Monthly Fund Fact Sheet
January 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)	**1.3064** 31 January 2024
Monthly Return	**+4.06%** After fees, before tax. January 2024.
Return to date	**+12.97%** per annum After fees, before taxes. Since fund inception, 5 November 2021.
Fund Size	**$270.3 million*** * *Includes fund flows effective 31 Jan.*
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 were strong in January. Developed country equity markets (as represented by the MSCI World index) returned +1.81% (including gross dividends) in local currency terms. Weakness in the New Zealand dollar added to the return for NZ-based investors: the MSCI World index returned +4.12% (gross) in NZ dollar terms.

Lower-risk equities slightly lagged the broader equity market in January. The fund's benchmark (which includes a lower-risk component) returned +3.89% in NZ dollar terms.

Share market returns were strongest in the Communication Services, Information Technology, and Health Care sectors, and weakest in the Materials, Utilities, and Real Estate sectors. NZ dollar returns were broadly similar for each geographic region (but slightly stronger in North America and Japan than in Europe).

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 +4.06% in January (after fees, but before taxes), outperforming the benchmark index, which returned +3.89%. The following factors affected relative performance in January:

- The biggest individual positive contributor to relative performance was the fund's holding in Verizon. Verizon's share price rose +17.5% (in NZD terms), contributing +0.32% to relative performance. Verizon's strong share price was supported by the release of positive financial results for the December 2023 quarter.
- Many of the fund's larger holdings returned between 10% and 20% over the month, therefore making healthy positive contributions to relative performance. These included HCA Healthcare, Citigroup, WW Grainger, and Everest Group.
- Relative-to-benchmark performance can also be affected by the performance of stocks that we don't own, as this can affect the performance of our benchmark index. In January, the fund missed out on a 27.8% rise in Nvidia which contributed +0.29 to the benchmark return but nothing to the fund. But on the other hand, the fund avoided owning Tesla, which fell -22.5% in January, detracting -0.13% from the return of the benchmark.
- The fund benefited from holding a greater-than-benchmark weighting in the strongly performing Communication Services sector, but suffered from holding a lower than benchmark weight in the Information Technology sector. Overall, how the fund was allocated between sectors contributed +0.12% to relative performance.
- Holding an average of 3.4% of the fund in cash detracted -0.10% from relative performance. Slightly offsetting this, we enjoyed gains of +0.02% from a small amount of currency hedging.
- Fees deducted -0.06% from the fund's return.

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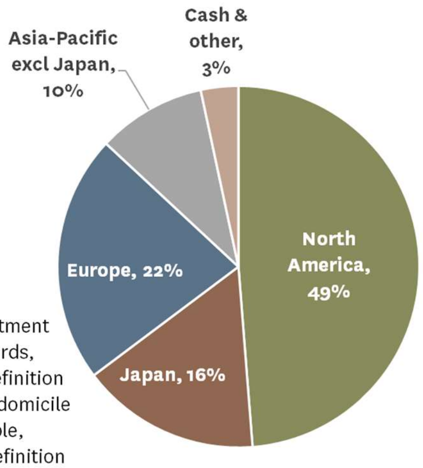
Portfolio Composition

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

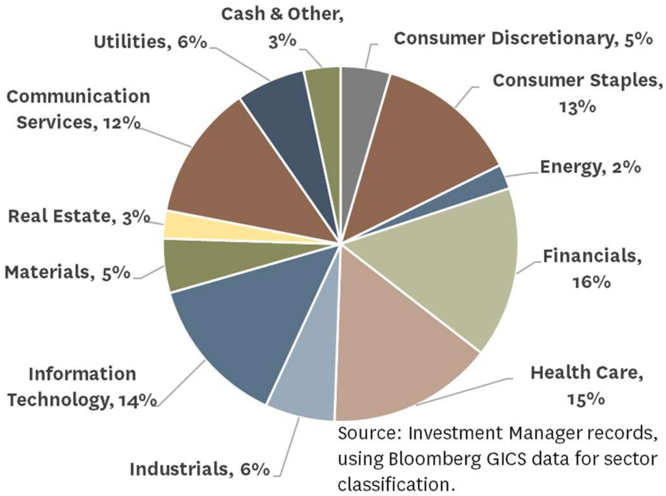
Company	Percentage of fund	*Company's weight in benchmark index*
Microsoft Corp	3.39%	*2.61%*
Verizon Communications	3.02%	*0.52%*
Apple	2.32%	*2.55%*
Alphabet (includes 2 classes of security)	2.10%	*1.29%*
KDDI Corp	1.48%	*0.30%*
KB Financial Group	1.25%	*0.00%*
Citigroup	1.23%	*0.09%*
National Grid	1.23%	*0.04%*
WW Grainger	1.18%	*0.03%*
Merck & Co	1.18%	*0.92%*

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

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Fund Returns

	January 2024	One year to January 2024	Since Inception (5 Nov 2021 to 29 January 2024) annualised return
Return after fees but before taxes	+4.06%	+19.19%	+12.97%
Benchmark Return*	+3.89%	+17.29%	+7.94%

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

Portfolio Spotlight: Unilever

0.97% of the fund is invested in Unilever.

Unilever is a UK-domiciled global consumer staples company, operating in most parts of the world. It sells products for beauty and wellbeing (skin & hair care), personal care (including deodorants, soap, and oral care), home care (laundry, detergents, and cleaning products), nutrition (sauces, meals, snacks, and foodservice products for the hospitality industry), and ice cream.

Unilever own several brands that New Zealanders will be familiar with including Dove, Surf, Persil, Vaseline, Hellman's, Sunsilk, Magnum ice cream, Ben & Jerry's, Lynx, TRESemmé, Comfort fabric conditioner, Continental foods, Cornetto, Paddle Pop, and Simple soap.

Demand for these products tends to be relatively stable through economic cycles. Unilever has a track record of growing sales faster than inflation, which we expect to continue into the future. We don't expect that Unilever will need to invest much capital to keep up with the growth in demand for its products, and therefore expect that over time it will be able to distribute most of its profits to shareholders.

Our investment thesis is that shareholders can expect a high single-digit annual return from Unilever over the next several years, of which about half will come from the cash that Unilever distributes to shareholders (through dividends and share buybacks), while the other half will be generated by long-term growth in Unilever's revenues & profits (which we would expect to also translate into long-term growth in Unilever's share market value).