

## This issue focuses on responsible investment.

Our approach extends beyond simply excluding investments in cluster munitions, tobacco and other harmful industries from our portfolio. Our investment manager Russell Investments already considers environment, social and governance factors when making investment decisions. Now it has committed to a net-zero carbon emissions target by 2050 for all investments under its management. In addition, we've decided to move half our global share portfolio into a sustainable investment fund from November. We are also following with interest legislation to introduce mandatory climate reporting standards for certain investment managers.



## New fund will accelerate our move to low carbon

In November, we will move half our global share portfolio into Russell Investments' Sustainable Global Shares Fund. The fund excludes companies generating revenue from coal

in addition to the exclusions that apply to our investments across the board. It has a 50% lower carbon footprint and 50% lower fossil fuel reserves than the benchmark.\* The fund moves beyond carbon reduction too. It has an increased exposure to companies with a high responsible investment rating and to those participating in the transition to renewable energy. These benefits come with a slight reduction in expected returns. However, an associated reduction in fees is expected to partially offset this. The change will reduce the carbon footprint of the growth component of our main investment options by close to 20% – in other words, the carbon footprint of our investments in shares, property and infrastructure. This significant move indicates a direction of travel for UniSaver as a scheme committed to responsible investment and to playing our part in international efforts to combat climate change.

\* MSCI ACWI Index Net.

## Russell Investments commits to net-zero by 2050

Russell Investments has pledged to achieve net-zero greenhouse gas emissions for its investment portfolios globally by 2050 at the latest. Net-zero means that investments in any activities that produce greenhouse gas emissions are offset by those activities and processes that remove carbon already in the atmosphere. The move recognises not only the urgency of the climate crisis but also the inherent risk for investors. Russell Investments is currently working on setting 2030 interim targets in addition to collaborating with like-minded peers to establish industry best practice for achieving net-zero carbon emissions. In addition, Russell Investments has committed to making its global business operations carbon neutral by the end of this decade.

Read more



## New climate reporting standards

The government is in the process of introducing mandatory climate reporting for investment managers deemed climate reporting entities. The new regime will be introduced through an amendment to the Financial Markets Conduct Act 2013. It will require organisations to consider how climate-related risks and opportunities are assessed and managed within their risk management framework. As the Bill is currently drafted, UniSaver falls outside the definition of a climate reporting entity. However, we are interested in participating on a voluntary basis as part of our commitment to good governance and responsible investment.

## Tax advantage in bringing investments onshore

Some of the underlying funds the scheme invests in are domiciled overseas. The largest of these funds is the one that invests in international equities. The advantage is that these overseas-domiciled funds offer access to a wider range of investments, increasing the opportunity to enhance returns without significantly adding risk. The disadvantage is that they are not structured optimally for tax purposes for a New Zealand investor. This is because dividends are generally subject to withholding tax charged in the domicile of the company whose shares the fund holds. Currently, we can only claim a very small amount of the tax withheld against the tax we pay locally. However, Russell Investments will soon be launching New Zealand domiciled versions of the international equities and infrastructure funds we use, and we will transfer investments into these funds. In future, we will effectively be holding the

investments of these funds directly and therefore be able to claim a much higher proportion of the tax that is withheld.

## New director joins the Board

Toby Daghish, Associate Professor at the School of Economics and Finance at Victoria University of Wellington, has joined the Board of UniSaver Limited. Toby is one of two successful candidates in our recent election. Toby was elected as a member-elected director for a 3-year term along with Carolyn Dimond who was re-elected to the role. Carolyn, who has served on the Board since 2015, is Chief Financial Officer at Massey University. UniSaver Limited is the scheme's manager and corporate trustee.

## Payments over Christmas and New Year

The last payment date for benefits for 2021 will be Friday 17 December. You need to factor that in if you're planning to withdraw money towards a deposit for a first home or for any other reason. For a pre-Christmas payment, Mercer needs to receive the completed form from you (or HR/Payroll in the case of leaving service payments) by Friday 10 December. Investment changes requested and regular payments for retained members will be processed as usual. The helpline will also operate as usual over the holiday period.



## Got a question?

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Visit our website [unisaver.co.nz](https://unisaver.co.nz) or call our helpline team on **0800 864 724**.  
The helpline hours are 9am to 7pm, Monday to Friday (except public holidays).

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UniSaver Limited is the issuer of UniSaver. A copy of the UniSaver product disclosure statement is available [here](#) and at [disclose-register.companiesoffice.govt.nz](https://disclose-register.companiesoffice.govt.nz).

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