

## Press Release

### Kiwi Wealth launches low-cost option following reappointment as KiwiSaver Default fund manager

10 December 2021

**FRANKFURT AM MAIN – As one of the six KiwiSaver default providers, local leaders in responsible investing and major Aotearoa New Zealand asset manager Kiwi Wealth has now launched Kiwi Wealth KiwiSaver Default Fund. The majority of this pension fund, 51%, passively tracks the Solactive Kiwi Global Markets Screened Index, which covers the largest c.3,000 companies in Developed and Emerging Markets, and excludes any company on the asset manager's exclusion list.**

In June, Kiwi Wealth and Solactive had already collaborated to create the bespoke index, aligned with the asset manager's own sustainability principles, and utilizing it as the new benchmark for Kiwi Wealth's Wholesale Core Global Fund. More recently, in October, the asset manager also switched to this benchmark for the respective equity portions of Kiwi Wealth's range of multi-asset funds. As a result, around USD 3 billion were transitioned.

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. Acting as the basis for the new Kiwi Wealth KiwiSaver Default fund, it will also facilitate benefits such as low management costs and sustainable proxy voting.

The 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 14,000 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 universe, covering 85% of the free-float market capitalization from each of the 50 countries.

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, 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 with significant involvement in fossil fuel exploration and extraction; companies producing or distributing palm oil, which do not demonstrate sufficient commitment to preventing deforestation through observing RSPO and source tracing standards; and

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companies using thermal coal or nuclear reactors to generate power without a credible transition plan to renewables.

Timo Pfeiffer, Chief Markets Officer at Solactive, comments: *"We are very happy that our partner Kiwi Wealth, who shares our vision and with whom we have collaborated exceptionally well in the past, has launched a new fund utilizing our joint index. It shows yet again how responsible investing cannot be ignored any longer, both on the investor's and the asset manager's side, and we are excited about being able to contribute again towards making our planet a more sustainable place for all."*

Steffan Berridge, head of quantitative and responsible investment at Kiwi Wealth, says: *"As part of the continuous development of our market-leading Responsible Investment programme, we are excited to deploy our new Solactive Kiwi Global Markets Screened indices and matching indexed wholesale content as part of our new Kiwi Wealth KiwiSaver Default Fund launched on 1 December. The Solactive Kiwi Global benchmark is a key enabler, allowing our global equity portfolios to be benchmarked and managed in a way that fully aligns with our exclusion list, including those required under the new KiwiSaver Default rules. This all means we can implement passively indexed global equities in a scalable, low-cost way that avoids investments in companies causing significant harm while retaining features we think investors value like sustainable proxy voting."*

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

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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 18,000 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.

## Disclaimer

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