FSSA (NZ) Managed Investment Scheme

FSSA Investment Managers

Statement of Investment Policy and Objectives

Investment management by
First Sentier Investors (Australia) IM Ltd

Effective date: 2 June 2026

Issued by: FundRock NZ Limited

A. Description of the managed investment scheme

The FSSA (NZ) Managed Investment Scheme (**Scheme**) is a managed investment scheme. The Scheme has on offer one single sector investment fund, the FSSA Global Emerging Markets Focus Fund (**Fund**) which provides unitholders with exposure to shares listed in global emerging markets.

The Fund is actively managed. The Fund invests primarily in large and mid-capitalisation securities in emerging economies, including those of companies listed in developed market exchanges whose majority activities take place in emerging market countries.

B. Roles and responsibilities

The Licensed Manager

FundRock NZ Limited (**FundRock**, **we**, **us**, **our** or **Manager**) is the licensed manager of the Scheme. The Manager's key roles and responsibilities are:

- Preparation of disclosure material.
- Establishing, reviewing and maintaining this Statement of Investment Policy and Objectives (**SIPO**) for the Scheme.
- The ongoing management and oversight of the Fund. This includes appointing, managing and monitoring specialist providers for:
  - Fund administration; and
  - Investment management.
- Monitoring investment performance and outcomes.

The Investment Manager

First Sentier Investors (Australia) IM Ltd (**First Sentier Investors** or **Investment Manager**) is the Scheme's Investment Manager and is responsible for deciding what the Fund invests in. In turn, the Investment Manager may sub-delegate any of its duties, responsibilities, functions or powers to manage the assets of the Fund to one or more affiliates within First Sentier Group. As at the date of this SIPO, investment management responsibilities are undertaken by FSSA Investment Managers (**FSSA**), who are an autonomous investment team within First Sentier Group.

The Fund is invested in accordance with this SIPO and FSSA investment philosophy.

FSSA and First Sentier Investors participate in reviewing this SIPO.

Other Service Providers

BNP Paribas Funds Services Australasia Pty Limited (**BNP**) is the custodian and administration manager.

Apex Investment Administration (NZ) Limited is the registrar.

Public Trust is the Scheme's Supervisor. The Supervisor is responsible for supervision of the Manager and the Scheme, including:

- Acting on behalf of the Fund's unitholders in relation to the Manager and any contravention of the Manager's issuer obligations.
- Supervising the performance by the Manager of its functions and the financial position of the Manager and the Scheme.
- Holding the Scheme property or ensuring that the assets are held in accordance with applicable legislative requirements. BNP has been appointed by the Supervisor as Custodian for the Fund.

C. Investment philosophy

FSSA's investment philosophy reflects an actively managed, bottom-up investment approach, using fundamental research and analysis to construct high-conviction portfolios. FSSA believes that long-term investment outcomes are best achieved by identifying quality companies, buying them at a sensible price, and holding for the long-term. FSSA looks for founders and management teams that act with integrity and risk awareness, and dominant franchises that have the ability to deliver stable and predictable returns over the long-term.

Within this philosophy, FSSA invests primarily in a portfolio of large and mid-capitalisation securities in emerging economies and the securities selected for investment may at times result in a portfolio that is concentrated in certain countries.

D. Responsible investment

The Manager has delegated investment management decisions of the Fund, to the Investment Manager pursuant to the Investment Management Agreement, which takes into account labour standards or environmental, social and ethical considerations for the purpose of selecting, retaining or realising investments.

For information in relation to how the Investment Manager incorporates environmental, social and governance (**ESG**) considerations into the management of the Fund please refer to 'The Fund's approach to ESG' section below.

The Fund's approach to ESG

Overview

The Fund does not have ESG targets as part of the investment objective and on that basis is not designed for investors who are looking for a fund that meet particular ESG targets.

FSSA believes that ESG issues have the potential to have an impact on the long-term returns of a company and these are considered as part of the analysis of companies.

The investment decision process of FSSA, including with respect to ESG factors, may differ to other funds managed by the Investment Manager.

With respect to the Fund:

- FSSA undertakes due diligence processes of potential investee companies to evaluate the quality of the management team, business franchise and financials of each investee company. The evaluation is primarily based on meetings between FSSA and the management team of potential investee companies. This is supplemented with primary documents (such as annual reports and earnings presentations), third party resources and the engagement of experts.
- The outcome of this evaluation is that the investee companies are given a quality rating by FSSA based on FSSA's views arising from the quality evaluation.
- Consideration and evaluation of relevant ESG issues and factors may be incorporated into the overall assessment of quality, however, there is no set weight given to those ESG issues and factors and investee companies do not receive a specific ESG score.

The extent to which relevant ESG issues and factors are considered for any potential investment of the Fund will vary at the discretion of FSSA and, in certain circumstances, may not be included in the consideration of an investment decision if they are deemed immaterial by FSSA.

Further information with respect to ESG consideration is set out below.

- Following initial investment into an investee company, FSSA engages with the management team of the investee company to supplement its initial research, which may include raising any material concerns and/or sharing best practice relating to ESG issues. In the event that repeated attempts at engagement on specific issues are unsuccessful, the investment team may consider escalating the relevant issue by (as applicable):
  - initiating a wider engagement with other investors or relevant topic experts;
  - writing to or meeting with the chairperson or lead independent director; or
  - voting against directors that are not providing appropriate oversight.

Depending on the outcome of such escalation, the investment team may decide to decrease (or increase) the portfolio weighting for the relevant company. In circumstances where remediation of the relevant issue is not possible, the investment team may exit the Fund's position in the company in an orderly manner having regard to the best interests of unitholders.

ESG issues and factors

FSSA believes the relevance of specific ESG issues and factors differs from company-to-company and as such, it does not follow a checklist-style approach to assessing investee companies against a defined set of ESG criteria. Notwithstanding this belief, below is a list of ESG issues and factors that FSSA may consider when undertaking its quality evaluation of a potential investee company:

- **Environmental** – an investee company's greenhouse gas emissions output and intensity (such as carbon dioxide), air pollutants output and intensity (such as nitrogen oxides and sulphur oxides), water use, intensity and management, waste output, disposal and management, and product packaging inputs and recyclability.
- **Social** – an investee company's diversity and inclusion strategy and performance, human rights and labour conditions, employee compensation, customer health and safety, data privacy and security, sustainable procurement and supply chain.
- **Governance** – an investee company's board structure, tenure and concurrent directorships, board diversity and experience, performance-linked remuneration policy, shareholder rights and control, no anti-takeover provisions.

Screening of certain investments for the Fund

In addition to the above ESG analysis, the management of the Fund is also subject to the additional screening of investment in entities that derive more than 10% gross annual revenue directly from Thermal Coal Mining or Gambling (defined below).

This screening is subject to the following qualifications:

- For the purpose of this screening, Thermal Coal Mining means the extraction of thermal coal. This does not include the transportation of coal (rail, shipping), port operators as a supporting service, or providing services to companies active within the extraction of thermal coal. If, after investment, any holdings are subsequently assessed to have thermal coal revenue in excess of 10% (measured on a rolling three-year average), FSSA will engage with such companies, though the Fund may continue to hold the investments while urging a reduction.
- For the purposes of this screening, Gambling means: the ownership or operation of gambling facilities, the production of gambling product or the support services to the gambling industry. If, after investment, any holdings are subsequently assessed to have gambling revenue in excess of 10%, FSSA will engage with such companies, though the Fund may continue to hold the investments while urging a reduction.
- The implementation of this screening is dependent on information relating to either reported revenues or revenue estimates provided by reputable third-party research providers. Where such information turns out to be inaccurate or there are delays in accessing such information, the implementation of this screening may in turn be delayed, particularly where there has been material changes in the nature of certain investments.

Exclusion of certain investments for the Fund

In addition to the above ESG analysis and screening, the management of the Fund is also subject to the exclusion of investment (either in equity or debt (as applicable)) in entities that:

- derive any gross revenue directly from the manufacture of Controversial Weapons (defined below) or Tobacco Products (defined below); or
- own a 50% or more interest in entities that derive any gross revenue directly from the manufacture of Controversial Weapons or Tobacco Products; or
- derive any gross revenue directly from the production or distribution of pornography or adult entertainment.

This exclusion is subject to the following qualifications:

- For the purposes of this exclusion, Controversial Weapons means: anti-personnel mines, small arms, cluster weapons, biological and chemical weapons, depleted uranium, nuclear weapons and white phosphorus munitions .
- For the purposes of this exclusion, Tobacco Products means: traditional cigarettes and other tobacco products, such as cigars, chewing tobacco, vaping and e-cigarette products.
- This exclusion does not apply to investments in entities with minority investments (i.e. less than 50% interest in the entity) in other entities or joint ventures that are involved in the manufacture of Controversial Weapons or Tobacco Products.

The implementation of this exclusion is dependent on information relating to either reported revenues or revenue estimates provided by reputable third-party research providers. Where such information turns out to be inaccurate or there are delays in accessing such information, the implementation of this exclusion may in turn be delayed, particularly where there has been material changes in the nature of certain investments.

If any existing investment is subsequently assessed to be captured by the above exclusion, the relevant investment team will generally seek an orderly sale of that investment within three months, but this timeframe may vary on a case-by-case basis.

E. Fund investment objectives and strategies

FSSA Emerging Markets Focus Fund

The investment objectives and strategy of the Fund are:

Investment Objectives[1]

To achieve long-term capital growth that exceeds the MSCI Emerging Markets Index (NZD), before fees and taxes, over rolling five-year periods.

Investment Strategy

The Fund invests primarily in large and mid-capitalisation securities in emerging economies, including those of companies listed on developed market exchanges whose majority activities take place in emerging market countries.

Emerging market countries are defined as countries which are not classified as developed markets by both MSCI and FTSE. For the avoidance of doubt, a country shall be treated as an emerging market country if it is not classified as a developed market by either the MSCI or the FTSE. The Fund does not hedge currency risk.

The Fund may use derivatives for the purpose of reducing risk and/or cost.

Benchmark index

- MSCI Emerging Markets Index (NZD)[2]

Target investment mix

- 10% cash and cash equivalents
- 90% international equities[3]

Benchmark allocation ranges[4]

- 0%-10% cash and cash equivalents
- 90%-100% international equities[3]

Appointed investment manager

- First Sentier Investors (Australia) IM Ltd

Permitted investments:

- Cash and cash equivalents
- Equities, including new issues (**IPOs**), depositary receipts, and participatory notes
- Collective investment schemes, including Exchange Traded Funds (**ETFs**) and Real Estate Investment Trusts (**REITs**)
- Derivatives, for the purpose of reducing risk and/or cost.

1. The investment objective is not intended to be a forecast. It is merely an indication of what the Fund aims to achieve over the longer term on the assumption that equity markets remain relatively stable throughout the investment term. The Fund may not be successful in meeting this objective. Returns are not guaranteed.
2. The benchmark is not used to limit or constrain how the Fund's portfolio is constructed.
3. “International equities” may include Australasian equities.
4. The asset allocation is a range. Actual allocations can change within the ranges significantly and sometimes quickly.

Rebalancing policy:

- The Fund's benchmark asset allocation ranges set out above are monitored on a daily basis. If exposures move outside those ranges, remedial action will be undertaken by using available cash flows and/or buying/selling portfolio assets to return the Fund to within range, seeking to minimise transaction costs and market impact. Rebalancing will be undertaken as soon as reasonably practicable and is normally expected to be completed within 5 business days after the date the Manager becomes aware of that position. If it is not practicable to restore the Fund to within range within 5 working days due to market disruption, illiquidity or other trading constraints, the Fund will continue to be rebalanced progressively as conditions allow.

Currency policy:

- The Fund does not hedge currency risk

Other:

- The Fund can borrow up to 10% of the aggregate value of its investments for operational purposes including the provision of short-term liquidity (for example, to temporarily fund redemptions, settle securities trades or pay expenses)

F. Investment policies

Taxation policy

The Fund has elected to be a Portfolio Investment Entity (**PIE**) and is therefore taxed under the PIE regime.

At the date of this document, the Fund calculates the taxable income accruing from investments in global shares listed outside of New Zealand and Australia using the Fair Dividend Rate (**FDR**) method.

The taxation implications of an investment method, such as holding assets directly or investing in a managed investment scheme, are taken into account when determining the most appropriate approach for the Fund. Note that taxation is not the sole consideration when choosing an investment method; other factors taken into account include cost and implementation feasibility.

Liquidity policy

The liquidity risk of the Fund is assessed with reference to liquidity of the underlying assets and securities. The Manager then establishes an appropriate application and withdrawal frequency for the Fund. The Fund invests in liquid investments and hence has daily applications and withdrawals. Market conditions can, however, change resulting in some assets becoming difficult to sell. Hence if the Fund were to experience liquidity problems the Manager may suspend withdrawals for a period of time.

Related-party transactions

Related-party transactions, other than the types permitted under the Financial Markets Conduct Act 2013 (**FMC Act**) are prohibited.

The Fund may enter into transactions with related parties if permitted under section 174 of the FMC Act or consented to by the Supervisor under section 173(2)(a). Examples of such transactions include:

- the Fund investing in a First Sentier fund offshore; or,
- a related party of the Investment Manager being appointed to provide investment services for the Fund; or,
- parties related to the Fund, including the staff and directors of First Sentier Investors and their families, FSSA and their families and the staff of FundRock and their families from time to time investing in the Fund.

Trade allocations and transactions

As the Fund invests directly in securities, and the Investment Manager trades the same securities for other portfolios it manages which have a similar investment philosophy, the Investment Manager has best execution and brokerage processes governing their investment management activity on behalf of the Fund.

Other relevant policies

Summaries of the other key relevant policies are set out below.

Pricing and Asset Valuation Policy

The purpose of this policy is to set out how FundRock manages its unit pricing and asset valuation obligations, and the way in which FundRock exercises its discretions authorised by the Trust Deed.

This policy also links to FundRock's Outsourcing Policy reflecting that it outsources functions including registry, fund administration and unit pricing to third parties. In particular, the policy governs how FundRock selects, monitors and undertakes ongoing due diligence on third party providers.

Within the bounds of what is reasonable and practical, our goals are to:

- have unit prices that reflect fair, realisable value of underlying assets and liabilities;
- ensure equitable treatment of unitholders entering, exiting or remaining in the Fund;
- have a consistent and objective process for determining unit prices; and
- comply with our governing documents, offer documents and the law.

Conflicts of Interest and Related Party Transactions Policies

The Conflicts of Interest and Related Party Transaction Policies set out the principles and procedures relating to the management of conflicts of interest within FundRock. The policies apply to all of FundRock's directors, relevant officers, senior management and employees.

The policies provide guidance on:

- what is meant by a conflict of interest;
- what constitutes a related party transaction; and
- how these are managed.

Investment Management Policy

This document sets out FundRock's policies and procedures in relation to appointing and monitoring investment managers. In particular the policy covers:

- investment management governance;
- investment manager selection and appointment; and
- investment manager monitoring and compliance.

G. Performance monitoring

FundRock monitors investment performance of the Fund on a monthly basis. Performance is measured and assessed on the following basis for 1, 3 and 5 year periods:

- gross return (before fees and before taxes);
- net return (after fees and before taxes);
- benchmark index return;
- performance relative to benchmark;
- annualised standard deviation of gross return;[5]
- annualised standard deviation of benchmark index return;[5] and
- annualised tracking error.[5]

FundRock reports investment performance to the Supervisor and to the FundRock Board.

H. Investment strategy review

The FundRock Board has responsibility for oversight of the Investment Manager's performance and aims to meet at least quarterly. The Fund is expected to be fully invested in international equities with a portion allocated to cash and cash equivalents for liquidity purposes. FundRock does not intend to amend the Fund's investment strategy, although amendments may be made following recommendations by the Investment Manager.

I. SIPO monitoring and review

The FundRock Board is responsible for governance oversight of the SIPO.

The Manager's compliance processes include periodic policy reviews. SIPOs are reviewed annually by FundRock management, including ensuring the investment strategy and asset allocation ranges remain appropriate, with the outcomes of the review reported to the FundRock Board. In addition, FundRock management may initiate an ad hoc review, with examples of events that could lead to this being:

- the investment manager recommending changes to the SIPO;
- a change in roles and responsibilities; and
- a permanent change in risk and return characteristics of the relevant market.

SIPO reviews take into account the views of FundRock and the Investment Manager and if required the views of external experts.

The Manager can make changes to the SIPO at any time in accordance with the Trust Deed and the FMC Act. Before making changes to the SIPO, the Manager will consider if the changes are in the best interests of unitholders and consult with the Supervisor. Any changes to the SIPO require FundRock Board approval.

The Manager is responsible for monitoring adherence to the SIPO and reporting any breaches to the FundRock Board and the Supervisor.

This SIPO was approved by the FundRock Due Diligence Committee, under delegation from the FundRock Board on 29 May 2026 and takes effect on 2 June 2026.

This SIPO is subject to change from time to time without notice to unitholders (provided written notice is given to the Supervisor). The Manager will give notice to Fund unitholders before implementing any material SIPO changes and all SIPO changes will be advised in the annual report for the Scheme. The most current version of this SIPO is available on the Disclose Register at www.companiesoffice.govt.nz/disclose.

5. Standard deviations and tracking error calculated based on monthly returns.