Monthly Fund Fact Sheet
August 2024

Te Ahumairangi
GLOBAL EQUITY SPECIALISTS

About the Fund

The Te Ahumairangi Global Equity Fund is a portfolio of investments in 150-180 listed companies around the world. The fund invests primarily in companies that are based in developed economies, in North America, Asia, and Europe.

We aim to invest mainly in companies where we believe we have good visibility about how the company will generate sufficient cashflows to deliver good long-run returns to shareholders. We favour investing in lower-risk companies that produce stable profits, are not too sensitive to the economic cycle, and whose share prices are not excessively volatile or overly sensitive to investor sentiment. We believe this means that our fund is likely to withstand market downturns better than the average global equity fund.

Unit Price (NZD)	**1.4561** 30 August 2024
Monthly Return	**-1.94%** After fees, before tax. August 2024.
Return to date	**+14.61%** per annum After fees, before taxes. Since fund inception, 5 November 2021.
Fund Size	**$387.9 million*** * *Includes fund flows effective 30 August.*
Fund Type	**Portfolio Investment Entity**
Minimum Investment	**$100,000 direct or $250 through InvestNow**
Investment Manager	**Te Ahumairangi Investment Management Ltd**
Issuer and Fund Manager	**FundRock NZ Ltd**
Supervisor	**Public Trust**
Custodian	**BNP Paribas**
Registry	**Apex Investment Administration (NZ) Ltd**
Management Fees	**0.60% per annum plus GST (approx 0.62% including GST)**
Performance Fees	**None**

Global Equities as an Investment

Over 95% of the fund will typically be invested in global equities. Although we aim to build a portfolio that is less sensitive to market conditions than the average global equity fund, investors should appreciate that our fund is nonetheless likely to fall in value if global equity markets decline. It could also fall in value if the New Zealand dollar rises. Global equities may not therefore be a suitable investment for people who expect that they may need to sell their investment portfolio within the next few years.

For long-term investors, it will often make sense to hold global equities as part of a diversified portfolio that also includes fixed interest investments and possibly other investments such as New Zealand equities. Global equities provide a level of diversification that is difficult to achieve from New Zealand equities alone.

A relatively high allocation to global equities will generally be more appropriate for investors who expect to continue saving money and contributing to their investment portfolio for the next few years. Higher allocations to global equities would also be more appropriate for investors who are psychologically prepared for the possibility of incurring investment losses in any given year.

Lower allocations to equities would generally be appropriate for investors who would find it psychologically difficult to deal with investment losses in any year or expect to be relying on their investment portfolio to fund their living expenses over the next few years.

Investors who are unsure about what place global equities should have in their investment portfolios should consult a financial advisor.

Risk Indicator:

Lower risk/ potentially lower returns — Higher risk/ potentially higher returns

1	2	3	4	5	6	7

For more information on the risks associated with this fund, please see the Product Disclosure Statement (PDS).

Please see the Important Notice and Disclaimer at the bottom of page 4.

Performance Update

Global equity markets rose in August. Developed country equity markets (as represented by the MSCI World index) returned +1.90% (including gross dividends) in local currency terms. However, a significant rise in the New Zealand dollar meant that the value of global equity markets declined for NZ-based investors: the MSCI World index declined -2.53% (gross) in NZ dollar terms.

Lower-risk equities outperformed the broader equity market in August. The fund's benchmark (which includes a lower-risk component) returned -1.56% in NZ dollar terms.

Share market returns were strongest in the Real Estate, Health Care and Consumer Staples sectors, and weakest in the Consumer Discretionary and Energy sectors. NZ dollar returns were generally strong in Europe, but weak in Japan.

Benchmark Index

We compare the fund's performance to a composite benchmark index calculated by MSCI. The benchmark is a 50:50 combination of the MSCI World Index and the MSCI World Minimum Volatility (NZD) Index. The composition of the MSCI World Minimum Volatility (NZD) Index is calculated by MSCI to minimise volatility for NZ-dollar-based investors (subject to various constraints).

When benchmarking the fund's performance, we compare it to the gross return version of the benchmark, which makes no deduction for withholding taxes. This differs from the common practice of many other NZ-based funds, which compare their funds' pre-tax returns to the net return versions of their benchmark indices. This presents a lower hurdle for those funds' investment managers, as the net return indices assume high levels of withholding tax on dividend income.

Te Ahumairangi Investment Management considers the practice of these other funds to be misleading, as it does not provide investors with a like-for-like comparison for their funds' returns.

The fund returned -1.94% in August (after fees, but before taxes), underperforming the benchmark index, which returned -1.56%. The following factors affected relative performance in August:

- The company that had the greatest impact on our relative performance against the benchmark index was one that we did not own, Eli Lilly. Eli Lilly's share price rose strongly on the back of very strong sales of GLP-1 agonist drugs, which boosted the return of the benchmark index, detracting -0.10% from the fund's relative performance.
- The performance of the fund was adversely affected by a -14.2% decline in the (NZD) share price of Sumitomo Mitsui Financial Group, which detracted -0.10% from the fund's relative performance.
- Sumitomo Mitsui was not the only poor performer that we held in the Financials sector. The fund's holdings in the Financials sector significantly underperformed the sector, which detracted -0.59% from the fund's overall relative performance.
- The fund's cash deposits (averaging 3.2% of the fund) missed out on the rise in share prices, and therefore detracted -0.07% from relative performance.
- However, modest hedging of foreign exchange exposure back to NZ dollars contributed +0.11% to the fund's performance during the month.
- The fund's allocation between sectors made a positive contribution of +0.30% to relative performance, as the fund was generally skewed towards the better performing sectors and away from the worst performing sectors.
- Fees deducted -0.05% from the fund's return in August.

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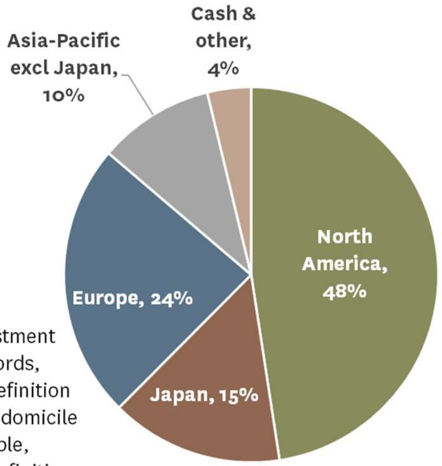
Portfolio Composition

The table below shows the fund's top 10 equity investments at the end of August.

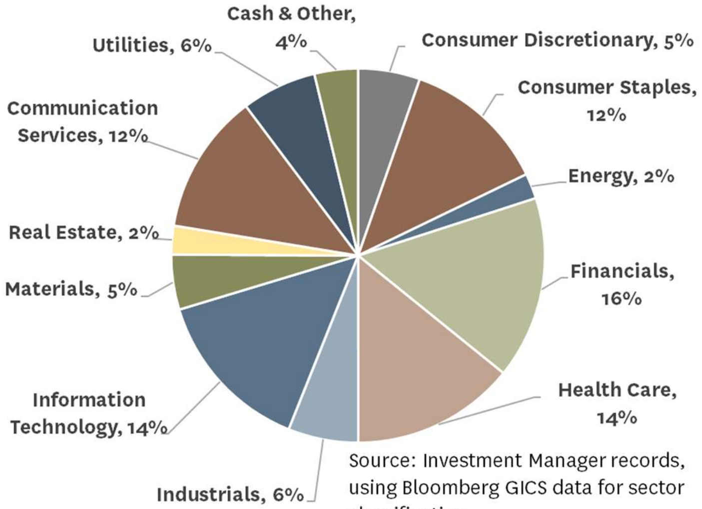
Company	Percentage of fund	*Company's weight in benchmark index*
Microsoft Corp	3.63%	*2.45%*
Verizon Communications	2.94%	*0.47%*
Apple Inc	2.36%	*2.61%*
Alphabet (includes 2 classes of security)	2.15%	*1.31%*
National Grid	1.46%	*0.05%*
Suntory Beverage & Food	1.21%	*0.04%*
Everest Group	1.19%	*0.04%*
Check Point Software Technologies	1.17%	*0.12%*
Merck & Co	1.15%	*0.84%*
Roche Holding	1.14%	*0.47%*

The pie chart below shows how the fund is allocated between geographical regions:



Source: Investment Manager records, using MSCI definition of country of domicile where available, Bloomberg definition if not.

The pie chart below shows how the fund is allocated between industrial sectors:



Source: Investment Manager records, using Bloomberg GICS data for sector classification.

For a copy of our product disclosure statement, visit our website teahumairangi.co.nz

Fund Returns

	August 2024	One year to August 2024	Since Inception (5 Nov 2021 to 30 August 2024) annualised return
Return after fees but before taxes	-1.94%	+17.28%	+14.61%
Benchmark Return*	-1.56%	+16.84%	+10.97%

* See page 2 for a description of the benchmark index.

Portfolio Spotlight: Wise

0.30% of the fund is invested in Wise.

Wise is a relatively new holding for the fund – we only began buying it in June 2024. When we invest in a new company, we tend to start small. Experience has taught us that there is a greater risk of making a mistake with a new company that we haven't followed closely for a long time than is the case with companies that we have owned (and therefore followed closely) for several years. Another reason why the fund's holding in Wise is relatively modest is that Wise's share price is more volatile and more sensitive to market conditions than is typical for the fund.

Wise is a UK-based online foreign exchange transfer/payments company that allows personal and small business customers to undertake foreign exchange transactions and foreign payments at a much lower cost than they would incur through a traditional bank or a conventional credit card. For example, Wise currently charges 0.338% to buy A$500 with NZ dollars, whereas the all-up cost for a personal client buying A$500 through a major NZ bank works out as 2.58%. (For this comparison we are looking at both the stated fees plus the spread between quoted foreign exchange rates and market foreign exchange rates). Wise also offers customers multi-currency debit cards that they can pre-load with currencies that they expect to make payments in.

Wise has handled over £120 billion of foreign exchange transactions over the past 12 months, and its compelling proposition for customers means that the volume of business that it handles is growing rapidly (+18% annual growth in the most recent quarter). As Wise grows and its profitability increases, it follows a policy of "giving back" some of the profitability to customers through ever-sharper pricing. Continued improvements in pricing have in turn supported continued growth in customer numbers.

The market for retail foreign exchange is still dominated by conventional banks charging much more than Wise does, so we expect Wise to continue to grow rapidly for several years into the future.