

Press Release

In First Engagement in Aotearoa New Zealand, German Index Engineering Company Solactive Partners with Kiwi Wealth to Deliver New Global Markets Benchmark

18th June 2021

FRANKFURT AM MAIN and AUCKLAND – As one of the Kiwi pioneers in responsible investing, major Aotearoa New Zealand asset manager Kiwi Wealth has collaborated with German index engineer Solactive to create a bespoke benchmark aligned with the asset manager's own sustainability principles. This new index – the **Solactive Kiwi Global Markets Screened Index** – took effect on 1 June and is now utilised as the benchmark for Kiwi Wealth's Core Global Equity Fund. The index covers the largest c.3,000 companies in Developed and Emerging Markets and excludes any company on the Kiwi Wealth exclusion list.

The key innovative feature of the **Solactive Kiwi Global Markets Screened Index** is its adaptation to Kiwi Wealth's exclusion policy both now and in the future, making it simple to meet stakeholder demands without costly transitions. When used to benchmark Kiwi Wealth's active strategies, it will allow portfolio managers to more accurately target active risk without the necessity to replace excluded companies with proxies. When used to benchmark a passive global equity fund, it will also facilitate benefits such as tax efficiency, low management costs, and sustainable proxy voting.

The new index is derived from Solactive's flagship **Global Benchmark Index Series (GBS)**. This series looks at 24 Developed and 26 Emerging Markets countries and covers more than 11,000 stocks throughout various size segments in terms of free-float market capitalization. For the **Solactive Kiwi Global Markets Screened Index**, Solactive utilized its Solactive Global Markets Large and Mid Cap Index as a starting point, covering 85% of the free-float market capitalization from each of the 50 countries. The resulting index consists of c.3,000 stocks.

From this starting universe, the index applies an ESG screening provided by Kiwi Wealth's proprietary exclusion list. Companies involved with very damaging product lines such as tobacco and controversial weapons, or which exhibit highly unethical behaviour such as environmental or human rights abuses, have been screened and excluded. Kiwi Wealth also excludes, for example, companies involved in the hunting of whales and the

Solactive AG
German Index Engineering
Platz der Einheit 1
60327 Frankfurt am Main
Germany

Timo Pfeiffer
CMO
+49 (69) 719 160-320
timo.pfeiffer@solactive.com

Michael Li Ming Nuske, CFA
Sales Manager APAC
+852 3905 3101
michael.nuske@solactive.com

Phil Wiedbrauck
PR & Communications
+49 (69) 719 160-311
phil.wiedbrauck@solactive.com

processing of whale meat; companies producing or distributing palm oil, which do not demonstrate sufficient commitment to preventing deforestation through observing RSPO and source tracing standards; and companies using thermal coal or nuclear reactors to generate power without a credible transition plan to renewables.

Timo Pfeiffer, Chief Markets Officer at Solactive, says: *"The joint index project with Kiwi Wealth is another prime example of ESG pervading both the investor's demand-side and the asset manager's supply side, proving once more that ESG is not a short-term trend but a progressive mindset increasingly ingrained in fundamental entities such as benchmarks. We are very happy that with Kiwi Wealth, we have found a trusted partner from Aotearoa New Zealand, who shares our vision and with whom we can bring yet another ESG solution to market, thereby helping our planet to become a more sustainable place for all."*

Steffan Berridge, quantitative and responsible investments strategist at Kiwi Wealth, says: *"As part of our continuous development in Responsible Investment implementation, we are very excited to have completed this next milestone with Solactive, which is a German-based global leader in index engineering – its entry into Aotearoa New Zealand will move the domestic sector forward. The new benchmark has a number of advantages for Kiwi Wealth: ultimately, it will ensure our portfolios are benchmarked in a way that fully aligns with our exclusion list; it will enable us to implement RI with exclusions in a scalable, compliant way; and it will allow us to operate compliant indexed or passive funds that are low cost, tax-efficient and sustainably proxy voted."*

The rise of ESG can be attributed in part to investors' mindfulness of the wider impact their activities have in shaping the future and to corporations' acknowledgement that it is a vital factor in ensuring their long-term success. In this context, asset managers play a crucial role in facilitating this transition and are quickly increasing their efforts to implement their own corporate social responsibility principles into their investment processes. As part of this development, asset managers are also progressively demanding the integration of various sustainability criteria into their benchmark indices to ensure that, for example, their own CSR principles are reflected adequately within their overall investment approach.

For more information please visit: <http://www.solactive.com>

Solactive AG
German Index Engineering
Platz der Einheit 1
60327 Frankfurt am Main
Germany

Timo Pfeiffer
CMO
+49 (69) 719 160-320
timo.pfeiffer@solactive.com

Michael Li Ming Nuske, CFA
Sales Manager APAC
+852 3905 3101
michael.nuske@solactive.com

Phil Wiedbrauck
PR & Communications
+49 (69) 719 160-311
phil.wiedbrauck@solactive.com

Note to editors

About Solactive

Solactive is a leading provider of indexing, benchmarking, and calculation solutions for the global investment and trading community. Headquartered in Frankfurt, and with offices in Hong Kong, Toronto, Berlin, and Dresden, we innovate and disrupt the status quo as the partner of choice for our clients.

The unique blend of our 250 staff's expertise in data, data science, financial markets, and technology enables our clients' continued success through the delivery of a superior experience, unique customization capabilities, and the best value for money available in the industry. With more than 14,000 indices calculated daily, we offer a full suite of solutions, including market-leading ESG and thematic indices.

As at April 2020, Solactive served approximately 450 clients across the world, with approximately US\$200 billion invested in products linked to our indices. Solactive is registered with ESMA as a benchmark administrator and is supervised by the BaFin.

About Kiwi Wealth

Kiwi Wealth is an Aotearoa New Zealand owned and operated wealth and investment organisation with a vision to help Kiwi to grow their wealth and enjoy their future – no matter what their goals. Established in 2000, Kiwi Wealth has a strong track record of growth and innovation. From the Kiwi Wealth KiwiSaver Scheme to managed funds, a private portfolio service and more, we invest our customers' money in companies that meet our strict environmental, social and governance criteria. From our inception as Gareth Morgan Investments, through to the suite of product offerings we have today, Kiwi Wealth is focused on creating better financial futures for Kiwi by helping people get informed about how they can grow their wealth.

Solactive AG
German Index Engineering
Platz der Einheit 1
60327 Frankfurt am Main
Germany

Timo Pfeiffer
CMO
+49 (69) 719 160-320
timo.pfeiffer@solactive.com

Michael Li Ming Nuske, CFA
Sales Manager APAC
+852 3905 3101
michael.nuske@solactive.com

Phil Wiedbrauck
PR & Communications
+49 (69) 719 160-311
phil.wiedbrauck@solactive.com

Disclaimer

The information in this document does not constitute tax, legal or investment advice and is not intended as a recommendation for buying or selling securities. Solactive AG and all other companies mentioned in this document are not responsible for the consequences of reliance upon any opinion or statement contained herein or for any omission.

Solactive AG, Platz der Einheit 1, 60327 Frankfurt am Main, Germany. Registered Office: Frankfurt am Main, Registration Court: Amtsgericht Frankfurt am Main, HRB: 79986, USt-IdNr.: DE 255 598 976. Management Board: Steffen Scheuble, Christian Vollmuth, and Timo Pfeiffer, Head of Supervisory Board: Dr Felix Mühlhäuser.

Solactive AG
German Index Engineering
Platz der Einheit 1
60327 Frankfurt am Main
Germany

Timo Pfeiffer
CMO
+49 (69) 719 160-320
timo.pfeiffer@solactive.com

Michael Li Ming Nuske, CFA
Sales Manager APAC
+852 3905 3101
michael.nuske@solactive.com

Phil Wiedbrauck
PR & Communications
+49 (69) 719 160-311
phil.wiedbrauck@solactive.com