

13 April 2022

By email: [REDACTED]

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Dear [REDACTED]

Official information request regarding application of US sanctions, specifically EO 13662

I refer to your official information request dated 21 March 2022 for the following information: *“A clarification on the exclusions policy in the application of US Sanctions, specifically EO 13662”, by the Guardians’ External Assets Managers on Russian securities both debt and equity since 2014.”*

Our Response

Under the Guardians’ Investment Management Agreements with external investment and asset managers, our managers are under a general obligation to comply with the law in their own jurisdictions, including in respect of sanctions. Therefore, any Guardians’ managers and suppliers that are based in the United States, operate in the United States or trade on United States markets, are required to comply with United States sanctions, including EO 13662, which was imposed in 2014.

Additionally, in practice the NZ Super Fund’s passive portfolio follows MSCI benchmark indices. Because of the legal obligations outlined above, MSCI removes entities subject to US sanctions from these benchmark indices and the NZ Super Fund’s passive portfolio in turn reflects these changes.

We have received positive confirmation from all of our managers (passive and active) that they are aware of EO 13662 and manage it in accordance with their cross-team sanctions compliance processes. We are not aware of any NZ Super Fund holdings in breach of this EO.

Guardians’ Exclusions Policy

As explained above, United States sanctions are applied by our managers and suppliers without reference to the Guardians’ exclusion list. International sanctions that restrict dealings in listed securities issued by a sanctioned company may also be a relevant factor that we take into account when exercising our judgement on whether to exclude those securities under our Responsible Investment Framework. In addition, our Responsible Investment Framework provides for the exclusion of sovereign securities of countries sanctioned by New Zealand.

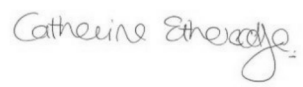
General

We have not withheld any information, but you have the right to seek an investigation and review by the Ombudsman if you are unhappy with this response. Information about how to make a complaint is available at www.ombudsman.parliament.nz or freephone 0800 802 602.

Please note that it is our policy to proactively release our responses to official information requests where we consider the request to be a material one. Our response to your request will be published shortly at <https://www.nzsuperfund.nz/publications/disclosures/oia/>, with your personal information removed.

Feel free to call me on 0274 777 501 if you wish to discuss this matter further.

Yours sincerely

A handwritten signature in cursive script that reads "Catherine Etheredge".

Catherine Etheredge
Head of Communications