

OneAnswer KiwiSaver Scheme

Select International Share Fund

Fund description

The Select International Share Fund (the **Fund**) invests mainly in international equities, with a focus on environmental, social and governance (**ESG**) considerations.

Investments may include:

- equities in companies that are listed on a recognised stock exchange, and
- cash and cash equivalents.

The Fund aims to achieve a return (after the fund charge and before tax) that over the long term outperforms the relevant market index, currently the MSCI World ex Australia Index, with net dividends reinvested (unhedged) (the **market index**).

Investment strategy

The Fund invests in the ANZ Wholesale International Share – No. 5 Fund, an underlying single-asset-class fund managed by us. Northern Trust Investments, Inc. (**Northern Trust**) is the external fund manager of this underlying fund.

Northern Trust's investment strategy focuses on companies that:

- screen well on quality, including measures of profitability and return on equity
- have a low carbon intensity as measured by a company's carbon emissions compared to annual sales revenues
- have a high ESG score (that is, how well a company scores on environmental, social and governance factors), and
- score well on their ability to transition to a low carbon economy as measured by the ISS Carbon Risk Rating.

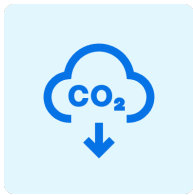
Quarterly update on Fund's performance against ESG Indicators

We monitor and measure the Fund's performance against four ESG indicators¹. Each indicator is explained over the page, together with the Fund's quarterly performance.²

¹ We do not guarantee that the indicators will be achieved.

² Up to three years of data is shown where available; they do not reflect performance from fund inception.

Indicator 1: A weighted average carbon intensity (WACI) at least 50% lower than the market index



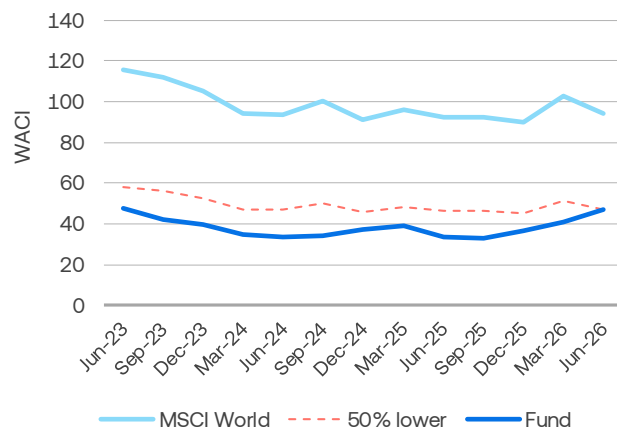
WACI³ represents a company's most recently reported (or estimated) Scope 1 + Scope 2⁴ greenhouse gas emissions

divided by sales in US dollars (tonnes CO₂ for every USD 1 million sales). This allows for comparison between companies of different sizes.

A new holding in the portfolio is electric utility Evergy Inc. At a 2% weighting, Evergy is the Fund's largest Scope 1 and 2 emissions contributor and the main driver of this quarter's increase. We remain comfortable with the holding, partly due to Evergy's 'Committed' status under the Paris Aligned Investment Initiative Net Zero Investment Framework.

This reflects Evergy's long-term net-zero target, despite the absence of near-term targets and detailed transition plans.

Quarterly weighted average carbon intensity (WACI) performance



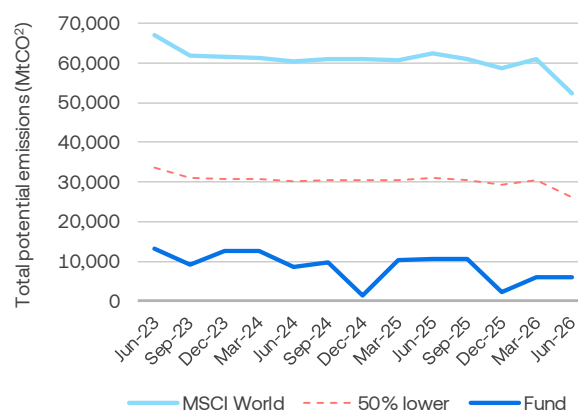
Indicator 2: Fossil fuel reserves at least 50% lower than the market index



Fossil fuel reserves represent the potential greenhouse gas emissions that could be released if a company used all thermal

coal (excluding metallurgical coal) and total gas and oil reserves it owns.

Quarterly fossil fuel reserves performance



³ Futures, cash and securities not covered by MSCI ESG Research (UK) Limited have been excluded from this analysis and the remaining holdings re-weighted to 100%.

⁴ **Scope 1 emissions:** Greenhouse gases are categorised into groups, or 'Scopes' by the Greenhouse Gas Protocol. Scope 1 covers direct emissions from sources owned or controlled by a company, e.g. a furnace or vehicle. **Scope 2 emissions:** Scope 2 covers indirect emissions from the company's consumption of purchased electricity, heat, or steam.

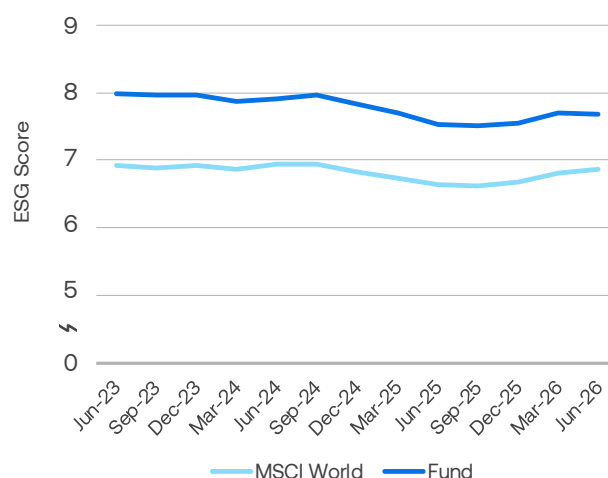
Indicator 3: An average ESG score higher than the market index



The average ESG Score⁵ represents the ESG Ratings Final Industry-Adjusted Score, which indicates how well a company manages its

most material ESG risks relative to sector peers on a scale of 0 to 10. For more information about the ESG Ratings visit www.msci.com/our-solutions/esg-investing/esg-ratings.

Quarterly ESG score performance



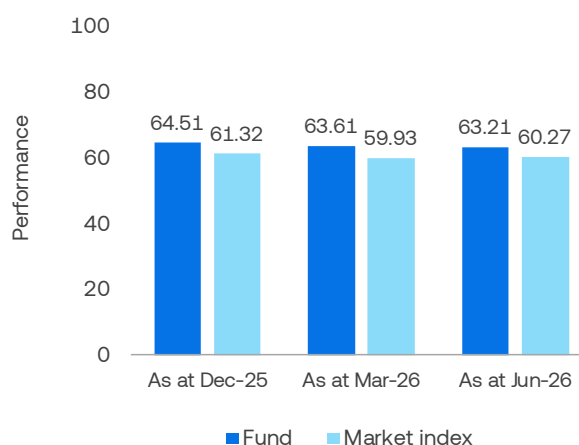
Indicator 4: An ISS Carbon Risk Rating higher than the market index



The ISS Carbon Risk Rating indicates how well a company is managing climate-related risks on a scale of 0 (poor) to 100

(excellent) based on its industry. It gives a forward-looking view of how prepared a company is for the shift to a low-carbon economy.

Quarterly ISS Carbon Risk Rating performance



⁵ Futures, cash and securities not covered by MSCI ESG Research (UK) Limited have been excluded from this analysis and the remaining holdings re-weighted to 100%.

Quarterly ESG market overview⁶

In a market shaped by rapid AI investment, higher interest rates and evolving energy systems, governance quality, capital discipline and long-term strategic positioning remained important differentiators.

The second quarter highlighted the increasing connection between energy transition and digitalisation. Rising electricity demand from AI, cloud computing and data centre infrastructure is driving investment across renewable generation, battery storage and grid modernisation. Renewable energy now accounts for around 30% of US electricity generation, with solar generation recently surpassing coal for the first time on record. At the same time, rapid growth in battery storage is improving grid reliability and supporting the buildout of a more resilient electricity system.

Quarterly fund update

We recommend reading this report together with the Select International Share Fund Update, which can be found at anz.co.nz/kiwisaverperformance. Fund updates contain important information on the Fund, including the risk indicator, investment returns and investment mix for the quarter.

⁶ This market overview is provided for general information only. It is not financial advice, personalised investment advice, nor a recommendation to buy, sell, or hold any interest in the Fund, nor is it part of the Fund's investment objective or strategy.

Important Information

ANZ New Zealand Investments Limited (“ANZ Investments”) is the issuer and manager of the OneAnswer KiwiSaver Scheme.

The guide and product disclosure statement for the OneAnswer KiwiSaver Scheme are available at anz.co.nz/kiwisaverforms. ANZ Investments is not an Authorised Deposit-Taking Institution (ADI) under Australian law. Investments in the scheme aren’t deposits or other liabilities in ANZ Bank New Zealand Limited, Australia and New Zealand Banking Group Limited, or their subsidiaries (together ‘ANZ Group’). ANZ Group doesn’t stand behind or guarantee ANZ Investments or investments in the scheme. Investments are subject to investment risk, including possible delays in repayment, and loss of income and principal invested. ANZ Group won’t be liable to you for the capital value or performance of your investment.

We do not guarantee that the ESG indicators will be achieved. This report includes scores or other indicators provided by third parties. While ANZ Investments has taken care to ensure this information is reliable, it does not guarantee that the information is current, accurate, or complete. To the extent the law allows, ANZ Investments accepts no liability for any loss or damage directly or indirectly resulting from the use of, or reliance on, the information provided by third parties.

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ANZ New Zealand Investments Limited 07/26