QUAYSTREET®
ASSET MANAGEMENT

QUAYSTREET FUNDS

STATEMENT OF INVESTMENT POLICY AND OBJECTIVES

7 JULY 2026

SMARTSHARES LIMITED

This document replaces the statement of investment policy and objectives dated 31 March 2026

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STATEMENT OF INVESTMENT POLICY AND OBJECTIVES

PURPOSE

The purpose of this Statement of Investment Policy & Objectives (the "SIPO") is to document the investment policies of, and the internal guidelines in relation to, the QuayStreet Funds.

BACKGROUND

Smartshares Limited ("Smartshares", "we", "our" or "us") is the Manager of the twelve PIE (Portfolio Investment Entities) funds (each a "Fund" and together the "Funds") that comprise the QuayStreet Funds as listed below:

- QuayStreet Fixed Interest Fund;
- QuayStreet Income Fund;
- QuayStreet New Zealand Equity Fund;
- QuayStreet Australian Equity Fund;
- QuayStreet Altum Fund;
- QuayStreet International Equity Fund;
- QuayStreet International Equity (NZD Hedged) Fund;
- QuayStreet Conservative Fund;
- QuayStreet Balanced Fund;
- QuayStreet Socially Responsible Investment Fund;
- QuayStreet Growth Fund; and
- QuayStreet High Growth Fund.

The Funds were established pursuant to a Master Trust Deed between the Manager and The New Zealand Guardian Trust Company Limited (the "Supervisor") dated 1 June 2016, as amended on 30 September 2022 and 19 August 2025. Each Fund is established by way of an Establishment Deed (as amended, varied and or amended and/or restated from time to time) (see the table below). Each Fund is registered as a Portfolio Investment Entity ("PIE").

We have appointed QuayStreet Limited ("Investment Manager") as the investment manager for each of the Funds.

The Investment Manager is responsible for proposing the investment strategy and objectives of the Funds to us for adoption, including proposing the strategic and and tactical asset allocation of each Fund and the investments to be invested in by each Fund in pursuance of those allocations.

We remain responsible for overseeing the identification and management of key investment risks at the scheme level and monitoring the performance of the Investment Manager.

FUND	DATE ESTABLISHED BY ESTABLISHMENT DEED
QuayStreet Conservative Fund	19 September 2007
QuayStreet Balanced Fund	19 September 2007
QuayStreet Growth Fund	19 September 2007
QuayStreet Socially Responsible Investment Fund	8 October 2007
QuayStreet Fixed Interest Fund	30 September 2009
QuayStreet International Equity Fund	30 September 2009
QuayStreet New Zealand Equity Fund	27 October 2010
QuayStreet Australian Equity Fund	27 October 2010
QuayStreet Income Fund	9 September 2014
QuayStreet Altum Fund	9 September 2014
QuayStreet High Growth Fund	17 January 2024
QuayStreet International Equity (NZD Hedged) Fund	17 January 2024

INVESTMENT PHILOSOPHY

The Investment Manager's investment philosophy in relation to the Funds is that a carefully selected portfolio of securities with greater focus on relative value and profitability can provide better returns than the market benchmark over the long-term.

Each Fund, except for the QuayStreet Socially Responsible Investment Fund ("SRI Fund"), is managed by the Investment Manager in accordance with the QuayStreet Responsible Investment Policy ("RI Policy"), incorporating Environmental, Social and Governance factors ("ESG") within our investment decision-making framework. For the SRI Fund, investments are selected by the Investment Manager in accordance with the QuayStreet Socially Responsible Investment Policy ("SRI Policy") and each investment is monitored to ensure ongoing compliance with the SRI Policy.

The Investment Manager targets investments which have good and sustainable underlying business models which are trading at an attractive valuation in relation to their "intrinsic value". The "intrinsic value" is the valuation the Investment Manager derives after analysis that values the investment's future cash flows at today's prices. This basic philosophy applies to all security types and assets that each Fund invest in.

Following this investment philosophy, the Funds tend to be more concentrated than their respective market benchmarks. The Investment Manager has a high level of conviction in its investment ideas which is reflected by larger investments in a smaller number of securities. However, an appropriate level of diversification relative to each Fund's risk profile is maintained by the Investment Manager at all times.

The Investment Manager is are proactive, but not hyperactive in managing the Fund portfolios.
The Investment Manager does not transact frequently and generally buys securities with the intention of holding them for the long term. The Investment Manager monitors investments closely and adds to holdings that it believes are good value relative to their outlook and reduces those which it believes may be facing increasing risks.

FUND INVESTMENT STRATEGIES AND OBJECTIVES

The investment strategies and objectives for the Funds are set out as follows:

1. QUAYSTREET FIXED INTEREST FUND

INVESTMENT STRATEGY AND OBJECTIVES

The QuayStreet Fixed Interest Fund invests in a diversified portfolio of fixed interest and derivative investments, with an emphasis on corporate bonds. The investment objective is to provide a level of return above the New Zealand corporate fixed interest market over the long term, consistent with the Fund's benchmark. Investment returns may vary from year to year and may be negative. The Fund aims to make quarterly distributions.

The Fund targets investment grade securities issued in New Zealand and international fixed interest markets. The investments may be spread across multiple issuers, sectors, maturities and regions to provide an appropriate level of risk diversification. The Fund may use derivatives to manage interest rate and currency risk for international investments relative to the Fund's benchmark. The Fund has the ability to invest into other funds to obtain desired market exposures.

The Fund's return will be measured in New Zealand dollars and currency exposure will be actively managed by the Investment Manager in a manner consistent with the investment objectives.

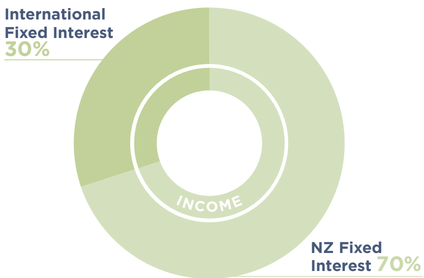
PERFORMANCE BENCHMARK AND ASSET ALLOCATION

The performance benchmark is the S&P/NZX Investment Grade Corporate Bond Total Return Index

The asset allocation guidelines are shown below:

ASSET	TARGET ALLOCATION	MINIMUM ALLOCATION	MAXIMUM ALLOCATION
Australasian Equity	0%	0%	0%
International Equity	0%	0%	0%
Listed Property	0%	0%	0%
Unlisted Property	0%	0%	0%
Commodities	0%	0%	0%
NZ Fixed Interest	70%	0%	100%
International Fixed Interest	30%	0%	100%
Cash	0%	0%	40%
Growth Assets	**0%**	**0%**	**0%**
Defensive Assets	**100%**	**100%**	**100%**

TARGET INVESTMENT MIX



INVESTMENT GUIDELINES

Apart from the asset allocation guidelines specified above the Fund will be invested by the Investment Manager within the following guidelines:

- Cash is defined as cash, term deposits and any other money market security with 12 months or less until maturity;
- No more than 10% of the Fund may be invested in securities without an investment grade credit rating. This does not include unrated securities that the Investment Manager considers to be investment grade;
- A minimum number of 15 securities will be held at all times with no more than 20% of the Fund exposed to a single issuer (with the exception of the NZ government and related entities and excluding cash securities); and
- No more than 30% of the Fund may be invested in subordinated debt and perpetual securities.

2. QUAYSTREET INCOME FUND

INVESTMENT STRATEGY AND OBJECTIVES

The QuayStreet Income Fund will invest in a diversified portfolio with an emphasis on income producing assets such as New Zealand and International fixed interest investments and derivatives. The Fund may include an allocation to growth assets such as listed property and equity securities. The investment objective is to provide a level of return above the Fund's benchmark over the long term, and to preserve the real value of investments relative to inflation. The Fund aims to make quarterly distributions. Investment returns may vary from year to year and may be negative.

The Fund will target assets that can provide a sustainable level of income with low levels of volatility in total return. The investments may be spread across multiple asset types, geographies, markets, issuers, sectors and maturities to provide a higher level of diversification. The Fund does have the ability to invest in other funds and may use derivatives for the purposes of risk management or to obtain desired market exposures. The Fund's return will be measured in New Zealand dollars and currency exposure will be actively managed by the Investment Manager in a manner consistent with the investment objectives.

PERFORMANCE BENCHMARK AND ASSET ALLOCATION

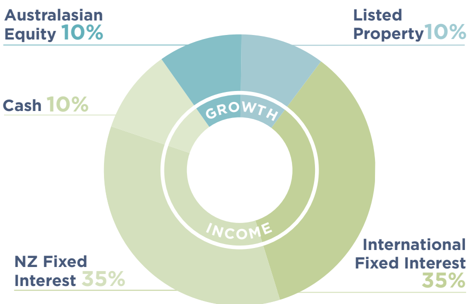
The performance benchmark is the NZ Official Cash Rate + 2%.

Our Quarterly Fund Updates and Annual Reports will report the Fund's returns against a composite market index consisting of the S&P/NZX 50 Gross Index (5%), S&P/ASX 200 Total Return Index (5%), S&P/ASX 200 A-REIT Total Return Index (5%), S&P/NZX All Real Estate Index (5%), S&P/NZX Investment Grade Corporate Bond Total Return Index (70%) and S&P/NZX Bank Bills 90-Day Total Return Index (10%). This is due to the Official Cash Rate not being recognised as a market index under the Financial Markets Conduct Act 2013.

The asset allocation guidelines are shown below:

ASSET	TARGET ALLOCATION	MINIMUM ALLOCATION	MAXIMUM ALLOCATION
Australasian Equity	10%	0%	30%
International Equity	0%	0%	30%
Listed Property	10%	0%	30%
Unlisted Property	0%	0%	0%
Commodities	0%	0%	0%
NZ Fixed Interest	35%	0%	100%
International Fixed Interest	35%	0%	100%
Cash	10%	0%	20%
Growth Assets	**20%**	**0%**	**30%**
Defensive Assets	**80%**	**70%**	**100%**

TARGET INVESTMENT MIX



INVESTMENT GUIDELINES

Apart from the asset allocation guidelines specified above the Fund will be invested by the Investment Manager within the following guidelines:

- Cash is defined as cash, term deposits and any other money market security with 12 months or less until maturity;
- No more than 5% of the Fund may be invested in any one security;
- No more than 10% of the Fund shall be exposed to a single issuer (with the exception of the NZ government and related entities and excluding cash securities).

3. QUAYSTREET CONSERVATIVE FUND

INVESTMENT STRATEGY AND OBJECTIVES

The QuayStreet Conservative Fund invests in a diversified portfolio, with an emphasis on conservative assets such as fixed interest investments. The investment objective is to provide a level of return above the Fund's benchmark over the long term. Investment returns may vary from year to year and may be negative.

The Fund investments may be spread across multiple asset types, geographies, markets, issuers, sectors and maturities to provide a high level of diversification. The Fund does have the ability to invest in other funds and may use derivatives for the purposes of risk management or to obtain desired market exposures.

The Fund's return is measured in New Zealand dollars and currency exposure may be actively managed by the Investment Manager in a manner consistent with the investment objectives.

PERFORMANCE BENCHMARK AND ASSET ALLOCATION

The performance benchmark is based on the target asset allocation shown below and comprised of the following market indices.

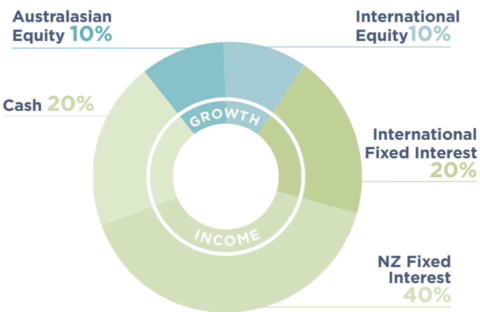
The asset allocation guidelines are shown below:

ASSET	TARGET ALLOCATION	MINIMUM ALLOCATION	MAXIMUM ALLOCATION
Australasian Equity	10%	0%	20%
International Equity	10%	0%	20%
Listed Property	0%	0%	20%
Unlisted Property	0%	0%	20%
Commodities	0%	0%	10%
NZ Fixed Interest	40%	0%	100%
International Fixed Interest	20%	0%	100%
Cash	20%	0%	100%
Growth Assets	**20%**	**0%**	**40%**
Defensive Assets	**80%**	**60%**	**100%**

Market indices:

MARKET INDEX	BENCHMARK WEIGHT
S&P/NZX 50 Gross Index	5%
S&P/ASX 200 Total Return Index	5%
MSCI World (NZD) Net Total Return Index	8%
MSCI World (100% Hedged to NZD) Net Total Return Index	2%
S&P/NZX Investment Grade Corporate Bond Total Return Index	60%
S&P/NZX Bank Bills 90-Day Total Return Index	20%

TARGET INVESTMENT MIX



INVESTMENT GUIDELINES

Apart from the asset allocation guidelines specified above the Fund will be invested by the Investment Manager within the following guidelines:

- Cash is defined as cash, term deposits and any other money market security with 12 months or less until maturity.

4. QUAYSTREET BALANCED FUND

INVESTMENT STRATEGY AND OBJECTIVES

The QuayStreet Balanced Fund invests in a diversified portfolio with a balance between fixed interest and growth assets such as shares. The investment objective is to provide a level of return above the Fund's benchmark over the long term. Investment returns may vary considerably from year to year and may be negative.

The Fund investments may be spread across multiple asset types, geographies, markets, issuers, sectors and maturities to provide a high level of diversification. The Fund does have the ability to invest in other funds and may use derivatives for the purposes of risk management or to obtain desired market exposures. The Fund's return is measured in New Zealand dollars and currency exposure is actively managed by the Investment Manager in a manner consistent with the investment objectives.

PERFORMANCE BENCHMARK AND ASSET ALLOCATION

The performance benchmark is based on the target asset allocation shown below and comprised of the following market indices.

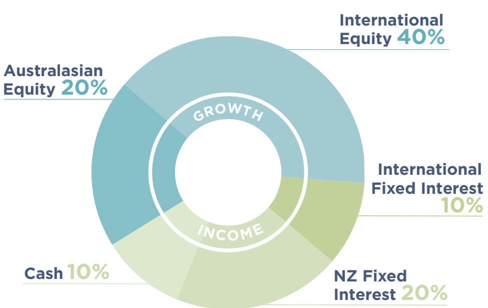
The asset allocation guidelines are shown below:

ASSET	TARGET ALLOCATION	MINIMUM ALLOCATION	MAXIMUM ALLOCATION
Australasian Equity	20%	0%	80%
International Equity	40%	0%	80%
Listed Property	0%	0%	40%
Unlisted Property	0%	0%	40%
Commodities	0%	0%	10%
NZ Fixed Interest	20%	0%	60%
International Fixed Interest	10%	0%	60%
Cash	10%	0%	60%
Growth Assets	**60%**	**40%**	**80%**
Defensive Assets	**40%**	**20%**	**60%**

Market indices:

MARKET INDEX	BENCHMARK WEIGHT
S&P/NZX 50 Gross Index	10%
S&P/ASX 200 Total Return Index	10%
MSCI World (NZD) Net Total Return Index	32%
MSCI World (100% Hedged to NZD) Net Total Return Index	8%
S&P/NZX Investment Grade Corporate Bond Total Return Index	30%
S&P/NZX Bank Bills 90-Day Total Return Index	10%

TARGET INVESTMENT MIX



INVESTMENT GUIDELINES

Apart from the asset allocation guidelines specified above the Fund will be invested by the Investment Manager within the following guidelines:

- Cash is defined as cash, term deposits and any other money market security with 12 months or less until maturity.

5. QUAYSTREET SOCIALLY RESPONSIBLE INVESTMENT FUND

INVESTMENT STRATEGY AND OBJECTIVES

The QuayStreet Socially Responsible Investment Fund (SRI Fund) endeavours to have a diversified portfolio of investments that are considered to be environmentally and socially sustainable, whilst still applying the Investment Manager's traditional portfolio investment criteria. The Fund invests in income (e.g fixed interest) and growth assets (e.g shares) which are selected by the Investment Manager in accordance with the SRI Policy. A key benefit of investing in the SRI Fund is that all investments must be selected by the Investment Manager in accordance with the SRI Policy and each such investment is monitored by the Investment Manager to ensure ongoing compliance with the standards and criteria outlined in the SRI Policy. The SRI Policy contains information relating to the nature and criteria of socially responsible investment in the SRI Fund and is available on the offer register, disclose-register.companiesoffice.govt.nz and the QuayStreet website, quaystreet.com/socially-responsible-investment-process.

The investment objective is to provide a level of return above the SRI Fund's benchmark over the long term. The portfolio can vary between a growth and a balanced investment strategy, allowing the SRI Fund's overall risk exposure to be adjusted by the Investment Manager depending on market conditions.

The SRI Fund only includes investments that satisfy the standards and criteria outlined in the SRI Policy (including exclusionary screening and ESG evaluation), which means that the SRI Fund can only invest in a limited range of assets, and this may affect the SRI Fund's returns and volatility relative to a traditional portfolio due to limited investments risk. Investment returns may vary considerably from year to year and may be negative. The SRI Fund's investments may be spread across multiple asset types, geographies, markets, issuers, sectors and maturities to provide a high level of diversification. The SRI Fund has the ability to invest in other funds that adhere to the SRI Policy standards and criteria. The SRI Fund may use derivatives for the purposes of risk management or to obtain desired market exposures. The SRI Fund's return is measured in New Zealand dollars and currency exposure is actively managed by the Investment Manager in a manner consistent with the investment objectives.

PERFORMANCE BENCHMARK AND ASSET ALLOCATION

The following benchmark weights will apply, as per the overall investment strategy being applied:

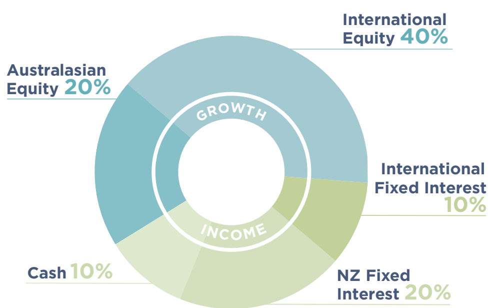
The asset allocation guidelines are shown below:

ASSET	TARGET ALLOCATION	MINIMUM ALLOCATION	MAXIMUM ALLOCATION
Australasian Equity	20%	0%	100%
International Equity	40%	0%	100%
Listed Property	0%	0%	40%
Unlisted Property	0%	0%	40%
Commodities	0%	0%	10%
NZ Fixed Interest	20%	0%	60%
International Fixed Interest	10%	0%	60%
Cash	10%	0%	60%
Growth Assets	**60%**	**40%**	**100%**
Defensive Assets	**40%**	**0%**	**60%**

Market indices:

MARKET INDEX	BENCHMARK WEIGHT
S&P/NZX 50 Gross Index	10%
S&P/ASX 200 Total Return Index	10%
MSCI World (NZD) Net Total Return Index	32%
MSCI World (100% Hedged to NZD) Net Total Return Index	8%
S&P/NZX Investment Grade Corporate Bond Total Return Index	30%
S&P/NZX Bank Bills 90-Day Total Return Index	10%

TARGET INVESTMENT MIX



INVESTMENT GUIDELINES

Apart from the asset allocation guidelines specified above the SRI Fund will be invested by the Investment Manager within the following guidelines:

- Cash is defined as cash, term deposits and any other money market security with 12 months or less until maturity; and
- The securities in the SRI Fund and any potential new investments will be monitored for adherence to the standards and criteria as specified in the SRI Policy.

6. QUAYSTREET GROWTH FUND

INVESTMENT STRATEGY AND OBJECTIVES

The QuayStreet Growth Fund invests in a diversified portfolio with an emphasis on growth assets such as shares. The investment objective is to provide a level of return above the Fund's benchmark over the long term. Investment returns may vary substantially from year to year and may be negative.

The Fund's investments may be spread across multiple asset types, geographies, markets, issuers, sectors and maturities to provide a high level of diversification. The Fund does have the ability to invest in other funds and may use derivatives for the purposes of risk management or to obtain desired market exposures. The Fund's return is measured in New Zealand dollars and currency exposure is actively managed by the Investment Manager in a manner consistent with the investment objectives.

PERFORMANCE BENCHMARK AND ASSET ALLOCATION

The performance benchmark is based on the target asset allocation shown below and comprised of the following market indices.

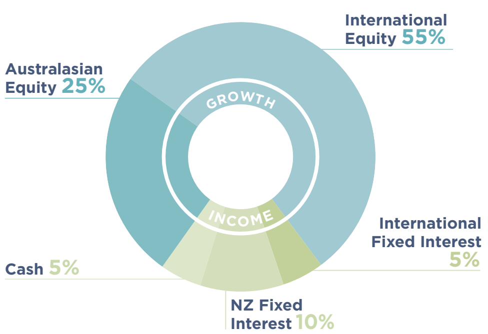
The asset allocation guidelines are shown below:

ASSET	TARGET ALLOCATION	MINIMUM ALLOCATION	MAXIMUM ALLOCATION
Australasian Equity	25%	0%	100%
International Equity	55%	0%	100%
Listed Property	0%	0%	40%
Unlisted Property	0%	0%	40%
Commodities	0%	0%	10%
NZ Fixed Interest	10%	0%	40%
International Fixed Interest	5%	0%	40%
Cash	5%	0%	40%
Growth Assets	**80%**	**60%**	**100%**
Defensive Assets	**20%**	**0%**	**40%**

Market indices:

MARKET INDEX	BENCHMARK WEIGHT
S&P/NZX 50 Gross Index	12.5%
S&P/ASX 200 Total Return Index	12.5%
MSCI World (NZD) Net Total Return Index	44%
MSCI World (100% Hedged to NZD) Net Total Return Index	11%
S&P/NZX Investment Grade Corporate Bond Total Return Index	15%
S&P/NZX Bank Bills 90-Day Total Return Index	5%

TARGET INVESTMENT MIX



INVESTMENT GUIDELINES

Apart from the asset allocation guidelines specified above the Fund will be invested by the Investment Manager within the following guidelines.

- Cash is defined as cash, term deposits and any other money market security with 12 months or less until maturity.

7. QUAYSTREET HIGH GROWTH FUND

INVESTMENT STRATEGY AND OBJECTIVES

The QuayStreet High Growth Fund invests in a diversified portfolio, mainly focused on growth assets such as shares. The investment objective is to provide a level of return above the Fund's benchmark over the long term. Investment returns may vary substantially from year to year and may be negative.

The Fund's investments may be spread across multiple asset types, geographies, markets, issuers, sectors and maturities to provide a level of diversification. The Fund does have the ability to invest in other funds and may use derivatives for the purposes of risk management or to obtain desired market exposures.

The Fund's return is measured in New Zealand dollars and currency exposure is actively managed by the Investment Manager in a manner consistent with the investment objectives.

PERFORMANCE BENCHMARK AND ASSET ALLOCATION

The performance benchmark is based on the target asset allocation shown below and comprised of the following market indices.

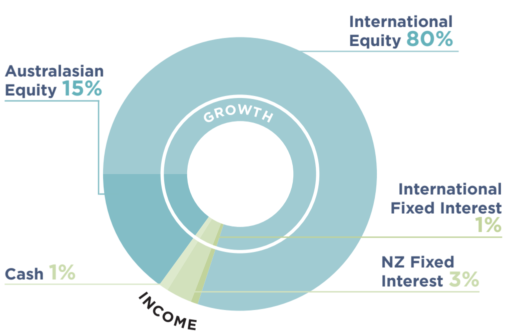
The asset allocation guidelines are shown below:

ASSET	TARGET ALLOCATION	MINIMUM ALLOCATION	MAXIMUM ALLOCATION
Australasian Equity	15%	0%	100%
International Equity	80%	0%	100%
Listed Property	0%	0%	40%
Unlisted Property	0%	0%	40%
Commodities	0%	0%	10%
NZ Fixed Interest	3%	0%	20%
International Fixed Interest	1%	0%	20%
Cash	1%	0%	20%
Growth Assets	**95%**	**80%**	**100%**
Defensive Assets	**5%**	**0%**	**20%**

Market indices:

MARKET INDEX	BENCHMARK WEIGHT
S&P/NZX 50 Gross Index	7.5%
S&P/ASX 200 Total Return Index	7.5%
MSCI World (NZD) Net Total Return Index	64%
MSCI World (100% Hedged to NZD) Net Total Return Index	16%
S&P/NZX Investment Grade Corporate Bond Total Return Index	4%
S&P/NZX Bank Bills 90-Day Total Return Index	1%

TARGET INVESTMENT MIX



INVESTMENT GUIDELINES

Apart from the asset allocation guidelines specified above the Fund will be invested by the Investment Manager within the following guidelines.

- Cash is defined as cash, term deposits and any other money market security with 12 months or less until maturity.

QUAYSTREET® ASSET MANAGEMENT

8. QUAYSTREET NEW ZEALAND EQUITY FUND

INVESTMENT STRATEGY AND OBJECTIVES

The QuayStreet New Zealand Equity Fund invests in a portfolio of shares from the New Zealand market, targeting returns above the long term performance of the New Zealand sharemarket. The investment objective is to provide a level of return above the Fund's benchmark over the long term. Investment returns may vary substantially from year to year and may be negative.

The Fund invests predominantly in companies that are in the S&P/NZX 50 Index. However, there may be an allocation to smaller companies listed on the NZX Main Board or to unlisted companies which have the intention of listing on a recognised exchange within 12 months. The Fund may also invest in cash, including when there is a lack of suitable investment options available and may use derivatives for the purposes of risk management or to obtain desired market exposures.

The Fund's return will be measured in New Zealand dollars.

PERFORMANCE BENCHMARK AND ASSET ALLOCATION

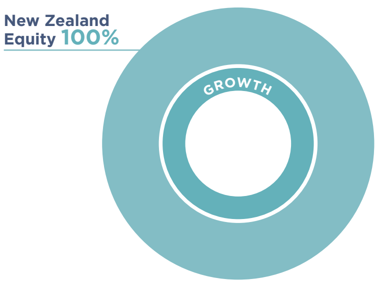
The performance benchmark is the S&P/NZX 50 Gross Index.

The asset allocation guidelines are shown below:

ASSET	TARGET ALLOCATION	MINIMUM ALLOCATION	MAXIMUM ALLOCATION
Australasian Equity*	100%	0%	100%
International Equity	0%	0%	0%
Listed Property*	0%	0%	100%
Unlisted Property	0%	0%	0%
Commodities	0%	0%	10%
NZ Fixed Interest	0%	0%	0%
International Fixed Interest	0%	0%	0%
Cash	0%	0%	30%
Growth Assets	**100%**	**70%**	**100%**
Defensive Assets	**0%**	**0%**	**30%**

* This will be fully invested in New Zealand securities.

TARGET INVESTMENT MIX



INVESTMENT GUIDELINES

Apart from the asset allocation ranges specified above the Fund will be invested by the Investment Manager within the following guidelines:

- Cash is defined as cash, term deposits and any other money market security with 12 months or less until maturity; and

9. QUAYSTREET AUSTRALIAN EQUITY FUND

INVESTMENT STRATEGY AND OBJECTIVES

The QuayStreet Australian Equity Fund invests in a portfolio of shares from the Australian market, targeting returns above the long-term performance of the Australian sharemarket. The investment objective is to provide a level of return above the Fund's benchmark over the long term. Investment returns may vary substantially from year to year and may be negative.

The Fund invests predominantly in companies that are in the S&P/ASX 200 Index. However, there may be an allocation to smaller companies listed on the Australian Stock Exchange or to unlisted companies which have the intention of listing on a recognised exchange within 12 months. The Fund may also invest in cash, including when there is a lack of suitable investment options available and may use derivatives for the purposes of risk management or to obtain desired market exposures. The Fund's return is measured in New Zealand dollars and currency exposure is actively managed by the Investment Manager in a manner consistent with the investment objectives.

PERFORMANCE BENCHMARK AND ASSET ALLOCATION

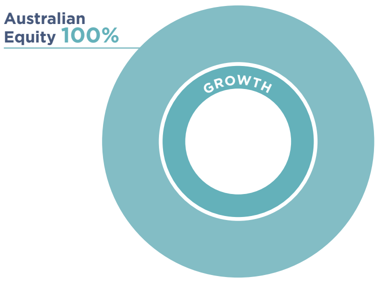
The performance benchmark is the S&P/ASX 200 Total Return Index.

The asset allocation guidelines are shown below:

ASSET	TARGET ALLOCATION	MINIMUM ALLOCATION	MAXIMUM ALLOCATION
Australasian Equity*	100%	0%	100%
International Equity	0%	0%	0%
Listed Property*	0%	0%	100%
Unlisted Property	0%	0%	0%
Commodities	0%	0%	10%
NZ Fixed Interest	0%	0%	0%
International Fixed Interest	0%	0%	0%
Cash	0%	0%	30%
Growth Assets	**100%**	**70%**	**100%**
Defensive Assets	**0%**	**0%**	**30%**

* This will be fully invested in Australian securities.

TARGET INVESTMENT MIX



INVESTMENT GUIDELINES

Apart from the asset allocation ranges specified above the Fund will be invested by the Investment Manager within the following guidelines:

- Cash is defined as cash, term deposits and any other money market security with 12 months or less until maturity; and

10. QUAYSTREET INTERNATIONAL EQUITY FUND

INVESTMENT STRATEGY AND OBJECTIVES

The QuayStreet International Equity Fund invests in a portfolio of shares from the international market, diversifying investors away from the New Zealand dollar. The investment objective is to provide a level of return above the Fund's benchmark over the long term. Investment returns may vary substantially from year to year and may be negative.

The Fund will invest in some or all of the following: listed company shares (including preference and convertible shares), country and/or sector share funds (listed or unlisted), Exchange Traded Funds and funds of specialist sub managers. The Fund may also use derivatives such as, but not limited to, total return swaps and futures and options in order to gain exposure to markets rather than using direct share investments or index funds or to reduce risk. The mix of the Fund's investments will vary and, at any point in time, all or a substantial proportion of the Fund's exposure may comprise one of the classes of instrument, including derivatives.

The Fund's exposure to foreign currency is not hedged to enable investors to diversify away from New Zealand dollar denominated investments.

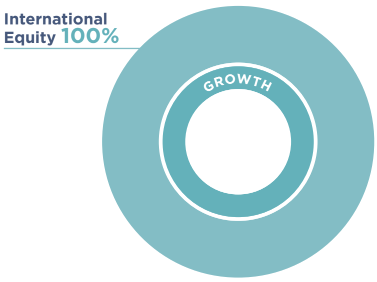
PERFORMANCE BENCHMARK AND ASSET ALLOCATION

The performance benchmark is the MSCI World (NZD) Net Total Return Index.

The asset allocation guidelines are shown below:

ASSET	TARGET ALLOCATION	MINIMUM ALLOCATION	MAXIMUM ALLOCATION
Australasian Equity	0%	0%	50%
International Equity	100%	0%	100%
Listed Property	0%	0%	50%
Unlisted Property	0%	0%	0%
Commodities	0%	0%	10%
NZ Fixed Interest	0%	0%	0%
International Fixed Interest	0%	0%	0%
Cash	0%	0%	80%
Growth Assets	**100%**	**20%**	**100%**
Defensive Assets	**0%**	**0%**	**80%**

TARGET INVESTMENT MIX



INVESTMENT GUIDELINES

Apart from the asset allocation ranges specified above the Fund will be invested by the Investment Manager within the following guidelines:

- Cash is defined as cash, term deposits and any other money market security with 12 months or less until maturity;
- The international allocation will be broadly diversified with reference to the regional contribution to international growth; and
- For direct investments in equities, no one security can account for more than 10% of the Fund.

11. QUAYSTREET INTERNATIONAL EQUITY (NZD HEDGED) FUND

INVESTMENT STRATEGY AND OBJECTIVES

The QuayStreet International Equity (NZD Hedged) Fund invests in a portfolio of shares from the international market where foreign currency exposure is fully hedged back to the New Zealand dollar. The investment objective is to provide a level of return above the Fund's benchmark over the long term. Investment returns may vary substantially from year to year and may be negative.

The Fund will invest in some or all of the following: listed company shares (including preference and convertible shares), country and/or sector share funds (listed or unlisted), Exchange Traded Funds and funds of specialist sub managers. The Fund may also use derivatives such as, but not limited to, total return swaps, futures and options in order to attain investment exposure or to reduce risk. The mix of the Fund's investments can vary and, at any point in time, all or a substantial proportion of the Fund's exposure may comprise one of the classes of instrument, including derivatives.

It is intended that foreign currency investments will be fully hedged by utilising currency derivatives to negate the impact on returns caused by currency movements.

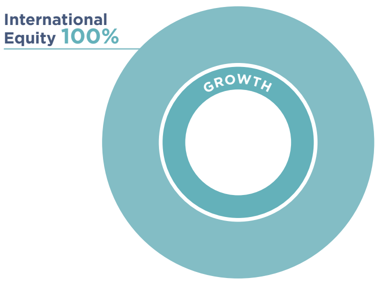
PERFORMANCE BENCHMARK AND ASSET ALLOCATION

The performance benchmark is the MSCI World (100% Hedged to NZD) Net Total Return Index.

The asset allocation guidelines are shown below:

ASSET	TARGET ALLOCATION	MINIMUM ALLOCATION	MAXIMUM ALLOCATION
Australasian Equity	0%	0%	50%
International Equity	100%	0%	100%
Listed Property	0%	0%	50%
Unlisted Property	0%	0%	0%
Commodities	0%	0%	10%
NZ Fixed Interest	0%	0%	0%
International Fixed Interest	0%	0%	0%
Cash	0%	0%	80%
Growth Assets	**100%**	**20%**	**100%**
Defensive Assets	**0%**	**0%**	**80%**

TARGET INVESTMENT MIX



INVESTMENT GUIDELINES

Apart from the asset allocation ranges specified above the Fund will be invested by the Investment Manager within the following guidelines:

- Cash is defined as cash, term deposits and any other money market security with 12 months or less until maturity;
- For direct investments in equities, no one security can account for more than 10% of the Fund; and
- For each non-NZD currency exposure in the portfolio, the Fund will maintain a hedge ratio between benchmark level and 100%.

12. QUAYSTREET ALTUM FUND

INVESTMENT STRATEGY AND OBJECTIVES

The QuayStreet Altum Fund invests in a concentrated portfolio of Australasian shares that can also include international shares, cash, fixed interest investments and derivatives. The investment objective is to provide a level of return above the Fund's performance benchmark over the long term. Investment returns may vary substantially from year to year and may be negative.

The Fund will invest predominantly in shares where the Investment Manager has a high level of conviction in the investment case. As a result, the asset allocation and diversification of the portfolio may change considerably over time. The Fund may also invest in cash or fixed interest securities, including when there is a lack of suitable high conviction investment options available. There may also be an allocation to smaller companies listed on a recognised exchange or to unlisted companies which have the intention of listing on a recognised exchange within 12 months. The Fund does have the ability to invest in other funds and may use derivatives for the purposes of risk management. The Fund may utilise financial derivative instruments such as (but not limited to) futures and options and short selling publicly traded securities. Derivatives and any related collateral are marked to market daily so market exposures may be monitored. The Fund's return is measured in New Zealand dollars and currency exposure is actively managed by the Investment Manager in a manner consistent with the investment objectives.

PERFORMANCE BENCHMARK AND ASSET ALLOCATION

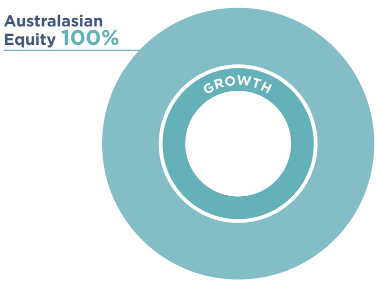
The performance benchmark is the NZ Official Cash Rate + 6%.

Our Quarterly Fund Updates and Annual Reports will report the Fund's returns against a composite market index consisting of the S&P/NZX 50 Gross Index (50%) and S&P/ASX 200 Total Return Index (50%). This is due to the Official Cash Rate not being recognised as a market index under the Financial Markets Conduct Act 2013. The hurdle rate of return used for the determination of the performance fee payable is not based on this composite market index, instead the performance fee hurdle rate of return is the Official Cash Rate plus 6%. This may result in a performance fee being paid to us even if the Fund's returns do not exceed the composite market index set out above.

The asset allocation guidelines are shown below:

ASSET	TARGET ALLOCATION	MINIMUM ALLOCATION	MAXIMUM ALLOCATION
Australasian Equity	100%	0%	100%
International Equity	0%	0%	100%
Listed Property	0%	0%	100%
Unlisted Property	0%	0%	0%
Commodities	0%	0%	10%
NZ Fixed Interest	0%	0%	100%
International Fixed Interest	0%	0%	100%
Cash	0%	0%	100%
Growth Assets	**100%**	**0%**	**100%**
Defensive Assets	**0%**	**0%**	**100%**

TARGET INVESTMENT MIX



INVESTMENT GUIDELINES

Apart from the asset allocation ranges specified above the Fund will be invested by the Investment Manager within the following guidelines:

- Cash is defined as cash, term deposits and any other money market security with 12 months or less until maturity;
- Maximum financial derivative instrument position net of called collateral is 20%. Minimum to maximum gross equity exposure for short selling is 0% - 140% (i.e. the total short sell position will not be greater than 20% of Fund's Gross Asset Value ("GAV"). As per the Derivatives section (page 15) the Investment Manager does not utilise derivatives for leveraging returns.

INVESTMENT PROCESS

In regard to its general investing approach, the Investment Manager does not favour one particular style e.g. large companies over smaller companies, growth over value. Markets are dynamic, the way they price securities changes constantly and every investment is assessed by the Investment Manager on its merits. However, a high emphasis is placed by the Investment Manager on underlying investment fundamentals including:

- Quality of company management and corporate governance structure;
- Evidence of disciplined capital management with appropriate investment hurdles;
- Industry structure and competitive positioning;
- Earnings volatility and visibility; and
- Exposure to structural and regulatory change.

As part of the Investment Manager's investment analysis, it meets regularly with company executives, research analysts, industry contacts and attends industry conferences. This is in addition to analysing financial statements, undertaking scenario analysis and valuation modelling to determine "intrinsic values".

All investment ideas are subject to peer review and rigorous debate on the underlying investment rationale. The Investment Manager has regular meetings where all investments are open for review and where new research is discussed. This is also the forum for discussing quantitative tools that are used by the Investment Manager to filter for new investment ideas, monitoring the performance of existing investments and monitoring the risk exposure of each Fund. All investment ideas are subject to adherence with the RI Policy, except for investment ideas relating to the SRI Fund, which are subject to adherence with the SRI Policy. Both the RI Policy and SRI Policy are available on the offer register, **disclose-register.companiesoffice.govt.nz** and the QuayStreet website, **quaystreet.com/documents**.

There is also oversight of the investment process by a separate compliance team. The compliance team has full visibility of all investment positions, and they monitor adherence to each Fund's investment guidelines

TACTICAL ASSET ALLOCATION ("TAA")

The Funds are actively managed by the Investment Manager relative to their asset allocation targets. The exposure to asset classes will deviate from respective benchmarks in response to changing short term market conditions and the Investment Manager's assessment of the risk and return outlook for the individual asset classes. The extent of TAA is based on the investment objectives of each Fund and the allowable ranges for each asset class.

STRATEGIC ASSET ALLOCATION ("SAA")

Within the QuayStreet Funds, we offer a range of Funds with different risk profiles, designed to suit the individual objectives of investors. Each Fund has a benchmark asset class mix and investment range that reflects the portion of the portfolio that should be invested in defensive and/or growth asset classes.

Key factors supporting the Investment Manager's SAA decision include its assumptions relating to the expected return and standard deviation of the various asset classes, along with an assumption regarding the correlation or relationship between the different asset classes.

The Investment Manager's investment horizon for a SAA is typically long term.

REBALANCING

Each asset class and individual security is monitored by the Investment Manager daily across all the Funds and rebalanced when required to the appropriate target. Rebalancing is designed and executed to achieve a specific investment strategy that is deemed appropriate at that particular time. Fund rebalancing timeframes are a function of underlying investment's liquidity which is managed and monitored by the Investment Manager daily. Execution of a fund rebalance can vary over a single day or longer.

CURRENCY MANAGEMENT / HEDGING

The Investment Manager's overarching hedging policy is that all Funds actively implement hedging strategies as per their respective investment objectives. Funds may utilise hedging strategies in order to mitigate specific risks or adjust underlying investment exposure related to foreign currencies. Hedging strategies may be executed through use of derivatives or transacting in physical assets. Monitoring risks associated with utilising these strategies is conducted by the Investment Manager daily.

INVESTMENT PERFORMANCE MONITORING AND REPORTING

We monitor the performance of the Funds and the respective benchmarks on a monthly basis. The performance of the Funds is measured over 1 month, 3 months, 6 months, 1 year, 3 years, 5 years and since inception. The 3 year, 5 year and since inception return calculations are annualised.

The Investment Manager's Monthly Fund Fact Sheets record returns to investors before fees and tax and include imputation credits where applicable, and additionally, they include a record of returns after the deduction of investment related fees, expenses, charged to the funds (including brokerage, supervisor fees, management fees and performance fees) and tax at 0%, 10.5%, 17.5%, and 28% Prescribed Investor Rates ("PIR").

Benchmarks defined in the Funds' Investment Strategies and Objectives are set out on pages 3 to 14. They are gross unless otherwise stated. The Fund Fact Sheets compare fund returns gross of fees and tax to total return benchmarks.

The historic performance of the Funds' benchmark returns is based on the SIPOs that were effective at the time.

POLICIES AND PROCEDURES

INVESTMENT GUIDELINES

The investment guidelines for each Fund are defined in the Funds' Investment Strategies and Objectives on pages 3 to 14.

In addition, the Investment Manager operates several policies and procedures which are set out below.

RESPONSIBLE INVESTMENT

For the Funds, responsible investing is the incorporation of ESG factors within the Investment Manager's investment decision-making framework. The Investment Manager's primary objective of incorporating ESG considerations is to assess and consider how much influence ESG factors may have on financial performance and overall portfolio risk. This is applied within the Investment Manager's investment decision-making process that seeks to achieve strong financial outcomes for the Funds and their investors.

The RI Policy applies to the Investment Manager's services provided across the entire suite of Funds except the SRI Fund, which is separately managed by the Investment Manager according to the SRI Policy.

Exclusions

In accordance with the RI Policy, the Investment Manager may exclude investment in entities whose business operations, products or services have a detrimental impact on the environment or society. When determining exclusion criteria to be applied, the Investment Manager will consider:

- The ultimate purpose of the exclusion and how this serves investors, society, the environment and other stakeholders.
- New Zealand laws or regulatory prohibitions concerning investment in certain entities or assets.
- Level of impact that exclusions may have on investment risk and return objectives and overall portfolio construction.
- Under the RI Policy, direct investment in entities that undertake business operations across the following activitiesis excluded:
- Tobacco farming, and manufacture of cigarettes and cigars.
- Manufacturing of cluster bombs, landmines, bio-weapons and nuclear weapons.

Using publicly available information, entities that generate any level of revenue from the activities listed above are identified by the Investment Manager and excluded from investment by setting trade restrictions in the Investment Manager's pre-trade compliance systems.

In the event an entity that is held in a Fund portfolio that is governed by the RI Policy begins to generate any level of revenue from the activities listed above (i.e. due to an acquisition or change in business strategy/operations), the Investment Manager will seek to divest within a reasonable timeframe depending on general and specific market factors, including, transaction costs and liquidity.

SOCIALLY RESPONSIBLE INVESTMENT

The SRI Fund invests in entities which score highly in ESG factors. For this Fund, the Investment Manager seeks a balance between the financial and ESG performance of an investment.

The SRI Fund is governed by the SRI Policy, which requires that the Investment Manager conduct exclusionary screening methods alongside its traditional investment decision-making process for all direct investments in the SRI Fund. Exclusionary screening involves identification of commercial activities that are deemed to have a negative influence on the society or the environment. The list of commercial activities that the Investment Manager includes in its exclusionary screening process are:

- Tobacco production;
- Alcohol production;
- Fossil fuel exploration, mining and extraction;
- Gambling services and facilitation;
- Uranium mining and nuclear weapons;
- Weapons manufacturing, and
- Adult entertainment.

As part of the exclusionary screening process, the Investment Manager seeks to identify entities that generate any level of revenue from the activities listed above by using publicly available information and precludes investment in those entities by setting trade restrictions in its pre-trade compliance systems.

In the event an entity whose securities are held in the SRI Fund portfolio begins to generate revenue from any of the activities listed above (i.e. due to an acquisition or change in business strategy), the Investment Manager will seek to divest within a reasonable timeframe depending on general and specific market factors, including, transaction costs and liquidity.

In conjunction with the traditional investment approach and application of the exclusionary screening process outlined above, the SRI Policy requires the Investment Manager to undertake extensive analysis of non-financial ESG-related risks and opportunities as part of its investment decision-making process for all direct investments of the SRI Fund. The Investment Manager uses a combination of a qualitative-based framework and scoring system to understand, evaluate, and determine an investment opportunity's suitability against a number of ESG-related factors. For each investment opportunity, the Investment Manager will assign an overall score ranging from 1 (worst) to 10 (best) for each individual ESG factor.

For the SRI Fund, and any other Funds that may be governed by the SRI Policy in the future, the Investment Manager will apply the following ESG criteria in order to be considered for integration in the portfolio construction process for those Funds:

1. For each entity being assessed, each ESG factor must have a score of 5 or higher.
2. The Investment Manager will seek to invest in higher ESG scoring entities as long as it is does not compromise the overall risk and return objectives of the Fund.

Some of the key considerations the Investment Manager evaluates as part of its ESG analysis framework are as follows:

Environmental Considerations

- Environmental opportunities (e.g. clean energy development, carbon reduction);
- Pollution / hazardous waste;
- Impact on climate change (e.g. carbon emissions); and
- Usage of natural resources (e.g. land and water usage, biodiversity impact caused by usage).

Social / Other Considerations

- Human capital (e.g. occupational safety & health, employee relationships);
- Impact on society (e.g. controversial sourcing, privacy/data security); and
- Social opportunities (e.g. supporting communities, social infrastructure).

Governance

- Corporate behaviour (e.g. executive pay, corporate culture and corruption);
- Corporate governance (e.g. Board and management quality, risk control and management); and
- Transparency (e.g. quality of reporting, lobbying activities).

LIQUIDITY AND CASH FLOW MANAGEMENT

The Funds have regular inflows arising from investor contributions and investment income and outflows arising from investor redemption requests.

The Investment Manager defines ranges on cash and liquid assets which it considers are appropriate for each Fund.

Liquidity and cash flow management is part of the Investment Manager's daily portfolio monitoring process.

DERIVATIVES

We have International Swaps and Derivatives Association (ISDA) Agreements in place with large institutions and banks. The Investment Manager utilises derivatives in the Funds for the following purposes:

- To hedge against, or minimise liability from, market price fluctuations of an underlying asset or a particular risk component of that asset;
- To gain economic exposure without physically making a purchase. This exposure could be, but not limited to specific equity, fixed income and cash securities or a basket of securities such as indices and exchange traded funds that cover regions, particular subsets of a market or investment style;
- To adjust exposure within the strategic asset allocation parameters that have been set in the SIPO or Fund mandate in a timely and cost-efficient manner; and
- To obtain prices in underlying securities that may not be available in the market, or to reduce transaction costs by providing a more efficient means of obtaining a portfolio exposure.

For the avoidance of doubt, the use of derivatives for the purpose of providing financial leverage outside of the SIPO or a Fund mandate is prohibited.

PRICING/VALUATION

All reconciliation functions (trading, cash valuations) are outsourced to and performed daily by Apex Investment Administration (NZ) Limited.

Portfolio valuations are derived by applying closing market prices to each security held by a Fund. Security prices are updated as international markets close. Prices for international securities are converted into New Zealand dollars using a currency exchange rate extracted at the London Close. Valuations are updated at the close of markets.

TRADE ALLOCATION AND EXECUTION

The Investment Manager has compliance procedures in place to minimise risks associated with trading.

While specific portfolio management responsibilities for Funds have been allocated to individuals, the Investment Manager's entire team has full visibility of all trades and is authorised to transact on behalf of all the Funds. This ensures deal flows are monitored and minimises the risk of trading errors or aberrant behaviour.

The Investment Manager's compliance team, who are independent of the trading function, undertakes a daily review of portfolio positions and trades to ensure compliance with the Funds' investment guidelines.

TRADE RECONCILIATION AND RISK MANAGEMENT

The Investment Manager's trade settlement process varies slightly by asset class and security type but there are three levels of reconciliation that are common across all:

1) Executed trades are matched and confirmed against original instructions.
2) Settlement instructions that the Investment Manager sends are first matched against counterparty transaction confirmations; and
3) Wherever possible, trades are settled using recognised market clearing platforms on a delivery versus payment basis where the assets and cash from both sides of the transaction are matched prior to settlement.

INVESTMENT STRATEGY REVIEW

Portfolio weighting changes are addressed by the Investment Manager at fortnightly meetings. Opportunities may arise or views may change between meetings. Accordingly, changes may be made as and when the Investment Manager considers it is appropriate to alter weightings.

CONFLICTS OF INTEREST

The Investment Manager's Conflict Management Policy is designed to identify potential conflicts that may exist and then ensure any actual or perceived conflict is managed in an appropriate manner. This is typically done by disclosing details of any potential conflict to affected parties. The Conflict Management Policy is constructed to ensure that, at all times, the Investment Manager places the interests of the investors above its own interests.

TAXATION

All of the Funds are registered as Portfolio Investment Entities (PIEs). A Fund's taxable income is attributed to each investor in proportion to the number of units held by that investor in the Fund. A Fund pays tax on the income attributed to each investor at their advised prescribed investor rate (PIR).

Tax is calculated and deducted on redemptions from the Funds. At year end a final tax calculation and recovery process is run and tax is paid to the IRD.

RELATED PARTY TRANSACTIONS

We have a Related Party Transactions Policy in place to ensure that any potential related party benefit (as per the definition in section 172 of the Financial Markets Conduct Act 2013) is identified and appropriately managed.

Arrangements with related parties are discussed and agreed with the Supervisor prior to any activity being undertaken. This ensures any related party activity is clearly identified, that terms are conducted on an arms-length basis and any activity is in the best interest of the investors.

SIPO EFFECTIVE DATE AND REVIEW

SIPO compliance is monitored on a daily basis internally and externally by the Supervisor, the Investment Manager, and Smartshares' compliance team .

The Investment Manager's investment guidelines will be reviewed at least annually. The SIPO will also be proactively reviewed if the Investment Manager's underlying core long term risk and return assumptions have changed or at least annually. Any changes will be notified and confirmed by Smartshares and the Smartshares Board prior to implementation and unit holder notification.

The investment guidelines must at all times align with the Trust Deed as the governing document.

The current version of the SIPO is available on the scheme register: **disclose-register.companiesoffice.govt.nz**.

QUAYSTREET®
ASSET MANAGEMENT

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Statement of Investment Policy and Objectives

For the Smartshares CIP NZ Core Equity Fund and Smartshares CIP NZ Yield Equity Fund in the QuayStreet Funds

29 November 2024

Table of contents

1. Statement of Investment Policy and Objectives

Purpose

The purpose of this Statement of Investment Policy and Objectives (**SIPO**) is to document the investment policies of, and the internal guidelines in relation to, the following funds in the QuayStreet Funds scheme (together the **Funds**, and each a **Fund**):

- Smartshares CIP NZ Core Equity Fund
- Smartshares CIP NZ Yield Equity Fund

Background

Smartshares Limited (**Smartshares**, **we**, **our** or **us**) is the manager of the QuayStreet Funds scheme and of each Fund.

The Funds were established pursuant to a master trust deed between Smartshares and The New Zealand Guardian Trust Company Limited (the **Supervisor**) dated 1 June 2016, as amended on 30 September 2022 (**Master Trust Deed**). Each Fund is established by way of an Establishment Deed and is registered as a Portfolio Investment Entity (**PIE**) by the Inland Revenue Department.

The Funds are only available to clients investing through Craigs Investment Partners Limited (**CIP**) or its related parties.

Fund	**Date established** By establishment deed
Smartshares CIP NZ Core Equity Fund	17 January 2024
Smartshares CIP NZ Yield Equity Fund	17 January 2024

Investment philosophy

We have appointed CIP as the external investment manager for each Fund and CIP is responsible for, among other things, proposing the strategic and tactical asset allocations for each Fund and for proposing the investments to be made by each Fund to achieve those allocations. CIP's investment philosophy in relation to the Funds is that a carefully selected portfolio of securities with greater focus on quality and relative value can provide better returns than the market benchmark over the long term.

CIP's investment philosophy for the Funds is to aim to invest in companies that have a proven track record and strong market positions, which are trading at attractive valuations relative to their "intrinsic value". The "intrinsic value" is the valuation CIP derive after analysis that values an investment's future cash flows at today's prices.

Following this investment philosophy, the Funds tend to be more concentrated than their market benchmark. However, an appropriate level of portfolio diversification is maintained at all times.

CIP is proactive in managing the Fund portfolios but do not transact frequently. CIP generally proposes that a Fund buys securities with the intention of holding them for the long-term. CIP monitors each Fund's investments closely and add to holdings that it believes offer good value relative to their outlook, while reducing those that it believes face increasing risks.

2. Smartshares CIP NZ Core Equity Fund

Investment strategy and objectives

The Smartshares CIP NZ Core Equity Fund is designed to provide a stable exposure to New Zealand equities for investors with a long-term investing horizon. The Fund aims to target large-cap, liquid, NZX companies that are aligned to CIP's investment philosophy.

Given the concentrated nature of the Fund, investment returns may vary from the broader market year to year.

The Fund invests predominantly in companies that are in the S&P/NZX 50 Index. However, there may be an allocation to smaller companies listed on the NZX Main Board. The Fund may also invest in cash, including when there is a lack of suitable investment options available and may use derivatives for the purposes of cash management.

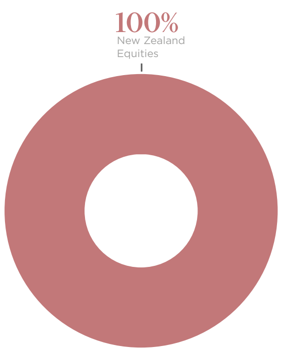
Performance benchmark and asset allocation

The performance benchmark is the S&P/NZX 50 Gross with Imputation Index.
The asset allocation guidelines are shown below:

Asset	Target allocation	Minimum allocation	Maximum allocation
Australasian Equities*	100%	70%	100%
International Equities	0%	0%	0%
Listed Property*	0%	0%	20%
Unlisted Property	0%	0%	0%
NZ Fixed Interest	0%	0%	0%
International Fixed Interest	0%	0%	0%
Cash	0%	0%	20%
Growth Assets	**100%**	**80%**	**100%**
Defensive Assets	**0%**	**0%**	**20%**

*This will be fully invested in New Zealand securities

Target investment mix



Internal investment guidelines

Apart from the asset allocation ranges specified above, the Fund will be invested within the following guidelines:

- Cash is defined as cash, term deposits and any other money market security with 12 months or less until maturity; and
- The Fund will typically be invested in 8-16 New Zealand securities.

3. Smartshares CIP NZ Yield Equity Fund

Investment strategy and objectives

The Smartshares CIP NZ Yield Equity Fund aims to provide investors with a higher-than-market dividend yield, whilst remaining aligned to CIP's investment philosophy. Companies that can deliver sustainable, growing dividends over time are the focus.

Given the concentrated nature of the Fund, investment returns may vary from the broader market year to year.

The Fund invests predominantly in companies that are in the S&P/NZX 50 Index. However, there may be an allocation to smaller companies listed on the NZX Main Board. The Fund may also invest in cash, including when there is a lack of suitable investment options available and may use derivatives for the purposes of cash management.

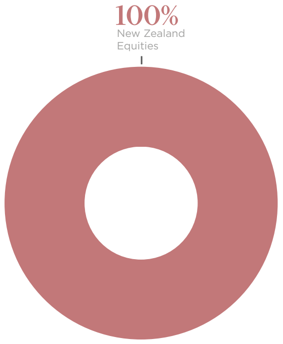
Performance benchmark and asset allocation

The performance benchmark is the S&P/NZX 50 Grosswith Imputation Index.
The asset allocation guidelines are shown below:

Asset	Target allocation	Minimum allocation	Maximum allocation
Australasian Equities*	100%	70%	100%
International Equities	0%	0%	0%
Listed Property*	0%	0%	20%
Unlisted Property	0%	0%	0%
NZ Fixed Interest	0%	0%	0%
International Fixed Interest	0%	0%	0%
Cash	0%	0%	20%
Growth Assets	**100%**	**80%**	**100%**
Defensive Assets	**0%**	**0%**	**20%**

*This will be fully invested in New Zealand securities

Target investment mix



Internal investment guidelines

Apart from the asset allocation ranges specified above, the Fund will be invested within the following guidelines:

- Cash is defined as cash, term deposits and any other money market security with 12 months or less until maturity; and
- The Fund will typically be invested in 6-16 New Zealand securities.

4. Investment process

In regard to CIP's general investing approach, it tends to favour larger companies over smaller companies. However, markets are dynamic and the way they price securities changes constantly and every investment is assessed on its merits. A high emphasis is placed by CIP on underlying investment fundamentals, including:

- Earnings profile, visibility and volatility;
- Quality of company management and corporate governance structure;
- Evidence of disciplined capital management with appropriate investment hurdles;
- Industry structure and competitive positioning; and
- Exposure to structural and regulatory change.

As part of CIP's investment analysis, it meets regularly with company executives, research analysts and industry contacts, and attends industry conferences. This is in addition to analysing financial statements, performing valuation modelling and undertaking portfolio analytics and scenario analysis.

Investment ideas are subject to review and the underlying investment rationale is tested with peers.

There is also oversight of the investment process by CIP's investment committee and compliance team. These groups have full visibility of all investment positions and monitor adherence to each Fund's investment guidelines.

Rebalancing

Each individual security is monitored daily across each of the Funds and rebalanced when required to the appropriate target. Rebalancing is designed and executed to achieve a specific investment strategy that is deemed appropriate at that particular time. Fund rebalancing timeframes are a function of underlying investment's liquidity which is managed and monitored daily. Execution of a fund rebalance can vary over a single day or longer.

Investment performance monitoring and reporting

CIP provides us with a quarterly report on each Fund, which includes the following information:

- summary of target asset allocation;
- overview of asset allocation changes and rationale;
- summary of decision's made at CIP's investment committee meetings;
- changes in key persons and CIP that are relevant to the provision of investment management functions; and
- the rationale (including supporting research) for stock selection decisions made by CIP during the previous quarter.

CIP also makes itself available to meet with us on a quarterly basis for the purposes of our monitoring of CIP's performance of its functions and duties as investment manager.

CIP is required to keep the investment position of each Fund under review and confer at regular intervals with us regarding the investment and management of each Fund, including the quarterly rebalancing of each Fund's investment position.

Each Fund's investment performance is monitored every month (by Smartshares' Chief Investment Officer) and every three months (by Smartshares' Investment Oversight Committee and Smartshares' Board).

In particular:

- every month, Smartshares prepares investment performance reports and provides them to the Chief Investment Officer;
- every three months, Smartshares prepares investment performance reports and provides them to Smartshares' Investment Oversight Committee; and
- every three months, Smartshares' Investment Oversight Committee reports to Smartshares' Board. The investment performance reports are also provided to Smartshares' Board.

Investment performance is monitored over one month, three months, one year, three years and five years periods.

Absolute performance, performance relative to benchmark indices and performance relative to peer averages is monitored.

5. Policies and procedures

Internal investment guidelines

The internal investment guidelines for each Fund are defined in the Funds' Investment Strategies and Objectives on pages 2 and 3.

In addition, we operate several policies and procedures that are set out below.

Liquidity and cash flow management

The Funds have regular inflows arising from investor contributions and investment income and outflows arising from investor redemption requests.

We define ranges on cash and liquid assets which are appropriate for each Fund.

Liquidity and cash flow management is part of the daily portfolio monitoring process.

Derivatives

We may use derivatives for the purposes of cash management of the Funds.

For the avoidance of doubt, the use of derivatives for the purpose of providing financial leverage outside of the SIPO is prohibited.

Pricing/Valuation

All reconciliation functions (trading, cash valuations) are outsourced to and performed daily by Apex Investment Administration (NZ) Limited.

Portfolio valuations are derived by applying closing market prices to each security held by a Fund.

Trade allocation and execution

We have compliance procedures in place to minimise risks associated with trading.

While specific portfolio management responsibilities for Funds have been allocated to individuals at CIP, the entire CIP team has full visibility of all trades and is authorised to transact on behalf of all the Funds. This ensures deal flows are monitored and minimises the risk of trading errors or aberrant behaviour.

The compliance team, who are independent of the trading function, undertakes a daily review of portfolio positions and trades to ensure that we are complying with mandates.

Trade reconciliation and risk management

Our trade settlement process varies slightly by asset class and security type but there are three levels of reconciliation that are common across all:

1. Executed trades are matched and confirmed against original instructions.
2. Settlement instructions that we send are first matched against counterparty transaction confirmations; and
3. Wherever possible, trades are settled using recognised market clearing platforms on a delivery versus payment basis where the assets and cash from both sides of the transaction are matched prior to settlement.

Investment strategy review

Changes to portfolio weightings are made as and when CIP considers it appropriate to alter weightings. Amendments are subject to portfolio analytics and scenario analysis and are monitored by CIP's investment committee and compliance team.

Conflicts of interest

Our Conflict Management Policy is designed to identify potential conflicts that may exist and then ensure any actual or perceived conflict is managed in an appropriate manner. This is typically done by disclosing details of any potential conflict to affected parties. The Conflict Management Policy is constructed to ensure that, at all times, we place the interests of the investors above our own interests.

Taxation

All of the Funds are registered as Portfolio Investment Entities (PIEs). A Fund's taxable income is attributed to each investor in proportion to the number of units held by that investor in the Fund. A Fund pays tax on the income attributed to each investor at their advised prescribed investor rate (PIR).

Tax is calculated and deducted on redemptions from the Funds. At year end a final tax calculation and recovery process is run and tax is paid to the IRD.

Related party transactions

We have a Related Party Transactions Policy in place to ensure that any potential related party benefit (as per the definition in section 172 of the Financial Markets Conduct Act 2013) is identified and appropriately managed.

Arrangements with related parties are discussed and agreed with the Supervisor prior to any activity being undertaken. This ensures any related party activity is clearly identified, that terms are conducted on an arms-length basis and any activity is in the best interest of the investors.

SIPO effective date and review

SIPO compliance is monitored on a daily basis internally and externally by the Supervisor and Smartshares' compliance team.

Our investment guidelines will be reviewed annually. The SIPO will also be proactively reviewed if CIP's underlying core long-term risk and return assumptions have changed or at least annually. Any changes will be notified and confirmed by the Smartshares Board prior to implementation and unit holder notification.

Our investment guidelines must at all times align with the Master Trust Deed as the governing document.

The current version of the SIPO is available on the scheme register for the QuayStreet Funds at disclose-register.companiesoffice.govt.nz.

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