

Monthly Fund Fact Sheet

July 2025



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)	1.7197 31 July 2025
Monthly Return	+2.26% After fees, before tax. July 2025.
Return since inception	+15.99% per annum After fees, before taxes. Since fund inception, 5 November 2021.
Fund Size	\$604 million* <i>* Includes fund flows effective 31 July.</i>
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:



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 continued to appreciate in July. Developed country equity markets (as represented by the MSCI World index) returned +2.05% (including gross dividends) in local currency terms. Strength in the US dollar meant that this return was even higher (at +4.17%) when translated into New Zealand dollars.

Lower-risk equities significantly underperformed the broader equity market in July. The fund's benchmark (which includes a lower-risk component) returned +2.73% in NZ dollar terms.

Share market returns were strongest in the Information Technology sector and weakest in the Health Care and Consumer Staples sectors. Returns were stronger from North America than from Europe or Asia-Pacific.

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 +2.26% in July (after fees, but before taxes), underperforming the benchmark index, which returned +2.73%. The following factors affected relative performance in July:

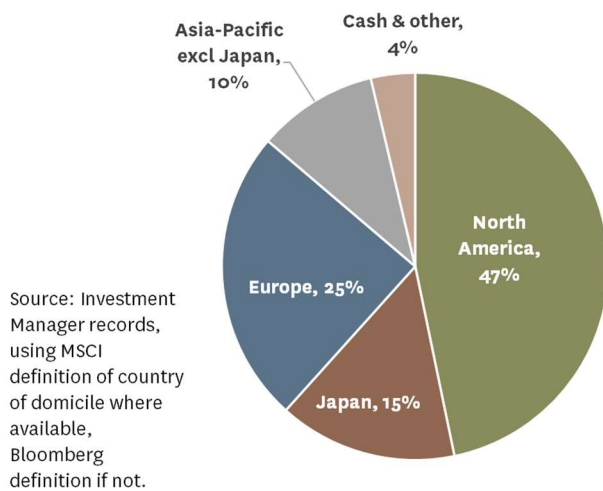
- In a repeat of the previous month, the biggest drag on relative performance was that the fund largely missed out on a strong performance by Nvidia. The fund's holding in Nvidia averaged 0.35% during the month, much lower than its 2.85% weight in the benchmark index. As Nvidia's share price returned +15.8% over the month, this significantly boosted the return of the benchmark index, but only made a modest contribution to the return of the fund.
- The fund's holding in Check Point Software Technologies fell in value, detracting from performance during the month. Check Point fell -13.5% in July, due to a sharply negative share price reaction to what we thought was only a mildly disappointing quarterly financial result. This detracted -0.15% from the fund's relative performance.
- The fund's relatively low weighting in the United States and relatively high weighting in Japan should in theory have detracted from performance, as the US share market performed significantly better than the Japanese market during July. However, the fund's Japanese holdings performed significantly better than the overall Japanese market while the fund's US holdings slightly lagged the US market, such that these country allocations did not really affect relative performance.
- The fund's lower-than-benchmark allocation to the Information Technology sector detracted -0.13% from relative performance.
- The fund's holdings in the utilities sector underperformed the global utilities sector. The fund's utility sector holdings are mainly in European companies, which lagged the strong returns of many US utility companies which dominate the utilities component of the benchmark.
- Fees deducted -0.05% from the fund's return in July.

Portfolio Composition

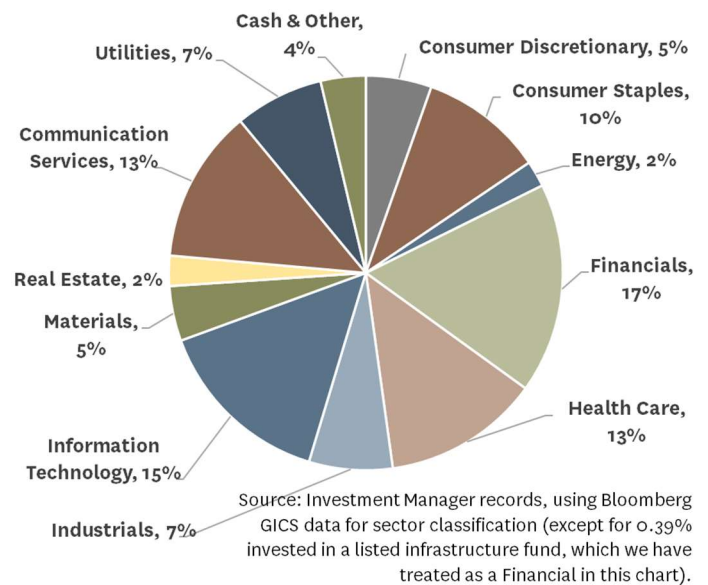
The table below shows the fund's top 10 equity investments at the end of July.

Company	Percentage of fund	Company's weight in benchmark index
Microsoft Corp	4.04%	2.96%
Verizon Communications	3.17%	0.45%
Alphabet (includes 2 classes of security)	2.36%	1.46%
Apple	2.16%	2.13%
National Grid	1.53%	0.05%
Everest Group	1.34%	0.01%
CK Hutchison Holdings	1.23%	0.01%
Central Japan Railway	1.17%	0.15%
Meta Platforms	1.15%	1.11%
VeriSign	1.12%	0.24%

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



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



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

Fund Returns

	July 2025	One year to July 2025	3 years to July 2025 annualised return	Since Inception (5 Nov 2021 to 31 July 2025) annualised return
Return after fees but before tax	+2.26%	+16.23%	+17.67%	+15.99%
Benchmark Return*	+2.73%	+14.19%	+15.20%	+12.56%

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

Fund Spotlight: Ahold Delhaize

0.71% of the fund is invested in Koninklijke Ahold Delhaize (“Ahold Delhaize”, “Koninklijke” is an honorary title which means “Royal” in Dutch).



In May, we wrote about US supermarket operator, Kroger. Ahold Delhaize also operates supermarkets in the United States, although its US revenues are lower than Kroger’s, with a US market share of less than 4%.

However, Ahold Delhaize also operates supermarkets (as well as online retailing, convenience stores, liquor stores, and pharmacies) in Europe. It has a large share of the Dutch grocery retail market, operates supermarket brands under a franchise/affiliate model in Belgium, and owns supermarket chains in Greece, Czech Republic, Romania, & Serbia. It also has supermarket chain joint ventures in Portugal and Indonesia.

Although it is a Netherlands-based company, the majority of Ahold Delhaize’s revenues and profits come from the United States. In common with Kroger, the growth of Ahold Delhaize’s US revenues has lagged the broader grocery sector over the past few years. This has been due to market shares shifting from traditional supermarket operators to Walmart and Costco, which each operate large store formats which combine competitively-priced groceries with a wide variety of general merchandise. Ahold Delhaize has been responding to this competition by lowering its own pricing. Ahold Delhaize’s online retail grocery sales are now achieving profitability in the United States, which puts it in a strong position for this relatively under-penetrated segment of the US grocery market.

In Europe, sales growth has been accelerating, with comparable sales rising at an annual rate +4.9% in the most recent quarter. Ahold’s European profitability is being affected in the current year by a decision to stop selling tobacco products in Belgium and the Netherlands and by the integration of a supermarket chain that it bought in Romania this year with its existing Romanian operations.

Adjusted for these short-term impacts on profitability, Ahold Delhaize’s shares are reasonably priced and it distributes significant cash to shareholders. We can therefore anticipate attractive returns even if continued market share loss to Walmart and Costco means that Ahold Delhaize’s US revenue growth remains subdued.

Important Notice and Disclaimer

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