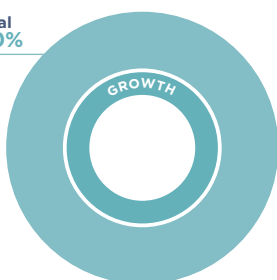
The performance benchmark is the MSCI World (NZD) Net Total Return Index.

The asset allocation guidelines are shown below:

ASSET	TARGET ALLOCATION	MINIMUM ALLOCATION	MAXIMUM ALLOCATION
Australasian Equity	0%	0%	50%
International Equity	100%	0%	100%
Listed Property	0%	0%	50%
Unlisted Property	0%	0%	0%
NZ Fixed Interest	0%	0%	0%
International Fixed Interest	0%	0%	0%
Cash	0%	0%	80%
Growth Assets	100%	20%	100%
Defensive Assets	0%	0%	80%

TARGET INVESTMENT MIX

International Equity 100%



INVESTMENT GUIDELINES

Apart from the asset allocation ranges specified above the Fund will be invested by the Investment Manager within the following guidelines:

- > Cash is defined as cash, term deposits and any other money market security with 12 months or less until maturity;
- > For direct investments in equities, no one security can account for more than 10% of the Fund.
- > The international allocation will be broadly diversified with reference to the regional contribution to international growth; and

11. QUAYSTREET INTERNATIONAL EQUITY (NZD HEDGED) FUND

INVESTMENT STRATEGY AND OBJECTIVES

The QuayStreet International Equity (NZD Hedged) Fund invests in a portfolio of shares from the international market where foreign currency exposure is fully hedged back to the New Zealand dollar. The investment objective is to provide a level of return above the Fund's benchmark over the long term. Investment returns may vary substantially from year to year and may be negative.

The Fund will invest in some or all of the following: listed company shares (including preference and convertible shares), country and/or sector share funds (listed or unlisted), Exchange Traded Funds and funds of specialist sub managers. The Fund may also use derivatives such as, but not limited to, total return swaps, futures and options in order to attain investment exposure or to reduce risk. The mix of the Fund's investments can vary

and, at any point in time, all or a substantial proportion of the Fund's exposure may comprise one of the classes of instrument, including derivatives.

It is intended that foreign currency investments will be fully hedged by utilising currency derivatives to negate the impact on returns caused by currency movements.

PERFORMANCE BENCHMARK AND ASSET ALLOCATION

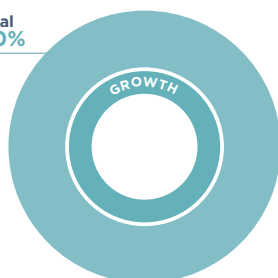
The performance benchmark is the MSCI World (100% Hedged to NZD) Net Total Return Index.

The asset allocation guidelines are shown below:

ASSET	TARGET ALLOCATION	MINIMUM ALLOCATION	MAXIMUM ALLOCATION
Australasian Equity	0%	0%	50%
International Equity	100%	0%	100%
Listed Property	0%	0%	50%
Unlisted Property	0%	0%	0%
NZ Fixed Interest	0%	0%	0%
International Fixed Interest	0%	0%	0%
Cash	0%	0%	80%
Growth Assets	100%	20%	100%
Defensive Assets	0%	0%	80%

TARGET INVESTMENT MIX

International Equity **100%**



INVESTMENT GUIDELINES

Apart from the asset allocation ranges specified above the Fund will be invested by the Investment Manager within the following guidelines:

- › Cash is defined as cash, term deposits and any other money market security with 12 months or less until maturity;
- › For direct investments in equities, no one security can account for more than 10% of the Fund; and
- › For each non-NZD currency exposure in the portfolio, the Fund will maintain a hedge ratio between benchmark level and 100%.

12. QUAYSTREET ALTUM FUND

INVESTMENT STRATEGY AND OBJECTIVES

The QuayStreet Altum Fund invests in a concentrated portfolio of Australasian shares that can also include international shares, cash, fixed interest investments and derivatives. The investment objective is to provide a level of return above the Fund's performance benchmark over the long term. Investment returns may vary substantially from year to year and may be negative.

The Fund will invest predominantly in shares where the Investment Manager has a high level of conviction in the investment case. As a result, the asset

allocation and diversification of the portfolio may change considerably over time. The Fund may also invest in cash or fixed interest securities, including when there is a lack of suitable high conviction investment options available. There may also be an allocation to smaller companies listed on a recognised exchange or to unlisted companies which have the intention of listing on a recognised exchange within 12 months. The Fund does have the ability to invest in other funds and may use derivatives for the purposes of risk management. The

Fund may utilise financial derivative instruments such as (but not limited to) futures and options and short selling publicly traded securities. Derivatives and any related collateral are marked to market daily so market exposures may be monitored. The Fund's return is measured in New Zealand dollars and currency exposure is actively managed by the Investment Manager in a manner consistent with the investment objectives.

PERFORMANCE BENCHMARK AND ASSET ALLOCATION

The performance benchmark is the NZ Official Cash Rate + 6%.

Our Quarterly Fund Updates and Annual Reports will report the Fund's returns against a composite market index consisting of the S&P/NZX 50 Gross Index (50%) and S&P/ASX 200 Total Return Index (50%). This is due to the Official Cash Rate not being recognised as a market index under the Financial Markets Conduct Act 2013. The hurdle rate of return used for the determination of the performance fee payable is not based on this composite market index, instead the performance fee hurdle rate of return is the Official Cash Rate plus 6%. This may result in a performance fee being paid to us even if the Fund's returns do not exceed the composite market index set out above.

The asset allocation guidelines are shown below:

ASSET	TARGET ALLOCATION	MINIMUM ALLOCATION	MAXIMUM ALLOCATION
Australasian Equity	100%	0%	100%
International Equity	0%	0%	100%
Listed Property	0%	0%	100%
Unlisted Property	0%	0%	0%
NZ Fixed Interest	0%	0%	100%
International Fixed Interest	0%	0%	100%
Cash	0%	0%	100%
Growth Assets	100%	0%	100%
Defensive Assets	0%	0%	100%

TARGET INVESTMENT MIX

Australasian Equity 100%



INVESTMENT GUIDELINES

Apart from the asset allocation ranges specified above the Fund will be invested by the Investment Manager within the following guidelines:

- › Cash is defined as cash, term deposits and any other money market security with 12 months or less until maturity;
- › The Fund will typically be invested in 10-25 securities; and
- › Maximum financial derivative instrument position net of called collateral is 20%. Minimum to

maximum gross equity exposure for short selling is 0% - 140% (i.e. the total short sell position will not be greater than 20% of Fund's Gross Asset Value ("GAV")). As per the Derivatives section (page 15) the Investment Manager does not utilise derivatives for leveraging returns.

POLICIES AND PROCEDURES

INVESTMENT GUIDELINES

The investment guidelines for each Fund are defined in the Funds' Investment Strategies and Objectives on pages 3 to 14.

In addition, the Investment Manager operates several policies and procedures which are set out below.

RESPONSIBLE INVESTMENT

In relation to the Funds, responsible investing is the incorporation of ESG factors within the Investment Manager's investment decision-making framework. The Investment Manager's primary objective of incorporating ESG considerations is to assess and consider how much influence ESG factors may have on financial performance and overall portfolio risk. This is applied within the Investment Manager's investment decision-making process that seeks to achieve strong financial outcomes for the Funds and their investors.

The RI Policy applies to the Investment Manager's services provided across the entire suite of QuayStreet Funds except the SRI Fund, which is managed by the Investment Manager according to the SRI Policy.

Exclusions

In accordance with the RI Policy, the Investment Manager may exclude investment in entities whose business operations, products or services have a detrimental impact on the environment or society. When determining exclusion criteria to be applied, the Investment Manager will consider:

- > The ultimate purpose of the exclusion and how this serves investors, society, the environment and other stakeholders.
- > New Zealand laws or regulatory prohibitions concerning investment in certain entities or assets.
- > Level of impact that exclusions may have on investment risk and return objectives and overall portfolio construction.

- > Under the RI Policy, direct investment in entities that undertake business operations across the following activities is excluded:
 - > Tobacco farming, and manufacture of cigarettes and cigars.
 - > Manufacturing of cluster bombs, landmines, bio-weapons and nuclear weapons.

Using publicly available information, entities that generate any level of revenue from the activities listed above are identified by the Investment Manager and investment in those entities is excluded by setting trade restrictions in the Investment Manager's pre-trade compliance systems.

In the event an entity that is held in a QuayStreet Fund portfolio that is governed by the RI Policy begins to generate any level of revenue from the activities listed above (i.e. due to an acquisition or change in business strategy/operations), the Investment Manager will seek to divest within a reasonable timeframe depending on general and specific market factors, including, transaction costs and liquidity.

SOCIALLY RESPONSIBLE INVESTMENT

The SRI Fund invests in entities which score highly in ESG factors. For this Fund, the Investment Manager seeks a balance between the financial and ESG performance of an investment.

The SRI Fund is governed by the SRI Policy, which requires that the Investment Manager conduct exclusionary screening methods alongside its traditional investment decision-making process for all direct investments in the SRI Fund.

Exclusionary screening involves identification of commercial activities that are deemed to have a negative influence on the society or the environment. The list of commercial activities that the Investment Manager includes in its exclusionary screening process are:

- > Tobacco production;

- > Alcohol production;
- > Fossil fuel exploration, mining and extraction;
- > Gambling services and facilitation;
- > Uranium mining and nuclear weapons;
- > Weapons manufacturing; and
- > Adult entertainment.

As part of the exclusionary screening process, the Investment Manager seeks to identify entities that generate any level of revenue from the activities listed above by using publicly available information and precludes investment in those entities by setting trade restrictions in its pre-trade compliance systems.

In the event an entity whose securities are held in the SRI Fund portfolio begins to generate revenue from any of the activities listed above (i.e. due to an acquisition or change in business strategy), the Investment Manager will seek to divest within a reasonable timeframe depending on general and specific market factors, including, transaction costs and liquidity.

In conjunction with the traditional investment approach and application of the exclusionary screening process outlined above, the SRI Policy requires the Investment Manager to undertake extensive analysis of non-financial ESG-related risks and opportunities as part of its investment decision-making process for all direct investments of the SRI Fund. The Investment Manager uses a combination of a qualitative-based framework and scoring system to understand, evaluate, and determine an investment opportunity's suitability against a number of ESG-related factors. For each investment opportunity the Investment Manager will assign an overall score ranging from 1 (worst) to 10 (best) for each individual ESG factor.

For the SRI Fund, and any other QuayStreet Funds that may be governed by the SRI Policy in the future, the Investment Manager will apply the following ESG criteria in order to be considered for integration in the portfolio construction process for those QuayStreet Funds:

1. For each entity being assessed, each ESG factor must have a score of 5 or higher.
2. The Investment Manager will seek to invest in higher ESG scoring entities as long as it does not compromise the overall risk and return objectives of the Fund.

Some of the key considerations the Investment Manager evaluates as part of its ESG analysis framework are as follows:

Environmental Considerations

- › Environmental opportunities (e.g. clean energy development, carbon reduction);
- › Pollution / hazardous waste;
- › Impact on climate change (e.g. carbon emissions); and
- › Usage of natural resources (e.g. land and water usage, biodiversity impact caused by usage).

Social / Other Considerations

- › Human capital (e.g. occupational safety & health, employee relationships);
- › Impact on society (e.g. controversial sourcing, privacy/data security); and
- › Social opportunities (e.g. supporting communities, social infrastructure).

Governance

- › Corporate behaviour (e.g. executive pay, corporate culture and corruption);
- › Corporate governance (e.g. Board and management quality, risk control and management); and
- › Transparency (e.g. quality of reporting, lobbying activities).

LIQUIDITY AND CASH FLOW MANAGEMENT

The QuayStreet Funds have regular inflows arising from investor contributions and investment income and outflows arising from investor redemption requests. This includes redemption requests made by the Scheme to fund redemptions from the Scheme.

Each QuayStreet Fund has defined ranges on cash and liquid assets which are appropriate for each Fund.

Liquidity and cash flow management is part of the Investment Manager's daily portfolio monitoring process.

DERIVATIVES

We have International Swaps and Derivatives Association (ISDA) Agreements in place with large institutions and banks. The Investment Manager utilises derivatives in the Funds for the following purposes:

- › To hedge against, or minimise liability from, market price fluctuations of an underlying asset or a particular risk component of that asset;
- › To gain economic exposure without physically making a purchase. This exposure could be, but not limited to specific equity, fixed income and cash securities or a basket of securities such as indices and exchange traded funds that cover regions, particular subsets of a market or investment style;
- › To adjust exposure within the strategic asset allocation parameters that have been set in the SIPO in a timely and cost-efficient manner; and
- › To obtain prices in underlying securities that may not be available in the market, or to reduce transaction costs by providing a more efficient means of obtaining a portfolio exposure.

For the avoidance of doubt, the use of derivatives for the purpose of providing financial leverage outside of the SIPO or a QuayStreet Fund mandate is prohibited.

Derivatives are undertaken at the QuayStreet Fund level, and not at a Scheme level.

PRICING/VALUATION

All reconciliation functions (trading, cash valuations) are outsourced and performed daily by Apex Investment Administration (NZ) Limited for the purposes of the QuayStreet Funds, to derive unit pricing for those Funds which, in turn, drives the value of corresponding interests in the Scheme.

Portfolio valuations are derived by applying closing market prices to each security held by a QuayStreet Fund. Security prices are updated as international markets close. Prices for international securities are converted into New Zealand dollars using a currency exchange rate extracted at the London Close. Valuations are updated at the close of markets.

TRADE ALLOCATION AND EXECUTION

The Investment Manager has compliance procedures in place to minimise risks associated with trading.

While specific portfolio management responsibilities for QuayStreet Funds have been allocated to individuals, the Investment Manager's entire team has full visibility of all trades and is authorised to transact on behalf of all the QuayStreet Funds.

This ensures deal flows are monitored and minimises the risk of trading errors or aberrant behaviour.

The Investment Manager's compliance team, who are independent of the trading function, undertakes a daily review of portfolio positions and trades to ensure compliance with the QuayStreet Funds' investment guidelines.

TRADE RECONCILIATION AND RISK MANAGEMENT

The Investment Manager's trade settlement process applicable to the QuayStreet Funds varies slightly by asset class and security type but there are three levels of reconciliation that are common across all:

- 1) Executed trades are matched and confirmed against original instructions;
- 2) Settlement instructions the Investment Manager sends are first matched against counterparty transaction confirmations; and
- 3) Wherever possible, trades are settled using recognised market clearing platforms on a delivery versus payment basis where the assets and cash from both sides of the transaction are matched prior to settlement.

INVESTMENT STRATEGY REVIEW

Portfolio weightings changes are addressed by the Investment Manager at fortnightly meetings. Opportunities may arise or views may change between meetings. Accordingly, changes may be made as and when the Investment Manager considers it is appropriate to alter weightings.

CONFLICTS OF INTEREST

The Investment Manager's Conflict Management Policy is designed to identify potential conflicts that may exist and then ensure any actual or perceived conflict is managed in an appropriate manner. This is typically done by disclosing details of any potential conflict to affected parties. The Conflict Management Policy is constructed to ensure that, at all times, the Investment Manager places the interests of the investors above its own interests.

TAXATION

The QuayStreet KiwiSaver Scheme is registered as PIE. The Scheme's taxable income is attributed to each member in proportion to the value of their investment in the Scheme. The Scheme pays tax on the income attributed to each member at their advised Prescribed Investor Rate (PIR).

Tax is calculated and deducted on redemptions from the Scheme. At year end a final tax calculation and recovery process is run and tax is paid to the IRD.

RELATED PARTY TRANSACTIONS

We have a Related Party Transactions Policy in place to ensure that any potential related party benefit (as per the definition in section 172 of the Financial Markets Conduct Act 2013) is identified and appropriately managed, which is applied to transactions in respect of the underlying QuayStreet Funds. The policy also applies to transactions undertaken at a Scheme level, although there is considerably reduced scope for these given that the Scheme only invests in QuayStreet Funds.

Arrangements with related parties are discussed and agreed with the Supervisor prior to any activity being undertaken. This ensures any related party activity is clearly identified, that terms are conducted on an arms-length basis and any activity is in the best interest of the members.

SIPO EFFECTIVE DATE AND REVIEW

SIPO compliance is monitored on a daily basis internally and externally by the Supervisor, the Investment Manager, and Smartshares' compliance team.

The Investment Manager's investment guidelines will be reviewed at least annually. The SIPO will also be proactively reviewed if the Investment Manager's underlying core long term risk and return assumptions have changed or at least annually. Any changes will be notified and confirmed by Smartshares and the Smartshares Board prior to implementation and unit holder notification.

The investment guidelines must at all times align with the Trust Deed as the governing document.

The current version of the SIPO is available on the Schemes register disclose-register.companiesoffice.govt.nz.

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QUAYSTREET®
ASSET MANAGEMENT

P. 0800 782 900 // E. INFO@QUAYSTREET.COM
LEVEL 15, 45 QUEEN STREET, PO BOX 106 555, AUCKLAND 1143 // QUAYSTREET.COM