# Statement of Investment Policy and Objectives
# Summer KiwiSaver Scheme

Approver: Forsyth Barr Investment Management Limited Board

Owner: Octagon Asset Management Limited

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# Document History

| Version | Date | Changes |
|---|---|---|
| **1.0** | 16 September 2016 | SIPO adopted |
| **1.1** | 13 October 2016 | Amendment to period for which a fund may be outside target asset allocation range as a result of client-initiated activity. |
| **1.2** | 9 December 2016 | Amendments to (i) asset allocation range for Summer Listed Property; (ii) period for which a fund may be outside asset allocation or any other limits as a result of client-initiated activity or implementation of tactical asset allocation / rebalancing decisions. |
| **1.3** | 3 October 2017 | Amendments to permitted investments and investment restrictions of Summer New Zealand Equities, Summer Global Equities, Summer Australian Equities and Summer Listed Property.<br><br>Amendments to permitted investments of Summer New Zealand Fixed Interest, Summer Global Fixed Interest and Summer New Zealand Cash.<br><br>Adjustments to target asset allocations ranges of Summer Investment Selection, Summer Global Equities and Summer New Zealand Cash.<br>Amendments to benchmarks of Summer Global Fixed Interest and Summer Investment Selection.<br><br>Other immaterial editorial changes |
| **1.4** | 23 May 2018 | Changes to the market indices of Summer Global Equities and Summer Australian Equities to include currency hedging, plus updated information on the variant of the market index used by Summer Global Equities.<br><br>Amendments to Summer New Zealand Equities and Summer Listed Property market indices to include imputation credits<br><br>Further information on the application of the New Zealand Super Fund's exclusion list.<br><br>Other immaterial editorial changes. |
| **1.5** | 8 April 2019 | Addition of two new funds – Summer Conservative Selection and Summer Growth Selection. Renaming of Summer Investment Selection as Summer Balanced Selection<br><br>Amendments to Summer New Zealand Cash target asset allocation and statements to include New Zealand Fixed Interest.<br><br>Other immaterial editorial changes |
| **1.6** | 19 March 2021 | Additional statements on foreign currency hedging<br><br>Changes to the target asset allocations and target asset allocation ranges of the Summer multi-asset class funds.<br><br>Changes to the target asset allocation of Summer New Zealand Fixed Interest<br><br>Changes to the target asset allocation ranges of Summer Australian Equities and Summer Global Equities<br><br>Other immaterial editorial changes |
| **1.7** | 30 November 2021 | Appointment of Octagon Asset Management as the Investment Manager.<br><br>Amendments to the Summer New Zealand Equities and Summer Australian Equities fund investment objectives.<br><br>Other associated and non-material editorial changes. |

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|---|---|---|
| **1.8** | 12 December 2022 | Change of owner of document to Octagon Asset Management.<br><br>Changes to the investment objective and permitted investments for Summer Listed Property to better accommodate an active investment style and to clarify the Australasian focus of the fund.<br><br>Other non-material edits. |
| **1.9** | 18 October 2023 | Changes to the investment objective, permitted investments and tactical asset allocation for the Summer New Zealand Cash Fund.<br><br>Replaced the Responsible Investment Policy.<br><br>Change to the market index for the New Zealand Fixed Interest Fund.<br><br>Change to permitted range of cash holdings for the international fixed interest component of the Global Fixed Interest Fund.<br><br>Changes to commentary on trade execution, trade allocation, and voting.<br><br>Removal of the Head of Summer role.<br><br>Other non material edits. |
| **2.0** | 23 July 2024 | Change of investment objectives from "aiming to achieve positive long-term returns" to "aiming to achieve long-term returns before fees, taxes and other expenses greater than [a specified benchmark]".<br><br>Updated asset allocation targets and ranges for the multi-asset class funds.<br><br>Other non-material editorial changes |
| **2.1** | 14 October 2025 | Change of ESG screening provider and updated information regarding screening categories applied by the new screening provider (MSCI)<br><br>Other non-material editorial changes |

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# Background & Description of the Summer KiwiSaver Scheme

The Summer KiwiSaver Scheme (Scheme) is a managed investment scheme registered under the Financial Markets Conduct Act 2013 as a KiwiSaver scheme. The principal purpose of the Scheme is to help individuals save for their retirement. The Scheme provides members with access to a range of single asset and multi-asset class funds (together, the **funds**).

Forsyth Barr Investment Management Limited (**Manager**) is the manager of the Scheme and must ensure that there is a Statement of Investment Policy and Objectives (**SIPO**) that adequately describes the investment policies and objectives of the Summer KiwiSaver Scheme. The SIPO must include, amongst other matters:

- the nature or types of investments that can be made and any limits on those;
- any limits on the proportion of each type of asset invested in; and
- the methodology used for developing and amending the investment strategy, and for measuring performance against the objectives of the funds.

The investment policies described in this SIPO are set out in more detail in investment policy documents maintained by the Manager.

## Objective

The purpose of this SIPO is to set out the investment policy and objectives of the Scheme.

# Responsibilities

## Decision Making Framework

The Manager's decision making framework is illustrated in the table set out below:

| | ***Plan*** | | ***Implement*** | | |
|---|---|---|---|---|---|
| | *SIPO* | *Investment policies* | *Management* | *Trade* | *Control* |
| **Board** | Decides | Decides | Oversees | | Monitors management performance and compliance. |
| **Compliance Committee** | | | Oversees | | Reviews compliance incidents and reports, and reports to the Board. |
| **Funds Management Oversight Committee** | | | Oversees | | Monitors investment performance and reports to the Board. |
| **Investment Manager** | Recommends | Recommends | Decides | Decides | Undertakes investment management and associated activities and monitors investment performance and SIPO compliance. |
| **Administration manager** | | | | | Arranges independent calculation of investment performance. |
| **Supervisor** | | | Supervises | | Oversees management and administration. |
| **Custodian** | | | | Settles transactions | Holds the assets on behalf of investors. |

## Manager's Board

The board of directors of the Manager (Board) is responsible for:

- reviewing and approving this SIPO and any changes to it;
- reviewing and approving the investment policies and objectives of each fund and any changes to them;
- monitoring management's overall performance in relation to the funds;
- monitoring compliance with this SIPO and the investment policies; and
- approving the appointment or termination of any external administration manager, any external investment manager, and any other outsource providers.

## Compliance Committee

The Compliance Committee is responsible for reviewing incidents and reports in relation to compliance with this SIPO and reporting to the Board.

## Funds Management Oversight Committee

The Funds Management Oversight Committee is responsible for:

- monitoring investment performance of each fund;
- monitoring Forsyth Barr Limited's performance as delegated provider of the administrative functions in respect of the Scheme;
- monitoring the performance of the Investment Manager, any external investment manager, the supervisor, the custodian and any other outsource providers to the Manager; and
- reporting on the above items to the Board.

## Managing Director

The Managing Director of the Manager is responsible for ensuring that the decisions of the Board are implemented.

## Investment Manager

The Manager has appointed Octagon Asset Management Limited as the Investment Manager to perform the day-to-day investment management of the Scheme.

The Investment Manager's responsibilities in particular include:

- making recommendations to the Board in respect of changes to this SIPO;
- making recommendations to the Board in respect of changes to the investment policies of a fund;
- monitoring the Scheme's investment performance;
- monitoring the Scheme's compliance with this SIPO and the investment policies; and
- reporting to the Funds Management Oversight Committee as required.

The Investment Manager is also responsible for co-ordinating review of this SIPO as described in this SIPO.

## Administration Manager(s)

Forsyth Barr Limited has been appointed by the Manager as an administration manager and provides (or may delegate to an external service provider) asset valuation, unit pricing and financial accounting.

The name and contact details for the Administration Manager(s) are set out in the Scheme's Product Disclosure Statement (PDS).

## Supervisor

The supervisor is responsible for, amongst other things:

- supervising the Manager's performance of its functions; and
- monitoring the Manager's and the Scheme's financial position to assess whether they are adequate.

The name and contact details for the supervisor are set out in the Scheme's Product Disclosure Statement (PDS).

## Custodian

Any custodian is appointed by the supervisor and is independent of the Manager and, as a delegate of the supervisor, holds the Summer KiwiSaver Scheme's assets on behalf of investors.

# Fund Management

The Scheme offers members the option of investing in one or more of the funds.

# Summer Conservative Selection

## Description of the fund

The Summer Conservative Selection is a multi- asset class fund in the Scheme.

## Investment Objective

The Summer Conservative Selection's investment objective is to achieve long-term returns (before fees, taxes and other expenses) greater than its benchmark, by investing in selected New Zealand and international equities, listed property and New Zealand and international debt and debt-like securities, subject to the risks associated with investments in equity and debt markets, and typically consistent with a conservative investment approach.

## Benchmark

A composite benchmark made up of the single asset class benchmarks weighted by the target asset allocation for the asset class. The single asset class benchmarks are the same as the benchmarks for the single asset class funds.

## Risk Indicator

The Summer Conservative Selection's risk indicator is a historic measure of the volatility of the fund's returns, calculated as the annualised standard deviation of returns over the last five years. The most recently published risk indicator for the fund is available in the most recent Fund Update published for the fund.

## Investment Philosophy

The Manager believes that there are opportunities in financial markets for active managers to exploit, and that an actively managed portfolio of investments, spread across a range of asset classes and financial products, will over time provide better returns than a simple buy-and-hold strategy; accordingly, the Manager has appointed an active Investment Manager

## Investment Strategy

### Target Asset Allocation

The Summer Conservative Selection's target asset allocation and target asset allocation ranges are set out in the table below:

| Asset Class | Target | Range |
|---|---|---|
| Cash and cash equivalents | 15% | 0% - 50% |
| New Zealand Fixed Interest | 31% | 20% –70% |
| International Fixed Interest | 24% | 0% – 50% |
| Australasian Equities | 11% | 0% – 50% |
| International Equities | 15% | 0% – 50% |
| Listed Property | 4% | 0% – 50% |
| Unlisted property | - | - |
| Commodities | - | - |
| Other | - | 0% - 10% |

## Permitted Investments

The Summer Conservative Selection may invest into any financial product that would be a permitted investment for any other single asset class fund in the Scheme.

The Summer Conservative Selection may use derivatives where the Investment Manager considers doing so is consistent with the risk profile of the Summer Conservative Selection and will contribute to the performance objectives of the Summer Conservative Selection.

## Foreign Currency Hedging

Hedging involves making an investment or entering into an agreement with the intention of reducing the risk of adverse price movements in a financial obligation.

The Investment Manager actively manages the Summer Conservative Selection's foreign currency exposure associated with international and Australian equities, and listed property; and generally hedges the foreign currency exposures associated with international fixed interest.

The Summer Conservative Selection's foreign currency hedging strategy is established by the Board and implemented by the Investment Manager. The Board and the Funds Management Oversight Committee monitor the Investment Manager's compliance with the strategy.

Where the Investment Manager invests into an underlying managed investment scheme to achieve the intended investment exposures, foreign currency hedging may be undertaken by the manager of that underlying scheme.

## Tactical Asset Allocation

Tactical asset allocation involves varying the actual asset allocation away from the target asset allocation, to take advantage of short-term market conditions.

The Summer Conservative Selection may undertake tactical asset allocation in response to market conditions, within the target asset allocation ranges set out above.

## Rebalancing

Rebalancing involves buying and selling assets so that the Summer Conservative Selection's actual asset allocation matches its desired asset allocation.

Rebalancing is at the discretion of the Investment Manager, within the terms of this SIPO and in relation to the desired asset allocation.

## Investments in underlying managed investment schemes

Where the Summer Conservative Selection invests in an underlying managed investment scheme, the investment is not itself subject to the permitted investments and other investment restrictions but for the purposes of assessing compliance with those restrictions the Investment Manager will aggregate its interests in the underlying managed investment scheme's investments (where practicable and as made available by the investment manager of the underlying scheme) with its own investments.

Derivatives may be used by the manager of an underlying managed investment scheme.

## Investment Restrictions

For each other single asset class fund in the Scheme, the Investment Manager maintains a list of the Summer Conservative Selection investments that are permitted investments for the Summer Conservative Selection by reason of being permitted investments for that fund. For each such fund, the corresponding Summer Conservative Selection investments must, when taken as a whole, comply with the investment restrictions for that fund.

On-call investments held in the Summer Conservative Selection's transactional bank account of up to an aggregate value of $2 million are not subject to any investment restrictions.

## Borrowing

The Summer Conservative Selection may borrow for the purpose of facilitating member initiated activity and for the payment of Scheme expenses.

## Compliance with limits and restrictions

If the fund moves outside a target asset allocation range or ceases to comply with any other limit or restriction, there is no breach of that limit or restriction if the fund returns to compliance within 7 business days.

# Summer Balanced Selection

## Description of the fund

The Summer Balanced Selection is a multi- asset class fund in the Scheme.

## Investment Objective

The Summer Balanced Selection's investment objective is to achieve long-term returns (before fees, taxes and other expenses) greater than its benchmark, by investing in selected New Zealand and international equities, listed property and New Zealand and international debt and debt-like securities, subject to the risks associated with investments in equity and debt markets, and typically consistent with a balanced investment approach

## Benchmark

A composite benchmark made up of the single asset class benchmarks weighted by the target asset allocation for the asset class. The single asset class benchmarks are the same as the benchmarks for the single asset class funds.

## Risk Indicator

The Summer Balanced Selection's risk indicator is a historic measure of the volatility of the fund's returns, calculated as the annualised standard deviation of returns over the last five years. The most recently published risk indicator for the fund is available in the most recent Fund Update published for the fund.

## Investment Philosophy

The Manager believes that there are opportunities in financial markets for active managers to exploit, and that an actively managed portfolio of investments, spread across a range of asset classes and financial products, will over time provide better returns than a simple buy-and-hold strategy; accordingly, the Manager has appointed an active Investment Manager.

## Investment Strategy

### Target Asset Allocation

The Summer Balanced Selection's target asset allocation and target asset allocation ranges are set out in the table below:

| Asset Class | Target | Range |
|---|---|---|
| **Cash and cash equivalents** | 7% | 0% - 50% |
| **New Zealand Fixed Interest** | 19% | 0% – 50% |

| | | |
|---|---|---|
| **International Fixed Interest** | 19% | 0% – 50% |
| **Australasian Equities** | 20% | 0% – 50% |
| **International Equities** | 30% | 0% – 50% |
| **Listed Property** | 5% | 0% – 50% |
| **Unlisted property** | - | - |
| **Commodities** | - | - |
| **Other** | - | 0% - 10% |

## Permitted Investments

The Summer Balanced Selection may invest into any financial product that would be a permitted investment for any other single asset class fund in the Scheme.

The Summer Balanced Selection may use derivatives where the Investment Manager considers doing so is consistent with the risk profile of the Summer Balanced Selection and will contribute to the performance objectives of the Summer Balanced Selection.

## Foreign Currency Hedging

Hedging involves making an investment or entering into an agreement with the intention of reducing the risk of adverse price movements in a financial obligation.

The Investment Manager actively manages the Summer Balanced Selection's foreign currency exposure associated with international and Australian equities, and listed property; and generally hedges the foreign currency exposures associated with international fixed interest.

The Summer Balanced Selection's foreign currency hedging strategy is established by the Board and implemented by the Investment Manager. The Board and the Funds Management Oversight Committee monitor the Investment Manager's compliance with the strategy.

Where the Investment Manager invests into an underlying managed investment scheme to achieve the intended investment exposures, foreign currency hedging may be undertaken by the manager of that underlying scheme.

## Tactical Asset Allocation

Tactical asset allocation involves varying the actual asset allocation away from the target asset allocation, to take advantage of short-term market conditions.

The Summer Balanced Selection may undertake tactical asset allocation in response to market conditions, within the target asset allocation ranges set out above.

## Rebalancing

Rebalancing involves buying and selling assets so that the Summer Balanced Selection's actual asset allocation matches its desired asset allocation.

Rebalancing is at the discretion of the Investment Manager, within the terms of this SIPO and in relation to the desired asset allocation.

### Investments in underlying managed investment schemes

Where the Summer Balanced Selection invests in an underlying managed investment scheme, the investment is not itself subject to the permitted investments and other investment restrictions but for the purposes of assessing compliance with those restrictions the Investment Manager will aggregate its interests in the underlying managed investment scheme's investments (where practicable and as made available by the investment manager of the underlying scheme) with its own investments.

Derivatives may be used by the manager of an underlying managed investment scheme.

### Investment Restrictions

For each other single asset class fund in the Scheme, the Investment Manager maintains a list of the Summer Balanced Selection investments that are permitted investments for the Summer Balanced Selection by reason of being permitted investments for that fund. For each such fund, the corresponding Summer Balanced Selection investments must, when taken as a whole, comply with the investment restrictions for that fund.

On-call investments held in the Summer Balanced Selection's transactional bank account of up to an aggregate value of $2 million are not subject to any investment restrictions.

### Borrowing

The Summer Balanced Selection may borrow for the purposes of facilitating member initiated activity and for the payment of Scheme expenses.

### Compliance with limits and restrictions

If the fund moves outside a target asset allocation range or ceases to comply with any other limit or restriction, there is no breach of that limit or restriction if the fund returns to compliance within 7 business days.

# Summer Growth Selection

## Description of the fund

The Summer Growth Selection is a multi- asset class fund in the Scheme.

## Investment Objective

The Summer Growth Selection's investment objective is to achieve long-term returns (before fees, taxes and other expenses) greater than its benchmark, by investing in selected New Zealand and international equities, listed property and New Zealand and international debt and debt-like securities, subject to the risks associated with investments in equity and debt markets, and typically consistent with a growth investment approach.

## Benchmark

A composite benchmark made up of the single asset class benchmarks weighted by the target asset allocation for the asset class. The single asset class benchmarks are the same as the benchmarks for the single asset class funds.

## Risk Indicator

The Summer Growth Selection's risk indicator is a historic measure of the volatility of the fund's returns, calculated as the annualised standard deviation of returns over the last five years. The most recently published risk indicator for the fund is available in the most recent Fund Update published for the fund.

## Investment Philosophy

The Manager believes that there are opportunities in financial markets for active managers to exploit, and that an actively managed portfolio of investments, spread across a range of asset classes and financial products, will over time provide better returns than a simple buy-and-hold strategy; accordingly, the Manager has appointed an active Investment Manager.

## Investment Strategy

### Target Asset Allocation

The Summer Growth Selection's target asset allocation and target asset allocation ranges are set out in the table below:

| Asset Class | Target | Range |
|---|---|---|
| **Cash and cash equivalents** | 4% | 0% - 50% |
| **New Zealand Fixed Interest** | 10% | 0% – 50% |

| | | |
|---|---|---|
| **International Fixed Interest** | 6% | 0% – 50% |
| **Australasian Equities** | 29% | 0% – 70% |
| **International Equities** | 45% | 20% – 70% |
| **Listed Property** | 6% | 0% – 50% |
| **Unlisted property** | - | - |
| **Commodities** | - | - |
| **Other** | - | 0% - 10% |

### Permitted Investments

The Summer Growth Selection may invest into any financial product that would be a permitted investment for any other single asset class fund in the Scheme.

The Summer Growth Selection may use derivatives where the Investment Manager considers doing so is consistent with the risk profile of the Summer Growth Selection and will contribute to the performance objectives of the Summer Growth Selection.

### Foreign Currency Hedging

Hedging involves making an investment or entering into an agreement with the intention of reducing the risk of adverse price movements in a financial obligation.

The Investment Manager actively manages the Summer Growth Selection's foreign currency exposure associated with international and Australian equities, and listed property; and generally hedges the foreign currency exposures associated with international fixed interest.

The Summer Growth Selection's foreign currency hedging strategy is established by the Board and implemented by the Investment Manager. The Board and the Funds Management Oversight Committee monitor the Manager's compliance with the strategy.

Where the Investment Manager invests into an underlying managed investment scheme to achieve the intended investment exposures, foreign currency hedging may be undertaken by the manager of that underlying scheme.

### Tactical Asset Allocation

Tactical asset allocation involves varying the actual asset allocation away from the target asset allocation, to take advantage of short-term market conditions.

The Summer Growth Selection may undertake tactical asset allocation in response to market conditions, within the target asset allocation ranges set out above.

### Rebalancing

Rebalancing involves buying and selling assets so that the Summer Growth Selection's actual asset allocation matches its desired asset allocation.

Rebalancing is at the discretion of the Investment Manager, within the terms of this SIPO and in relation to the desired asset allocation.

### Investments in underlying managed investment schemes

Where the Summer Growth Selection invests in an underlying managed investment scheme, the investment is not itself subject to the permitted investments and other investment restrictions but for the purposes of assessing compliance with those restrictions the Investment Manager will aggregate its interests in the underlying managed investment scheme's investments (where practicable and as made available by the investment manager of the underlying scheme) with its own investments.

Derivatives may be used by the manager of an underlying managed investment scheme.

### Investment Restrictions

For each other single asset class fund in the Scheme, the Investment Manager maintains a list of the Summer Growth Selection investments that are permitted investments for the Summer Growth Selection by reason of being permitted investments for that fund. For each such fund, the corresponding Summer Growth Selection investments must, when taken as a whole, comply with the investment restrictions for that fund.

On-call investments held in the Summer Growth Selection's transactional bank account of up to an aggregate value of $2 million are not subject to any investment restrictions.

### Borrowing

The Summer Growth Selection may borrow for the purposes of facilitating member activity and for the payment of Scheme expenses.

### Compliance with limits and restrictions

If the fund moves outside a target asset allocation range or ceases to comply with any other limit or restriction, there is no breach of that limit or restriction if the fund returns to compliance within 7 business days.

# Summer Australian Equities

## Description of the fund

Summer Australian Equities is a single asset class fund in the Scheme.

## Investment Objective

The investment objective of Summer Australian Equities is to achieve long-term returns (before fees, taxes and other expenses) greater than its benchmark, by investing mostly in selected Australian equities. It can also invest in New Zealand listed shares where the company has meaningful operations in Australia.

## Benchmark

S&P/ASX 200 Accumulation Index, 50% hedged to the New Zealand dollar.

## Risk Indicator

The risk indicator for Summer Australian Equities is a historic measure of the volatility of the fund's returns, calculated as the annualised standard deviation of returns over the last five years. The most recently published risk indicator for the fund is available in the most recent Fund Update published for the fund.

## Investment Philosophy

The Manager believes that there are opportunities in financial markets for active managers to exploit, and that an actively managed portfolio of investments will over time provide better returns than a simple buy-and-hold strategy; accordingly, the Manager has appointed an active Investment Manager.

## Investment Strategy

### Target Asset Allocation

Summer Australian Equities' target asset allocation and target asset allocation ranges are set out in the table below:

| Asset Class | Target | Range |
|---|---|---|
| **Cash and cash equivalents** | 5% | 0% – 20% |
| **New Zealand Fixed Interest** | – | – |
| **International Fixed Interest** | – | – |
| **Australasian Equities** | 85% | 80% – 100% |

| | | |
|---|---|---|
| **International Equities** | – | 0%  20% |
| **Listed Property** | 10% | 0% - 20% |
| **Unlisted property** | – | – |
| **Commodities** | – | – |
| **Other** | – | – |

## Permitted Investments

Summer Australian Equities may invest in:

- financial products listed on the ASX[1] and unlisted financial products the Investment Manager expects to be listed on the ASX within 12 months of purchase; and
- financial products listed on the NZX and unlisted financial products the Investment Manager expects to be listed on the NZX within 12 months of purchase; and
- cash in deposits with registered banks.

The Investment Manager may invest into these instruments directly, or indirectly by investing into an underlying managed investment scheme (which may also be managed by the Manager) to achieve the intended investment exposures.

Summer Australian Equities may also, after consultation with the supervisor, invest in other assets (which are not explicitly set out above) that the Investment Manager considers appropriately reflect the risk profile of the fund and will contribute to the performance objectives of the fund.

Summer Australian Equities may use derivatives where the Investment Manager considers doing so is consistent with the risk profile of the fund and will contribute to the performance objectives of the fund.

## Foreign Currency Hedging

Hedging involves making an investment or entering into an agreement with the intention of reducing the risk of adverse price movements in a financial obligation.

The Investment Manager actively manages Summer Australian Equities' Australian dollar exposure. This is achieved through foreign currency hedging. The fund's foreign currency hedging strategy is established by the Board and implemented by the Investment Manager. The Board and the Funds Management Oversight Committee monitor the Manager's compliance with the strategy.

Where the Investment Manager invests into an underlying managed investment scheme to achieve the intended investment exposures, foreign currency hedging may be undertaken by the manager of that underlying scheme.

[1] Where a financial product is listed on both the ASX and a non-Australian stock exchange Summer Australian Equities may transact on either exchange.

## Tactical Asset Allocation

Tactical asset allocation involves varying the actual asset allocation away from the target asset allocation, to take advantage of short-term market conditions.

Summer Australian Equities does not undertake tactical asset allocation outside of tactical asset allocation permitted ranges.

## Rebalancing

Rebalancing involves buying and selling assets so that Summer Australian Equities' actual asset allocation matches its target asset allocation.

Summer Australian Equities is generally close to fully invested in Australian equities, which means that it does not have to undertake rebalancing.

## Investment Restrictions

The following investment restrictions apply to Summer Australian Equities:

- investment in any one entity or financial product may not be more than 25% of the value of the fund's assets;
- investments in unlisted financial products the Investment Manager expects to be listed on the ASX and NZX within 12 months of purchase may not in aggregate be more than 10% of the value of the fund's assets.

## Investments in underlying managed investment schemes

Where Summer Australian Equities invests in an underlying managed investment scheme, the investment is not itself subject to the permitted investments and other investment restrictions set out above, but for the purposes of assessing compliance with those restrictions the Investment Manager will aggregate its interests in the underlying managed investment scheme's investments (where practicable and as made available by the investment manager of the underlying scheme) with its own investments. Derivatives may be used by the manager of an underlying managed investment scheme.

## Borrowing

Summer Australian Equities may borrow to facilitate member initiated activity and for the payment of Scheme expenses.

## Compliance with limits and restrictions

If the fund moves outside a target asset allocation range or ceases to comply with any other limit or restriction, there is no breach of that limit or restriction if the fund returns to compliance within 7 business days.

# Summer Global Equities

## Description of the fund

Summer Global Equities is a single asset class fund in the Scheme.

## Investment Objective

The investment objective of Summer Global Equities is to achieve long-term returns (before fees, taxes and other expenses) greater than its benchmark, by investing in selected international equities.

## Benchmark

MSCI ACWI Net Total Return Index, 50% hedged to the New Zealand dollar.

## Risk Indicator

The risk indicator for Summer Global Equities is a historic measure of the volatility of the fund's returns, calculated as the annualised standard deviation of returns over the last five years. The most recently published risk indicator for the fund is available in the most recent Fund Update published for the fund.

## Investment Philosophy

The Manager believes that there are opportunities in financial markets for active managers to exploit, and that an actively managed portfolio of investments will over time provide better returns than a simple buy-and-hold strategy; accordingly, the Manager has appointed an active Investment Manager.

## Investment Strategy

### Target Asset Allocation

Summer Global Equities' target asset allocation and target asset allocation ranges are set out in the table below:

| Asset Class | Target | Range |
|---|---|---|
| **Cash and cash equivalents** | 10% | 0% - 20% |
| **New Zealand Fixed Interest** | - | - |
| **International Fixed Interest** | - | - |
| **Australasian Equities** | - | 0% - 20% |
| **International Equities** | 90% | 80% – 100% |
| **Listed Property** | - | 0% - 10% |
| **Unlisted property** | - | - |

| | | |
|---|---|---|
| **Commodities** | - | - |
| **Other** | - | - |

## Permitted Investments

Summer Global Equities may invest in:

- financial products listed on recognised international securities exchanges and unlisted financial products the Investment Manager expects to be listed on one or more recognised international securities exchanges within 12 months of purchase; and
- cash in deposits with registered banks.

The Investment Manager may invest into these instruments directly, or indirectly by investing into underlying managed investment schemes (which may also be managed by the Manager) to achieve the intended investment exposures.

Summer Global Equities may also, after consultation with the supervisor, invest in other assets (which are not explicitly set out above) that the Investment Manager considers appropriately reflect the risk profile of the fund and will contribute to the performance objectives of the fund.

Summer Global Equities may use derivatives where the Investment Manager considers doing so is consistent with the risk profile of the fund and will contribute to the performance objectives of the fund.

## Foreign Currency Hedging

Hedging involves making an investment or entering into an agreement with the intention of reducing the risk of adverse price movements in a financial obligation.

The Investment Manager actively manages Summer Global Equities' foreign currency exposure. This is achieved through foreign currency hedging. The fund's foreign currency hedging strategy is established by the Board and implemented by the Investment Manager. The Board and the Funds Management Oversight Committee monitor the Manager's compliance with the strategy.

Where the Investment Manager invests into an underlying managed investment scheme to achieve the intended investment exposures, foreign currency hedging may be undertaken by the manager of that underlying scheme.

## Tactical Asset Allocation

Tactical asset allocation involves varying the actual asset allocation away from the target asset allocation, to take advantage of short-term market conditions.

Summer Global Equities does not undertake tactical asset allocation outside of tactical asset allocation permitted ranges.

### Rebalancing

Rebalancing involves buying and selling assets so that Summer Global Equities' actual asset allocation matches its target asset allocation.

Summer Global Equities is generally close to fully invested in international equities, which means that it does not have to undertake rebalancing.

### Investment Restrictions

The following investment restrictions apply to Summer Global Equities:

- investment in any one entity or financial product may not be more than 25% of the value of the fund's assets;
- investments in unlisted financial products the Investment Manager expects to be listed on one or more recognised international exchanges within 12 months of purchase may not in aggregate be more than 10% of the value of the fund's assets.

### Investments in underlying managed investment schemes

Where Summer Global Equities invests in an underlying managed investment scheme, the investment is not itself subject to the permitted investments and other investment restrictions set out above, but for the purposes of assessing compliance with those restrictions the Investment Manager will aggregate its interests in the underlying managed investment scheme's investments (where practicable and as made available by the investment manager of the underlying scheme) with its own investments. Derivatives may be used by the manager of an underlying managed investment scheme.

### Borrowing

Summer Global Equities may borrow to facilitate member initiated activity and for the payment of Scheme expenses.

### Compliance with limits and restrictions

If the fund moves outside a target asset allocation range or ceases to comply with any other limit or restriction, there is no breach of that limit or restriction if the fund returns to compliance within 7 business days.

# Summer Listed Property

## Description of the fund

Summer Listed Property is an enhanced single asset class fund in the Scheme.

## Investment Objective

The investment objective of Summer Listed Property is to achieve long-term returns (before fees, taxes and other expenses) greater than its benchmark, by investing in listed financial products whose financial performance is primarily determined or materially affected by the owning or managing of property, property-like assets and / or other real assets.

## Benchmark

S&P/NZX All Real Estate Gross with Imputation Index.

## Risk Indicator

The risk indicator for Summer Listed Property is a historic measure of the volatility of the fund's returns, calculated as the annualised standard deviation of returns over the last five years. The most recently published risk indicator for the fund is available in the most recent Fund Update published for the fund.

## Investment Philosophy

The Manager believes that there are opportunities in financial markets for active managers to exploit, and that an actively managed portfolio of investments will over time provide better returns than a simple buy-and-hold strategy; accordingly, the Manager has appointed an active Investment Manager.

## Investment Strategy

### Target Asset Allocation

Summer Listed Property's target asset allocation and target asset allocation ranges are set out in the table below:

| Asset Class | Target | Range |
|---|---|---|
| **Cash and cash equivalents** | 5% | 0% - 20% |
| **New Zealand Fixed Interest** | – | – |
| **International Fixed Interest** | – | – |
| **Australasian Equities** | 20% | 0% –30% |
| **International Equities** | 5% | 0% – 10% |
| **Listed Property** | 70% | 55% – 100% |
| **Unlisted property** | – | – |
| **Commodities** | – | – |
| **Other** | – | – |

### Permitted Investments

Summer Listed Property may invest in:

- financial products which are issued by entities whose principal business is or involves, in the opinion of the Investment Manager, owning or managing property, property-like assets or real assets and whose financial performance is primarily determined or materially affected by the owning or managing of that property or those assets; and which are:
    - listed on the NZX or ASX (including international equities with a secondary listing on either exchange), or
    - unlisted, but where the Investment Manager expects the financial products to be listed on the NZX or ASX within 12 months of purchase (including in the case of international equities, as a secondary listing on either exchange); and
- cash in deposits with registered banks.

The Investment Manager may invest into these instruments directly, or indirectly by investing into an underlying managed investment scheme (which may also be managed by the Manager) to achieve the intended investment exposures.

Summer Listed Property may also, after consultation with the supervisor, invest in other assets (which are not explicitly set out above) that the Investment Manager considers appropriately reflect the risk profile of the fund and will contribute to the performance objectives of the fund.

Summer Listed Property may use derivatives where the Investment Manager considers doing so is consistent with the risk profile of the fund and will contribute to the performance objectives of the fund.

### Foreign Currency Hedging

Hedging involves making an investment or entering into an agreement with the intention of reducing the risk of adverse price movements in a financial obligation.

The Investment Manager actively manages Summer Listed Property's foreign currency exposure. This is achieved through foreign currency hedging. The fund's foreign currency hedging strategy is established by the Board and implemented by the Investment Manager. The Board and the Funds Management Oversight Committee monitor the Manager's compliance with the strategy.

Where the Investment Manager invests into an underlying managed investment scheme to achieve the intended investment exposures, foreign currency hedging may be undertaken by the manager of that underlying scheme.

### Tactical Asset Allocation

Tactical asset allocation involves varying the actual asset allocation away from the target asset allocation, to take advantage of short-term market conditions.

Summer Listed Property does not undertake tactical asset allocation outside of tactical asset allocation permitted ranges.

### Rebalancing

Rebalancing involves buying and selling assets so that Summer Listed Property's actual asset allocation matches its target asset allocation.

Summer Listed Property is generally close to fully invested in listed property and equities, which means that it does not have to undertake rebalancing.

### Investment Restrictions

- Summer Listed Property's investment in any one entity or financial product may not be more than 25% of the value of the fund's assets;
- investments in unlisted financial products the Investment Manager expects to be listed on the NZX or ASX within 12 months of purchase may not in aggregate be more than 10% of the value of the fund's assets.

### Investments in underlying managed investment schemes

Where Summer Listed Property invests in an underlying managed investment scheme, the investment is not itself subject to the permitted investments and other investment restrictions set out above, but for the purposes of assessing compliance with those restrictions the Investment Manager will aggregate its interests in the underlying managed investment scheme's investments (where practicable and as made available by the investment manager of the underlying scheme) with its own investments. Derivatives may be used by the manager of an underlying managed investment scheme.

## Borrowing

Summer Listed Property may borrow to facilitate member initiated activity and for the payment of Scheme expenses.

## Compliance with limits and restrictions

If the fund moves outside a target asset allocation range or ceases to comply with any other limit or restriction, there is no breach of that limit or restriction if the fund returns to compliance within 7 business days.

# Summer New Zealand Equities

## Description of the fund

Summer New Zealand Equities is a single asset class fund in the Scheme.

## Investment Objective

The investment objective of Summer New Zealand Equities is to achieve long-term returns (before fees, taxes and other expenses) greater than its benchmark, by investing mostly in selected New Zealand equities. It can also invest in Australian listed shares, where the company has meaningful operations in New Zealand.

## Benchmark

S&P/NZX50 Gross with Imputation Index.

## Risk Indicator

Summer New Zealand Equities' risk indicator is a historic measure of the volatility of the fund's returns, calculated as the annualised standard deviation of returns over the last five years. The most recently published risk indicator for the fund is available in the most recent Fund Update published for the fund.

## Investment Philosophy

The Manager believes that there are opportunities in financial markets for active managers to exploit and that an actively managed portfolio of investments will over time provide better returns than a simple buy-and-hold strategy; accordingly, the Manager has appointed an active Investment Manager.

## Investment Strategy

### Target Asset Allocation

Summer New Zealand Equities' target asset allocation and target asset allocation ranges are set out in the table below:

| Asset Class | Target | Range |
|---|---|---|
| **Cash and cash equivalents** | 5% | 0% – 20% |
| **New Zealand Fixed Interest** | – | – |
| **International Fixed Interest** | – | – |
| **Australasian Equities** | 85% | 80% – 100% |
| **International Equities** | – | – |
| **Listed Property** | 10% | 0% - 20% |
| **Unlisted property** | – | – |
| **Commodities** | – | – |
| **Other** | – | – |

### Permitted Investments

Summer New Zealand Equities may invest in:

- financial products listed on the NZX[1] and unlisted financial products the Investment Manager expects to be listed on the NZX[1] within 12 months of purchase; and
- financial products listed on the ASX and unlisted financial products the Investment Manager expects to be listed on the ASX within 12 months of purchase; and
- cash in deposits with registered banks.

The Investment Manager may invest into these instruments directly, or indirectly by investing into an underlying managed investment scheme (which may also be managed by the Manager) to achieve the intended investment exposures.

Summer New Zealand Equities may also, after consultation with the supervisor, invest in other assets (which are not explicitly set out above) that the Investment Manager considers appropriately reflect the risk profile of the fund and will contribute to the performance objectives of the fund.

[1] Where a financial product is listed on both the NZX and a non-New Zealand stock exchange Summer New Zealand Equities may transact on either exchange.

Summer New Zealand Equities may use derivatives where the Investment Manager considers doing so is consistent with the risk profile of the fund and will contribute to the performance objectives of the fund.

## Tactical Asset Allocation

Tactical asset allocation involves varying the actual asset allocation away from the target asset allocation, to take advantage of short-term market conditions.

Summer New Zealand Equities does not undertake tactical asset allocation outside of tactical asset allocation permitted ranges.

## Rebalancing

Rebalancing involves buying and selling assets so that Summer New Zealand Equities' actual asset allocation matches its target asset allocation.

Summer New Zealand Equities is generally close to fully invested in New Zealand equities, which means that it does not have to undertake rebalancing.

## Investment Restrictions

The following investment restrictions apply to Summer New Zealand Equities:

- investment in any one entity or financial product may not be more than 25% of the value of the fund's assets;
- investments in unlisted financial products the Investment Manager expects to be listed on the NZX and ASX within 12 months of purchase may not in aggregate be more than 10% of the value of the fund's assets.

## Investments in underlying managed investment schemes

Where Summer New Zealand Equities invests in an underlying managed investment scheme, the investment is not itself subject to the permitted investments and other investment restrictions set out above, but for the purposes of assessing compliance with those restrictions the Investment Manager will aggregate its interests in the underlying managed investment scheme's investments (where practicable and as made available by the investment manager of the underlying scheme) with its own investments. Derivatives may be used by the manager of an underlying managed investment scheme.

## Borrowing

Summer New Zealand Equities may borrow to facilitate member initiated activity and for the payment of Scheme expenses

## Compliance with limits and restrictions

If the fund moves outside a target asset allocation range or ceases to comply with any other limit or restriction, there is no breach of that limit or restriction if the fund returns to compliance within 7 business days.

# Summer New Zealand Fixed Interest

## Description of the fund

Summer New Zealand Fixed Interest is a single asset class fund in the Scheme.

## Investment Objective

The investment objective of Summer New Zealand Fixed Interest is to achieve long-term returns (before tax, fees and other expenses) greater than its benchmark, by investing in selected New Zealand dollar denominated debt and debt-like securities.

## Benchmark

Bloomberg NZBond Composite 0+ Yr Index.

## Risk Indicator

The risk indicator for Summer New Zealand Fixed Interest is a historic measure of the volatility of the fund's returns, calculated as the annualised standard of returns over the last five years. The most recently published risk indicator for the fund is available in the most recent Fund Update published for the fund.

## Investment Philosophy

The Manager believes that there are opportunities in financial markets for active managers to exploit, and that an actively managed portfolio of investments will over time provide better returns than a simple buy-and-hold strategy; accordingly, the Manager has appointed an active Investment Manager.

## Investment Strategy

### Target Asset Allocation

Summer New Zealand Fixed Interest's target asset allocation and target asset allocation ranges are set out in the table below:

| Asset Class | Target | Range |
|---|---|---|
| Cash and cash equivalents | 5% | 0% – 15% |
| New Zealand Fixed Interest | 95% | 0% – 100% |
| International Fixed Interest | 0% | 0% – 100% |
| Australasian Equities | – | – |
| International Equities | – | – |
| Listed Property | – | – |
| Unlisted property | – | – |
| Commodities | – | – |
| Other | – | – |

### Permitted Investments

Summer New Zealand Fixed Interest may, subject to the ranges set out below, invest in:

| Investment | Range |
|---|---|
| Cash and cash equivalents | 0% – 15% |
| New Zealand Government debt securities | 0% – 100% |
| Overseas Government or supranational debt securities | 0% – 50% |
| State-owned enterprise and local authority debt securities | 0% – 50% |
| New Zealand Local Government Funding Agency debt securities | 0% - 50% |
| Senior or unsubordinated debt securities issued by entities (other than the above) | 0% – 100% |
| Subordinated debt securities, preference shares, convertible notes, reset securities and other forms of hybrid debt/equity securities issued by entities (other than the above) | 0% – 30% |

All investments must be New Zealand dollar denominated.

The Investment Manager may invest into these instruments directly, or indirectly by investing into an underlying managed investment scheme (which may also be managed by the Manager) to achieve the intended investment exposures.

Summer New Zealand Fixed Interest may also, after consultation with the supervisor, invest in other assets (which are not explicitly set out above) that the Investment Manager considers appropriately reflect the risk profile of the fund and will contribute to the performance objectives of the fund.

Summer New Zealand Fixed Interest may use derivatives where the Investment Manager considers doing so is consistent with the risk profile of the fund and will contribute to the performance objectives of the fund.

### Tactical Asset Allocation

Tactical asset allocation involves varying the actual asset allocation away from the target asset allocation, to take advantage of short-term market conditions.

Summer New Zealand Fixed Interest does not undertake tactical asset allocation outside of tactical asset allocation permitted ranges.

### Rebalancing

Rebalancing involves buying and selling assets so that Summer New Zealand Fixed Interest's actual asset allocation matches its target asset allocation.

Summer New Zealand Fixed Interest is generally close to fully invested in New Zealand fixed interest, which means that it does not have to undertake rebalancing.

### Investment Restrictions

Summer New Zealand Fixed Interest's investment in any one entity (other than the New Zealand Government) or financial product (other than a financial product issued by the New Zealand Government) may not be more than 25% of the value of the fund's assets.

### Investment in underlying managed investment schemes

Where Summer New Zealand Fixed Interest invests in an underlying managed investment scheme, the investment is not itself subject to the permitted investments and other investment restrictions set out above, but for the purposes of assessing compliance with those restrictions the Investment Manager will aggregate its interests in the underlying managed investment scheme's investments (where practicable and as made available by the investment manager of the underlying scheme) with its own investments. Derivatives may be used by the manager of an underlying managed investment scheme.

### Borrowing

Summer New Zealand Fixed Interest may borrow to facilitate member initiated activity and for the payment of Scheme expenses.

### Compliance with limits and restrictions

If the fund moves outside a target asset allocation range or ceases to comply with any other limit or restriction, there is no breach of that limit or restriction if the fund returns to compliance within 7 business days.

# Summer Global Fixed Interest

## Description of the fund

Summer Global Fixed Interest is a single asset class fund in the Scheme.

## Investment Objective

The investment objective of Summer Global Fixed Interest is to achieve long-term returns (before fees, taxes and other expenses) greater than its benchmark, by investing in selected international debt and debt-like securities that are generally hedged to the New Zealand dollar.

## Benchmark

Bloomberg Global Aggregate Total Return Index, hedged to the New Zealand dollar.

## Risk Indicator

The risk indicator for Summer Global Fixed Interest is a historic measure of the volatility of the fund's returns, calculated as the annualised standard deviation of returns over the last five years. The most recently published risk indicator for the fund is available in the most recent Fund Update published for the fund.

## Investment Philosophy

The Manager believes that there are opportunities in financial markets for active managers to exploit, and that an actively managed portfolio of investments will over time provide better returns than a simple buy-and-hold strategy; accordingly, the Manager has appointed an active Investment Manager.

## Investment Strategy

### Target Asset Allocation

Summer Global Fixed Interest's target asset allocation and target asset allocation ranges are set out in the table below:

| Asset Class | Target | Range |
|---|---|---|
| Cash and cash equivalents | 5% | 0% – 100% |
| New Zealand Fixed Interest | 0% | 0% - 100% |
| International Fixed Interest | 95% | 0% – 100% |
| Australasian Equities | – | – |
| International Equities | – | – |
| Listed Property | – | – |
| Unlisted property | – | – |
| Commodities | – | – |
| Other | – | – |

### Permitted Investments

Summer Global Fixed Interest may, subject to the ranges below, invest in:

| Investment | Range |
|---|---|
| Cash and cash equivalents | 0% – 100% |
| Government debt securities | 0% – 100% |
| Supranational debt securities | 0% – 100% |
| Government-related debt securities (e.g. state owned or state sponsored entities, and otherwise as determined by the investment manager) | 0% – 100% |
| Senior or unsubordinated debt securities issued by entities (other than the above) | 0% – 100% |
| Subordinated debt securities, preference shares, convertible notes, reset securities and other forms of hybrid debt/equity securities issued by entities (other than the above) | 0% – 30% |

The Investment Manager may invest into these instruments directly, or indirectly by investing into an underlying managed investment scheme (which may also be managed by the Manager) to achieve the intended investment exposures.

Summer Global Fixed Interest may also, after consultation with the supervisor, invest in other assets (which are not explicitly set out above) that the Investment Manager considers appropriately reflect the risk profile of the fund and will contribute to the performance objectives of the fund.

Summer Global Fixed Interest may use derivatives where the Investment Manager considers doing so is consistent with the risk profile of the fund and will contribute to the performance objectives of the fund.

### Foreign Currency Hedging

Hedging involves making an investment or entering into an agreement with the intention of reducing the risk of adverse price movements in a financial obligation.

The Investment Manager generally hedges Summer Global Fixed Interest's foreign currency exposure. This is achieved through foreign currency hedging. The fund's foreign currency hedging strategy is established by the Board and implemented by the Investment Manager. The Board and the Funds Management Oversight Committee monitor the Manager's compliance with the strategy.

Where the Investment Manager invests into an underlying managed investment scheme to achieve the intended investment exposures, foreign currency hedging may be undertaken by the manager of that underlying scheme.

### Tactical Asset Allocation

Tactical asset allocation involves varying the actual asset allocation away from the target asset allocation, to take advantage of short-term market conditions.

Summer Global Fixed Interest does not undertake tactical asset allocation outside of tactical asset allocation permitted ranges.

### Rebalancing

Rebalancing involves buying and selling assets so that Summer Global Fixed Interest's actual asset allocation matches its target asset allocation.

Summer Global Fixed Interest is generally close to fully invested in global fixed interest, which means that it does not have to undertake rebalancing.

### Investment Restrictions

Summer Global Fixed Interest's investment in any one entity (other than a government or government-related entity) or financial product (other than a financial product issued by a government or government-related entity) may not be more than 25% of the value of the fund's assets.

### Investments in underlying managed investment schemes

Where Summer Global Fixed Interest invests in an underlying managed investment scheme, the investment is not itself subject to the permitted investments and other investment restrictions set out above, but for the purposes of assessing compliance with those restrictions the Investment Manager will aggregate its interests in the underlying managed investment scheme's investments (where practicable and as made available by the investment manager of the underlying scheme) with its own investments. Derivatives may be used by the manager of an underlying managed investment scheme.

### Borrowing

Summer Global Fixed Interest may borrow to facilitate member initiated activity and for the payment of Scheme expenses.

### Compliance with limits and restrictions

If the fund moves outside a target asset allocation range or ceases to comply with any other limit or restriction, there is no breach of that limit or restriction if the fund returns to compliance within 7 business days.

# Summer New Zealand Cash

## Description of the fund

Summer New Zealand Cash is an enhanced single asset class fund in the Scheme.

## Investment Objective

The investment objective of Summer New Zealand Cash is to achieve returns (before fees, taxes and other expenses) greater than its benchmark over a rolling 12 month period, by investing in a portfolio of actively managed cash, cash equivalents and short term New Zealand debt securities, subject to the risks associated with investments in short term debt markets.

## Benchmark

The Official Cash Rate (OCR).

Because the OCR is not a market index under the Financial Markets Conduct Regulations 2014, we have selected the S&P/NZX Bank Bills 90 Day Index as the market index for the fund and, accordingly, the fund's performance is compared to the S&P /NZX Bank Bills 90-Day Index in the fund's quarterly Fund Updates and other regulatory disclosures.

## Risk Indicator

The risk indicator for Summer New Zealand Cash is a historic measure of the volatility of the fund's returns, calculated as the annualised standard deviation of returns over the last five years. The most recently published risk indicator for the fund is available in the most recent Fund Update published for the fund.

## Investment Philosophy

The Manager believes that there are opportunities in financial markets for active managers to exploit, and that an actively managed portfolio of cash, cash equivalents and short term debt securities will over time provide better returns than money simply held as on-call bank deposits; accordingly, the Manager has appointed an active Investment Manager.

## Investment Strategy

### Target Asset Allocation

Summer New Zealand Cash's target asset allocation and target asset allocation ranges are set out in the table below:

| Asset Class | Target | Range |
|---|---|---|
| Cash and cash equivalents | 65% | 50% – 100% |
| New Zealand Fixed Interest | 35% | 0% – 50% |
| International Fixed Interest | – | – |
| Australasian Equities | – | – |
| International Equities | – | – |
| Listed Property | – | – |
| Unlisted property | – | – |
| Commodities | – | – |
| Other | – | – |

### Permitted Investments

Summer New Zealand Cash may, subject to the ranges set out below, invest in:

| Cash and Cash Equivalents (as determined (once only) at date of purchase by the Investment Manager) | |
|---|---|
| **Investment** | **Range** |
| On-call and term bank deposits, and debt securities classified as senior or unsubordinated, in each case with an initial maturity date of less than 7 months | 0% – 100% |
| **New Zealand Fixed Interest (as determined (once only) at date of purchase by the Investment Manager)** | |
| **Investment**<br>(but in each case excluding investments that are cash or cash equivalents as per the above) | **Range** |
| Government or supranational debt securities | 0% – 100% |
| State-owned enterprise and local authority debt securities | 0% – 100% |
| New Zealand Local Government Funding Agency debt securities | 0% - 50% |
| Senior or unsubordinated debt securities issued by entities (other than the above) | 0% – 100% |
| Subordinated debt securities | 0% – 30% |

All investments must be New Zealand dollar denominated. The Investment Manager may invest into these instruments directly, or indirectly by investing into an underlying managed investment scheme (which may also be managed by the Manager) to achieve the intended investment exposures.

Summer New Zealand Cash may also, after consultation with the supervisor, invest in other assets (which are not explicitly set out above) that the Investment Manager considers appropriately reflect the risk profile of the fund and will contribute to the performance objectives of the fund.

Summer New Zealand Cash may use derivatives where the Investment Manager considers doing so is consistent with the risk profile of the fund and will contribute to the performance objectives of the fund.

### Tactical Asset Allocation

Tactical asset allocation involves varying the actual asset allocation away from the target asset allocation, to take advantage of short-term market conditions.

Summer New Zealand Cash does not undertake tactical asset allocation outside of tactical asset allocation permitted ranges.

### Rebalancing

Rebalancing involves buying and selling assets so that Summer New Zealand Cash's actual asset allocation matches its target asset allocation.

Summer New Zealand Cash is generally close to fully invested in New Zealand cash, cash equivalents and short term debt securities which means that it does not have to undertake rebalancing.

### Investment Restrictions

Summer New Zealand Cash's investment in any one entity (other than the New Zealand Government) or financial product (other than a financial product issued by the New Zealand Government) may not be more than 25% of the value of the fund's assets.

The maximum outstanding time to maturity of any New Zealand fixed interest investment is three years.

The maximum portfolio duration for the fund is nine months.

### Investment in underlying managed investment schemes

Where Summer New Zealand Cash invests in an underlying managed investment scheme, the investment is not itself subject to the permitted investments and other investment restrictions set out above, but for the purposes of assessing compliance with those restrictions the Investment Manager will aggregate its interests in the underlying managed investment scheme's investments (where practicable and as made available by the investment manager of the underlying scheme) with its own investments. Derivatives may be used by the manager of an underlying managed investment scheme.

## Borrowing

Summer New Zealand Cash may borrow to facilitate member initiated activity and for the payment of Scheme expenses.

## Compliance with limits and restrictions

If the fund moves outside a target asset allocation range or ceases to comply with any other limit or restriction, there is no breach of that limit or restriction if the fund returns to compliance within 7 business days.

# Appointment of External Investment Managers

The Manager may decide to appoint selected external investment managers. The due diligence process to consider the appointment or removal of an external investment manager is undertaken by the Investment Manager. When reporting to the Board the Investment Manager will consider a number of quantitative and qualitative factors.

Appointed external investment manager performance is included in the monitoring of Investment Performance and Compliance, as detailed elsewhere in this SIPO.

Only the Board has the authority to appoint or remove an external investment manager.

# Limit Breaks

A limit break is a material breach of a limit set out in this SIPO. It can relate to either the nature or type of investments that may be made by a fund, or the proportion of each type of asset that may be invested in by a fund.

## Materiality and Limit Breaks

In deciding whether a breach is material, the Manager will assess the circumstances of the breach in the context of the Scheme and the fund and take into account the following factors:

- the size of the breach in relation to the Scheme and the relevant fund;
- any losses caused to investors;
- whether the breach involves related-party transactions;
- whether the breach is an isolated incident, or part of a recurring pattern of breaches;
- whether the breach causes the PDS or any register entry on Disclose in respect of the Scheme or a fund, or an advertisement relating to the Scheme or a fund, to be false or misleading;
- how quickly the breach is rectified after the Manager became aware of the breach; and
- how long the breach went on for.

## Immediate Reporting

Where the Manager becomes aware of a limit break, the Manager must report the limit break to the supervisor, if the limit break is not corrected within five working days of the Manager becoming aware of the limit break.

# Quarterly Reporting

In accordance with the requirements of the Financial Markets Conduct Act 2013, the Manager must provide a report detailing all limit breaks to the supervisor each quarter.

The quarterly report must be provided within 10 working days after the expiry of each quarter.

## Content of limit break reports

The content of any limit break reports, where possible, will detail the following

- the date the Manager became aware of the limit break;
- the name of the fund within the Scheme to which the limit break relates;
- the nature and cause of the limit break (the type of limit break);
- the net asset value of the scheme property in the Scheme as a whole and in respect of the fund within the Scheme to which the limit break relates (as at the date the limit break first occurred);
- the reasons why the limit break is material;
- the date on which the limit break first occurred and the period for which the limit break continued before it was corrected (or whether the limit break remains uncorrected at the time of the report);
- the steps taken, or to be taken, by the Manager to correct the limit break;
- what steps (if any) have been taken, or will be taken, to minimise risk of a recurrence of this type of limit break or to ensure early notification and correction of limit breaks of this type; and
- the timeframe within which the Manager intends to take any steps not already taken under the preceding bullet points.

# Responsible Investment Policy

Responsible investment, including environmental, social and governance (ESG) considerations, is taken into account in the investment policies and procedures of the Scheme at the date of this SIPO as follows:

**Product involvement exclusion screening**

Before the Investment Manager makes a direct investment in a financial product for a fund, it will use a screening tool to identify whether the relevant entity derives revenue from any of the following activities:

- The production of whole weapon systems, delivery platforms or components of cluster munitions; production of whole weapon systems or components of landmines and biological or chemical weapons; production of depleted uranium weapons, blinding laser weapons, incendiary weapons or weapons with non-detectable fragments (or is involved indirectly through ownership ties to companies involved in such products).

- The production of nuclear weapons, exclusive and dual-use delivery platforms capable of delivering such products, intended and dual-use components of such products, services provided for such products (or is involved indirectly through ownership ties to companies involved in such products or services).
- The production of tobacco products (including traditional and alternative tobacco smoking products).
- The manufacture or sale of automatic or semi-automatic weapons intended for civilian use.

Except as expressly noted, the screening applied does not extend to the sale or distribution of these products or their component parts. For example, the screen captures tobacco manufacturers but does not extend to retail distributors (e.g. supermarkets and other retailers) who sell cigarettes.

The Investment Manager uses a screening service that provides research on company involvement in activities relating to specified products and services, broken down by the revenues derived from those activities. The Investment Manager relies on that screening service to apply this exclusion screening policy.

If a screening process identifies that a company derives revenues of 5% or more from the activities listed above, then no investment is made.  This is done for moral and ethical reasons, i.e. we do not wish to be associated with these activities.

If the Investment Manager makes a direct investment and the screening process subsequently identifies that the relevant entity derives revenues of 5% or more from one of the activities listed above, the investment will be sold in a reasonable timeframe taking into account the particular circumstances, market conditions, and the duty to act in the best interest of investors. The Investment Manager will apply the screening check against the funds' direct investments at least monthly.

As at the date of this SIPO we use screening tools provided by MSCI, as described in MSCI' Business Involvement Screening Research Methodology dated August 2025.

Where we've identified companies through our exclusion screening process we will place the names of these companies on an exclusion list which will be made available and updated on our website every six months.

**Consideration of ESG factors**

For directly held equities, listed property and fixed interest securities and cash and cash equivalents, the Investment Manager uses its ESG Risk Assessment framework to help identify the material ESG risks and opportunities associated with our investments. This ESG Risk Assessment utilises data and research from various sources including Forsyth Barr's Carbon and ESG (CESG) ratings and related methodology, LSEG Workspace and MSCI controversy data, as well as information from other sources and information made available in the public domain. The Investment Manager collates information from the sources listed above in order to perform its qualitative assessment of the ESG risks and opportunities.

The Investment Manager then determines the extent to which these risks and opportunities are considered in its investment decision making. However, ESG factors may not be determinative of the Investment Manager's investment decisions, and Investment Manager may include investments that have less favourable ESG ratings.

Forsyth Barr's CESG ratings and methodology are available on its website - www.forsythbarr.co.nz/corporate-news-events/c-and-esg-ratings-report-2024.

***Limitation*: as at the date of this SIPO Forsyth Barr's CESG methodology only covers certain NZX listed issuers. Where we hold an investment in a NZX listed issuer not covered by Forsyth Barr's CESG ratings and / or an issuer listed on another exchange, we will source the necessary information from those sources listed above.**

**Controversies**

From time to time unexpected information about the companies we invest in may become available. If we determine further investigation of the unexpectedly disclosed information is warranted, the Investment Manager's Investment Committee will apply the following steps to determine what response and actions, if any, should be undertaken:

1. The Chair will direct the Investment Manager's ESG team to investigate further by applying the Investment Manager's ESG Risk Assessment methodology detailed above and present the information and its assessment to the Investment Committee

2. The Investment Committee will consider the information provided by the Investment Manager's ESG team and determine whether the issuer's activities are negatively flagged and / or inconsistent with a positive assessment under the assessment criteria of the Investment Manager's ESG Risk Assessment

3. The Investment Committee will determine an appropriate action which may be (1) to note for internal reference only, (2) to note and partially or fully sell the relevant financial products, (3) to undertake (1) and advise investors via its website and / or via other media, (4) undertake (2) and update investors via its website and / or via other media

4. If partial or full divestment is to occur the investment will be sold in a reasonable timeframe taking into account the particular circumstances, market conditions, and the duty to act in the best interest of investors.

A copy of the Investment Manager's Investment Committee charter, detailing all of the committee's responsibilities and activities is available on the Investment Manager's website.

### Investments into related underlying funds

If the Scheme invests into an underlying managed investment scheme that we manage, the Investment Manager will follow the process above for that scheme's direct investments and investments into underlying managed investment schemes.

### Investments into unrelated underlying funds

Before the Scheme invests into an underlying managed investment scheme that we don't manage, the Investment Manager will consider the responsible investment framework for that scheme. The Investment Manager will seek to invest in underlying schemes with responsible investment frameworks comparable to the Scheme, where it can be done without compromising the Scheme's other investment objectives. At the end of each quarter, a list of any of the underlying scheme's direct investments (as are available to the Investment Manager) that appear on our exclusions list as determined by our negative screening activities will be made available on www.summer.co.nz.

# Monitoring

### Investment Performance

The Investment Manager monitors investment performance daily by reviewing each fund's unit price, which will reflect any significant changes in the value of individual assets held by the fund.

Investment performance is formally calculated (using information provided by an external administration manager) and reported on at the end of each month. The reports set out investment performance on a monthly, quarterly, one year, two year, three year and since inception basis, and include gross and net absolute returns. Also included in monthly reports is each fund's Risk Indicator.

The investment performance reports are provided to the Board, the Funds Management Oversight Committee, and the supervisor.

The Funds Management Oversight Committee and the Board each meet at least every two months to, amongst other things, consider the Scheme's investment performance.

## Compliance

The Investment Manager monitors compliance with this SIPO by reviewing daily reports setting out compliance (or non-compliance) for the previous day with:

- target asset allocation ranges;
- permitted investments; and
- investment restrictions (including any ESG restrictions).

If the Investment Manager has breached this SIPO, the Funds Management Oversight Committee, the Board, and the members of the Compliance Committee are notified by email.

As part of its Compliance Assurance Programme Forsyth Barr's Compliance Team provides assurance that this monitoring is working as intended and is effective.

The Compliance Committee meets at least every two months to, amongst other things, consider the Scheme's compliance with this SIPO, and compliance monitoring reports from the Compliance Team.

The Board meets at least every two months to, amongst other things, consider the Scheme's compliance with this SIPO.

Any breach of the SIPO (including in relation to the Responsible Investment Policy), and any subsequent remediation, is dealt with by the Investment Manager and the Manager in accordance with the Financial Markets Conduct Act, acting in the best interests of investors and in consultation with the supervisor (as required).

# Risk Management

## Counterparty Risk Management

### Meaning of Counterparty Risk

Counterparty risk is the risk that a party to a contract defaults or is otherwise unable to fulfil its obligations. If this occurs, the full amount invested may be lost or the affected fund may otherwise be negatively affected.

### Management of Counterparty Risk

The Investment Manager will manage counterparty risk by restricting exchange-traded derivative transactions to counterparties that use payment and security delivery platforms approved by the Manager. The Investment Manager also restricts over-the-counter derivative transactions to counterparties that have executed satisfactory legal documentation and have a Standard & Poor's credit rating of A or better.

The Investment Manager will also manage counterparty risk by assessing a counterparty's effectiveness, cost efficiency, execution quality and other business practices and conduct prior to the Manager appointing the counterparty to the list of authorised counterparties that the Investment Manager may trade with, and by setting limits on direct exposure to counterparties.

The Investment Manager will monitor a counterparty's effectiveness on an ongoing basis, and formally review its appointment annually as part of its reporting to the Manager.

Where the Manager appoints an external investment manager, the Investment Manager will assess the external investment manager's counterparty risk management policy and procedures as part of its due diligence process.

## Currency Risk Management

### Meaning of Currency Risk

Currency risk is the risk that movements in foreign exchange rates impact the New Zealand dollar value of offshore investments, meaning that returns from offshore investments could be reduced if the New Zealand dollar strengthens against the currency in which an investment is denominated. This will affect all funds with foreign currency assets.

## Use of Foreign Exchange Hedging

The Investment Manager will manage currency risk by using foreign exchange hedging, which may include foreign currency transactions executed in the spot, forward or over-the-counter options market and investments in vehicles offered by external investment managers that incorporate foreign exchange hedging. The Investment Manager or any appointed external investment manager may use foreign exchange proxy hedging (where the foreign currency of the hedge differs to the actual foreign currency exposure) for hedging efficiency purposes.

Foreign exchange hedging may only be used where such use is consistent with the investment strategy for the fund set out in this SIPO. In particular, foreign exchange hedging may only be used for a purpose, and in compliance with the restrictions, set out in this SIPO.

Where the Manager appoints an external investment manager, the Investment Manager will assess the external investment manager's currency risk management policy and procedures as part of its due diligence process.

The following foreign currency hedging strategy has been established by the Board and is currently implemented by the Investment Manager. This may change, as determined by the Board.

| **Asset Class** | **Market Index** | **Foreign currency hedging range** |
|---|---|---|
| Australian equities | S&P/ASX 200 Accumulation Index, 50% hedged to the New Zealand dollar. | 20% to 80% of the fund's foreign currency exposure to Australian equities (which may include listed property and international equities). |
| International equities | MSCI ACWI Net Total Return Index, 50% hedged to the New Zealand dollar | 20% to 80% of the fund's foreign currency exposure to international equities (which may include Australian equites and listed property). |
| Listed property | S&P/NZX All Real Estate Gross with Imputation Index. | 20% to 80% of the fund's foreign currency exposure to listed property (which may include Australian equities) |
| International fixed interest | Bloomberg Global Aggregate Total Return Index, 100% hedged to the New Zealand dollar. | Generally hedged. |

## Liquidity Risk Management

### Meaning of Liquidity Risk

Liquidity risk is the risk that an investment cannot be sold at the required time, due to a lack of a liquid market for that security. This may result in the investment being worth less than its fair value, the return from the investment being less than expected, or affected funds being unable to process withdrawals.

### Management of Liquidity Risk

The Investment Manager will manage liquidity risk by continuously monitoring forecast and actual cash flows, and maintaining sufficient cash holdings to meet potential payment obligations that may arise at short notice. In addition, the Investment Manager will take reasonable steps to ensure that investments made directly by the Investment Manager are able to be partly or fully liquidated within ten business days.

Where the Manager appoints an external investment manager, the Investment Manager will assess the external investment manager's liquidity risk policy and procedures as part of its due diligence process.

## Market Risk Management

### Meaning of Market Risk

Market risk is the risk of the value of a fund's investments being affected by developments in economies and financial markets (such as changes in market sentiment, inflation, interest rates and employment), and regulatory and political conditions. This could result in reduced returns or capital being lost.

### Management of Market Risk

The Investment Manager will manage market risk by only making investments that are consistent with the investment strategy for the fund set out in this SIPO. In particular, the Investment Manager will only make an investment for a purpose, and in compliance with the restrictions, set out in this SIPO.

This SIPO will:

- adopt a target asset allocation for each fund consistent with the fund's investment objective; and
- avoid concentration of risk by ensuring adequate diversification between and within asset classes.

The Investment Manager will ensure that key staff employed by the Investment Manager will have sufficient relevant skills, experience and training to meet the Manager's professional standard of care.

The Investment Manager will regularly stress test its investment strategies and report the results to the Manager, who will discuss the results with the supervisor.

Where the Manager appoints an external investment manager, the Investment Manager will assess the external investment manager's market risk management policy and procedures as part of its due diligence process.

## Operational Risk Management

### Meaning of Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events.

### Management of Operational Risk

The Manager will:

- maintain an operational risk framework which covers risk and control assessment, policy and compliance management, incident management (including breach reporting), governance and risk reporting;
- appoint a custodian to separate the investment functions and activities (undertaken by the Manager and the Investment Manager) from the transaction settlement, safekeeping, recording and reporting functions (undertaken by the custodian);
- maintain a business continuity plan; and
- maintain a fraud minimisation plan.

The Manager's and outsource providers' compliance with internal controls and processes will be monitored through a self-assessment process, and the results of the assessment will be reported to the Compliance Committee.

Where the Manager appoints an external investment manager, the Investment Manager will assess the external investment manager's operational risk management policy and procedures as part of its due diligence process.

### Management of ESG Risk

The Manager manages ESG risk through its Responsible investment Policy.

# Trade Execution and Trade Allocation

## Execution of Trades

When determining the priority of execution of trades, the Manager will act in the best interests of the Scheme's members, taking into account the following factors:

- price, including transaction costs;
- speed of execution;

- the counterparty's status and reputation;
- size and nature of the order; and
- any other relevant considerations.

Where the Manager appoints an investment manager, the Manager will require the investment manager's trade execution policy and procedures to be consistent with the policy described above and will require the investment manager to provide such reports to the Manager, as may be required from time to time, in relation to trade execution.

### Allocation of Trades

When allocating trades, the Manager will act in the best interests of the Scheme's members, applying the following principles:

- all proposed trades must be pre-allocated;
- actual allocation must follow the pre-trade allocation;
- in the unlikely event that a trade is not fully allocated, actual allocation must follow a pro-rata based on the pre-trade allocation; and
- no fund will receive preferential allocation treatment over another.

Where the Manager appoints an investment manager, the Manager will require the investment manager's trade allocation policy and procedures to be consistent with the policy described above and will require the investment manager to provide such reports to the Manager, as may be required from time to time, in relation to trade allocation.

## Voting

The Manager will exercise its voting power in relation to any of the Scheme's assets when the Manager considers that it is in the best interests of the Scheme's members to do so. Decisions as to whether and how to vote will be made on a case by case basis by the relevant investment manager where an investment manager has been appointed, and otherwise as directed by the Manager's board.

Where the Manager appoints an investment manager, the Manager will require the investment manager's voting policy and procedures to be consistent with the policy described above and will require the investment manager to provide regular reports to the Manager on the exercise of voting power by the investment manager in relation to any of the Scheme's assets.

# Review

The Investment Manager will review this SIPO annually and undertake an ad hoc review if changes in market conditions or events necessitate changes to either:

- the nature or type of investments that can be made and any limits on those; or
- any limits on the proportion of each type of asset invested in.

The Investment Manager will report to the Board as to the outcome of its review, together with any proposed changes to this SIPO.

The Board will consider the report and may approve the changes to this SIPO.

If any changes are made to this SIPO then notice will be given to the supervisor, and the Scheme's register entry will be updated accordingly.

The most current version of this SIPO is available on the Disclose Register for managed investment schemes under the Financial Markets Conduct Act 2013 at www.disclose-register.companiesoffice.govt.nz/.