

World-first for Smartshares with Asia funds passport

26 January 2022 – NZX's funds management business, Smartshares, has achieved a world-first this week being the first fund manager to be approved under the Asia Region Funds Passport (ARFP) – allowing simpler access to large pools of retail investors in Australia, Japan, Thailand, and Korea.

Smartshares CEO, Hugh Stevens, said the approval of a passport fund by the New Zealand Financial Markets Authority (FMA) allows a fund manager licenced in one country to offer that fund to retail investors from other countries without having to set up local funds management business in each country served.

Mr Stevens was a member of the original group appointed by the New Zealand Government in 2010 to launch fund passporting in this country and is particularly proud to have a Smartshares fund be the first fund - globally – to be approved as an ARFP passport fund.

The funds passport model is well-established in Europe where the UCITS fund manager passport allows approved funds to reach investors across 27 countries of the EU. Led by APEC, Asia region financial regulators and policymakers have been working over the past decade on a similar passporting regime for the Asia Pacific region. The New Zealand regulations were introduced in 2019 and Smartshares has been working with Government agencies, including the FMA, to progress and complete the passport application process.

Mr Stevens said cross-border distribution of funds provides many benefits to New Zealand investors:

- Managers holding fund passports are required to meet rigorous standards that are common across all the participating countries– including financial stability and reporting to the regulator. New Zealand investors also benefit from this more stringent oversight.
- Passport funds rules include strong controls over investment in derivatives and prohibition of investment in more complex investments.
- The growth of an export market for New Zealand fund managers will support the New Zealand domestic funds management industry, protecting local capability to support local services for New Zealand investors such as KiwiSavers.

“We are absolutely thrilled to be the first globally to hold this funds passport, which recognises Smartshares is delivering world-class services to our investors,” Mr Stevens said.

ENDS.

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About NZX

For more than 150 years we have been creating opportunities for Kiwis to grow their personal wealth and helping businesses prosper. As New Zealand's Exchange, we are proud of our record in supporting the growth and global ambitions of local companies. NZX operates New Zealand's equity, debt, funds, derivatives and energy markets. To support the growth of our markets, we provide trading, clearing, settlement, depository and data services for our customers. Learn more about us at: www.nzx.com

About Smartshares

One of the most trusted names in financial wellbeing solutions in the New Zealand market, Smartshares is 100% owned by NZX. For more than 25 years Smartshares has been caring for and nurturing the financial wellbeing of New Zealanders – with more than 83,000 members and \$5.92 billion across our KiwiSaver, investment, superannuation, and insurance solutions.