

Fisher Funds Investment Series

Statement of Investment Policy and Objectives

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1. Introduction

1.1.1 Name of Managed Investment Scheme: Fisher Funds Investment Series

1.1.2 Name of Fund: CashPlus Fund

1.1.3 Description of the Fund: The CashPlus Fund aims to provide stable returns and reduce the potential of capital loss over the short to medium term by investing in New Zealand cash and New Zealand short term fixed interest assets.

1.1.4 Supervisor: The supervisor of the fund is Trustees Executors Limited (the Supervisor).

1.1.5 Purpose of this SIPO: This document sets out the objectives and policies governing investment decisions in relation to the fund.

2. Risk and Return

2.1.1 Investor Suitability: This fund is suitable for a short term or naturally cautious investor who is looking to make a withdrawal within 12 months or is most interested in low volatility of returns over achieving potential higher returns.

2.1.2 Risk Description: This is a low risk fund.

2.1.3 Investment Type: This is a cash and fixed interest fund.

2.1.4 Return Expectations: On a scale of 1 to 5, where returns from Cash assets are 1 and returns from Shares are 5, we expect the fund to be 1.

2.1.5 Primary Investment Objective: The aim is to provide capital protection.

2.1.6 Secondary Investment Objective: The aim is to meet or exceed the return of the investment benchmark before fees and tax over the long term.

2.1.7 Investor Liquidity Requirements: Investors may redeem at short notice.

3. Investments

3.1 General

3.1.1 Typical Investments: Cash and fixed interest securities.

3.1.2 Investment Philosophy: The investment philosophy behind this investment strategy is the belief that cash and fixed interest will provide stable returns. Generally speaking we expect the fund to be actively managed; however we may use passive vehicles to gain broad market exposure.

3.1.3 Investing in Other Funds: The fund may invest in units or sub-units or other shares or interest in any fund or managed investment scheme where the underlying assets are primarily investments that are authorised investments in other sections of this SIPO.

3.1.4 Overall Fund Duration Limitation: The duration of the overall fund is not to exceed six months.

3.1.5 Minimum Credit Rating: The minimum long-term credit rating, or capital guarantee, of any investment in the portfolio is restricted to A-. The portfolio may hold up to 5% of Net Asset Value in investments rated below A-, but not below BBB-, where the investments credit rating has been downgraded since purchase.

3.1.6 Permissible proportions of investments in the New Zealand Cash Portfolio:

	Maximum % of the Fund per single issuer	Maximum % of the Fund per class of issuer
NZ Government or Government Guaranteed	100%	100%
NZ Cash on Call and Registered Bank	25%	100%
NZ Local Authority (including LGFA) Corporations	20%	50%
Supranationals	20%	40%
NZ Mortgage Backed and Asset Backed	10%	30%

3.1.7 Minimum, Benchmark and Maximum Asset Class weightings:

Asset Class	Benchmark Asset Allocation (Long Term Target)	Minimum	Maximum
Cash	50.0%	0.0%	100.0%
New Zealand Fixed Interest	50.0%	0.0%	100.0%

3.1.8 Need for Liquidity in Assets: Investor cash flow requirements can be met by holding securities that are easily marketable and by monitoring New Zealand dollar cash levels.

3.1.9 Use of Derivatives: The fund is permitted to use derivatives that reference investments that are authorised in this SIPO. Where derivatives are used the resulting portfolio exposures to investments plus the economic exposure derived by derivative positions must comply with all appropriate guidelines in this SIPO.

3.1.10 Prohibited Investments: The fund is prohibited from investing directly or indirectly in securities issued by companies on the Fisher Funds Prohibited Companies List. This list is informed by the Fisher Funds Responsible Investment Policy available at www.fisherfunds.co.nz.

3.1.11 Responsible Investing: Where company analysis is carried out, the Manager will have regard for the environmental, social and governance issues of companies that the fund invests in.

3.1.12 Credit exposure limits: Exposure limits are based on the higher of the ratings provided by Standard & Poor's, or the equivalent Moody's or Fitch ratings, or if unrated, the equivalent in the best judgement of the Manager.

3.2 Cash

3.2.1 Authorised Investments – Cash: Cash, cash on call, term deposits, debt securities and derivatives thereof that are denominated in New Zealand dollars.

3.2.2 Maturity Limits on Single Investments: The ultimate time to maturity of any single authorised investment must be no greater than six months.

3.3 New Zealand Fixed Interest

3.3.1 Authorised Investments – New Zealand Fixed Interest: Cash, term deposits, debt securities and derivatives thereof that are denominated in New Zealand dollars.

3.3.2 Maturity Limits on Single Investments: The ultimate time to maturity of any single authorised investment must be no greater than three years.

4. Benchmarks

4.1.1 Investment Benchmark: S&P/NZX 90 Day Bank Bill Index or equivalent index.

4.1.2 Expected Tracking Error Relative to Investment Benchmark: It is expected that the tracking error (annualised standard deviation of quarterly excess return) will be less than 1%.

5. Governance

5.1.1 Role of the Manager: The Manager's role is to select investments that best achieve the aims of this SIPO, to exercise voting powers where appropriate in respect of these investments, to execute transactions to implement the investment strategy, monitoring adherence to this SIPO and reporting on this to the Fisher Funds Investment Policy Committee and the Supervisor, and to make recommendations as to how this SIPO could be improved.

The Manager is also responsible for appointing any external managers, ensuring they are competent to manage the asset class they are responsible for, and for monitoring their performance on a quarterly basis once they have been appointed. The performance of any external managers is reported to, and recommendations to appoint or change an external manager are made to, the Investment Policy Committee.

5.1.2 Monitoring of compliance with this SIPO: Compliance with the benchmark asset allocations and prudential limits imposed by this SIPO is taken into consideration before trades are executed and monitored post-trade. The pre-trade compliance consists of using models that show the resulting asset allocation of the fund assuming the planned trade is executed. Portfolio Managers fully understand the prudential limits of the portfolios and take this into account when determining appropriate trades. Each day monitoring is undertaken to ensure the investments of the fund remain within the limits of the SIPO.

5.1.3 Consequences of Active Limit Breaks: An active limit break is a breach of this SIPO that is caused by the actions of the Manager. The Manager must correct such a breach within five business days and report it to the Compliance Officer, who will then report it to the Supervisor as soon as practicable but in any instance within ten business days of the breach being identified by the Manager. The Compliance Officer will continue to keep the Supervisor informed until such a time as the breach has been rectified.

5.1.4 Consequences of Passive Infringements: A passive infringement is a violation of this SIPO that occurs due to cash flows or market movements or any other actions outside of the Manager's control. The Manager has five business days to correct the infringement from when it is identified. Passive infringements which are not corrected in this time frame must be reported to the Compliance Officer who will then report it to the Supervisor as soon as practicable.

5.1.5 Materiality of Limit Breaks: The following breaches of the SIPO are considered material:

- a) The range of an asset class is exceeded due to
 - i. an active break; or
 - ii. a passive infringement that is not rectified within ten business days of identification.
- b) An investment is made in a specifically prohibited security.
- c) An investment is made in a security that is not an authorised investment of the fund.
- d) The limit of borrowing is breached.
- e) Any other matter that is agreed as being material in consultation with the Supervisor.

Where any of the above breaches occur the Manager will notify the breach to the Supervisor within five business days of becoming aware of the breach. A report will be provided as soon as practicable thereafter but in any instance within ten business days of the breach being identified by the Manager.

Any other breaches of the SIPO will be reported to the Supervisor on a quarterly basis.

5.1.6 Responsibility for Determining the SIPO: This SIPO has been determined by the Fisher Funds Investment Policy Committee in consultation with the Supervisor.

5.1.7 Responsibility for Executing the SIPO: The Manager is responsible for executing this SIPO.

5.1.8 Methodology for Measuring Performance against the Investment Objectives: The Fisher Funds Investment Policy Committee will monitor performance against both the primary and secondary investment objectives. Performance is measured and reviewed quarterly. This committee can make changes to delegated investment responsibilities if appropriate to correct investment performance shortfalls.

5.1.9 Process for Reviewing and Updating the SIPO: The Fisher Funds Investment Policy Committee is responsible for conducting a review every two years of this SIPO and updating it if appropriate (subject to consultation with the Supervisor). Ad hoc reviews are undertaken where required to implement changes to reflect current market conditions when necessary. The SIPO changes are drafted by the relevant Portfolio Manager and reviewed by the Chief Investment Officer, Head of Trading and Compliance Manager prior to review by the Supervisor and sign off by the Investment Policy Committee.

5.1.10 Conflicts of Interest: The Manager has in place policies to identify and resolve potential conflicts of interest. Our conflict of interest policy is outlined in the other material information document for the Scheme which can be found at www.fisherfunds.co.nz and on the Disclose website.

5.1.11 Related Party Investment Transactions: With respect to investments or investment transactions with Fisher Funds Management Limited, the Supervisor, or related parties, Fisher Funds Management Limited may enter into any transaction provided that the transaction is effected on an arm's length basis and on normal commercial terms, is in accordance with this SIPO and is in the best interests of investors.

1. Introduction

1.1.1 Name of Managed Investment Scheme: Fisher Funds Investment Series

1.1.2 Name of Fund: New Zealand Fixed Income Trust

1.1.3 Description of the Fund: The New Zealand Fixed Income Trust aims to provide stable returns over the long term by investing in New Zealand fixed interest assets.

1.1.4 Supervisor: The supervisor of the fund is Trustees Executors Limited (the Supervisor).

1.1.5 Purpose of this SIPO: This document sets out the objectives and policies governing investment decisions in relation to the fund.

2. Risk and Return

2.1.1 Investor Suitability: This fund is suitable for a short term or naturally cautious investor who is looking to make a withdrawal in the short term or values lower volatility of returns over achieving potential higher returns.

2.1.2 Risk Description: This is a low risk fund.

2.1.3 Investment Type: This is a fixed interest fund.

2.1.4 Return Expectations: On a scale of 1 to 5, where returns from Cash assets are 1 and returns from Shares are 5, we expect the fund to be 2.

2.1.5 Primary Investment Objective: The aim is to provide savings protection while generating a stable level of return over the long term.

2.1.6 Secondary Investment Objective: The aim is to meet or exceed the return of the investment benchmark before fees and tax over the long term.

2.1.7 Investor Liquidity Requirements: Investors may redeem at short notice.

3. Investments

3.1 General

3.1.1 Typical Investments: Cash and fixed interest securities.

3.1.2 Investment Philosophy: The investment philosophy behind this investment strategy is the belief that cash and fixed interest will provide the most stable returns. Generally speaking we expect the fund to be actively managed; however we may use passive vehicles to gain broad market exposure.

3.1.3 Investing in Other Funds: The fund may invest in units or sub-units or other shares or interest in any fund or managed investment scheme where the underlying assets are primarily investments that are authorised investments in other sections of this SIPO.

3.1.4 Minimum Average Credit Rating: The minimum weighted average credit rating of the fund is restricted to A-.

3.1.5 Minimum Credit Rating: The minimum long-term credit rating, or capital guarantee, of any investment in the portfolio is restricted to BBB-. The portfolio may hold up to 5% of Net Asset Value in investments rated below BBB- where the investments credit rating has been downgraded since purchase.

3.1.6 Duration Limits on the New Zealand Fixed Interest: The interest rate exposure of the fund will be limited to +/- 2 years the duration of the benchmark.

3.1.7 Unrated Investments: Investments that do not possess a credit rating are permitted, if in the judgement of the Manager, the investment would have a rating of not less than BBB- if a rating was sought.

3.1.8 Maximum proportions of New Zealand Fixed Interest:

	Maximum % of the Fund per single issuer	Minimum % of the Fund per class of issuer	Maximum % of the Fund per class of issuer
NZ Government or Government guaranteed	100%	25%	100%
Corporations and Registered Banks	25%	0%	75%
NZ Local Authority (including LGFA)	20%	0%	50%
Supranational	20%	0%	40%
NZ Mortgage Backed and Asset Backed	10%	0%	30%
Unrated Securities	5%	0%	10%

3.1.9 Minimum, Benchmark and Maximum Asset Class weightings:

Asset Class	Benchmark Asset Allocation (Long Term Target)	Minimum	Maximum
Cash	0.0%	0.0%	30.0%
New Zealand Fixed Interest	100.0%	70.0%	100.0%

3.1.10 Need for Liquidity in Assets: Investor cash flow requirements can be met by holding securities that are easily marketable and by monitoring New Zealand dollar cash levels.

3.1.11 Use of Derivatives: The fund is permitted to use derivatives that reference investments that are authorised in this SIPO. Where derivatives are used the resulting portfolio exposures to investments plus the economic exposure derived by derivative positions must comply with all appropriate guidelines in this SIPO.

3.1.12 Prohibited Investments: The fund is prohibited from investing directly or indirectly in securities issued by companies on the Fisher Funds Prohibited Companies List. This list is informed by the Fisher Funds Responsible Investment Policy available at www.fisherfunds.co.nz.

3.1.13 Responsible Investing: Where company analysis is carried out, the Manager will have regard for the environmental, social and governance issues of companies that the fund invests in.

3.1.14 Credit exposure limits: Exposure limits are based on the higher of the ratings provided by Standard & Poor's, or the equivalent Moody's or Fitch ratings, or if unrated, the equivalent in the best judgement of the Manager.

3.2 Cash

3.2.1 Authorised Investments - Cash: Cash, cash on call, term deposits, debt securities and derivatives thereof that are denominated in New Zealand dollars.

3.2.2 Maturity Limits on Single Investments: The ultimate time to maturity of any single authorised investment must be no greater than six months.

3.3 New Zealand Fixed Interest

3.3.1 Authorised Investments - New Zealand Fixed Interest: Cash, term deposits, debt securities and derivatives thereof that are denominated in New Zealand dollars.

4. Benchmarks

4.1.1 Investment Benchmark: Bloomberg New Zealand Bond Composite 0+ Year Index or equivalent index.

4.1.2 Expected Tracking Error Relative to Investment Benchmark: It is expected that the tracking error (annualised standard deviation of quarterly excess return) will be less than 2%.

5. Governance

5.1.1 Role of the Manager: The Manager's role is to select investments that best achieve the aims of this SIPO, to exercise voting powers where appropriate in respect of these investments, to execute transactions to implement the investment strategy, monitoring adherence to this SIPO and reporting on this to the Fisher Fund Investment Policy Committee and the Supervisor, and to make recommendations as to how this SIPO could be improved.

The Manager is also responsible for appointing any external managers, ensuring they are competent to manage the asset class they are responsible for, and for monitoring their performance on a quarterly basis once they have been appointed. The performance of any external managers is reported to, and recommendations to appoint or change an external manager are made to, the Investment Policy Committee.

5.1.2 Monitoring of compliance with this SIPO: Compliance with the benchmark asset allocations and prudential limits imposed by this SIPO is taken into consideration before trades are executed and monitored post-trade. The pre-trade compliance consists of using models that show the resulting asset allocation of the fund assuming the planned trade is executed. Portfolio Managers fully understand the prudential limits of the portfolios and take this into account when determining appropriate trades. Each day monitoring is undertaken to ensure the investments of the fund remain within the limits of the SIPO.

5.1.3 Consequences of Active Limit Breaks: An active limit break is a breach of this SIPO that is caused by the actions of the Manager. The Manager must correct such a breach within five business days and report it to the Compliance Officer, who will then report it to the Supervisor as soon as practicable but in any instance within ten business days of the breach being identified by the Manager. The Compliance Officer will continue to keep the Supervisor informed until such a time as the breach has been rectified.

5.1.4 Consequences of Passive Infringements: A passive infringement is a violation of this SIPO that occurs due to cash flows or market movements or any other actions outside of the Manager's control. The Manager has five business days to correct the infringement from when it is identified. Passive infringements which are not corrected in this time frame must be reported to the Compliance Officer who will then report it to the Supervisor as soon as practicable.

5.1.5 Materiality of Limit Breaks: The following breaches of the SIPO are considered material:

- a) The range of an asset class is exceeded due to
 - i. an active break; or
 - ii. a passive infringement that is not rectified within ten business days of identification.
- b) An investment is made in a specifically prohibited security.
- c) An investment is made in a security that is not an authorised investment of the fund.
- d) The limit of borrowing is breached.
- e) Any other matter that is agreed as being material in consultation with the Supervisor.

Where any of the above breaches occur the Manager will notify the breach to the Supervisor within five business days of becoming aware of the breach. A report will be provided as soon as practicable thereafter but in any instance within ten business days of the breach being identified by the Manager.

Any other breaches of the SIPO will be reported to the Supervisor on a quarterly basis.

5.1.6 Responsibility for Determining the SIPO: This SIPO has been determined by the Fisher Funds Investment Policy Committee in consultation with the Supervisor.

5.1.7 Responsibility for Executing the SIPO: The Manager is responsible for executing this SIPO.

5.1.8 Methodology for Measuring Performance against the Investment Objectives: The Fisher Funds Investment Policy Committee will monitor performance against both the primary and secondary investment objectives. Performance is measured and reviewed quarterly. This committee can make changes to delegated investment responsibilities if appropriate to correct investment performance shortfalls.

5.1.9 Process for Reviewing and Updating the SIPO: The Fisher Funds Investment Policy Committee is responsible for conducting a review every two years of this SIPO and updating it if appropriate (subject to consultation with the Supervisor). Ad hoc reviews are undertaken where required to implement changes to reflect current market conditions when necessary. The SIPO changes are drafted by the relevant Portfolio Manager and reviewed by the Chief Investment Officer, Head of Trading and Compliance Manager prior to review by the Supervisor and sign off by the Investment Policy Committee.

5.1.10 Conflicts of Interest: The Manager has in place policies to identify and resolve potential conflicts of interest. Our conflict of interest policy is outlined in the other material information document for the Scheme which can be found at www.fisherfunds.co.nz and on the Disclose website.

5.1.11 Related Party Investment Transactions: With respect to investments or investment transactions with Fisher Funds Management Limited, the Supervisor, or related parties, Fisher Funds Management Limited may enter into any transaction provided that the transaction is effected on an arm's length basis and on normal commercial terms, is in accordance with this SIPO and is in the best interests of investors.

1. Introduction

1.1.1 Name of Managed Investment Scheme: Fisher Funds Investment Series

1.1.2 Name of Fund: BondPlus Fund

1.1.3 Description of the Fund: The BondPlus Fund aims to provide stable returns over the long term by investing in international fixed interest assets.

1.1.4 Supervisor: The supervisor of the fund is Trustees Executors Limited (the Supervisor).

1.1.5 Purpose of this SIPO: This document sets out the objectives and policies governing investment decisions in relation to the fund.

2. Risk and Return

2.1.1 Investor Suitability: This fund is suitable for a naturally cautious investor who is looking to make a withdrawal in the short to medium term or who values lower volatility of returns over achieving higher potential returns.

2.1.2 Risk Description: This is a low risk fund.

2.1.3 Investment Type: This is a fixed interest fund.

2.1.4 Return Expectations: On a scale of 1 to 5, where returns from Cash assets are 1 and returns from Shares are 5, we expect the fund to be 2.

2.1.5 Primary Investment Objective: The aim is predominantly to provide capital protection, while also generating a moderate level of capital growth over the long term.

2.1.6 Secondary Investment Objective: The aim is to meet or exceed the return of the investment benchmark before fees and tax over the long term.

2.1.7 Investor Liquidity Requirements: Investors may redeem at short notice.

3. Investments

3.1 General

3.1.1 Typical Investments: Cash and fixed interest securities.

3.1.2 Investment Philosophy: The investment philosophy behind this investment strategy is the belief that cash and fixed interest will provide the most stable returns. Generally speaking we expect the fund to be actively managed; however we may use passive vehicles to gain broad market exposure.

3.1.3 Aspects of the Portfolio that will be managed by External Managers: It is possible that some of the International Fixed Interest assets will be managed by external managers. Where International Fixed Interest management is outsourced the external manager may undertake the currency hedging. When selecting an external manager we conduct due diligence including an assessment of their investment performance, financial stability, experience, reputation and history, quality and reliability of services provided to other customers, fees and costs, and the transparency of each, number and competence of staff and managers, organisational ‘fit’ with Fisher Funds and its strategic direction.

3.1.4 Investing in Other Funds: The fund may invest in units or sub-units or other shares or interest in any fund or managed investment scheme where the underlying assets are primarily investments that are authorised investments in this SIPO.

3.1.5 Minimum, Benchmark and Maximum Asset Class weightings:

Asset Class	Benchmark Asset Allocation (Long Term Target)	Minimum	Maximum
Cash	0.0%	0.0%	30.0%
International Fixed Interest	100.0%	70.0%	100.0%

3.1.6 Need for Liquidity in Assets: Investor cash flow requirements can be met by holding securities that are easily marketable and by monitoring New Zealand dollar cash levels.

3.1.7 Prohibited Investments: The fund is prohibited from investing directly or indirectly in securities issued by companies on the Fisher Funds Prohibited Companies List. This list is informed by the Fisher Funds Responsible Investment Policy available at www.fisherfunds.co.nz.

3.1.8 Responsible Investing: Where company analysis is carried out, the Manager will have regard for the environmental, social and governance issues of companies that the fund invests in.

3.1.9 Use of Derivatives: The fund is permitted to use derivatives that reference investments that are authorised in this SIPO. Where derivatives are used the resulting portfolio exposures to investments plus the economic exposure derived by derivative positions must comply with all appropriate guidelines in this SIPO.

3.1.10 Credit exposure limits: Exposure limits are based on the higher of the ratings provided by Standard & Poor’s, or the equivalent Moody’s or Fitch ratings, or if unrated, the equivalent in the best judgement of the Manager.

3.2 Cash

3.2.1 Authorised Investments – Cash: Cash, cash on call, term deposits, debt securities and derivatives thereof.

3.2.2 Maturity Limits on Single Investments – Cash: The ultimate time to maturity of any single authorised investment must be no greater than six months.

3.3 International Fixed Interest

3.3.1 Authorised Investments – International Fixed Interest: Term deposits, debt securities and derivatives thereof that are denominated in any currency. Outright short positions in debt securities or derivatives thereof are permitted.

3.3.2 Minimum Credit Rating: The minimum credit rating of a security at the time of purchase is B-. The fund may hold in aggregate up to 1% of the value of the International Fixed Interest portfolio in securities rated below B- where those security's credit ratings have been downgraded since purchase, if the manager considers disposing of them would be detrimental to the portfolio.

3.3.3 Minimum Average Credit Rating: The minimum weighted average credit rating is restricted to A-.

3.3.4 Currency Hedging Policy: The benchmark hedge ratio for International Fixed Interest securities is 100% hedged into NZD. The permitted range is 90% to 110%.

4. Benchmarks

4.1.1 Investment Benchmark: Barclays Capital Global Aggregate Index hedged into NZD or equivalent index.

4.1.2 Expected Tracking Error Relative to Investment Benchmark: It is expected that the tracking error (annualised standard deviation of quarterly excess return) will be less than 3%.

5. Governance

5.1.1 Role of the Manager: The Manager's role is to select investments that best achieve the aims of this SIPO, to exercise voting powers where appropriate in respect of these investments, to execute transactions to implement the investment strategy, monitoring adherence to this SIPO and reporting on this to the Fisher Fund Investment Policy Committee and the Supervisor, and to make recommendations as to how this SIPO could be improved.

The Manager is also responsible for appointing any external managers, ensuring they are competent to manage the asset class they are responsible for, and for monitoring their performance on a quarterly basis once they have been appointed. The performance of any external managers is reported to, and recommendations to appoint or change an external manager are made to, the Investment Policy Committee.

5.1.2 Monitoring of compliance with this SIPO: Compliance with the benchmark asset allocations and prudential limits imposed by this SIPO is taken into consideration before trades are executed and monitored post-trade. The pre-trade compliance consists of using models that show the resulting asset allocation of the fund assuming the planned trade is executed. Portfolio Managers fully understand the prudential limits of the portfolios and take this into account when determining appropriate trades. Each day monitoring is undertaken to ensure the investments of the fund remain within the limits of the SIPO.

5.1.3 Consequences of Active Limit Breaks: An active limit break is a breach of this SIPO that is caused by the actions of the Manager. The Manager must correct such a breach within five business days and report it to the Compliance Officer, who will then report it to the Supervisor as soon as practicable but in any instance within ten business days of the breach being identified by the Manager. The Compliance Officer will continue to keep the Supervisor informed until such a time as the breach has been rectified.

5.1.4 Consequences of Passive Infringements: A passive infringement is a violation of this SIPO that occurs due to cash flows or market movements or any other actions outside of the Manager's control. The Manager has five business days to correct the infringement from when it is identified. Passive infringements which are not corrected in this time frame must be reported to the Compliance Officer, who will then report it to the Supervisor as soon as practicable.

5.1.5 Materiality of Limit Breaks: The following breaches of the SIPO are considered material:

- a) The range of an asset class is exceeded due to
 - i. an active break; or
 - ii. a passive infringement that is not rectified within ten business days of identification.
- b) An investment is made in a specifically prohibited security.
- c) An investment is made in a security that is not an authorised investment of the fund.
- d) The limit of borrowing is breached.
- e) Any other matter that is agreed as being material in consultation with the Supervisor.

Where any of the above breaches occur, the Manager will notify the breach to the Supervisor within five business days of becoming aware of the breach. A report will be provided as soon as practicable thereafter but in any instance within ten business days of the breach being identified by the Manager.

Any other breaches of the SIPO will be reported to the Supervisor on a quarterly basis.

5.1.6 Responsibility for Determining the SIPO: This SIPO has been determined by the Fisher Funds Investment Policy Committee in consultation with the Supervisor.

5.1.7 Responsibility for Executing the SIPO: The Manager is responsible for executing this SIPO.

5.1.8 Methodology for Measuring Performance against the Investment Objectives and the performance of external managers: The Fisher Funds Investment Policy Committee will monitor performance against both the primary and secondary investment objectives. Performance is measured and reviewed quarterly. This committee can make changes to delegated investment responsibilities if appropriate to correct investment performance shortfalls. External managers who manage discrete portfolios of assets for us provide monthly reports that enable us to measure performance versus benchmark, and to reconcile their performance and strategies to the objectives they are managing the portfolio to. We meet with Portfolio Managers or senior management either in person or via conference call periodically to discuss in detail the performance of the portfolio and the managers current outlook and strategies that are in place. The performance of the funds and the manager's strategies are an agenda item for the Investment Policy Committee to review and discuss on a quarterly basis. In addition we will visit the external managers for an in-depth annual review. Where we invest in a fund managed by external managers we will follow a similar procedure, though potentially we may not have the same accessibility to senior management and Portfolio Managers where our investment in the fund is not substantial.

5.1.9 Process for Reviewing and Updating the SIPO: The Fisher Funds Investment Policy Committee is responsible for conducting a review every two years of this SIPO and updating it if appropriate (subject to agreement with the Supervisor). Ad hoc reviews are undertaken where required to implement changes to reflect current market conditions when necessary. The SIPO changes are drafted by the relevant Portfolio Manager and reviewed by the Chief Investment Officer, Head of Trading and Compliance Manager prior to review by the Supervisor and sign off by the Investment Policy Committee.

5.1.10 Conflicts of Interest: The Manager has in place policies to identify and resolve potential conflicts of interest. Our conflict of interest policy is outlined in the other material information document for the Scheme which can be found at www.fisherfunds.co.nz and on the Disclose website.

5.1.11 Related Party Investment Transactions: With respect to investments or investment transactions with Fisher Funds Management Limited, the Supervisor, or related parties, Fisher Funds Management Limited may enter into any transaction provided that the transaction is effected on an arm's length basis and on normal commercial terms, is in accordance with this SIPO and is in the best interests of investors.

1. Introduction

1.1.1 Name of Managed Investment Scheme: Fisher Funds Investment Series

1.1.2 Name of Fund: Trans Tasman Equity Trust

1.1.3 Description of the Fund: The Trans Tasman Equity Trust focuses on growth of your investment over the long term by investing in Australasian shares.

1.1.4 Supervisor: The supervisor of the fund is Trustees Executors Limited (the Supervisor).

1.1.5 Purpose of this SIPO: This document sets out the objectives and policies governing investment decisions in relation to the fund.

2. Risk and Return

2.1.1 Investor Suitability: This fund is suitable for a long term investor who can tolerate significant volatility of returns in the expectation of potential higher returns and who has time on their side.

2.1.2 Risk Description: This is a high risk fund.

2.1.3 Investment Type: This is a share fund.

2.1.4 Return Expectations: On a scale of 1 to 5, where returns from Cash assets are 1 and returns from Shares are 5, we expect the fund to be 5.

2.1.5 Primary Investment Objective: The aim is to achieve capital growth over the long term by investing in Australasian shares.

2.1.6 Secondary Investment Objective: The aim is to meet or exceed the return of the investment benchmark before fees and tax over the long term.

2.1.7 Investor Liquidity Requirements: Investors may redeem at short notice.

3. Investments

3.1 General

3.1.1 Typical Investments: Predominantly New Zealand and Australian shares along with some cash. The Manager may also hold derivatives and alternative assets.

3.1.2 Investment Philosophy: The investment philosophy behind this investment strategy is the belief that a portfolio of selected New Zealand and Australian shares can provide high returns over the long term. Generally speaking we expect the fund to be actively managed; however we may use passive vehicles to gain broad market exposure.

3.1.3 Investing in Other Funds: The fund may invest in units or sub-units or other shares or interest in any fund or managed investment scheme where the underlying assets are primarily investments that are authorised investments in this SIPO.

3.1.4 Minimum, Benchmark and Maximum Asset Class weightings:

Asset Class	Benchmark Asset Allocation (Long Term Target)	Minimum	Maximum
Cash and fixed interest	0.0%	0.0%	20.0%
Australasian Shares	100.0%	0.0%	100.0%
Alternatives	0.0%	0.0%	15.0%

3.1.5 Need for Liquidity in Assets: Investor cash flow requirements can be met by holding securities that are easily marketable and by monitoring New Zealand dollar cash levels.

3.1.6 Prohibited Investments: The fund is prohibited from investing directly or indirectly in securities issued by companies on the Fisher Funds Prohibited Companies List. This list is informed by the Fisher Funds Responsible Investment Policy available at www.fisherfunds.co.nz.

3.1.7 Responsible Investing: Where company analysis is carried out, the Manager will have regard for the environmental, social and governance issues of companies that the fund invests in.

3.1.8 Use of Derivatives: The fund is permitted to use derivatives that reference investments that are authorised in this SIPO. Where derivatives are used the resulting portfolio exposures to investments plus the economic exposure derived by derivative positions must comply with all appropriate guidelines in this SIPO.

3.1.9 Asset Class Rebalancing: The weightings in each asset class will be reviewed, at least, weekly and rebalanced if appropriate. The Manager will have regard for transaction costs when considering whether a rebalancing is appropriate.

3.2 Cash and fixed interest

3.2.1 Authorised Investments – Cash and fixed interest: Cash, cash on call, term deposits, debt securities and derivatives.

3.2.2 Duration Limits: The duration of the Cash and fixed interest portfolio must not exceed six months.

3.2.3 Minimum Credit Rating: The minimum long-term credit rating, or capital guarantee, of any investment in the portfolio is restricted to A-. The portfolio may hold up to 5% of Net Asset Value in investments rated below A-, but not below BBB-, where the investments credit rating has been downgraded since purchase.

3.2.4 Credit exposure limits: Exposure limits are based on the higher of the ratings provided by Standard & Poor's, or the equivalent Moody's or Fitch ratings, or if unrated, the equivalent in the best judgement of the Manager.

3.3 Australasian Shares

3.3.1 Authorised Investments – Australasian Shares: Securities issued or traded in New Zealand or Australia (listed and unlisted) at time of purchase. Derivatives thereof. Forward foreign exchange contracts and currency swaps.

3.3.2 Individual Company Exposure: The maximum holding in any single company's shares is 20% of the gross asset value of the Australasian Shares portfolio.

3.3.3 Maximum Exposure to Companies not listed on a recognised exchange in Australia or New Zealand: No more than 10% of the Australasian Shares portfolio shall be invested in companies not listed on a recognised exchange in New Zealand or Australia.

3.3.4 Underwriting or Sub-underwriting: Underwriting or sub-underwriting is permitted in terms of the authorised investments in this SIPO up to a maximum of 10% of the value of the underlying fund.

3.3.5 Maximum Percentage of Voting Interests in a Company: No acquisition of shares in a company shall cause the fund, or combination of funds managed by Fisher Funds to exceed the threshold of the voting interest in that company that would require Fisher Funds to mount a takeover in that company's local jurisdiction, other than where that company is a Portfolio Investment Entity or a foreign PIE equivalent.

3.3.6 Maximum Percentage of Voting Interests in NZX Limited: No investment into NZX Limited shall cause the fund, or combination of funds managed by Fisher Funds to exceed 9.9% of the voting interest in that company.

3.3.7 Currency Hedging Policy: The benchmark hedge ratio for Australian equities is 70% hedged into NZD. The permitted range is 0% to 110%.

3.4 Alternative Assets

3.4.1 Authorised Investments – Alternative Assets: Investments, strategies or derivatives that may lie outside the traditional investment classes of cash, fixed interest, equities and property and therefore may not be included in the asset classes mentioned above. Before any asset is classified as an alternative it must be approved by the Investment Policy Committee.

4. Benchmarks

4.1.1 Investment Benchmark: 50% S&P/NZX50 Gross Index including imputation credits and 50% S&P/ASX 200 Accumulation Index 70% hedged into NZD.

4.1.2 Expected Tracking Error Relative to Investment Benchmark: It is expected that the tracking error (annualised standard deviation of quarterly excess return) will be less than 5%.

5. Governance

5.1.1 Role of the Manager: The Manager's role is to select investments that best achieve the aims of this SIPO, to exercise voting powers where appropriate in respect of these investments, to execute transactions to implement the investment strategy, monitoring adherence to this SIPO and reporting on this to the Fisher Fund Investment Policy Committee and the Supervisor, and to make recommendations as to how this SIPO could be improved.

The Manager is also responsible for appointing any external managers, ensuring they are competent to manage the asset class they are responsible for, and for monitoring their performance on a quarterly basis once they have been appointed. The performance of any external managers is reported to, and recommendations to appoint or change an external manager are made to, the Investment Policy Committee.

5.1.2 Monitoring of compliance with this SIPO: Compliance with the benchmark asset allocations and prudential limits imposed by this SIPO is taken into consideration before trades are executed and monitored post-trade. The pre-trade compliance consists of using models that show the resulting asset allocation of the fund assuming the planned trade is executed. Portfolio Managers fully understand the prudential limits of the portfolios and take this into account when determining appropriate trades. Each day monitoring is undertaken to ensure the investments of the fund remain within the limits of the SIPO.

5.1.3 Consequences of Active Limit Breaks: An active limit break is a breach of this SIPO that is caused by the actions of the Manager. The Manager must correct such a breach within five business days and report it to the Compliance Officer, who will then report it to the Supervisor as soon as practicable but in any instance within ten business days of the breach being identified by the Manager. The Compliance Officer will continue to keep the Supervisor informed until such a time as the breach has been rectified.

5.1.4 Consequences of Passive Infringements: A passive infringement is a violation of this SIPO that occurs due to cash flows or market movements or any other actions outside of the Manager's control. The Manager has five business days to correct the infringement from when it is identified. Passive infringements which are not corrected in this time frame must be reported to the Compliance Officer who will then report it to the Supervisor as soon as practicable.

5.1.5 Materiality of Limit Breaks: The following breaches of the SIPO are considered material:

- a) The range of an asset class is exceeded due to
 - i. an active break; or

- ii. a passive infringement that is not rectified within ten business days of identification.
- b) An investment is made in a specifically prohibited security.
- c) An investment is made in a security that is not an authorised investment of the fund.
- d) The limit of borrowing is breached.
- e) Any other matter that is agreed as being material in consultation with the Supervisor.

Where any of the above breaches occur the Manager will notify the breach to the Supervisor within five business days of becoming aware of the breach. A report will be provided as soon as practicable thereafter but in any instance within ten business days of the breach being identified by the Manager.

Any other breaches of the SIPO will be reported to the Supervisor on a quarterly basis.

5.1.6 Responsibility for Determining the SIPO: This SIPO has been determined by the Fisher Funds Investment Policy Committee in consultation with the Supervisor.

5.1.7 Responsibility for Executing the SIPO: The Manager is responsible for executing this SIPO.

5.1.8 Methodology for Measuring Performance against the Investment Objectives and the performance of external managers: The Fisher Funds Investment Policy Committee will monitor performance against both the primary and secondary investment objectives. Performance is measured and reviewed quarterly. This committee can make changes to delegated investment responsibilities if appropriate to correct investment performance shortfalls. External managers who manage discrete portfolios of assets for us provide monthly reports that enable us to measure performance versus benchmark, and to reconcile their performance and strategies to the objectives they are managing the portfolio to. We meet with Portfolio Managers or senior management either in person or via conference call periodically to discuss in detail the performance of the portfolio and the managers current outlook and strategies that are in place. The performance of the funds and the manager's strategies are an agenda item for the Investment Policy Committee to review and discuss on a quarterly basis. In addition we will visit the external managers for an in-depth annual review. Where we invest in a fund managed by external managers we will follow a similar procedure, though potentially we may not have the same accessibility to senior management and Portfolio Managers where our investment in the fund is not substantial.

5.1.9 Process for Reviewing and Updating the SIPO: The Fisher Funds Investment Policy Committee is responsible for conducting a review every two years of this SIPO and updating it if appropriate (subject to consultation with the Supervisor). Ad hoc reviews are undertaken where required to implement changes to reflect current market conditions when necessary. The SIPO changes are drafted by the relevant Portfolio Manager and reviewed by the Chief Investment Officer, Head of Trading and Compliance Manager prior to review by the Supervisor and sign off by the Investment Policy Committee.

5.1.10 Conflicts of Interest: The Manager has in place policies to identify and resolve potential conflicts of interest. Our conflict of interest policy is outlined in the Other material information document for the Scheme which can be found at www.fisherfunds.co.nz and on the Disclose website.

5.1.11 Related Party Investment Transactions: With respect to investments or investment transactions with Fisher Funds Management Limited, the Supervisor, or related parties, Fisher Funds Management Limited may enter into any transaction provided that the transaction is effected on an arm's length basis and on normal commercial terms, is in accordance with this SIPO and is in the best interests of investors.

1. Introduction

1.1.1 Name of Managed Investment Scheme: Fisher Funds Investment Series

1.1.2 Name of Fund: Global Fund

1.1.3 Description of the Fund: The Global Fund focuses on growth of your investment over the long term by investing in international shares.

1.1.4 Supervisor: The supervisor of the fund is Trustees Executors Limited (the Supervisor).

1.1.5 Purpose of this SIPO: This document sets out the objectives and policies governing investment decisions in relation to the fund.

2. Risk and Return

2.1.1 Investor Suitability: This fund is suitable for a long term investor who can tolerate significant volatility of returns in the expectation of potential higher returns and who has time on their side.

2.1.2 Risk Description: This is a high risk fund.

2.1.3 Investment Type: This is a share fund.

2.1.4 Return Expectations: On a scale of 1 to 5, where returns from Cash assets are 1 and returns from Shares are 5, we expect the fund to be 5.

2.1.5 Primary Investment Objective: The aim is to achieve capital growth over the long term by investing in international shares.

2.1.6 Secondary Investment Objective: The aim is to meet or exceed the return of the investment benchmark before fees and tax over the long term.

2.1.7 Investor Liquidity Requirements: Investors may redeem at short notice.

3. Investments

3.1 General

3.1.1 Typical Investments: Predominantly shares in international markets. Also cash in a variety of currencies. The Manager may also hold derivatives and alternative assets.

3.1.2 Investment Philosophy: The investment philosophy behind this investment strategy is the belief that a portfolio of selected shares can provide high returns. Generally speaking we expect the fund to be actively managed; however we may use passive vehicles to gain broad market exposure.

3.1.3 Aspects of the Fund that will be managed by External Managers: It is possible that some of the International Fixed Interest assets and some of the Emerging Market Shares will be managed by external managers. Where International Fixed Interest management is outsourced the external manager may undertake the currency hedging. When selecting an external manager we conduct due diligence including an assessment of their investment performance, financial stability, experience, reputation and history, quality and reliability of services provided to other customers, fees and costs, and the transparency of each, number and competence of staff and managers, organisational ‘fit’ with Fisher funds and its strategic direction.

3.1.4 Investing in Other Funds: The fund may invest in units or sub-units or other shares or interest in any fund or managed investment scheme where the underlying assets are primarily investments that are authorised investments in other sections of this SIPO.

3.1.5 Minimum, Benchmark and Maximum Asset Class weightings:

Asset Class	Benchmark Asset Allocation (Long Term Target)	Minimum	Maximum
Cash and fixed interest	0.0%	0.0%	30.0%
International Shares	100.0%	70.0%	100.0%
Alternatives	0.0%	0.0%	15.0%

3.1.6 Need for Liquidity in Assets: Investor cash flow requirements can be met by holding securities that are easily marketable and by monitoring New Zealand dollar cash levels.

3.1.7 Prohibited Investments: The fund is prohibited from investing directly or indirectly in securities issued by companies on the Fisher Funds Prohibited Companies List. This list is informed by the Fisher Funds Responsible Investment Policy available at www.fisherfunds.co.nz.

3.1.8 Responsible Investing: Where company analysis is carried out, the Manager will have regard for the environmental, social and governance issues of companies that the fund invests in.

3.1.9 Use of Derivatives: The fund is permitted to use derivatives that reference investments that are authorised in this SIPO. Where derivatives are used the resulting portfolio exposures to investments plus the economic exposure derived by derivative positions must comply with all appropriate guidelines in this SIPO.

3.2 Cash and fixed interest

3.2.1 Authorised Investments – Cash and fixed interest: Cash, cash on call, term deposits, debt securities and derivatives.

3.2.2 Duration Limits: The duration of the Cash and fixed interest portfolio must not exceed six months.

3.2.3 Minimum Credit Rating: The minimum long-term credit rating, or capital guarantee, of any investment in the portfolio is restricted to A-. The portfolio may hold up to 5% of Net Asset Value in investments rated below A-, but not below BBB-, where the investments credit rating has been downgraded since purchase.

3.2.4 Credit exposure limits: Exposure limits are based on the higher of the ratings provided by Standard & Poor's, or the equivalent Moody's or Fitch ratings, or if unrated, the equivalent in the best judgement of the Manager.

3.3 International Shares

3.3.1 Authorised Investments – International Shares: Securities issued or traded outside of New Zealand and Australia (listed and unlisted). Derivatives thereof. Forward foreign exchange contracts and currency swaps.

3.3.2 Maximum Holding Size: The maximum holding in any single company's shares is 20% of the gross asset value of the International Shares portfolio.

3.3.3 Underwriting or Sub-underwriting: Underwriting or sub-underwriting is permitted in terms of the authorised investments in this SIPO.

3.3.4 Unlisted Securities: The maximum invested in unlisted shares is 10% of the International Shares portfolio.

3.3.5 Maximum Percentage of Voting Interests in a Company: No acquisition of shares in a company shall cause the fund, or any combination of funds managed by Fisher Funds to exceed the threshold of the voting interest in that company that would require Fisher Funds to mount a takeover in that company's local jurisdiction, other than where that company is a Portfolio Investment Entity or a foreign PIE equivalent.

3.3.6 Currency Hedging Policy: The benchmark hedge ratio for the International Shares portfolio is 50% hedged into the NZD. The permitted range is 0% to 110%. Proxy hedging (i.e. using the currency of a country as a proxy for the currency of another country) is permitted.

3.4 Alternative Assets

3.4.1 Authorised Investments – Alternative Assets: Investments, strategies or derivatives that may lie outside the traditional investment classes of cash, fixed interest, equities and property and therefore may not be included in the asset classes mentioned above. Before any asset is classified as an alternative it must be approved by the Investment Policy Committee

4. Benchmarks

4.1.1 Investment Benchmark: S&P Global Large MidCap Index 50% hedged into NZD.

4.1.2 Expected Tracking Error Relative to Investment Benchmark: It is expected that the tracking error (annualised standard deviation of quarterly excess return) will be less than 5%.

5. Governance

5.1.1 Role of the Manager: The Manager's role is to select investments that best achieve the aims of this SIPO, to exercise voting powers where appropriate in respect of these investments, to execute transactions to implement the investment strategy, monitoring adherence to this SIPO and reporting on this to the Fisher Fund Investment Policy Committee and the Supervisor, and to make recommendations as to how this SIPO could be improved.

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 - i. an active break; or
 - ii. a passive infringement that is not rectified within ten business days of identification.
- b) An investment is made in a specifically prohibited security.
- c) An investment is made in a security that is not an authorised investment of the fund.
- d) The limit of borrowing is breached.
- e) Any other matter that is agreed as being material in consultation with the Supervisor.

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