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# Dimensional Investment Funds

## Statement of Investment Policy and Objectives

Investment Management by DFA Australia Limited

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

- Dimensional Global Sustainability PIE Fund
- Dimensional Global Sustainability PIE Fund (NZD Hedged)
- Dimensional Australian Sustainability PIE Fund

Effective date: 25 September 2023  
Issued by FundRock NZ Limited

## **A. Description of the managed investment scheme**

The Dimensional Investment Funds ('Scheme') is a managed investment scheme. The Scheme has on offer three single sector investment funds ('Funds') which provide investors with exposure to international equities (hedged and unhedged) and Australian equities.

The Funds may invest in direct securities (including derivatives) or through other managed investment schemes.

## **B. Roles and responsibilities**

FundRock NZ Limited ('FundRock') 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.

DFA Australia Limited ('Dimensional') is the Scheme's investment manager and is responsible for making recommendations and decisions about what the Funds invest in.

Dimensional is a wholly owned subsidiary of US-based Dimensional Fund Advisors LP. Dimensional and its affiliated entities manage funds on behalf of investors around the world and have offices in the United States, Canada, the UK, Europe, Asia and Australia. For more than four decades, Dimensional Fund Advisors LP and its subsidiaries and affiliates ('Dimensional Group') have been combining rigorous academic research with practical experience to deliver real-world investment solutions. Using this approach, Dimensional seeks to deliver investment solutions that add value through careful design, implementation and execution. Dimensional established its Australian office in 1994 and began offering investment solutions to local investors with the launch of the first Dimensional Wholesale Trusts in 1999.

Members of the Dimensional Group will generally undertake the day-to-day trading of the securities, and on occasion may also make investment decisions under delegated authority from Dimensional.

The Funds are invested in accordance with this SIPO and Dimensional's investment philosophy and process. Dimensional also participates in reviewing this SIPO.

BNP Paribas Fund Services Australasia Pty Limited ('BNP') is the custodian and administration manager. Apex Investment Administration (NZ) Limited is the registrar.

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

- acting on behalf of the Scheme's 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. BNP has been appointed by the Supervisor as custodian for the Funds.

### C. Investment philosophy

The Funds' investment philosophy is based on dimensions of expected returns that have been identified by academic research:

1. The overall market - stocks have higher expected returns than bonds.
2. Company size - small company stocks have higher expected returns than large company stocks.
3. Relative price - low relative price or 'value' stocks have higher expected returns than high relative price stocks.
4. Profitability - stocks with higher profitability have higher expected returns than stocks with lower profitability.

Within the universe of eligible securities, the Funds emphasise investment in securities with a higher expected return considering the dimensions described above.

#### Sustainability

In addition to emphasising securities with higher expected returns, the Funds also consider non-financial factors in order to target sustainability goals.

#### Carbon Footprint Reduction Goal

The Funds' carbon footprint reduction goal is to have a reduced carbon footprint. Specifically, the Dimensional Global Sustainability PIE Fund and the Dimensional Global Sustainability PIE Fund (NZD Hedged) aim to have a reduction in weighted average carbon intensity of at least 50% and the Dimensional Australian Sustainability PIE Fund aims to have a reduction in weighted average carbon intensity of at least 25%. All Funds aim for a reduction in weighted average potential emissions from reserves of at least 75% relative to the benchmark index ('Carbon Footprint Reduction Goal').

The Investment Manager intends to achieve the Carbon Footprint Reduction Goal by ranking companies on metrics relating to carbon emissions and then increasing exposure (i.e. overweighting) to companies with lower emission profiles and decreasing exposure (i.e. by underweighting or excluding) to companies with higher emission profiles.

Specifically this means that the Investment Manager undertakes the following processes:

#### *Portfolio level*

From a portfolio level, securities with higher emission profiles are treated in the following manner:

<i>Emissions metric</i>	<i>Explanation</i>	<i>Treatment within the Funds</i>
Carbon Intensity	A company's most recently reported or estimated Scope 1 (direct) + Scope 2 (indirect) GHG emissions in carbon dioxide equivalents (CO <sub>2</sub> e) normalised by sales (metric tons CO <sub>2</sub> e per USD million sales). GHG included are carbon dioxide (CO <sub>2</sub> ), methane (CH <sub>4</sub> ), nitrous oxide (N <sub>2</sub> O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF <sub>6</sub> ), and Nitrogen trifluoride (NF <sub>3</sub> ).	Generally, the companies ranking in the worst 10% of the Fund's eligible universe will be underweighted or excluded.
Potential emissions from reserves	An estimate of carbon dioxide produced if a company's reserves of oil, gas, and coal were converted to energy, given estimated carbon and energy densities of the respective reserves.	Generally, the companies ranking in the worst 5% of the Fund's eligible universe will be

		underweighted or excluded.
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*Sector level*

Securities are scored and compared to sector peers. Securities with better scores are generally overweighted and securities with worse scores are generally underweighted within the Funds. Companies ranking in the worst 10% of their sector are generally underweighted or excluded. Scoring is calculated as follows:

- 85% of the scoring is based on a security's Carbon Intensity (as defined in the table above); and
- the remaining 15% of the score is equally composed of an issuer's conduct in the following four areas<sup>1</sup>:
  - i. Land use and biodiversity;
  - ii. Toxic spills and releases;
  - iii. Operational waste; and
  - iv. Water management.

In managing the portfolio towards the Carbon Footprint Reduction Goal, individual companies are evaluated relative to the broad universe of companies and against sector peers rather than against strict individual company sustainability targets, such as absolute maximum emissions criteria or minimum scoring criteria. Also, because the Carbon Footprint Reduction Goal is applied at the portfolio level, the Funds may overweight a company which has a worse sustainability score compared to sector peers where doing so would not impact the portfolio level Carbon Footprint Reduction Goal.

*Company exclusions*

Additionally the Funds generally exclude companies associated with the following particular business practices, subject to those companies meeting certain business involvement criteria (which include revenue thresholds) as part of the screening process:

<i>Business Practice</i>	<i>Business Involvement Criteria</i>
Coal	Evidence of owning proven and probable thermal or metallurgical coal reserves or revenue from the mining of thermal coal and its sale to external parties.
Factory farming	>10% of revenue from sectors related to factory farming.
Palm oil	>10% of revenue from palm oil farming and/or palm oil processing.
Controversial weapons	Involvement in the manufacture of cluster munitions or anti-personnel mines or their key components, chemical and biological weapons, or depleted uranium ammunition and armour.
Nuclear weapons components, systems and support services	Involvement in the manufacture of components of nuclear weapons or systems that are capable of the delivery of nuclear warheads, or provision of support services related to nuclear weapons (such as the repair and maintenance of nuclear weapons).
Tobacco	Involvement in the production of tobacco products or, >10% of total revenue related to tobacco products.
Child labour	Involvement in severe controversies related to child labour practices.
Alcohol	>10% of revenue from the production, distribution, retailing, licensing or supply of alcoholic beverages, key products and services.
Gambling	>10% of revenue from the ownership or operation of gambling facilities, or from the support or services to the gambling industry.
Adult entertainment	>10% of revenue from the production, distribution or retailing of adult entertainment products.

<sup>1</sup> Each listed item is defined in the Glossary at the back of this SIPO.

Personal firearms	Involvement in the manufacture of handguns, pistols, shotguns, rifles, revolvers, and ammunition for civilian (nonmilitary) use, or >20% of revenue from distribution of personal firearms.
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The exclusion of certain securities based on the specific criteria as outlined in the table above are applied at a company level. To implement these exclusions, the Funds generally (a) avoid purchase and (b) divest from companies which, in Dimensional's opinion, are involved in the above activities and controversies. Indirect involvement, for example through ownership structures, may also lead to exclusion. Should Dimensional form the view that existing holdings, eligible at the time of purchase, subsequently become ineligible, they will be divested within a reasonable period of time considering turnover, liquidity and associated trading costs. In most circumstances, Dimensional 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.

#### Other

Dimensional may also exclude or underweight specific companies for other factors believed to be important to investors interested in sustainability, such as companies associated with significant environmental controversies.

The Funds are permitted to invest in derivative instruments, including futures. These instruments may cause indirect exposure to securities that would typically be excluded or underweighted. These instruments are generally only used on a temporary basis for managing large cashflows. These instruments are not included when calculating progress against the Funds' sustainability goals.

Depending on each sustainability consideration, data may be sourced externally from one or several vendors, including MSCI ESG Research and Institutional Shareholder Services Inc. ('ISS'). It may be cross-referenced and supplemented in order to create a proprietary data set. Alternatively, data may be created and maintained internally by Dimensional's portfolio management team, using reported financial data and sector information, among others. Sustainability considerations and sustainability scores are regularly reviewed and updated, generally in accordance with updates from third party service providers.

These sustainability considerations, sustainability scores and other security weightings are subject to review and amendment by Dimensional.

The implementation and management of the portfolio described above is protected by U.S. Patent Nos. 7,596,525 B1, 7,599,874 B1 and 8,438,092 B2.

## **D. Fund Investment Objectives and Strategies**

The investment objectives and strategies for each-Fund are:

### **Dimensional Global Sustainability PIE Fund**

#### **Objectives**

The Fund invests in a diversified portfolio of securities listed on global developed markets (excluding Australia) with the potential for long-term capital growth with increased emphasis on higher expected return securities.

The Fund also considers non-financial factors to target sustainability goals. The Fund has a Carbon Footprint Reduction Goal and evaluates companies based on specific sustainability criteria.<sup>2</sup>

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<sup>2</sup> Carbon Footprint Reduction Goal and the specific sustainability criteria are all described in Section C above.

The Fund is not managed with the objective of achieving a particular return relative to a benchmark index. However, to compare the performance of the Fund with a broad measure of market performance, reference may be made to the MSCI World ex Australia Index (net div.).

### Investment Strategy

#### *Benchmark index*

- MSCI World ex Australia Index (net div.).

#### *Benchmark asset allocation*

- 100% international equities<sup>3</sup>.

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 equities<sup>3</sup>.
- 0% - 10% cash and cash equivalents.

#### *Permitted investments:*

- Equities (including listed property securities).
- Cash and cash equivalents.
- Other managed investment schemes, collective investment vehicles, or exchange-traded funds.
- Derivative instruments.
- Securities received in connection with corporate actions (for example warrants, convertible debt securities, options).

#### *Rebalancing policy:*

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

#### *Currency policy:*

- The Fund targets a position of being unhedged (to New Zealand dollars).

#### *Other:*

- Ordinarily, the Fund will invest in a diversified market-wide portfolio of securities associated with approved developed markets (excluding Australia).
- The Fund may gain some or all of its market exposure by investing in other funds managed by Dimensional or its affiliates.
- Eligible securities for the strategy include securities of companies and Real Estate Investment Trusts (REITs) and REIT-like entities listed on approved developed markets excluding Australia ('listed property securities').
- The Fund can borrow up to 10% of the aggregate value of its investments but only for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, settle securities trades or pay expenses).
- The Fund may lend securities for the purpose of generating additional income for the Fund. Securities lending is limited to 50% of the Fund's Net Asset Value and the borrower is required to deliver approved cash or non-cash (bill, bonds or notes issued by approved governments) collateral to the Fund.

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<sup>3</sup> International equities includes investments in New Zealand equities and listed property securities and global listed property securities.

## Dimensional Global Sustainability PIE Fund (NZD Hedged)

### Objectives

The Fund invests in a diversified portfolio of securities listed on global developed markets (excluding Australia) with the potential for long-term capital growth with increased emphasis on higher expected return securities.

The Fund also considers non-financial factors to target sustainability goals. The Fund has a Carbon Footprint Reduction Goal and evaluates companies based on specific sustainability criteria.<sup>4</sup>

The Fund mitigates currency risk by hedging most major foreign currency exposures to New Zealand dollars.

The Fund is not managed with the objective of achieving a particular return relative to a benchmark index. However, to compare the performance of the Fund with a broad measure of market performance, reference may be made to the MSCI World ex Australia Index (net div., hedged to NZD).

### Investment Strategy

#### *Benchmark index*

- MSCI World ex Australia Index (net div., hedged to NZD).

#### *Benchmark asset allocation*

- 100% international equities<sup>5</sup>.

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 equities<sup>5</sup>.
- 0% - 10% cash and cash equivalents.

#### *Permitted investments:*

- Equities (including listed property securities).
- Cash and cash equivalents.
- Other managed investment schemes, collective investment vehicles, or exchange-traded funds.
- Derivative instruments including currency hedging instruments.
- Securities received in connection with corporate actions (for example warrants, convertible debt securities, options).

#### *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 foreign currency exposure is either partially hedged using one of the major currencies that is in Dimensional's view correlated with the relevant currency (as a proxy), or not hedged depending on what Dimensional deems to be cost-efficient.

#### *Other:*

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<sup>4</sup> Carbon Footprint Reduction Goal and the specific sustainability criteria are all described in Section C above.

<sup>5</sup> International equities includes investments in New Zealand equities and listed property securities and global listed property securities

- Ordinarily, the Fund will invest in a diversified market-wide portfolio of securities associated with approved developed markets (excluding Australia).
- The Fund may gain some or all of its market exposure by investing in other funds managed by Dimensional or its affiliates.
- Eligible securities for the strategy include securities of companies and Real Estate Investment Trusts (REITs) and REIT-like entities listed on approved developed markets excluding Australia ('listed property securities').
- The Fund can borrow up to 10% of the aggregate value of its investments but only for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, settle securities trades or pay expenses).
- The Fund may lend securities for the purpose of generating additional income for the Fund. Securities lending is limited to 50% of the Fund's Net Asset Value and the borrower is required to deliver approved cash or non-cash (bill, bonds or notes issued by approved governments) collateral to the Fund.

## Dimensional Australian Sustainability PIE Fund

### Objectives

The Fund invests in a diversified portfolio of securities listed in Australia with the potential for long-term capital growth with increased emphasis on higher expected return securities.

The Fund also considers non-financial factors to target sustainability goals. The Fund has a Carbon Footprint Reduction Goal and evaluates companies based on specific sustainability criteria.<sup>6</sup>

The Fund is not managed with the objective of achieving a particular return relative to a benchmark index. However, to compare the performance of the Fund with a broad measure of market performance, reference may be made to the S&P/ASX 300 Index (Total Return).

### Investment Strategy

#### *Benchmark index*

- S&P/ASX 300 Index (Total Return)

#### *Benchmark asset allocation*

- 100% Australian equities.

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% Australian equities.
- 0% - 10% cash and cash equivalents.

#### *Permitted investments:*

- Equities (including listed property securities).
- Cash and cash equivalents.
- Other managed investment schemes, collective investment vehicles, or exchange-traded funds.
- Derivative instruments.
- Securities received in connection with corporate actions (for example warrants, convertible debt securities, options).

#### *Rebalancing policy:*

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

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<sup>6</sup> Carbon Footprint Reduction Goal and the specific sustainability criteria are all described in Section C above.



*Currency policy:*

- The Fund does not hedge foreign currency exposure.

*Other:*

- Ordinarily, the Fund will invest in a diversified market-wide portfolio of Australian listed securities.
- The Fund may gain some or all of its market exposure by investing in other funds managed by Dimensional or its affiliates.
- Eligible securities for the strategy include securities of companies and Real Estate Investment Trusts (REITs) and REIT-like entities listed in Australia.
- The Fund can borrow up to 10% of the aggregate value of its investments but only for the purposes of providing short-term liquidity (i.e. to temporarily fund redemptions, settle securities trades or pay expenses).
- The Fund may lend securities for the purpose of generating additional income for the Fund. Securities lending is limited to 50% of the Fund's Net Asset Value and the borrower is required to deliver approved cash or non-cash (bill, bonds or notes issued by approved governments) collateral to the Fund.

## **E. Investment Policies**

### **Taxation**

The Funds have 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.

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**

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 another Dimensional fund;
- a related party of the Investment Manager being appointed to provide research and investment related services for the Funds; or,
- parties related to the Funds, including the staff and directors of Dimensional 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.

## Responsible investment statement

The Investment Manager's Responsible Investment Statement which describes Dimensional's approach to responsible investing can be found at <https://au.dimensional.com/about-us/investment-stewardship>.

## Trade allocations and transactions

As the Funds are permitted to invest directly in securities, 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 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 Policy*

FundRock's Conflicts of Interest and Related Party Transactions Policy sets out the principles and procedures relating to the management of conflicts of interest within FundRock. The policy applies to all of FundRock's directors, relevant officers, senior management and employees.

The policy provides guidance on:

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

The core policy statement is:

*'As a licensed manager of Managed Investment Schemes, FundRock must act honestly and in the best interests of the Scheme participants. FundRock recognises that in order to satisfy this duty, it and its staff members must put the interests of Scheme participants ahead of those of itself or staff members.'*

### *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;
- net return;
- net of fees and gross of tax at an assumed 28% prescribed investor rate ('PIR');
- 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 sustainability goals on a quarterly basis. If the Funds consistently fail to meet the sustainability goals, 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 and achievement of the sustainability goals to the Supervisor and to the FundRock Board. 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 sustainability goals, a Quarterly Sustainability Report is made available at [www.fundrock.com](http://www.fundrock.com). The report contains information about the Funds' performance against the Carbon Footprint Reduction Goal. Further, investors can obtain a full list of holdings for the Funds from the Disclose website [www.companiesoffice.govt.nz/disclose](http://www.companiesoffice.govt.nz/disclose), which is updated every six months.

## G. 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, as well as written approval of the Supervisor. The Manager will give notice to Fund 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](http://www.companiesoffice.govt.nz/disclose).

This SIPO was approved by the FundRock Board on 29 August 2023 and takes effect on 25 September 2023.

## Glossary

**Act and FMC Act** means the Financial Markets Conduct Act 2013.

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

**Carbon intensity** means A company's most recently reported or estimated Scope 1 (direct) + Scope 2 (indirect) GHG emissions in carbon dioxide equivalents (CO<sub>2</sub>e) normalised by sales (metric tons CO<sub>2</sub>e per USD million sales). GHG included are carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF<sub>6</sub>), and Nitrogen trifluoride (NF<sub>3</sub>).

**Dimensional** means DFA Australia Limited.

**Funds** means the managed investment funds offered with the Scheme, being the Dimensional Global Sustainability PIE Fund and Dimensional Global Sustainability PIE Fund (NZD Hedged).

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

**Investment Manager** means Dimensional.

**Land use and biodiversity** means an assessment of a company's history of disturbing large and/or fragile ecosystems and whether they have adequate policies and programs designed to protect biodiversity.

**Manager** means FundRock.

**Operational waste** means an assessment of a company's history of involvement in non-hazardous waste-related legal cases, criticisms by NGOs around non-hazardous waste practices, resistance to improvement practices and direct impact due to non-hazardous waste.

**Potential emissions** means an estimate of carbon dioxide produced if a company's reserves of oil, gas, and coal were converted to energy, given estimated carbon and energy densities of the respective reserves.

**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 Dimensional Investment Funds, a managed investment scheme established under a trust deed dated 1 December 2016 and a scheme establishment deed dated 13 April 2022 and offered in accordance with the Act.

**Securities lending** means the transfer of securities, such as shares, to another borrowing party, usually via a securities lending agent. The party lending the securities retains exposure to the investment performance of those securities via movements in the share price and any dividends or interest accrued. The borrower pays a fee to the lender of the securities and is contractually obligated to return the securities if requested.

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

**Toxic spills and releases** means an assessment of a company's involvement in non-greenhouse gas-related legal cases, criticisms by NGOs around non-GHG emission practices, resistance to improvement practices, and direct impact due to non-GHG emissions.

**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.

**Water management** means an assessment of a company's history of involvement in water-related legal cases, criticisms by NGOs around water practices, resistance to improvement practices and direct impact due to water pollution.