

Trade execution policy

Purpose

1. NZ Funds has authority to trade securities.
2. NZ Funds has adopted this policy to ensure a consistent approach to trade execution.

Scope

1. This policy applies to the trading of securities directly managed by NZ Funds.
2. This policy also applies to the trading of units or shares in collective investment vehicles whether listed or not.
3. Where an underlying investment manager is utilised, the authority to trade is delegated to that manager.
4. The individual placing the trade is responsible for implementing this policy.

Principles

1. In selecting counterparties, NZ Funds seeks to act in the best interest of its clients.
2. All trades must be with approved counterparties (this includes counterparties approved for one-off trades and administrators for approved managers).
3. Authorised counterparties should be regularly reviewed.
4. NZ Funds seeks to have two or more counterparties for each asset class.
5. In selecting a counterparty, a key criteria is fair and reasonable transaction costs. In determining what is fair and reasonable, factors considered may include liquidity, market impact, trade execution, commission costs and internal resource requirements.
6. Any known conflict of interest must be reported to Compliance.