

Schroder Investment Funds

Statement of Investment Policy and Objectives

Investment Management by Schroder Investment Management Australia Limited

This is the Statement of Investment Policy and Objectives for the:

- Schroder Sustainable Global Core PIE Fund
- Schroder Sustainable Global Core PIE Fund (Hedged)

Effective date: 20 January 2026

Issued by FundRock NZ Limited

A. Description of the managed investment scheme

The Schroder Investment Funds ('Scheme') is a managed investment scheme. The Scheme has on offer two funds ('Funds') which provide investors with exposure to highly diversified international equities (hedged and unhedged).

The Funds may invest across a wide range of global assets including but not limited to equities, cash and cash equivalents, property trusts, exchange traded funds, futures, currency derivatives, options and listed equity market derivatives.

The Funds are invested in accordance with this SIPO and Schroders' investment philosophy and process.

B. Roles and responsibilities

The licensed manager

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

- preparation of disclosure material;
- establishing, reviewing and maintaining this Statement of Investment Policy and Objectives ('SIPO');
- the ongoing management and oversight of the Funds. This includes appointing, managing and monitoring specialist providers for:
 - administration management, and
 - investment management;
- monitoring investment performance and outcomes.

The investment manager

Schroder Investment Management Australia Limited ('Schroders' or 'Investment Manager') is the Scheme's investment manager and is responsible for making recommendations and decisions about what the Funds invest in.

Established in 1964, Schroders is a wholly owned subsidiary of UK-listed Schroders plc, founded over 200 years ago and active in 38 locations globally. Based in Sydney and Melbourne, Schroders manages assets for clients across Australian equities, fixed income, private equity, multi-asset and global equities.

Schroders believes in the potential to gain a competitive advantage from in-house global research and that rigorous research can translate into superior investment performance. Schroders also believes that internal analysis of investment securities and markets is paramount when identifying attractive investment opportunities. Proprietary research provides a key foundation of their investment process, and their worldwide network of analysts is one of the most comprehensive research resources dedicated to funds management.

Schroders also participates in reviewing this SIPO.

Other service providers

Public Trust is the custodian, and the custodian has appointed JP Morgan Securities Australia Limited ('JPM') as sub-custodian for each Fund.

Apex Investment Administration (NZ) Limited is the administration manager and registrar.

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

- acting on behalf of the Funds' investors in relation to the Manager and any contravention of the Manager's issuer obligations;
- supervising the performance by the Manager of its functions and the financial position of the Manager and the Scheme; and
- holding the Scheme property or ensuring that the assets are held in accordance with applicable legislative requirements. JPM has been appointed by the Supervisor (and custodian of the Funds) as sub-custodian for each Fund.

C. Investment philosophy

Schroders' investment philosophy is comprised of a combination of 'value' and 'quality' strategies.

The 'value' strategy means that the value of a security is analysed using a wide variety of metrics, including dividends, cashflows, earnings and assets, both on an absolute and relative basis to identify securities which Schroders believes have been undervalued by the market. The 'quality' strategy involves analysing companies with regard to profitability, stability, financial strength, governance and potential for structural growth.

The combination of the value and quality strategies tend to outperform at different stages of the economic cycle, and therefore Schroders believes this combination offers investors the potential for outperformance across a broad range of market environments.

Sustainable Investment Fund

Schroders does not adopt a 'one-size-fits-all' approach to how it determines sustainable investment. The Funds are Sustainable Investment funds, which, at a minimum, will:

- have environmental, social and governance ('ESG') integration in the investment process applied via Schroders' Exclusions Policy ('Exclusions Policy'), monitoring, and Active Ownership¹;
- use additional Negative Screens, including Schroders Group's 'Global Norms List' and any further negative screens as determined by each Fund's investment team; and
- utilise both an investment objective alongside a sustainability objective (see below).

ESG integration is the process of identifying, analysing and incorporating relevant and material ESG Considerations into investment decisions, as well as the ongoing monitoring of the Funds and engagement with investee company or asset management teams. Schroders' consider that examining a wider range of factors than may be captured in traditional investment analysis allows a more complete view of potential investment drivers and better-informed investment decisions as a result.

Schroders subscribes to external ESG research providers including: MSCI ESG research, Bloomberg and Refinitiv, which is subject to periodic review and change.

Limitations on ESG Integration

ESG integration is only applicable where Schroders has discretion over security selection and does not apply to Indirect Investments. The Funds' exposure to Indirect Investments will fluctuate.

As a result of utilising third-party data, data errors may occur. Where Schroders is aware of such errors, they will seek to investigate and resolve them (where possible) with the third-party provider.

¹ Please refer to the *Glossary* at the end of this SIPO for more information on this and other capitalised expressions.

Carbon Intensity Reduction Goal

Schroders' goal is that the Weighted Average Carbon Intensity of each Fund will be lower relative to the MSCI World ex Tobacco Index Weighted Average Carbon Intensity. It seeks to achieve this objective through:

- 1. Negative Screens** - applying revenue exclusion screens including those listed in Schroders' Exclusions Policy and the additional negative screens which are explained further below.
- 2. Assessment of ESG Considerations** – as explained further below under 'Assessment of ESG Considerations'.
- 3. Seeking to drive more sustainable practices via Active Ownership** – as explained below under 'Active ownership'.

Assessment of ESG Considerations

ESG Considerations are taken into account when selecting, retaining and realising investments for the Funds. Companies in the Funds' investment universe are assessed on their governance, environmental and social profile, across a wide range of underlying measures. The ESG characteristics of a company will impact the eligibility of the company for inclusion and sizing of its position in each Fund.

Governance is a key dimension within the proprietary sustainability framework applied within each Fund's quantitative investment process. Schroders' governance assessment is applied universally, across their entire investment universe, rewarding what they consider to be highly rated companies whilst penalising (i.e. reducing the chance of its inclusion and/or position size in the relevant Fund) those with poorer standards and actively avoiding the worst. Schroders include a breadth of underlying terms within their governance assessment, capturing material areas such as management structure (including board independence) alongside accounting quality, the treatment of shareholders by assessing ownership structures and dividend policy as well as measuring shareholder dissent.

Environmental considerations include a breadth of underlying terms, capturing material areas such as climate change (including carbon emissions and company carbon reduction commitments) and biodiversity (including pollution and resource use).

Social criteria reflects areas such as business practices, safety, employee welfare, supply chain management and data privacy. Companies will be given a rating depending on whether the investment team considers the relevant criteria to be positive (for example, implementing good governance policies) or negative (for example, poor supply chain management), and the rating will determine eligibility for inclusion and position sizing in the relevant Fund.

When identifying and assessing a company's applicable ESG Considerations, sources of information include quantitative information (such as fundamental accounting data and third-party ESG data), as well as qualitative information gained from Schroders' Active Ownership activities described below.

Negative screens

The Funds are subject to Schroders' Exclusions Policy, which is available at:

<https://api.schroders.com/document-store/Excluded%20Securities.pdf>. This policy applies to all Direct Investments in company-issued public securities held either by Schroders or other Schroders Group managed funds that apply Schroders' exclusions and where Schroders has discretion over security selection (please see below for more information). The exclusions do not apply to Indirect Investments, which are nonetheless still included when calculating the Fund's Weighted Average Carbon Intensity.

The Funds also apply additional Negative Screens to their investment universes, some of which are more stringent than Schroders' Exclusions Policy. The criteria for the main groups of companies the Funds seek to exclude is set out below. Note that the descriptions of the exclusion

criteria reflect the methodologies of third-party providers. They are valid as at the date of publishing of this SIPO, and may be subject to change without notice.

The following table summarises the Negative Screens applied to the Funds' Direct Investments in International listed shares, with the exceptions to these Negative Screens set out in the table below and relevant footnotes. Where Schroders does not rely on proprietary methodology (noted below in the table), the application and interpretation of exclusionary screening criteria and terminology is determined by the third-party provider (including but not limited to MSCI).

Schroders relies on the accuracy of data from third-party providers. The providers' interpretation of the criteria and terminology may differ to that of an investor in the Funds. The exclusion thresholds apply to any combination of the activities listed in the 'description of exclusion criteria' column. Unless otherwise stated, the thresholds apply only to a company's direct involvement in the excluded activities, as determined by Schroders (in the case of a proprietary methodology) or the relevant third-party provider (e.g. MSCI). These Negative Screens do not apply to Indirect Investments.

Sector/Activity	Description of Exclusion Criteria	Exclusion threshold for Schroders' Direct Investments
Controversial Weapons	Schroders Group's proprietary process on controversial weapons seeks to exclude companies it identifies as being involved in the production, stockpiling, transfer and use of controversial weapons, including cluster munitions, anti-personnel mines, and chemical and biological weapons. This is a firmwide exclusion that applies to all Schroders and Schroders Group managed funds ² .	Schroders Group's proprietary methodology
Nuclear Weapons	Companies with revenue from nuclear weapons, intended and dual-use (i.e. civilian and military use) components for such products, delivery platforms capable of deploying nuclear weapons, essential components for such delivery platforms, and support services for such products.	More than 5% of gross revenue (reported or estimated)
Thermal coal mining	Mining of thermal coal and its sale to external parties. This does not include revenue from metallurgical coal, coal mined for internal power generation, intra-company sales of mixed thermal coal, and revenue from coal trading.	More than 10% of gross revenue (reported or estimated)
Thermal Coal power generation	Thermal coal-based power generation	More than 30% of gross revenue (reported or estimated)
Tobacco, nicotine alternatives and tobacco-based products	Companies involved in the production of tobacco products, including nicotine alternatives and tobacco-based products, such as cigars, chewing tobacco, vaping and e-cigarette products. This exclusion does not apply to companies generating revenue from the sale and distribution of tobacco, such as supermarkets.	More than 10% of gross revenue (reported or estimated)
	Companies involved in the production, distribution or retail of tobacco products, as a licensor of brand names for tobacco products or as a supplier for tobacco products.	More than 25% of gross revenue (reported or estimated)
Civilian Firearms	Production of firearms and small-arms ammunition intended for civilian markets	More than 0% of gross revenue (reported or estimated)
Global Norms	Schroders Group's 'Global Norms List' comprises companies assessed by Schroders Group to have breached global norms, resulting in considerable environmental or social damage. The list includes firms that are identified as harmful, have inadequately	Schroders Group's proprietary methodology

² More information can be found at: <https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/>.

Sector/Activity	Description of Exclusion Criteria	Exclusion threshold for Schroders' Direct Investments
	<p>addressed the issue through clear communication and action, and have not provided sufficient remedy for stakeholders. Assessments can be based on both Schroders Group's proprietary research, incorporating insights from company engagement, and third-party data. Information that is relied upon can be quantitative or qualitative. Neither Schroders or Schroders Group can guarantee the accuracy of third-party data. Assessing companies involves judgment and subjectivity across Schroders Group-chosen metrics, potentially causing a lag between incident occurrence and listing due to the need for thorough review by Schroders Group. More information can be found in the Glossary.</p>	

Important information:

Information relating to the non-proprietary methodologies described above are based on MSCI information, including but not limited to the MSCI Business Involvement Screening Research Methodology, the MSCI Fossil Fuels and Power Generation Metrics Methodology, data supplied through and defined within the MSCI ESG Manager platform, and the relevant universe coverage, and may be subject to change without notice. For more information on the MSCI screening methodology and specific details on each sector/activity, please refer to the MSCI website for [ESG](#) and [climate disclosures](#). Some useful documents include the [MSCI Business Involvement Screening Research Methodology](#) and the [MSCI Fossil Fuels and Power Generation Metrics Methodology](#).³

Please refer to the 'Monitoring' section below for further details on how Schroders monitors and applies these exclusions.

Limitations of Negative Screens

In applying Schroders' Exclusions Policy:

- Certain financial instruments such as securities issued by government, semi-government, or supranational entities; derivatives; alternative investments such as private equity, private debt, or direct investments into infrastructure; as well as financial instruments where the underlying end recipient is unknown or investment decisions are not within Schroders' control (this includes, but is not limited to, commercial mortgage backed securities, residential mortgage backed securities, asset backed securities, collateralised loan obligations, collateralised mortgage obligations, and insurance linked securities) are not captured within the Exclusions Policy. This is because such securities or issuers are not able to be reasonably screened for involvement in the above mentioned activities. This limitation also applies to the additional Negative Screens applied to the Funds.
- Indirect Investments may inadvertently result in an exposure to companies that would normally be excluded by Schroders' Exclusions Policy. These exposures are subject to a de minimis threshold of typically less than 1% of the Fund's total assets at any one time.

Monitoring

Schroders does not employ a bespoke approach for monitoring and reviewing ESG Considerations relevant to the Funds. Negative Screens, exclusions and limits are coded into the portfolio compliance framework to seek to ensure that pre- and post-trade compliance correctly flags the securities that should not enter the Fund. For companies excluded based on revenue

³ Note that these documents and their links may change as MSCI make updates from time to time.

thresholds, these will be validated quarterly by Schroders Group using MSCI's revenue data, as part of the regular screening process. As at the date of this document, the list of companies falling under each exclusion is updated according to the below schedule, which may change from time to time.

Schroders' Exclusion Policy:

- Schroders Group exclusion for thermal coal mining (20% threshold): updated quarterly
- Schroders Group proprietary methodology for controversial weapons: updated annually
- Other exclusions, based on revenue or involvement data derived from third parties such as MSCI: updated daily

Additional Negative Screens applied by the Funds:

- Schroders Group proprietary methodology for Global Norms: updated as needed
- Other exclusions, based on revenue or involvement data derived from third parties such as MSCI: updated daily

Automated daily pre- and post-trade compliance checks of the Fund's investments occurs against the current list of companies falling under the Fund's Negative Screens. These compliance checks are only performed on Direct Investments (please see the preceding 'Negative Screens' section for more information).

If an investee company's exposure to an excluded activity exceeds the threshold set out in the Fund's Negative Screens as noted in the table above due to a change in third-party data or any other error, there may be certain circumstances where the Fund's continue to hold the investment, for example where the data change is inconsistent with other external sources of information such as current company annual reports, sustainability reports or financial statements. In these instances, Schroders will investigate the matter and aim to resolve such situations as quickly as possible but acknowledge it may take some time as they may be subject to third-party provider review processes. Upon completion of the investigation, should the company's revenue exposure remain higher than the threshold set out in the above table, the relevant investment in that company will be divested by the Fund in an orderly manner having regard to the best interests of investors of the Fund as a whole.

In most circumstances, Schroders' normally expects to divest within three months. However, there may be circumstances beyond their control, such as suspension, delisting or low liquidity, that may cause divesting to take longer.

Given the list of companies excluded are updated according to the schedule mentioned earlier in this section, when a company's involvement in an excluded activity contravenes the Funds' Negative Screens, it will be captured in the next review. The time period that the revenue or involvement data relates to is subject to the third-party data providers' processes and may differ between companies depending on their reporting periods. Data may not relate to the company's most recent reporting year.

Active ownership

Active Ownership refers to the influence that can be applied to management teams and relevant stakeholders of investee companies and assets by asset owners via engagement and voting activities, so that more sustainable practices (as defined by Schroders from time to time) are properly considered in managing those companies and assets. This is intended to protect and enhance the value of investments.

More details about Schroders approach to Active Ownership can be found in the Schroders Group Sustainable Investment Policy:

<https://mybrand.schroders.com/m/6197143c263420f5/original/Schroders-Group-Sustainable-Investment-Policy.pdf>

Dialogue and engagement

Dialogue and engagement with investee companies may enable Schroders to gain insight into companies' practices and future plans relating to ESG Considerations, raise concerns with company management, and influence them towards behaviour Schroders considers to strengthen the long-term competitiveness and value of businesses. Schroders engages through various forms of communication such as phone calls and meetings as and when it deems necessary.

Schroders may engage on various ESG-related topics it deems to be important, such as reducing carbon emission output and responsible treatment of employees and customers.

Where Schroders has engaged repeatedly with an investee company or asset and seen no meaningful progress, Schroders may escalate its concerns. Decisions on whether and how to escalate are based on the materiality of each issue, its urgency, the extent of Schroders' concern and whether the company has demonstrated progress through previous engagements. The possible actions Schroders may take to escalate an engagement are outlined in the Engagement Blueprint for listed assets (see below).

Schroders Group's Engagement Blueprint sets out the long-term outcomes it desires to see from companies in areas of climate change, natural capital and biodiversity, human rights, human capital management, diversity and inclusion and corporate governance. The Engagement Blueprint can be accessed here:

<https://mybrand.schroders.com/m/68c16247d2149269/original/Schroders-Engagement-Blueprint.pdf>.

Voting

Schroders recognises its responsibility to make considered use of voting rights. Schroders votes on both shareholder and management resolutions, many of which are corporate governance-related, such as the approval of directors and accepting reports and accounts. The overriding principle governing Schroders approach to voting is to act in line with fiduciary responsibilities in what is deemed to be the interests of clients.

Further information on Schroders' voting policy and practices can be found in the Schroders Group Sustainable Investment Policy and monthly disclosure of global voting can be found here: <https://viewpoint.glasslewis.com/WD/?siteld=Schroders%20Investment%20Management%20Vote%20Disclosure>.

In the event Schroders is undertaking significant Active Ownership activities, Schroders will provide regular updates to investors of any outcomes Schroders considers significant.

Sustainability Objectives

The Funds' sustainability objective is for the Weighted Average Carbon Intensity of the Funds to be lower relative to the MSCI World ex Tobacco Index Weighted Average Carbon Intensity. This will be achieved by selecting companies using Schroders Group's own proprietary tools to identify and assess a company's environmental characteristics. More specifically, companies in the investment universe are assessed on their environmental profile. Environmental considerations include a breadth of underlying terms, capturing material areas such as climate change (including carbon emissions and company carbon reduction commitments) and biodiversity (including pollution and resource use).

The Weighted Average Carbon Intensity of the Funds is an aggregated measure of companies' carbon emissions, having regard to the size of the company. The Funds' Weighted Average Carbon Intensity is sourced from third-party data and covers both scope 1 (direct emissions resulting from energy production) and scope 2 (indirect emissions, resulting from energy use) emissions of companies, normalised by millions of sales in USD, which allows for comparison between companies of different sizes. Where a data point is not available, the provider may make use of estimated data. Third-party data may not cover all companies held in the Funds. By achieving a lower Weighted Average Carbon Intensity than the benchmark, Schroders

consider the Funds will likely reduce their exposure to companies with business models most at risk to the transition to net zero emissions, relative to its benchmark. For listed equities, the Weighted Average Carbon Intensity of the Funds is calculated based on the fund's holdings, company emissions data, and (where available) reported revenues. Company emissions data and reported revenues are sourced from third party data providers. Should the Funds not reach their sustainability objective, the investment team will investigate the drivers as to why the Funds are not achieving this objective, and will seek to take corrective action in an orderly manner, having regard to the best interests of investors of the Funds as a whole with a view to achieving the objective.

The Funds can still hold individual companies that have a high carbon intensity as long as the Funds' Sustainability Objective is achieved.

Schroders also draws information on investee companies from publicly available information and company meetings, broker reports, industry bodies, research organisations, think tanks, legislators, consultants, non-governmental organisations, and academics.

Limitations to the above-mentioned methodology and data mainly arise from data errors, data availability (specifically the lack of company reported data), and data estimation, as detailed above. Due to the range of data sources and combining both qualitative and quantitative elements involving a degree of subjectivity and judgement from the Funds' investment team, Schroders' believe that these data limitations do not in aggregate materially impact their ability to meet the sustainability objective of the Funds.

D. Fund Investment Objectives and Strategies

The investment objectives and strategies for each Fund are:

Schroder Sustainable Global Core PIE Fund

Objectives

The investment objective of the Fund is to outperform relative to the MSCI World ex Tobacco Index (net dividends reinvested) net of fees with low index-relative risk across a broad range of market environments.

The Fund also targets a weighted average carbon intensity lower than the Benchmark index as set out in Part C of this SIPO.

Investment Strategy

Benchmark index

- MSCI World ex Tobacco Index (net dividends reinvested) NZD.

Benchmark asset allocation

- 100% international equities⁴.

The Fund is expected to be fully invested. A portion of the portfolio may be allocated to cash and cash equivalents for liquidity purposes.

Asset allocation ranges

- 90% - 100% international equities⁴.

⁴ International equities include investments in Australasian equities and listed property securities.

- 0% - 10% cash and cash equivalents⁵.

Permitted investments⁶

- Equities (both Australasian and international equities).
- Cash and cash equivalents
- Property trusts.
- Other managed investment schemes, collective investment vehicles, or exchange-traded funds.
- Derivative instruments including futures, currency derivatives, options and listed equity market derivatives

Rebalancing policy

- As a single-sector fund, there is no need for a rebalancing policy.

Currency policy

- The Fund does not hedge (to New Zealand dollars) currency risk.

Other

- Individual stock weightings may not exceed +/- 0.75% of benchmark weighting⁷.

Schroder Sustainable Global Core PIE Fund (Hedged)

The Schroder Sustainable Global Core PIE Fund (Hedged) invests into the Schroder Sustainable Global Core PIE Fund (underlying fund).

Objectives

The investment objective of the Fund is to outperform relative to the MSCI World ex Tobacco Index (net dividends reinvested) (Hedged) net of fees with low index-relative risk across a broad range of market environments.

The Fund also targets a weighted average carbon intensity lower than the Benchmark index as set out in Part C of this SIPO.

Investment Strategy

Benchmark index

- MSCI World ex Tobacco Index (net dividends reinvested) NZD (Hedged).

Benchmark asset allocation

- 100% international equities⁸.

The Fund is expected to be fully invested. A portion of the portfolio may be allocated to cash and cash equivalents for liquidity purposes.

Asset allocation ranges

- 90% - 100% international equities⁹.

⁵ Cash equivalents are defined as short-dated (91 days or less) deposits/bills etc with registered banks or deposit taking entities rated A-1 or higher, US Treasury or other Government issuers rated AA or higher or a custodian's short-term investment/money market fund.

⁶ Subject to the ESG Considerations set out in Section C.

⁷ Market movements may result in individual stock weighting ranges exceeding stated ranges. The Investment Manager will remedy this within a reasonable period of time as market opportunities present themselves providing that the manager believes this to be in the best interests of investors.

⁸ See Footnote No 4. The underlying fund is also considered to be international equity.

⁹ See Footnote No 8.

- 0% - 10% cash and cash equivalents¹⁰.

Permitted investments for the underlying fund

- See above.

Permitted investments of the Fund

- Equities (both Australasian and international equities)
- Cash and cash equivalents.
- Other managed investment schemes, collective investment vehicles, or exchange-traded funds.
- Derivative instruments entered into for the purposes of hedging the Fund's foreign currency exposure to NZD in accordance with the Fund's currency policy (described in more detail below).

Rebalancing policy

- As a single-sector fund, there is no need for a rebalancing policy.

Currency policy

- The Fund mitigates currency risk by hedging most major foreign currency exposures to the New Zealand dollar.

Other

- Individual stock weightings may not exceed +/- 0.75% of benchmark weighting¹¹.

E. Investment Policies

Currency hedging

Currency hedging seeks to mitigate foreign currency risk in cases where a Fund's investments are denominated in a currency other than the NZ dollar (NZD).

The policy of the Schroder Sustainable Global Core PIE Fund (Hedged) is to hedge against currency risk by hedging most major foreign currency exposures to the New Zealand dollar. Other foreign currency exposure is either partially hedged using one of the major currencies that is in Schroders' view correlated with the relevant currency (as a proxy), or not hedged depending on what Schroders deems to be cost-efficient. While Schroders will seek to hedge, and mitigate, against foreign currency risk, this does not mean that foreign currency risk is eliminated.

The Schroder Sustainable Global Core PIE Fund (Hedged) may not necessarily outperform the unhedged Fund over any period of time.

Taxation policy

The Funds have each elected to be Portfolio Investment Entities ('PIE') and are therefore taxed under the PIE regime.

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

¹⁰ See Footnote No 5.

¹¹ See Footnote No 7.

Whether the Funds invest directly in equities or via a managed investment scheme may have tax implications for investors. In determining which approach to use, tax may be considered, alongside other factors such as cost and implementation feasibility.

Liquidity policy

The liquidity risk of the Funds is assessed with reference to liquidity of the underlying assets and securities. The Manager then establishes an appropriate application and redemption frequency for each Fund. The Funds invest predominantly in liquid investments and hence have daily applications and redemptions. Market conditions and other factors can, however, change resulting in some assets becoming difficult to sell. Hence if a Fund were to experience liquidity problems or if major markets were closed, the Manager may defer or suspend redemptions for a period of time.

Related-party transactions

Related-party transactions, other than the types permitted under the FMC Act, are prohibited.

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

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

The Manager will report such transactions by related parties to its Supervisor in accordance with section 173(2) of the FMC Act.

Trade allocations and transactions

As the Funds are permitted to invest directly in securities, and the Investment Manager trades the same securities for other portfolios it manages which have a similar investment philosophy, the Investment Manager has appropriate trade allocation, best execution, and brokerage policies and processes governing their investment management activity on behalf of the Funds.

Other relevant policies

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

Pricing and Asset Valuation Policy

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

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

Within the bounds of what is reasonable and practical FundRock's goals are to:

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

Conflicts of Interest and Related Party Transactions Policies

Our conflicts of interest and related party transactions policies set out the principles and procedures relating to the management of conflicts of interest within FundRock. The policies apply to all of FundRock's directors, relevant officers, senior management and employees.

The conflicts of interest and related party transactions policies provide guidance on:

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

Furthermore, Schroders maintains a conflicts of interest policy, including in relation to the underlying funds into which the Schroder Sustainable Global Core PIE Fund (Hedged) invest, to ensure that all conflicts of interest (actual or perceived) are identified and appropriately managed. In the context of the Funds, this may arise where Schroders, one of its agents or service providers, or their respective directors or employees, has a personal interest that is inconsistent with the best interests of investors, or if Schroders is required to make decisions which may affect different investors with competing interests.

Investment Management Policy

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

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

F. Performance monitoring

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

- gross return (before fees and before tax);
- net returns (after fees and before tax);
- Benchmark index return;
- performance relative to benchmark;
- annualised standard deviation of fund returns (based on monthly returns);
- annualised standard deviation of Benchmark index returns (based on monthly returns); and
- annualised Tracking Error (based on monthly returns).

FundRock monitors the Funds' performance against the carbon intensity reduction goal on a quarterly basis. If the Funds fail to meet this goal for two consecutive quarters, FundRock will review the Funds' sustainability label to determine if it remains appropriate. If FundRock determines that the sustainability label is no longer appropriate, then the sustainability label will be removed.

FundRock reports investment performance to the Supervisor monthly and achievement of the carbon intensity reduction goal to the Supervisor quarterly. Both investment performance and achievement of the carbon intensity reduction goal are reported to the FundRock Board quarterly. The FundRock Board has responsibility for oversight of Investment Manager performance. The FundRock Board aims to meet at least quarterly.

To help investors monitor the carbon intensity reduction goal, a monthly investment report (which includes both the Funds' and benchmark WACI for the relevant month end) is made available at <https://www.fundrock.com/fundrock-new-zealand/frnz-documents-and-reporting/>. Further,

investors can obtain a full list of holdings for the Funds from the Disclose website www.companiesoffice.govt.nz/disclose, which is updated every six months.

G. Investment strategy review

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

H. SIPO Monitoring and Review

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

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

- the Investment Manager recommending changes to the SIPO; and
- a change in roles and responsibilities of key persons of the Manager or key service providers.

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

The Manager can make changes to the SIPO in accordance with the Trust Deed and the FMC Act. Before making changes to the SIPO, the Manager will consider if the changes are in the best interests of investors and consult with the Supervisor. Any changes to the SIPO require Board approval. The Manager will give notice to Funds' investors before implementing any material SIPO changes and all SIPO changes will be advised in the annual report for the Scheme.

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

The current version of this SIPO, and other useful information about the Funds, is available on www.companiesoffice.govt.nz/disclose

This SIPO was approved by the FundRock Due Diligence Committee under delegation by the FundRock Board on 16 January 2026 and takes effect on 20 January 2026.

I. Glossary

Active Ownership refers to the influence that can be applied to management teams and relevant stakeholders of investee companies and assets by asset owners via engagement and voting activities so that more sustainable practices are properly considered in managing those companies and assets. This is intended to protect and enhance the value of investments.

Benchmark index means the financial index or indices against which a Fund's performance is measured.

Direct Investments means securities held either by Schroders or other Schroders Group managed funds that apply Schroders' exclusions and where Schroders has discretion over security selection.

ESG Considerations means Schroders' determination of areas or factors it considers relate to ESG for a particular Fund or investment, and often relates, but is not limited to, issues such as climate change, environmental performance, labour standards and board composition.

Exclusions Policy details the exclusionary criteria applied in the management of Schroders ESG Integrated funds, available at <https://api.schroders.com/document-store/Excluded%20Securities.pdf>.

FMC Act means the Financial Markets Conduct Act 2013.

Funds mean the managed investment funds offered within the Scheme, being the Schroder Sustainable Global Core PIE Fund and Schroder Sustainable Global Core PIE Fund (Hedged).

FundRock means FundRock NZ Limited, the Manager of the Scheme.

Global Norms List - despite the term being widely used, there is no one definition of Global Norms. In line with most of the financial services industry, Schroders Group's definition of Global Norms considers widely recognised principles such as the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. A breach of Global Norms is viewed as egregious behaviour and a cause of significant harm. Schroders believe that companies should not be permanently tarred by past events. There must be opportunity for a company to reform and remediate the issues it has caused, if there is genuine willingness to learn and adapt. With this in mind, Schroders has created a proprietary framework to identify, assess and engage companies that have potentially breached Global Norms. The ultimate output of this framework is a 'Global Norms List' comprised of companies that have: been identified as causing significant damage; not sufficiently addressed the issue in question through transparent communications and action; and not provided sufficient remedy for affected stakeholders. The list is then applied as an exclusion criteria for funds which have explicitly decided to exclude companies who breach Global Norms. The 'Global Norms List' may be informed by assessments performed by third-party providers and Schroders Group proprietary research which may include insights from Schroders' own engagement with the company as relevant to the particular situation. Information relied upon can be both quantitative and qualitative. Schroders Group cannot confirm the accuracy, completeness and adequacy of third-party data and estimates. Assessing companies involves an element of judgment and subjectivity across the different metrics chosen by Schroders Group. There may be a lag between when the event occurs and when a company is placed on the 'Global Norms List' due to the need for Schroders Group to complete a full review.

Indirect Investments means those investments in securities where Schroders does not have discretion over security selection. Examples include underlying portfolios delegated to other entities within the Schroders Group as well as those managed by third-party investment firms, such as joint venture partners, market indices and externally managed investments such as ETFs and other externally managed funds.

International means investments in companies listed on securities exchanges in both developed and emerging markets, excluding Australia.

Negative Screens refers to the deliberate exclusion of companies from an investment portfolio based on a defined set of ESG-related criteria.

Investment Manager means Schroder Investment Management Australia Limited.

Manager means FundRock NZ Limited.

Prescribed Investor Rate (PIR) means the rate used to calculate how much tax you'll pay on your portfolio investment entity (PIE) taxable income.

Scheme means the Schroder Investment Funds, a managed investment scheme established under a trust deed dated 18 January 2022 and a scheme establishment deed dated 21 August 2023 and offered in accordance with the FMC Act.

Schroders means Schroder Investment Management Australia Limited.

Supervisor means the supervisor of the Scheme, which is the Public Trust.

Tracking Error means the annualised standard deviation of the difference between the returns of a Fund and the benchmark against which its performance is measured.

Weighted Average Carbon Intensity is a measure of the Fund's exposure to carbon-intensive companies. It is derived by taking each company's Scope 1 and Scope 2 greenhouse gas emissions normalised by sales in USD (expressed in tonnes per USD million sales, where data is available) and using their weight in the portfolio to calculate the weighted average for the Fund.