

Whakahōutanga Haumi Tika

Ethical Investment Update + Stewardship Report



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Who We Are

Ko wai mātou

Built on Trust.

Our mission is to generate sound investment performance whilst delivering on environmental, social and governance objectives. We believe that companies with sustainable practices are better positioned for long-term success.

We are a New Zealand-based fund manager committed to ethical investing, managing a range of PIE funds that are built to perform.

Our investment philosophy is grounded in three core principles:

Performance First: We prioritise strong, risk-managed returns through disciplined portfolio construction, blending active and indexed strategies, leveraging global and local expertise, across private and listed markets.

Values-Aligned Exclusions: We aim to exclude investments that conflict with our ethical standards and those of our clients, ensuring portfolios reflect shared values.

Purposeful Stewardship: We actively engage with industry participants and bodies to drive positive change, using our influence to promote sustainability, accountability, and long-term value creation.

By blending performance with ethical investing, we can help clients grow their investments in a way that's meaningful — helping to create a lasting impact for generations to come.



Ethical Investment Principles

Mātāpono Haumitanga Matatika

Kaitiakitanga | Care for the Environment

It is important that we take care of the environment to help nature thrive and to maintain the delicate balance necessary to sustain life on this planet. This includes protecting our natural resources and biodiversity, reducing air pollution and waste, and combatting climate change.

Manaakitanga | Care for the Community

We believe everyone has a responsibility to do no harm, and to care for our fellow tāngata (people) and ourselves. Everyone deserves to have good health and wellbeing, as well as to live in an inclusive, safe and sustainable community.

Kotahitanga | Care for Equality

We believe everyone has a responsibility to do no harm, and to care for our fellow tāngata (people) and ourselves. Everyone deserves to have good health and wellbeing, as well as to live in an inclusive, safe and sustainable community.



At a glance achievements

He tirohanga iti



Trust Investments

\$1.6b

Assets Under Management and Administration as at 31 March 2025



Property Fund

Net Zero

Toitū Net CarbonZero Certification (11.09t CO2 offset) for 2024



NZ Bond Fund

34%

Invested in Green/Social Bonds as at 31 March 2025



Proxy Votes

6,891

Number of votes cast across equity funds for the 12 months to December 2024



Finalist

Best Ethical Investor 2025
Mindful Money Awards



Ethical Investor

Responsible Investment
Association Australasia ('RIAA') –
Ethical Investor 2024



From our General Manager - Investments

Nā tō mātou Kaiwhakahaere Matua -Haumitanga



Matthew
Goldsack

GM - Investments

Tēnā koutou katoa,

Over the past year, the conversation around responsible investment has shifted. Globally, we've seen ESG investing come under pressure - questioned in some quarters, challenged by complex reporting demands, and shaped by fast-moving policy changes. But while sentiment may have wavered in some markets, for Trust Investments the fundamentals haven't changed: we know investing with purpose matters to our clients.

Here at Trust Investments, we've stayed focused on the long game. That means investing in community outcomes, embedding environmental responsibility, and partnering with organisations committed to delivering real-world change.

An example of this is the support of social housing projects in Waikato and South Auckland through the ESG NZ Bond Fund, part of the 34% of the fund allocated to green and social bonds, delivering positive social and environmental impacts alongside healthy returns.

The Property Fund earned the Toitū Net Carbon Zero certification for the second year running, by measuring, auditing and offsetting landlord-controlled carbon emissions.

And we are excited to have transitioned the ESG International Bond Fund assets to an active strategy, deepening our commitment to impact through a new partnership with US specialist global investment leader Nuveen, who manage US\$22B in ESG fixed income assets.

The underlying investment managers for the Funds have continued to engage with companies on crucial topics including deforestation, biodiversity, and climate resilience. Across the Trust Management ESG International Share Fund and the Trust Management ESG Australasian Share Fund, 6,891 proxy votes were cast in the year to March 2025.

Your input, through kōrero, questions, and survey feedback, continues to shape our direction and dialogue with managers and industry stakeholders. More than 80% of our clients told us ESG considerations should remain central to investment decisions. Your support gives us confidence to stay the course and evolve our approach with integrity and conviction that it is possible to earn strong returns while leaving the world a better place.

We also welcomed two new non-executive directors to the Trust Management Board this year, Anthony Halls and John Brabazon, whose investment and governance expertise further strengthens our leadership. Their appointments reflect our ongoing focus on capability, continuity, and stewardship. Anthony Halls sees both risks and opportunities as the global economy adapts to the changing environment, highlighting that:

'... companies with strong ESG practices tend to have strong risk management practices and are often better positioned to manage risks, adapt to regulatory change and economic change, and sustain their social license to operate. As a result, they can achieve sustainable financial performance over the long-term.'

Anthony Halls, Trust Management Board

As we look ahead, we know the landscape will keep changing. Responsible investment may not always be the easiest path-but we believe it is the right one. Thank you for walking it with us.

Ngā mihi nui,

Matthew

Matthew Goldsack
General Manager - Investments



Kia mau ki te tokanganui a noho.

There is no place like home.



Markets year in review

Arotakenga Māketē Pūtea

The 2024 calendar year saw strong returns from listed markets (bonds and equities), with international shares the standout performer, gaining over 28% (50% hedged to NZD) for the 12 month period. This was driven by the resilience of the US economy, optimism around Artificial Intelligence developments (the 'mega-cap' tech stocks), as well as the commencement of the interest rate easing cycle in the US and other economies.

Commercial property faced some challenges in 2024, with capital valuations under pressure in the first half of the year. The second half of the year showed signs of stabilisation in asset valuations, aided by a significant drop in debt costs.

Coming into 2025, we have seen heightened volatility, shifting macroeconomic conditions, and diverging asset class performance. Equity markets experienced notable turbulence, with a significant drawdown event in April in response to US tariff announcements, and swift recovery 'bounce' as tariffs were paused for negotiations. Fixed income and property assets have provided relative stability, reinforcing the importance of diversification in portfolio construction. Income returns from these asset classes remain stable, a key feature for investors reliant on regular distributions

"We believe it is possible to both generate attractive returns while also contributing to leaving the world in a better place."

Matthew Goldsack - General Manager Investments

Looking ahead, the investment environment remains uncertain, with geopolitical risks, trade policy shifts, and inflation dynamics continuing to influence market sentiment. Investors are encouraged to maintain a long-term perspective, focusing on quality assets, a well-balanced portfolio and sustainable income generation.

In addition to diverging asset class performance, we also see diverging views regarding the integration of environmental, social and governance (ESG) considerations into investment beliefs and processes. At Trust Investments, we are committed to integrating ESG considerations into the management practices of the investment funds. We believe that this approach aligns with our fiduciary responsibilities and offers an opportunity to create value by identifying investment opportunities, delivering performance and mitigating risks. While our investment strategies may evolve with progressions in the available data and how it is incorporated into investment processes, our commitment to ethical investment won't change.



Client Insights

Ngā Mōhiotanga o ngā Kiritaki

ESG Survey 2025

Each year, we check in with our clients to ensure our approach to ethical investment continues to reflect client expectations and priorities.

The following section summarises the key insights from our 2025 ESG Client Survey and highlights how we're staying connected — through regular updates, quarterly reports, and direct engagement.



Top Priorities

- Social considerations
- Avoiding capital loss
- Environmental considerations



Key Requests

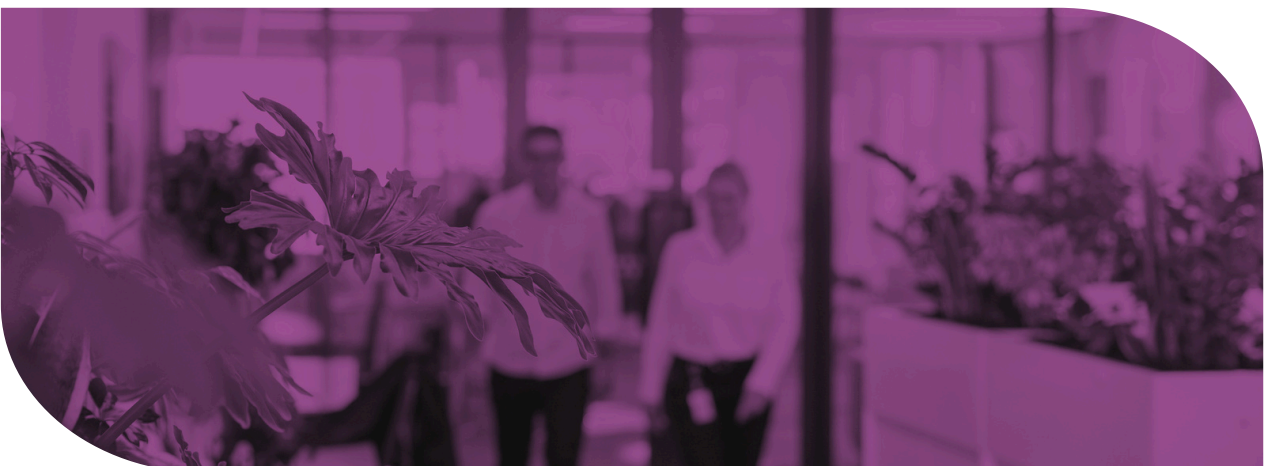
- Greater transparency
- Accountability on diversity, wage equity, and governance



Engagement Channels

- Annual Ethical Investment Client Survey
- ESG Portfolio Reviews for clients
- Quarterly Portfolio Watch newsletter
- Annual Ethical Investment Update & PRI Transparency Report

“The ethics of the instrument are far more important than returns.” - Anonymous client





ESG Objectives by Fund

Ngā whāinga



ESG NZ Bond Fund

The strategy favours ESG linked bonds. Approximately 34% of the ESG NZ Bond Fund was invested in green and social bonds, including: social impact bonds issued by community housing providers The Salvation Army and Emerge Aotearoa, green bonds issued by Mercury Energy and Kiwi Property Group, sustainability bonds issued by Housing New Zealand and a gender-empowerment bond issued by the Asian Development Bank (ADB).

Gender bonds, sometimes referred to as Orange Bonds, are social bonds where the use of proceeds are exclusively channelled to finance programs or activities promoting women's empowerment or gender equality. Such bonds aim to achieve development impact for groups of women such as entrepreneurs, female employees in an organisation, or consumers, and often have beneficial economic impacts for the broader community.



ESG International Bond Fund

From 1 July 2025 the ESG International Bond Fund has invested in a strategy which targets investment of around 40% in impact bonds, directly financing projects with measurable positive social and/or environmental impact, in areas including affordable housing, community economic development, renewable energy and climate change, and natural resources (including biodiversity). The remaining 60% of the fund invests in bonds issued by entities assessed as 'ESG leaders', demonstrating leadership in environmental, social and governance considerations.



ESG Australasian Share Fund

The ESG Australasian Share Fund's weighted average carbon intensity (also known as WACI, the volume of greenhouse gas emissions per million dollars of revenue) represented around 80% of the carbon intensity of the fund's benchmark index (based on scope 1 and 2 emissions). The manager of the fund, Harbour Asset Management, also aims for the companies in the portfolio to have higher ESG ratings (compared with the constituents in the benchmark) by using findings from its annual corporate behaviour survey, and third party ratings information, as inputs into the portfolio construction process.



ESG International Share Fund

The underlying fund for the ESG International Share Fund currently targets a lower exposure to fossil fuel reserves, aiming for a carbon intensity that is 70% lower than the market benchmark index for the underlying fund. The fund also aims to increase its exposure to companies generating green revenues from products and services that have a positive environmental impact, relative to the benchmark index by 200%. The fund also incorporates a range of climate metrics including implied temperature, and climate value at risk, aiming for modest improvements in the portfolio holdings relative to the benchmark.



Real world change through ethical investment

Ngā Panonitanga Tūturu mā ngā Haumitanga Matatika

The Power of Community Housing Bonds

At Trust Investments, we are proud to invest in social housing bonds as part of the Trust Management ESG NZ Bond Fund. These investments are more than financial instruments-they're tools for social good.

Through our investments of the bonds that support of the work of Community Housing Providers (CHP), we are helping to enable the delivery of affordable, stable homes to New Zealanders most in need.

Below we spotlight two impactful organisations-Emerge Aotearoa and The Salvation Army-that are using capital for community change.

Ka Puta Ka Ora Emerge Aotearoa: Homes That Restore Dignity

Emerge Aotearoa is a charitable organisation working across housing, mental health, and wellbeing services. With support from bond funding, Emerge is expanding its delivery of stable, long-term housing for individuals and whānau experiencing housing insecurity.

"More than shelter-these homes are a foundation for long-term wellbeing."

Housing need continues to rise across New Zealand. Over 19,000 households remain on the Government's Housing Register (waitlist)¹, while 60% of low-income households spend more than 40% of their income on rent². Emerge Aotearoa's housing developments respond to these challenges by providing purpose-built, affordable homes that are often designed with accessibility and mental health considerations.

Developments typically include two and three bedroom units, located near services and public transport. Tenants are supported through wraparound services, improving housing stability and wellbeing outcomes. The rental model combines tenant contributions (capped at 30% of income)³ with Government rent subsidies, ensuring affordability and operational sustainability.

Investments in Emerge Aotearoa's bond issuances directly support this mission, funding properties that reduce reliance on emergency accommodation and create safer, healthier communities. The homes delivered are more than shelter-they're a foundation for transformation and long-term stability.

What makes a home?



Community Integration



Mental Health Support



Accessible Design



Affordable Rent



The Salvation Army: Scalable Social Housing with Proven Impact

The Salvation Army is expanding its housing footprint to meet critical demand, particularly in Auckland, where more than 6,500¹ households are on the Public Housing Register. Bond investments have helped enable the acquisition and development of new homes to address this urgent need.

“6,500+ Auckland households are still waiting- new homes are making a difference”

The Salvation Army provides long-term social housing to individuals and families facing homelessness, poverty, or other disadvantages. Its model integrates tenancy support and community services, such as budgeting advice, social work, and mental health care, ensuring that residents not only have a home but also the support to thrive.

Projects supported by these bond investments are backed by long-term Government rental contracts, including the Income Related Rent Subsidy.

With net assets exceeding \$700 million⁴, The Salvation Army is a financially strong and trusted delivery partner. The homes developed are high-quality, warm, and well-located, designed to offer security and dignity to those who need it most.

Investment in these projects represents a measurable social return reducing housing stress, supporting vulnerable households, and contributing to stronger, more resilient communities across Aotearoa.

Example Development:

Units

46

Referrals

+300

for the 46 units

Government rent
support + tenant
contribution =
stable cash flow

¹ Ministry of Social Development. (2025, March). Housing register data – March 2025. Retrieved from <https://www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/statistics/housing/housing-register-march-2025.xlsx>

² Perry, B. (2021). Housing Affordability for Renters and Owners: International comparisons. Ministry of Social Development.

³ Community Finance, Impact Report 2024: Ka Puta Ka Ora Emerge Aotearoa (2024), <https://www.flipsnack.com/CB9BA577C6F/impact-report-2024-ka-puta-ka-ora-emerge-aotearoa/full-view.html>

⁴ The Salvation Army. (2023). Annual Report 2022–23. The Salvation Army New Zealand, Fiji, Tonga and Samoa Territory



Enhancing Impact

Te Whakapiki Pāpātanga

A New Chapter for the ESG International Bond Fund

As part of our ongoing commitment to responsible investment, Trust Investments has made an enhancement to the Trust Management ESG International Bond Fund investment objective and strategy.

After careful review and consideration, the Fund has transitioned from a passive index-tracking approach to an actively managed strategy. This shift is designed to unlock greater opportunities for both improvements in risk-adjusted returns and positive environmental and social impact, aligning with our Ethical Investment Principles - Kaitiakitanga (care for the environment), Kotahitanga (care for equality), and Manaakitanga (care for community).

At the heart of this enhancement is our new partnership with Nuveen, a global investment leader with over 125 years of investment experience and a strong track record in managing ESG-integrated and impact-focused fixed income portfolios. The Nuveen Global Sustainable Bond Fund, which now underpins the strategy, invests in high-quality global bonds with an emphasis on outcomes: around 40% of the fund is allocated to bonds that directly finance projects across affordable housing, community and economic development, renewable energy and climate change and natural resources.

This change also marks a meaningful evolution in how we express our values through investment. Nuveen demonstrate leadership through engaging with issuers to allocate capital in ways that are both purposeful and measurable. The result? A portfolio that seeks to outperform the market, and one that is already delivering real world change.

Spotlight

The Rhino Bond - Finance Meets Conservation

One standout example of this approach in action is the World Bank's Wildlife Conservation Bond - affectionately known as the "Rhino Bond." Nuveen was the lead investor in this pioneering instrument, which channels \$150 million directly into black rhino conservation in South Africa's Addo Elephant National Park and Great Fish River Nature Reserve.

The bond finances park operations such as ranger deployment, solar-powered infrastructure, and wildlife monitoring. If rhino populations grow over five years, early data shows a promising 7% increase, investors receive a performance-based success payment, linking financial return directly to conservation outcomes. This structure aligns issuer and investor interests.



This isn't just about rhinos (though their survival is critical). It's about restoring ecosystems, supporting sustainable local economies, and demonstrating how capital markets can help solve complex global challenges. The Rhino Bond is a trailblazer, and a powerful example of why impact investing isn't just a strategy, it's a force for good. Nuveen is hopeful that bond structures of this nature will serve as a blueprint for further initiatives.



Investing through a changing climate

Te Haumi i roto i tētahi Āhuarangi Hurihuri

What Our Latest Report Tells Us

As climate conditions become increasingly unpredictable, investors face a new class of financial risks. At Trust Investments, our Trust Management PIE Funds Climate Report pūrongo āhuarangi tūao me te kōrahiwhāititakes ('Climate Report') illustrates a clear-eyed look at how climate change may impact the funds we manage on behalf of clients.

In 2024, the world recorded 12 consecutive months of global temperatures 1.5°C above pre-industrial levels. This is more than a climate milestone; it's a wake-up call for investors. Our scenario analysis looked at both physical risks (like extreme weather, infrastructure damage, and supply chain disruption) and transition risks (such as regulatory changes, carbon pricing, and shifting consumer demand).

The good news? The listed equity funds have lower carbon emissions exposure than their benchmarks. The Trust Management Property Fund also showed low physical risk exposure under all tested scenarios. These results reflect our commitment to responsible investment and ESG integration.

But climate risk is complex-and already influencing markets in subtle ways. The report found that short-term risks are most likely to come from policy changes and market repricing, while physical threats-like flooding or heatwaves-may affect sector performance unevenly across regions and asset types.

Climate risk isn't on the horizon-it's already influencing markets today.

Acknowledgement of key challenges

We also acknowledge key challenges: limited local data, differing global climate models, and the inherent uncertainty in forecasting future outcomes. A 1.5°C scenario, looking increasingly unlikely at this stage, while desirable from an environmental standpoint, presents significant transition risks and shouldn't be seen as risk-free.

Our ethical investing approach includes fossil fuel exclusions, active stewardship, and tilts towards investments that seek positive environmental outcomes.

Our Climate Report strengthens our resolve to manage climate risk proactively.

If you would like further insights into the key conclusions from our climate risk analysis undertaken in 2024, please contact Matthew Goldsack at mgoldsack@trustmanagement.co.nz or Catherine Bodnar at cbodnar@trustmanagement.co.nz



Pūrongo Kaitiakitanga Stewardship Report

FOR THE 12 MONTHS TO
DECEMBER 2024



Stewardship at a glance

He tirohanga iti

Proxy Votes



6891

Proxy votes cast across listed equity funds in the 12 months to December 2024

Investment Managers



100%

of investment managers reviewed on ESG performance

Property Fund



Net Zero

Toitū Net Carbon Zero certification retained for Property Fund for landlord controlled emissions

Monitoring



Quarterly & semi-annual manager monitoring in place

Stormwater



"Stormwater Responsible" badge awarded for environmental leadership

Modern Slavery



Modern Slavery Statement co-signed with investor peers

Compliance



Stewardship Code compliance tracked across 9 principles

Engagement



Client led ESG engagement priorities reviewed and updated annually

Board Oversight



Board level oversight of stewardship and ethical investment



Introduction

He kupu whakataki

Built on Trust.

Our mission is to generate investment performance for investors whilst delivering on environmental, social and governance objectives. We believe that companies with sustainable practices are better positioned for long-term success.

With the exception of the Trust Management Property Fund which we manage internally, Trust Investments utilise specialist underlying fund managers for the day to day stock and security selection decisions for the Trust Management PIE Funds Scheme. As such some of Trust Investments' stewardship responsibilities are best expressed through our manager monitoring framework for the listed asset classes. It is primarily through setting expectations, reviewing activity, and holding our underlying specialist fund managers to account that we enact our stewardship obligations. We undertake direct engagement for property assets.

We align our approach with the Aotearoa New Zealand Stewardship Code, reporting annually against the nine principles. Our stewardship activity centres on structured manager monitoring, informed engagement, values-based collaboration and leadership in stewardship of property assets.



Manager Monitoring Framework

Te Angamahi Aroturuki Kaihautū



Monitoring Cadence

- Monthly reporting. With formalised quarterly reviews undertaken with the specialist underlying fund managers for the NZ Bond and Australasian Share asset class Funds, where the assets are held by way of a segregated mandate.
- Semi-annual reviews where the funds invest in third-party pooled funds (Global Shares and Global Bonds)



Evaluation Criteria

Specialist underlying fund managers are assessed across six dimensions:

- Organisation - Ownership, size, history, culture, and trends in terms of assets under management (AUM)
- People - Team capability and tenure
- Investment Process – Understandable and repeatable process
- Sustainable Investment - ESG integration and stewardship, including resources applied to this area.
- Performance – True to label. Track record of strong risk-adjusted returns, relative to peers and benchmark
- Fees - Transparency and value for money



ESG and Climate Integration

Environmental, Social, and Governance (ESG) factors are embedded throughout our monitoring. Reviews capture:

- ESG metrics (for example ESG ratings of holdings relative to benchmark) and exclusions (e.g. tobacco, controversial weapons)
- Climate indicators such as carbon intensity and Weighted Average Carbon Intensity (WACI)
- Stewardship activity including proxy voting records and engagement case studies

This structured oversight ensures alignment with both fiduciary duty and ethical values.



Stewardship in action

Ti whakatinanatanga o te kaitiakitanga

Effective stewardship helps promote robust governance, including board oversight, and disclosures.

The following is an engagement example from State Street Investment Management, an underlying manager of our International Share Fund. As one of the world's largest home improvement retailers, wood sourcing is an important component of the supply chain for The Home Depot, Inc. (Home Depot) and the company recognises deforestation as a material issue for its business. The company engaged with State Street Investment Management over the course of several years and has over time improved its policies and procedures governing wood purchasing and respective disclosures on the topic.

Home Depot: Strengthening Forest Risk Governance

Through engagements with Home Depot between 2022 and 2024, State Street Investment Management sought to understand board oversight and the company's strategy of managing forest-related risks, including timber sourcing and supplier due diligence.

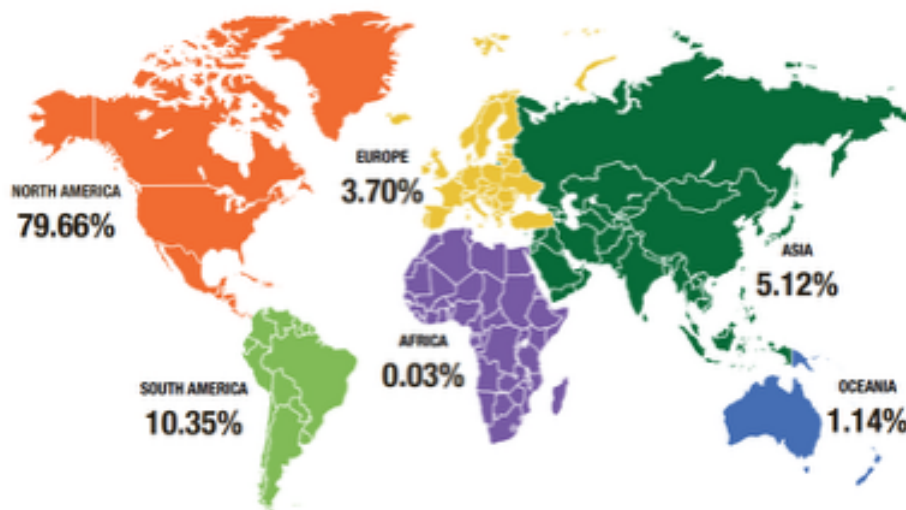
Early discussions focused on opportunities to enhance disclosures around Home Depot's exposure to high-deforestation-risk commodities and the metrics it used to track progress. The company also discussed its efforts in aligning disclosures with market best practice.

In 2023, Home Depot submitted its first CDP Forests report and published a suite of documents-including a [Sustainable Forestry Report](#) and updated [Wood Purchasing Policy](#) outlining its approach to responsible sourcing and supplier engagement.

These updates demonstrate progress in the company's ability to identify and manage environmental risks tied to land use and biodiversity, while offering investors clearer insights into its climate and nature strategy.

Karen Wong, Global Head of Sustainable Investing and Asset Stewardship at State Street Investment Management observes that as long term shareholders, engagement is meaningful for the protection and promotion of the long-term economic value of the clients' investments. This is underpinned by the belief of the importance of effective risk management and governance of issues that are material to a company, including sustainability-related risks and opportunities deemed as material to its business.

Wood Sourcing by Continent





Proxy Voting

Proxy voting is one of the key ways we exercise our stewardship responsibilities, using our voice as shareholders to influence company behaviour on ESG issues.



The underlying equity managers for the Trust Management ESG Australasian Shares Fund and the Trust Management ESG International Shares Fund respectively, Harbour Asset Management (Harbour) and State Street Investment Management (State Street), exercise proxy voting rights on behalf of investors in the Funds, with both managers voting policies placing investors' best interests paramount when undertaking these responsibilities.

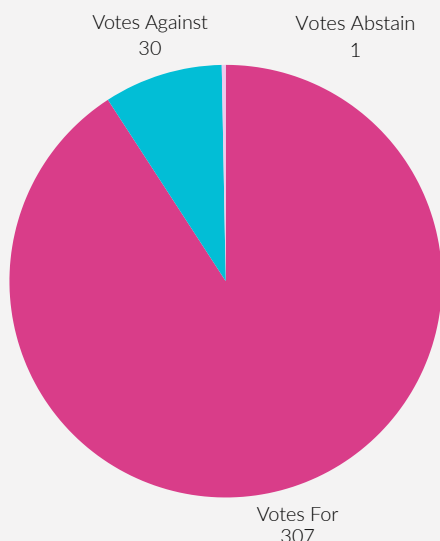
In the 2024 calendar year Harbour reviewed 338 proxy voting decisions for securities held in the ESG Australasian Share Fund.

State Street reviewed 6,553 proxy voting decisions for securities held in the underlying fund into which the ESG International Share Fund invests.

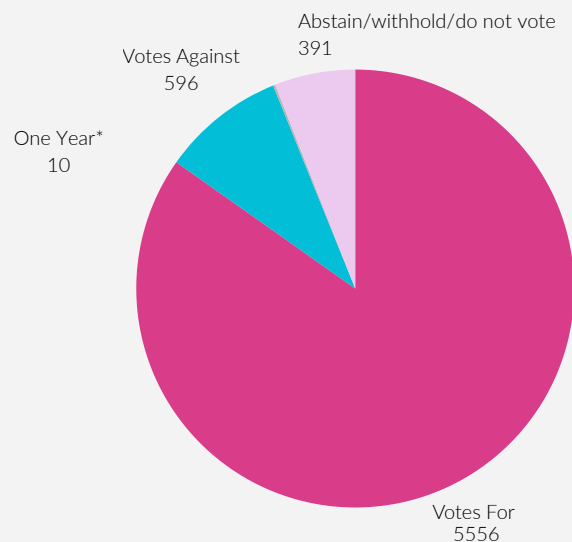
The below charts present a summary of manager voting activity for these funds:

Voting activity of underlying equity managers (year ended 31 December 2024)

**ESG AUSTRALASIAN SHARE FUND
(HARBOUR ASSET MANAGEMENT)**



**ESG INTERNATIONAL SHARE FUND
(STATE STREET INVESTMENT MANAGERS)**



* One year Advisory vote on Say on Pay Frequency



Property Stewardship

The Property Team at Trust Management is actively strengthening its focus on Environmental, Social, and Governance (ESG) initiatives and reporting for assets held within the Trust Management Property Fund.



Toitū Envirocare (NZ) Partnership

As part of this commitment, in partnership with Toitū Envirocare (NZ) the team continues to measure, audit, offset and report on landlord-controlled greenhouse gas (GHG) emissions associated with the Fund. The team maintains active conversations and collaboration with tenants to work towards whole-of-building carbon reporting to support the sustainability reporting requirements of both landlord and tenants.

The sustainability efforts continue to enhance transparency and accountability in the Fund's environmental performance, while also supporting the integration of climate considerations into investment and operational decision-making.

Significant efforts have been undertaken to understand and analyse the exposure of the Property Fund assets to climate-related hazards, as well as the climate related risks and opportunities that could potentially impact the portfolio.

Stormwater Responsible

In November 2024, the contracted Stormwater service provider, Dutton Stormwater, presented the Property Team with a unique "Stormwater Responsible" badge, to recognise the commitment Trust Investments has made to minimise pollution in our waterways.

Dutton Stormwater have a strong environmental focus with their stormwater services protecting our oceans from pollutants.

Procurement Project

In 2024, a Procurement Project was conducted involving a comprehensive review of facilities maintenance services. The process also incorporated ESG considerations, encouraging the maintenance service providers to adopt a strong focus on climate-related practices and to take steps to continuously improve environmental sustainability within their business operations.

Climate Scenario Analysis

Trust Investments conducted climate scenario analysis exercises for the Property Fund through a series of workshops, to identify and assess climate-related risks and opportunities. External climate risk experts from Tonkin + Taylor, an environmental and engineering consultancy, facilitated the process providing guidance and technical insight.

The climate related risks and opportunities considered both current and future exposures to identified hazards over time, providing an essential baseline for understanding the Fund's vulnerability and informing future resilience planning and investment strategies. The findings of these assessments indicated that the Property Fund has minimal exposure to coastal inundation and flood risk in the short to medium term.





Aotearoa New Zealand Stewardship Code ('the Code') Alignment

Te Tiaroatanga o Ngā Ture Kaitiakitanga o Aotearoa ('ngā Ture')

Principle	Description	How Trust Investments Upholds Principle
Be Committed	Signatories will articulate how their investment philosophy, governance structures, and resourcing support the goals of effective stewardship.	<p>We believe that embedding environmental, social and governance (ESG) considerations into the management practices for the investment funds we are responsible for is consistent with our fiduciary duties and provides an opportunity to add value by identifying investment opportunities, enhancing investment returns and mitigating risk. The Trust Management Board and Investment Committee oversee this approach.</p> <p>Our values come from the Māori principles:</p> <ul style="list-style-type: none"> • Kaitiakitanga: Care for the environment • Manaakitanga: Care for the community • Kotahitanga: Care for equality <p>Staff working on stewardship are supported with time, training, and leadership opportunities. For example, one of our team co-chairs a national group on responsible investment and staff have attended Cultural Competency lessons.</p>
Establish and maintain policies	Signatories will implement measurable and effective stewardship policies.	<p>We've written rules and policies that guide how we invest and act as stewards, including:</p> <ul style="list-style-type: none"> • Our Ethical Investment Policy, including our approach to stewardship and proxy voting. • ESG criteria for each fund is set out in the SIPO (Statement of Investment Policy and Objectives) <p>In 2025, we improved these policies to:</p> <ul style="list-style-type: none"> • Add more "impact" investing, with an enhancement to the Trust Management ESG International Bond Fund. • Better articulate how ESG is considered in manager reviews and procurement of suppliers for cleaning and maintenance of property assets. <p>Include ESG updates in fund reporting to investors.</p>
Incorporate material ESG matters.	Signatories will integrate material ESG matters into investment and stewardship practices.	<p>We focus on ESG issues that we believe affect long-term investment outcomes and are important to investors - including:</p> <ul style="list-style-type: none"> • Climate risk • Human rights • Corporate ethics <p>We do this through:</p> <ul style="list-style-type: none"> • Underlying investment managers voting on shareholder issues • Engaging with fund managers • Monitoring how underlying managers undertake stewardship on material ESG risks and opportunities. <p>We use our annual ESG survey to check what matters most to our clients and endeavour to align our focus and actions to that.</p>



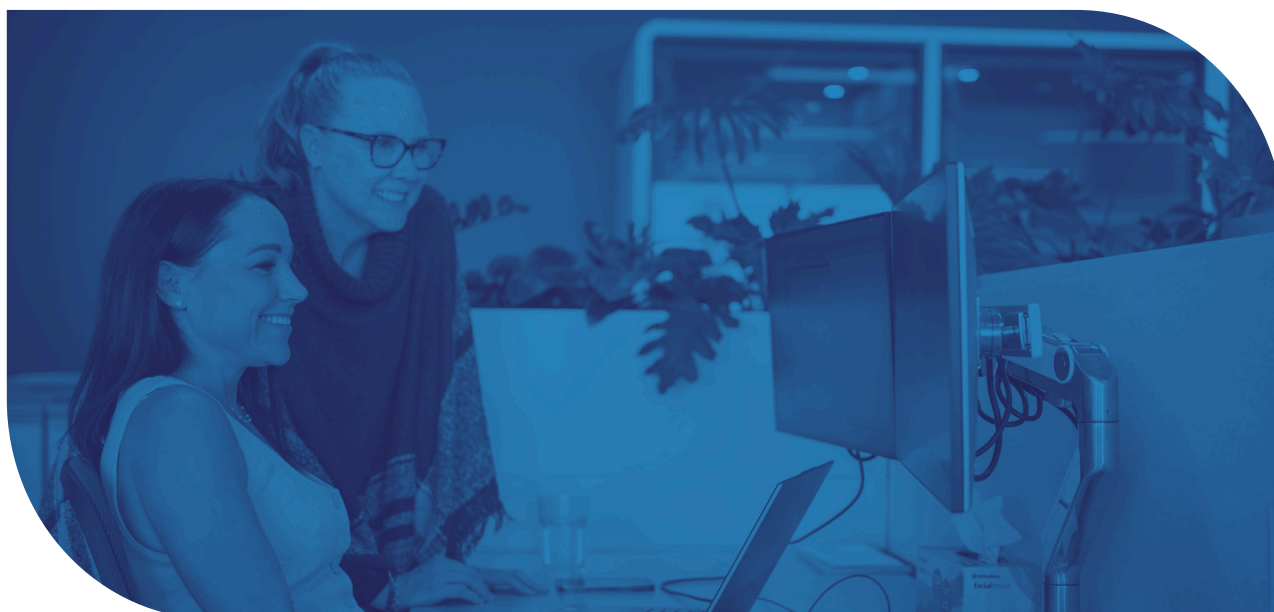
Continued...

Principle	Description	How Trust Investments Upholds Principle
Be Engaged	Signatories will engage regularly and effectively with issuers, fund managers, and stakeholders	<p>We regularly review the underlying fund managers to ensure that their process are effective, including stewardship activities: Quarterly for NZ bonds, Australasian shares and Property (where assets are held in segregated mandates). Twice each year for global equities and bonds (where the funds invest in underlying funds)</p> <p>Reviews include:</p> <ul style="list-style-type: none"> • ESG integration into investment processes • Exclusions monitoring • Carbon and climate metrics and engagement <p>Reporting on engagement priorities and outcomes.</p>
Vote Responsibly	Signatories will exercise voting rights in line with their mandate and disclose actions and outcomes	<p>The underlying fund managers exercise shareholder proxy voting rights on investors' behalf. We check that their voting policies and guidelines:</p> <ul style="list-style-type: none"> • Focus on the best interests of investors • Support good governance <p>We review and discuss voting records with underlying specialist managers. We are in the process of uplifting reporting details to provide deeper insights into voting decisions and supporting processes (for example for company engagements and feedback that take place around voting decisions).</p>
Manage Conflicts of Interest	Signatories will avoid and explain conflicts of interest and prioritise client interests.	<p>We are committed to managing actual, potential or perceived conflicts of interest fairly.</p> <p>When managing conflicts of interest, we act in accordance with the Trust Management conflicts of interest policy. Each year, staff must declare any personal conflicts that could affect their work. These are reviewed by compliance and senior leadership.</p> <p>The underlying investment managers have their own conflicts management policies in place. We communicate our conflicts of interest management expectations of underlying investment managers during our:</p> <ul style="list-style-type: none"> • Manager selection process • Ongoing monitoring
Collaborate and advocate for change	Signatories will work with others to amplify ESG influence.	<p>We work with others when it aligns with our values, priorities and capacity. For example:</p> <ul style="list-style-type: none"> • Signing the Investor Statement on Modern Slavery • Sponsoring the Mindful Money Awards • Contribute to working groups and policy feedback <p>In the past year, we didn't join any new collaborative engagements.</p>



Continued...

Principle	Description	How Trust Investments Upholds Principle
Measure and Report	Signatories will report on stewardship actions and outcomes.	<p>We publish this annual Ethical Investment & Stewardship Report, which shows:</p> <ul style="list-style-type: none"> • What we've done (engagements, voting decisions, case studies on outcomes) • How we've followed the Code • Insights from our underlying managers <p>We regularly review our stewardship practices and policies. Feedback from the Stewardship Code Secretariat and peer benchmarking informs our improvements.</p> <p>We're working on improved reporting to provide deeper insights into engagement outcomes and improve our monitoring processes.</p>
Educate and improve	Signatories will improve internal capabilities and client awareness of stewardship.	<p>We invest in:</p> <ul style="list-style-type: none"> • Training and education for staff (on topics including climate disclosure, modern slavery, nature related disclosures, and Te Ao Māori worldview) • Sharing knowledge at industry events • Running client sessions on ESG and stewardship, including insights from our climate report <p>Portfolio reviews on alignment with sustainable investment policies.</p> <p>We also wish to uplift the way we reflect Te Ao Māori in our approach, by:</p> <ul style="list-style-type: none"> • Offering cultural competency training to all staff • Developing relationships with iwi and Māori partners.





TRUST INVESTMENTS

For Good Investment

Please reach out to Halie or Matthew if you would like further information on our ethical investment approach.

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