Stewardship Report

1 July 2024 - 30 June 2025

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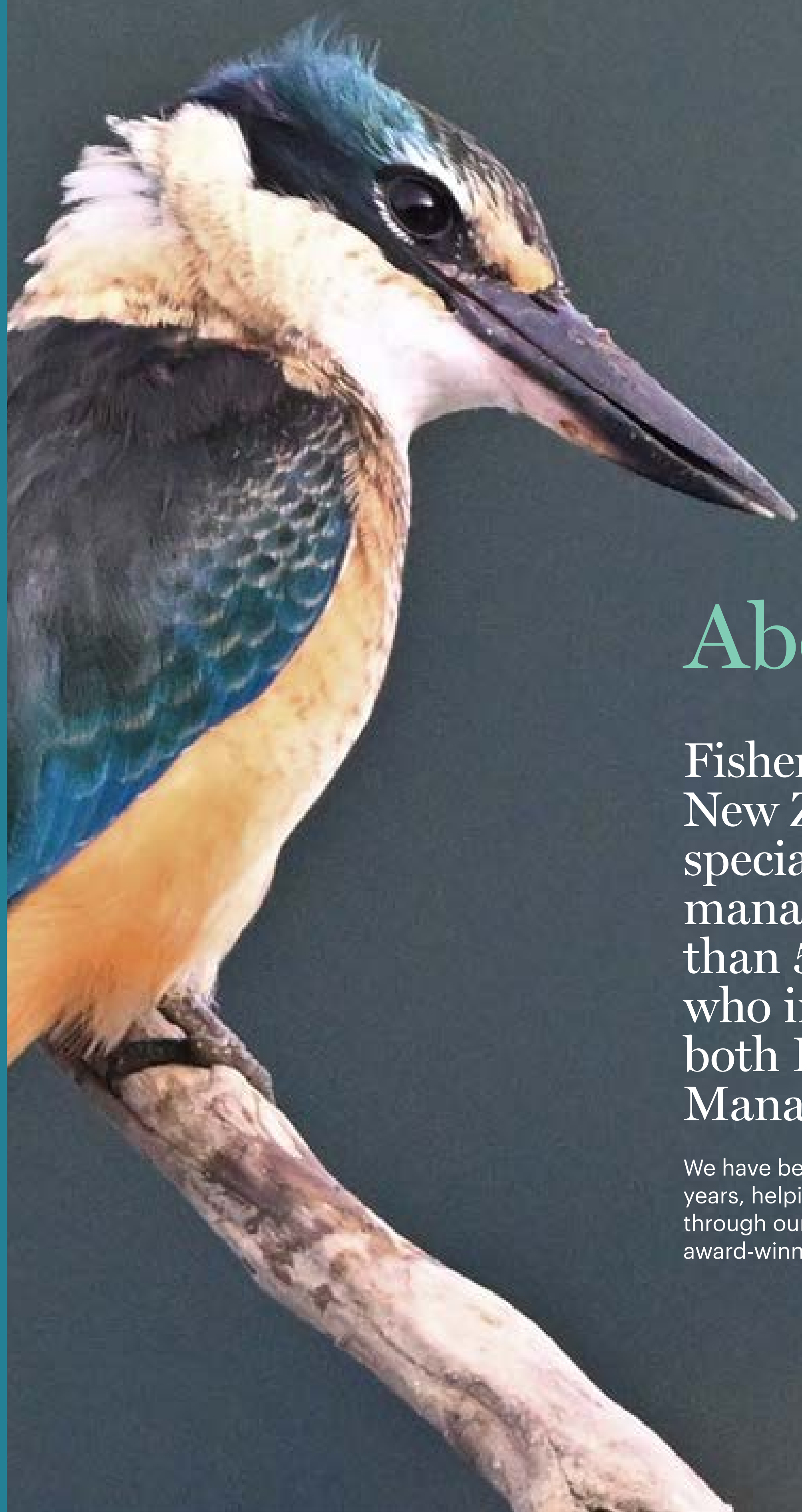


fisherfunds

About us

Fisher Funds is one of New Zealand's largest specialist investment managers with more than 500,000 clients who invest across both KiwiSaver and Managed Funds.

We have been in business for more than 25 years, helping Kiwis realise their ambitions through our active approach to investing and award-winning client service.

The evolution of Fisher Funds

1998

Fisher Funds was established by Carmel & Hugh Fisher

2010

Acquired NZ Capital KiwiSaver Scheme

2011

Acquired Huljich KiwiSaver Scheme

2012

Acquired Credit Union KiwiSaver Scheme

2013

TSB Community Trust introduced as 26% shareholder

Acquired Tower Asset Management

2015

TSB Community Trust increased its stake in Fisher Funds (49%)

2016

Establishment of Responsible Investment (RI) Policy

Commenced controversary screen into our RI process

Implemented the tobacco exclusion into our RI policy

2017

Became a UNPRI signatory

Implemented thermal mining coal exclusion

Carmel Fisher retires; Bruce McLachlan appointed CEO

2018

TSB Community Trust increased stake to 75.1%

TA Associates originally acquires 24.99%, moves to 34% with OIO, approval

2021

TSB Community Trust rebranded as Toi Foundation

Acquired Aon KiwiSaver and Master Trust

2022

Acquired KiwiWealth

2023

Founding member of the Stewardship Code Aotearoa New Zealand (through Kiwi Wealth)

Dedicated Responsible Investment team

Member of the Responsible Investment Association of Australasia (RIAA)

Commenced partnership with Columbia Threadneedle for global engagement

Extended Proxy Voting policy to cover all our funds

2024

Bruce McLachlan retires, Simon Power is the new CEO

Signed the investor letter on Modern Slavery

Published our first climate statements

Published our first Stewardship report

Establishment of private equity programme

2025

Second year of climate statements published

Signed second investor letter on Modern Slavery

Publication of second Stewardship report

Fisher Funds Strategy, Values and Philosophy

Responsible Investment Philosophy

Stewardship Principles

Responsible Investment Policy

Proxy Voting Policy

Master Exclusion List

Governance

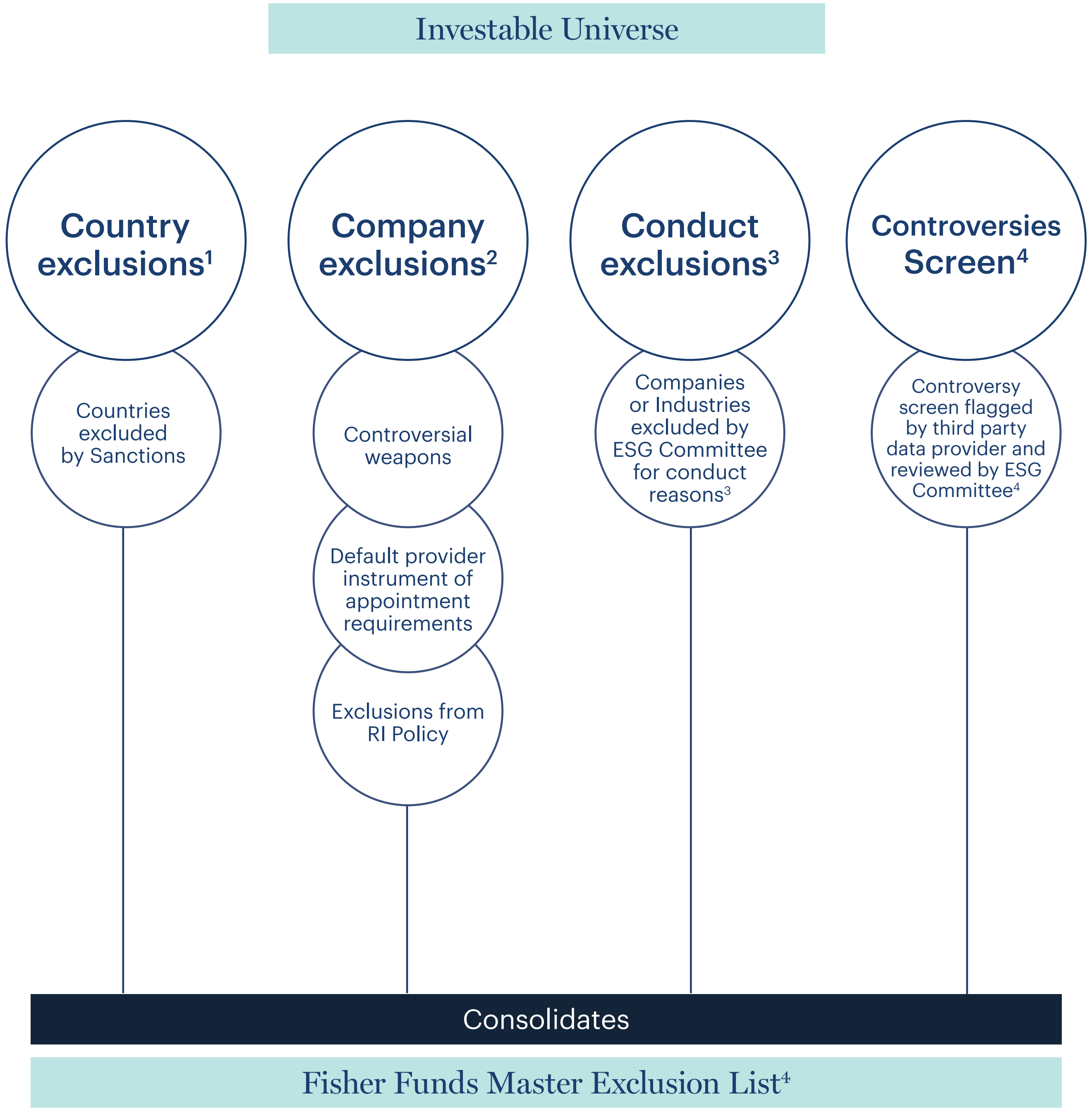
Supported by solid governance pillars

Embedded in investment approach

Transparency and Disclosure

(e.g. published proxy voting statistics and Climate Statements)

Fisher Funds Master Exclusion List



1. Approved by ESG Committee (ESG C), 2. Approved by ESG C (by category), 3. Rationale documented at ESG C, approved by ESG C and reviewed every two years, at ESG C, 4. Controversies analysed by RI team and presented to ESG for discussion/approval.

Fisher Funds' approach to stewardship and ESG

Our approach to Stewardship is outlined in our Stewardship Principles.

We believe there are links between an organisation's environmental and social impacts, the quality of its corporate governance, and its long-term success. These factors are embedded in our investment process across all our funds.

We believe these factors provide areas of potential risk and opportunity that will impact value, performance, and reputation of investments we make on behalf of our clients.

Our approach applies across the diverse range of asset classes and geographies in which we invest. This includes shares, fixed income, property, infrastructure, and external managers. This is linked to other ESG-related policies, procedures, guidelines, and proprietary tools at an organisational and asset class level that also form part of our ESG framework and further influence our business and investment decision making.

Fisher Funds' responsible investment approach

1

Avoid the Bad

Fisher Funds will not invest in entities that produce goods or services that can't be used responsibly or that cause widespread harm.

This means Fisher Funds won't invest in entities:

- that produce core components or systems used in weapons. This includes, but it not limited to, cluster munitions, landmines, chemical and nuclear weapons
- that own proved or probable fossil fuels reserves and revenue share from exploration and extraction of fossil fuels, excluding metallurgical coal, of 15% or more; or has its primary business activity in any of the following subsectors: integrated oil and gas, crude oil producers, offshore drilling and other services, oil and gas equipment and services, oil and gas drilling, oil and gas exploration and production, coal (excluding metallurgical coal) and consumable fuels
- that manufacture traditional tobacco products (which include but are not limited to cigarettes and cigars) E-cigarettes, heat-not-burn products and companies which grow or process raw tobacco leaves. A 0% revenue threshold applies
- where their core business includes operating gambling establishments, or the manufacture of specialised hardware or software used exclusively for gambling
- involved in the hunting of whales and processing of whale meat
- that have exhibited unacceptable corporate behaviour and that Fisher Funds regards as a fundamental breakdown of the integrity of the business. This includes but is not limited to human rights abuses, and abuse and degradation of the environment.

2

Embrace the Good

Once Fisher Funds has avoided the bad, it then seeks to embrace the good.

A key element in Fisher Funds' in-depth research process is a thorough understanding of how an entity works with its stakeholders, how it treats the environment and how it manages its governance responsibilities.

Fisher Funds' research is supplemented with insights from leading global ESG data providers, giving Fisher Funds a 360-degree view of an entity and its impact on ESG factors.

Viewing an entity through this lens helps Fisher Funds make better investment decisions.

3

Promote Change

This third element in Fisher Funds' responsible investing process is promoting change within entities where Fisher Funds has a direct relationship.

To promote positive change Fisher Funds can use voting rights to leverage its relationship with entities to uphold Fisher Funds' ESG approach.

Proud members

United Nations backed Principles for Responsible Investment (PRI)

Fisher Funds became a PRI signatory in July 2017. Adopting the principles provides us with an externally recognised benchmark against which we monitor our progress towards best practice in sustainable investment and active ownership.

We align our responsible investment approach, investment processes and ESG integration with the principles. We believe doing this will result in better quality investment outcomes for our clients, while supporting the development of a sustainable financial system.

Stewardship Code Aotearoa New Zealand (Stewardship Code)

Aotearoa New Zealand's Stewardship Code gives investors a clear framework for how they can use their influence to help steer the companies they own on critical ESG issues.

Stewardship is about creating and preserving long-term value for current and future generations by responsibly managing and allocating capital.

This industry-led code brings transparency and accountability to the practice of stewardship, also called active ownership.

Fisher Funds is a founding signatory to the code and supports the expectations of what good stewardship looks like.

Responsible Investment Association of Australasia (RIAA)

Fisher Funds is a member of RIAA, supporting its mission, beliefs and objectives. RIAA champions responsible investing and a sustainable financial system in Australia and New Zealand. It aims to align capital with achieving a healthy society, environment and economy.

RIAA does this by influencing policy, providing tools for investors and consumers, enhancing industry practices, fostering collaboration, and serving as a reliable source of information on responsible investment.

Stewardship is about creating and preserving long-term value for current and future generations by responsibly managing and allocating capital.

Proxy voting, why stewardship matters

As the ultimate owner of companies and as a shareholder acting on behalf of our clients, proxy voting allows us to support an investee company's resolutions that are in the interests of our clients and to vote against resolutions that we consider to be unfair, unreasonable or detrimental to that company's ability to preserve the long-term returns for shareholders.

What does this mean?

Fisher Funds can exercise the right to elect company directors who will govern investee companies on our behalf. We can also influence how much these directors and senior management are paid. Significant company transactions must also be ratified by shareholders, especially if these are with related parties or could significantly impact the company strategy.

How do we do this?

Our investment management team engages directly with companies on areas of concern and on an ongoing basis. As long-term investors many of these relationships and the agendas of the meetings have evolved over time, varying by company and industry. Typical areas of discussion include board composition, board and executive pay, diversity, safety, cyber security, conduct, environment and social issues.

Proxy voting adviser

Fisher Funds maintains a comprehensive Proxy Voting Policy, which guides how we exercise voting rights on behalf of our investors. We publish our proxy voting decisions on our website, with periodic updates on voting outcomes to ensure transparency and accountability.

Fisher Funds' proxy adviser is Institutional Shareholder Services (Australia) Pty Limited (ISS) and in general, Fisher Funds votes in line with their recommendations, based on our Proxy Voting policy, although we are not required to do so and from time to time, we may use our discretion to vote differently. As an active manager, we believe that voting rights should be exercised (and proxy instructions lodged) to support the interests of our clients and adhere to the requirements of applicable laws, general fiduciary principles, our Stewardship Principles and our Responsible Investment Policy.

ISS voting guidelines published by our proxy advisers set out specific governance principles that guide their analysis and recommendations.

External managers

Where portfolios are managed by an external manager Fisher Funds authorises them to exercise their voting rights. Fisher Funds retains the right to direct votes, and the manager agrees to use its best endeavours to implement our direction.

Conflicts of interest

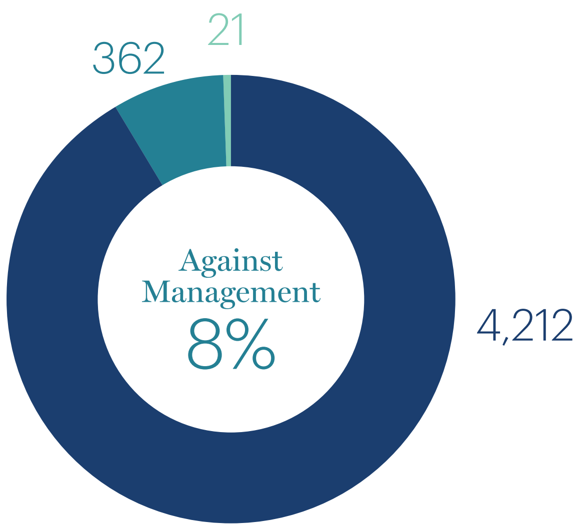
Fisher Funds will endeavour to avoid actual, potential and perceived conflicts of interest We explain our approach to managing conflict of interests that may arise as outlined in our Stewardship principles. Any actual, potential and perceived conflicts of interest will be raised to the Environmental, Social and Governance (ESG) Committee in the first instance. The ESG Committee will engage with our legal and risk teams, and draw on the experience of others, prior to a decision being made.

Voting statistics

The 2024 financial year marked the transition to a unified proxy voting approach, as Fisher Funds integrated Kiwi Wealth's proxy voting processes and expanded its proxy voting policy to cover all products across the group. This consolidated framework was fully implemented by 30 June 2024.

Accordingly, the proxy voting activity presented in the following section relates to the period 1 July 2024 to 30 June 2025.

Voting by Fisher Funds 2024/2025



Meetings	Companies	Resolutions voted	Shareholder resolutions
355	343	4,602	265

For	Against	Other	Abstain
4,212	362	21	7

Comments on when resolutions were not supported

The majority of resolutions not supported were concentrated in governance-related matters, particularly around the election and re-election of directors, remuneration policies, and incentive structures. These issues often stemmed from insufficient disclosure by investee companies, which limited transparency and accountability.

Many of these concerns could have been avoided with more comprehensive disclosure from investee companies. Encouragingly, an increasing number of countries are prioritising initiatives to strengthen corporate transparency and accountability.

Resolution summary

Resolution summary by Environmental, Social and Governance (ESG) categories and where Fisher Funds voted against management

Proposal subcategory	Total (Number)	Total (%)
Environmental		
Climate	1	0.3%
Pollution	1	0.3%
Other	1	0.4%
E Total	**3**	**1.0%**
Governance		
Article Amendments	2	0.7%
Board Related	12	3.9%
Capital Issuance	7	2.3%
Capital Structure - Placement	1	0.3%
Capital Structure - Repurchase	2	0.7%
Capital Structure Related	1	0.3%
Cash/Equity Bonus	1	0.3%
Compensation	3	1.0%
Corporate Transactions/Reorganizations	2	0.7%
Director Election	116	38.2%
Director Election - Bundled	2	0.7%
Director/Statutory Auditor Bonus	4	1.3%
Directors' Compensation	4	1.3%
Discharge	2	0.7%
Equity Compensation Plan	16	5.3%
Miscellaneous	1	0.3%
Non-Routine Business	9	3.0%
Related-Party Transactions	2	0.7%
Remuneration Policy & Implementation	47	15.5%
Routine Business	6	2.0%
Severance Agreement	8	2.6%
Shareholder Rights	21	6.9%
Takeover - Other	1	0.3%
Proxy Contest	3	1.0%
G Total	**273**	**89.8%**
Social		
Diversity, Equity, & Inclusion	1	0.3%
Human Rights	8	2.6%
Miscellaneous	19	6.3%
S Total	**28**	**9.2%**
Total	**304**	**100%**

Engagement

At Fisher Funds we understand the importance of transparency and the role it plays in building trust, alignment and reputation between both investor and investee company boards and management, and between us and our clients.

We believe there is a strong link between good governance and good financial returns that is aided by actively voting as per our Proxy Voting policy and actively engaging with investee company management and boards regarding corporate governance and ESG factors.

How do we do this?

Our investment management team incorporates ESG factors into our investment process and we discuss these issues with investee company management and boards. In addition, our third-party research provider, company disclosures, results presentations and broker reports often raise ESG and sustainability issues for consideration.

Engagement occurs in two ways:

- Directly with investee company management and boards through our investment management team; and
- Through our global engagement partner Columbia Threadneedle Investments' Responsible Engagement Overlay (reo®) service.

We use reo® as we acknowledge that as a New Zealand investor it is hard to make progress in isolation.

By using the engagement services of reo® we can make more meaningful progress on issues and benefit from using their well-established engagement program to help us promote the adoption of better ESG practices.

The reo® approach focuses on enhancing long-term investment performance by making companies more commercially successful through safer, cleaner, and more accountable operations that are better positioned to deal with ESG risks and opportunities.

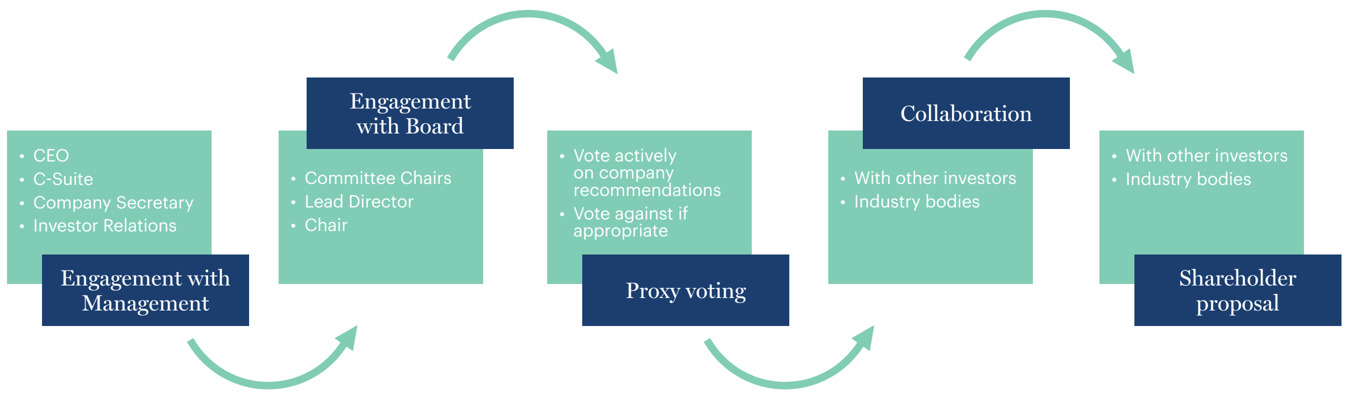
Direct engagement

Direct engagement through Fisher Funds investment management team

Overview of engagement approach

Engagement can happen proactively through the investment management team considering the issue, severity and where we have the most influence. From time-to-time reactive engagements may occur through our controversies identification process or if unexpected events occur. The diagram below sets out how escalation may occur.

It's important to note that engagement outcomes are not linear, they take time to unfold and show results. Due to this our engagement approach has various milestones that can trigger a range of actions or approaches.



Engagement with management

If progress has not been made, this can be escalated to investee company's CEO, non-executive directors or the Chair of its Board.

We can use our voice as an active shareholder to vote for or against relevant resolutions, work with other investors to engage collaboratively or raise a resolution at an AGM to deliver change.

The last resort is to divest based on the extent of the risk and add the stock to our Master Exclusion List. This decision is not made lightly and the ultimate decision rests with Fisher Funds' ESG Committee.

ESG Committee

This is a management appointed committee, that meets bimonthly or at least five times per year. Members include the Chief Executive Officer, General Counsel, Chief Investment Officer, Chief Investment Strategist, and the Responsible Investment Advisor.

New Zealand equities

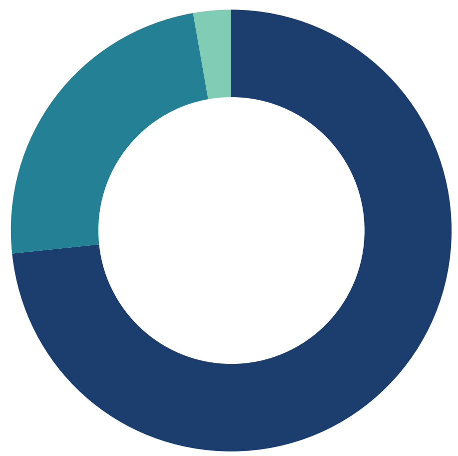
Stewardship in action

Between 1 July 2024 and 30 June 2025, the investment team had more than 180 interactions with representatives of New Zealand's largest listed companies. These interactions have been in person, virtually, or in a group setting (including investor days). Many of these were focussed on exploring the details around operational and financial performance, company strategy, corporate governance, and ESG factors.

Interactions by factors across ESG

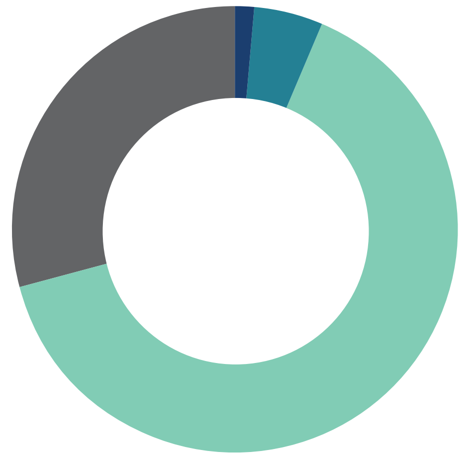
Our company interactions involve comprehensive discussions with investee companies, encompassing a wide range of ESG (including climate related) topics. The graph below shows our interactions on specific ESG issues. Due to the diversity of our investment portfolio, some of these interactions span across all factors. Climate-related issues were recorded as specifically addressed on two occasions.

New Zealand equities interactions



Board	Management	Management/Board
44	135	5

Engagement across factors



E	S	G	Multiple
1	3	40	18

Our interactions spanned 41 companies, which reflects stocks held in the actively managed New Zealand equities and Property & Infrastructure strategies. For 12 of these companies, we had more than five meetings with management and board members, reflecting the high level of engagement our concentrated active management style enables.

Standing up for the benefit of all shareholders

CASE STUDY: VISTA

It was an eventful twelve months for portfolio company Vista Group International ('Vista'). Vista is the global leader in software for the cinema industry, and has the prospect of strong growth from rolling out its new suite of cloud-based solutions to existing and new customers.

The events started in late May 2024 when Australian private equity firm Potentia identified Vista's position and purchased at 19.9% shareholding. Usually, a private equity firm in this situation would proceed to make a takeover offer to shareholders in order to gain control of the company.

However, Potentia instead attempted to exert significant influence from its position to change the direction of the company. This was out of proportion to its shareholding and tantamount to a play for control of the company. We were concerned that if it achieved its goal of re-routing the company's strategy it risked derailing the progress the company was making and could potentially harm the long-term opportunities for the business and not in the interest of all shareholders.

Ultimately, Potentia proposed a special meeting with a suite of resolutions to put to shareholder vote. These comprised removing two of Vista's established directors and appointing a Potentia employee and another 'independent' candidate hand-picked by Potentia as two new directors. To us this was a thinly-veiled attempt to exert disproportionate influence (and potentially de facto control) by upending the board.

If these changes occurred, Vista would lose two highly experienced and capable directors and the balance of the boardroom would have been distorted. Potentia would also have an executive in the boardroom, with very limited governance experience. The other new director was also chosen by Potentia and there was no process to establish whether this candidate was a suitable option for the company, compared to others who could be appointed.

Fisher Funds had held a shareholding of over 14% in Vista for some time. In the lead-up to the special meeting we sent the Vista Chair a letter which the company released to the stock exchange stating: *"We remain supportive of the current Vista Board and company strategy. With respect to the request for a special meeting, we intend to vote against all four resolutions put forward by Potentia. To be clear, we do not support the appointment of Amitesh Chand and Peter James as directors, nor do we support the removal of current directors Susan Peterson and Kirk Senior."* Subsequently, Potentia withdrew its request for the meeting.

Australian equities

Stewardship in action

Between 1 July 2024 and 30 June 2025, the Australian equity team had at least 300 interactions with representatives of Australia's largest listed companies, industry peers and specialists. These 'interactions' have been in person, virtually, in a group setting or through investor days. Many of these interactions were to delve into detail around financial results, strategy and ESG factors.

Australian equities interactions

One on One and Conference Calls	Group Calls
272	36

Our interactions spanned across 48 companies. This is a large number given the number of the stocks held in the Australian equity strategy as of 30 June 2025, is 25.

CASE STUDY:
WISETECH - Resolving governance instability and improving succession planning

Wisetech, a large shareholding in our Australian equity portfolios experienced significant governance related turmoil related largely to the personal life of Wisetech's founder (and largest shareholder).

> This spilled out into the public domain during late calendar year 2024 and caused significant volatility in the share price.

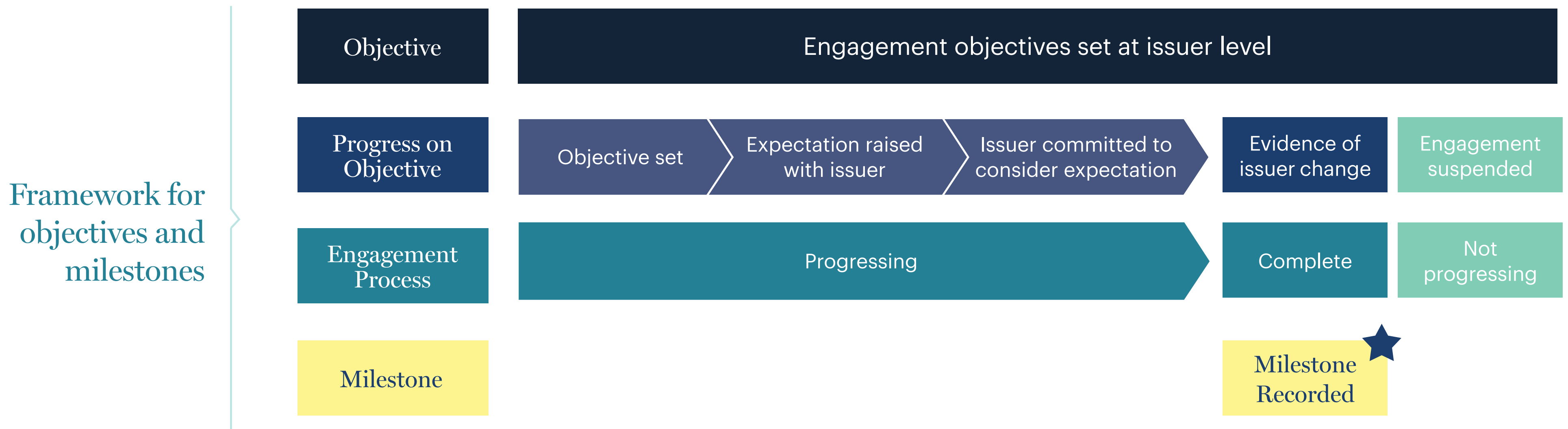
Ultimately, a number of directors on the Board resigned abruptly in early 2025 again causing ructions in the share price. During this period, we engaged with the company and undertook work to understand to what extent this turmoil could destabilise the Wisetech team, its progress as a company and its customer base. We concluded that this risk was low and remained invested in the shares. However, we engaged constructively with the company and encouraged the Wisetech team to resolve these governance and to some extent management deficiencies.

We provided feedback about succession planning and Board renewal. This included sharing our views of the skills and experience that we'd like to see in the new directors that Wisetech appointed to replace those that had resigned. Since then we have seen Wisetech largely replenish the Board of directors with sensible appointments and in an orderly fashion.

We have also seen a continuation of succession planning with the appointment of a new permanent CEO and with the founder retaining executive responsibility in the areas that he is most passionate about, including software product development. Succession planning is a continuous process. We think Wisetech has struck a good balance to date in the appointments that have been made and in the structure of the management team.

Global engagement

Engagement process through Columbia Threadneedle Investments' Responsible Engagement Overlay (reo®) Engagement tracking process

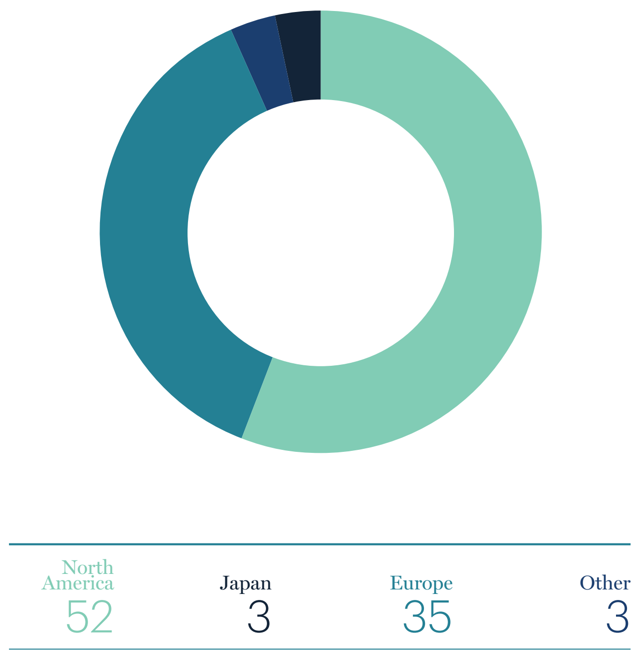


Source: Columbia Threadneedle Investments. We record milestones where companies make tangible improvement in their policies and practices.

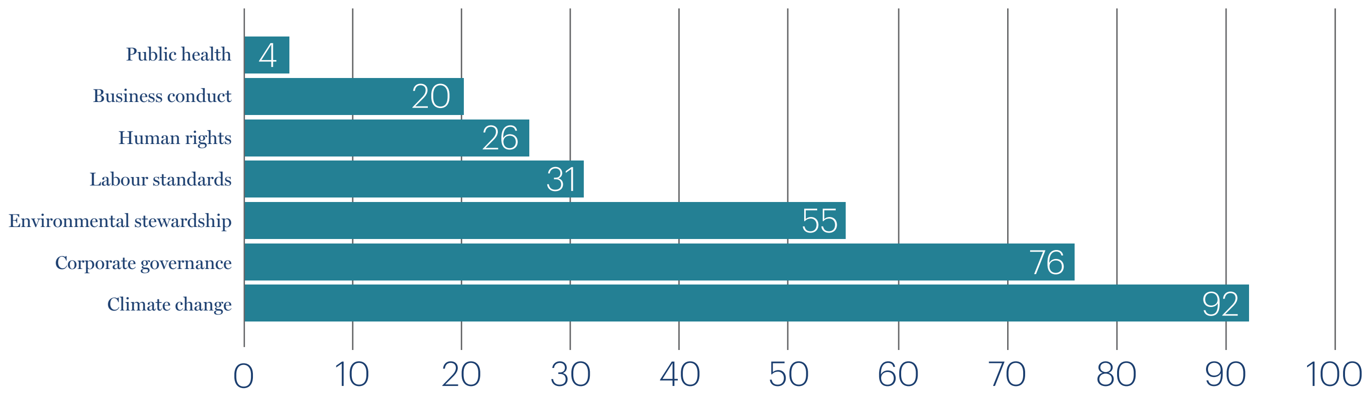
Columbia Threadneedle engagement statistics

165	93	32	16
Engagements	Number of Companies	Milestones achieved	Countries covered

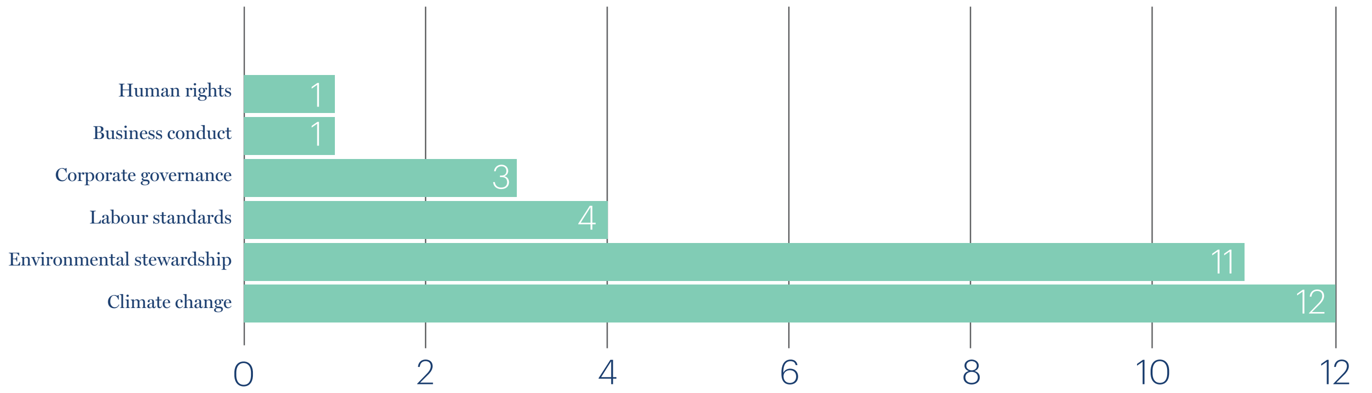
Companies by region



Engagements by issue



Milestones achieved by issue



Across 165 stewardship interactions with 93 companies in 16 countries, Columbia Threadneedle achieved 32 milestones, reflecting a strong year of active ownership across their global equities holdings. These dialogues spanned a wide range of ESG themes and demonstrated their commitment to driving meaningful change.

Of the total interactions, 19 showed clear progress, with expectations raised and concerns communicated to issuers on key issues such as responsible AI governance, water risk mitigation, climate-related disclosures and target-setting, and accelerating pay equity. These conversations have deepened over time and, in some cases, prompted tangible shifts in company practices.

In contrast, 11 initiatives have yet to show meaningful movement. These relate to newer priorities, including improving corporate diversity and increasing transparency around annual bonus assessments. Columbia Threadneedle has initiated dialogue in these areas and continues to push for greater accountability and responsiveness from issuers.

Four stewardship efforts were successfully concluded during the period, delivering concrete outcomes such as enhanced climate-risk management, reduced thresholds for calling special shareholder meetings, and strengthened board composition. These results underscore the effectiveness of Columbia Threadneedle's stewardship activity, carried out in partnership with reo®, in influencing corporate behaviour and advancing responsible investment goals.

Stewardship framework

A stewardship framework is a dynamic process that continuously evolves. Fisher Funds is committed to being well informed, committed to ongoing learning to ensure that our stewardship and responsible investment approach continues to evolve to be effective and informative.

There are areas under the principles that have been in place for longer and more established and some areas that are in their infancy that we will improve on over time.

Links to documents

Stewardship principles
Responsible investment policy
Master exclusion list
Proxy voting policy and statistics
Climate statements

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