

Trade allocation policy

Purpose

1. NZ Funds has authority to trade securities.
2. NZ Funds has adopted this policy to ensure equitable treatment between the Portfolios.

Scope

1. This policy applies to the trading of securities directly managed by NZ Funds.
2. Where an underlying investment manager is utilised, the authority to allocate trades is delegated to that manager.
3. The individual placing the trade is responsible for implementing this policy.

Principles

1. In allocating trades, NZ Funds seeks to act in the best interest of its clients.
2. All proposed trades (including initial public offers and placements) must be pre-allocated.
3. Actual allocation must follow the pre-trade allocation, or pro-rata based on the pre-trade allocation.
4. No Portfolio receives preferential trade allocation treatment over another.
5. A Portfolio may transact with another Portfolio. A market observed or independent valuation must be sought for the security. If it is not possible to obtain a market observed or independent valuation, an internal valuation is acceptable provided it has been approved by Funds Management and Compliance.
6. Any known conflict of interest must be reported to Compliance.