
INVESTNOW RESPONSIBLE INVESTMENT STATEMENT

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Version Control

Version	Date	Author	Notes / Changes
1.0	Dec 2024	Jason Choy	Original Document.
2.0	Feb 2026	Jason Choy	Annual Review – changes made to update the Foundation Series Funds' 'Designated Funds' list and common negative screens

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Introduction

This Responsible Investment Statement (**Statement**) describes InvestNow's approach to responsible investment practices. It also describes the extent to which environmental, social and governance (**ESG**) factors are incorporated into our investment management processes and the investment options that we provide to our customers.

Scope

This Statement applies to the following InvestNow investment offerings:

1. InvestNow Investment Platform – our online investment platform that provides investors access to a broad range of managed funds and term deposits.
2. InvestNow KiwiSaver Scheme – our KiwiSaver scheme that offers members access to wide selection of differing funds and investment managers.
3. Foundation Series Funds – our range of internally managed funds that focuses on providing investors with access to cost-effective investment solutions.

Responsible Investment Philosophy

InvestNow's responsible investment philosophy is shaped by the following key principles:

- We believe that investors should be offered greater investment value and choice, and that there should be few barriers for investors to access high-quality investment products to meet their goals.
- We recognise that investors are increasingly interested in responsible investment considerations to address evolving goals, beliefs and constraints.
- We acknowledge that our customers have diverse views around ESG, and that there are valid reasons why an investor may favour investments that incorporate responsible investment considerations.
- We also equally acknowledge that there are valid reasons why an investor may favour more 'vanilla' investment options, or investment options that do not explicitly incorporate responsible investment considerations.
- We believe that there is no 'right' way in which ESG considerations can be expressed. Positive (impact) investment screens, negative (exclusion) investment screens and ESG integration are all appropriate ways of achieving responsible investment outcomes.
- We believe that prudent investment decision-making can incorporate financial and non-financial considerations, or a combination of both.

These principles align with our commitment to provide a comprehensive range of investment options to better enable our customers to tailor an investment approach that best suits their individual goals, beliefs and constraints.

This range will include investment options that incorporate responsible investment or ESG considerations, as well as more 'vanilla' investment options that don't explicitly consider responsible investment or ESG considerations.

InvestNow Investment Platform

InvestNow operates an online investment platform (**InvestNow Platform**) that offers investment products consisting of managed funds and term deposits. The overarching objective of the InvestNow Platform is to empower investors with the ability to build and manage an investment portfolio that will help achieve their financial goals.

The InvestNow Platform aims to remove the barriers to investing and provide investors with greater investment choice. This is achieved by offering access to a wide range of high-quality investment products that is curated to support a diverse range of investor goals, beliefs and constraints, including those relating to responsible investment.

InvestNow Platform – Responsible Investment Approach

Our approach to responsible investment for the InvestNow Platform is to offer investors access to a diverse range of investment options that incorporate responsible investment considerations. This caters for investors' wide range of responsible investment views and enables them to build investment portfolios that are best suited to their individual goals, beliefs and constraints.

InvestNow Platform – Responsible Investment Scope

As operator of the InvestNow Platform, we select investment options from the universe of publicly available investment products. With the exception of the internally managed Foundation Series Funds range, all investment options offered on the InvestNow Platform are standalone investment products that are externally managed and available to investors outside of InvestNow.

InvestNow has no influence on the underlying responsible investment approach utilised by each investment option offered on the InvestNow Platform (with the exception of the Foundation Series Funds range). Instead, any approach to responsible investment (or lack thereof) is determined by the external manager or provider of the investment product. This includes any negative screening (exclusions) or other responsible investment approaches that may be employed.

InvestNow KiwiSaver Scheme

The overarching objective of the InvestNow KiwiSaver Scheme (**INKS**) is to offer investors access to a wide variety of building blocks (funds) and flexibility to combine these funds to construct a KiwiSaver portfolio to suit their particular needs.

This reflects a core belief within InvestNow: that when it comes to investing and preparing for retirement, there is not a one-size-fits-all approach. We recognise that KiwiSaver members have diverse investment objectives, constraints and beliefs. These extend to responsible investment considerations and so we aim to offer a range of investment options within INKS that cater to a variety of approaches.

InvestNow KiwiSaver Scheme – Responsible Investment Approach

INKS is structured so that each investment option within the scheme invests solely into an existing underlying fund managed by an underlying investment manager. Therefore, our approach to responsible investment is implemented through our selection and monitoring of the underlying funds and their investment managers.

All new underlying funds are assessed for alignment with the overarching objective of offering a range of investment options that would cater to a variety of investor goals, beliefs and constraints. Underlying funds that incorporate responsible investment considerations in their investment strategies are likewise assessed with this in mind.

We also assess each underlying investment manager's approach to responsible investment practices during the selection process and more broadly, for alignment with this Statement.

InvestNow KiwiSaver Scheme – Responsible Investment Monitoring

The underlying funds within INKS are monitored on a regular basis for any changes to and/or reported breach of their responsible investment approach.

Any material changes to and/or reported breach of the underlying fund's responsible investment approach are grounds for an investment review. This will involve engagement with the underlying investment manager to understand the reason for the changes and/or reported breach.

Following this review and engagement, InvestNow may choose to:

- retain the underlying fund as an investment option within INKS and update relevant disclosure material; or
- removing the underlying fund as an investment option within INKS.

Members will be informed in advance of any decision that results in removal of an underlying fund within INKS.

InvestNow KiwiSaver Scheme – Responsible Investment Scope

Responsible investment considerations incorporated within underlying funds is determined by the manager of the underlying fund, rather than InvestNow. This means that any changes to the investment strategy of an underlying fund, including those related to responsible investment, will also be reflected in the investment option within INKS.

Foundation Series Funds

The overarching objective of the Foundation Series Funds (**Foundation Series**) is to offer investors access to a broad suite of investment options that provide cost-effective exposure to a range of investment strategies. This reflects InvestNow's belief that high costs should not create barriers to investors wanting quality investment strategies.

We also recognise that within any cost-effective investment product construct, investors may also want options that incorporate responsible investment and ESG considerations.

The Foundation Series provides funds that include investment approaches that incorporate responsible investment considerations, as well as funds which do not.

Foundation Series Funds – Responsible Investment Approach

The Foundation Series is structured so that each investment option is exposed to one or more underlying funds managed by an underlying investment manager(s).

Our approach to responsible investment within the Foundation Series is for designated responsible investment funds to express ESG considerations via their underlying funds.

All underlying funds are assessed for alignment with the overarching objective of the Foundation Series to offer cost-effective investment exposure. The underlying fund's approach to responsible investment is also assessed during the selection process for alignment with this Statement.

Foundation Series Funds – Responsible Investment Monitoring

The underlying funds are monitored on a regular basis for any changes to and/or reported breach of their responsible investment approach.

Any material changes to and/or reported breach of the underlying fund's responsible investment approach are grounds for an investment review. This will involve engagement with the underlying investment manager to understand the reason for the changes and/or reported breach.

Following this review and engagement, InvestNow may choose to:

- retain the underlying fund within the Foundation Series and update relevant disclosure material;
- replace the underlying fund within the relevant Foundation Series fund, with another appropriate underlying fund; or
- remove the underlying fund, and if no appropriate underlying fund can be utilised, wind-up the relevant Foundation Series fund.

In the unlikely event that a decision is made to wind-up a fund, investors will be notified in accordance with the Foundation Series' Trust Deed provisions.

Foundation Series Funds – Responsible Investment Scope

Any responsible investment strategy within an underlying fund is set by the underlying investment manager, rather than InvestNow. This means InvestNow has limited ability to influence the underlying investment manager's approach to incorporating responsible investment considerations within the underlying fund.

Each fund within the Foundation Series may also be exposed to multiple underlying funds which have differing responsible investment approaches. This means that these particular Foundation Series' funds will have different responsible investment approaches related to each underlying fund.

Typically, underlying funds are selected at asset class level (e.g. cash, NZ fixed interest, international fixed interest, Australasian equities, international equities, etc.). As such, the differing responsible investment approaches are typically expressed at the asset class level.

There may also be commonalities between the responsible investment strategies that are applied by all the underlying funds. This could result in exclusions that apply at the entire Foundation Series' fund-level.

The Foundation Series' funds that incorporate responsible investment considerations in their investment strategies are classified as 'Designated Funds', and currently consists of the Foundation Series Global ESG Fund, the Foundation Series Balanced Fund, the Foundation Series Growth Fund and the Foundation Series High Growth Fund.

Each of the 'Designated Funds' predominantly express ESG considerations through specific negative screens. Based on certain business involvement criteria and revenue thresholds, these negative screens seek to limit exposure to companies involved with specific business practices, with the common negatives screens applied to all 'Designated Funds' summarised below:

- Anti-personnel landmines
- Chemical and biological weapons
- Cluster munitions
- Nuclear weapons
- Tobacco
- Thermal coal
- Military weapons
- Civilian automatic or semi-automatic firearms
- Alcohol
- Gambling
- Pornography

Note that these exclusions will not apply to derivatives or collective investment vehicles through which the underlying funds invest.

Additional exclusions may also be applied at the asset class level. Further detail on these exclusions and the methodologies, including business involvement and revenue thresholds, can be found by referencing the Foundation Series' Statement of Investment Policy and Objectives.

Full portfolio holdings are updated on six-monthly basis for all funds within the Foundation Series and can be accessed at disclose-register.companiesoffice.govt.nz.

Voting

All investments options accessed through InvestNow are ultimately managed by external investment managers. This currently means that InvestNow is not able to exercise any voting rights, with regards the underlying securities which have been invested into.

InvestNow will update any responsible investment policies related to voting if the ability to exercise voting rights on the underlying investments becomes available.

Review

InvestNow's Responsible Investment Statement will be reviewed on an annual basis by the InvestNow Investment Committee.