Monthly Fund Fact Sheet
November 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)	**1.5369** 29 November 2024
Monthly Return	**+2.91%** After fees, before tax. November 2024.
Return to date	**+15.38%** per annum After fees, before taxes. Since fund inception, 5 November 2021.
Fund Size	**$421.9 million*** * *Includes fund flows effective 29 November.*
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.

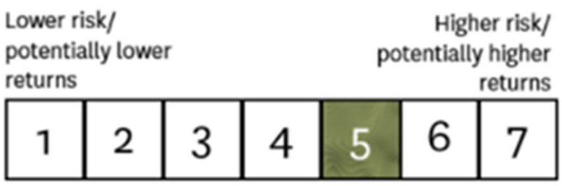
For long-term investors, it will often make sense to hold global equities as part of a diversified portfolio that also includes fixed interest investments and possibly other investments such as New Zealand equities. Global equities provide a level of diversification that is difficult to achieve from 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 were strong in November. Developed country equity markets (as represented by the MSCI World index) returned +4.92% (including gross dividends) in local currency terms. A decline in the New Zealand dollar meant that the rise in the value of global equity markets was even stronger for NZ-based investors: the MSCI World index returned +5.26% (gross) in NZ dollar terms.

Lower-risk equities underperformed the broader equity market in November. The fund's benchmark (which includes a lower-risk component) returned +4.34% in NZ dollar terms.

Share market returns were strongest in the Consumer Discretionary & Financials sectors, and weakest in Materials. Due to currency movements, NZ dollar returns were significantly stronger from North America than from Europe and Asia/Pacific (the same pattern that we saw in October).

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 +2.91% in November (after fees, but before taxes), significantly underperforming the benchmark index, which returned +5.26%. The following factors affected relative performance in November:

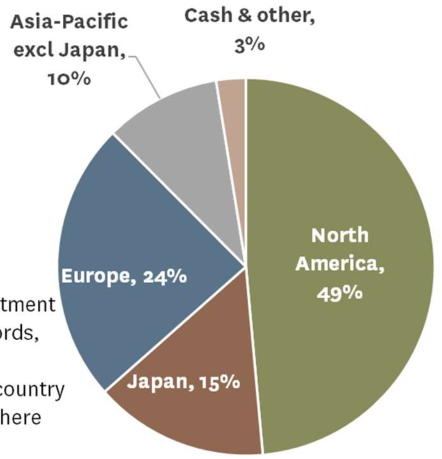
- The market environment was unusually hostile for Te Ahumairangi's investment style in November, with value and low-risk stocks generally underperforming while growth and momentum stocks outperformed.
- The fund's relative performance was hurt by a significant outperformance of US equities compared to the rest of the world in November. The US market out-performed the rest of the world by +6%, which hurt the fund's relative performance as the fund's weighting in US equities was 23% lower than the benchmark's weighting in US equities.
- The fund's relative performance was hurt by not owning Tesla, which rose +39%, seemingly because people expect the Trump administration to implement policies that are good for Tesla. This contributed +0.20% to the return of the benchmark, but nothing to the fund.
- The fund's performance was hurt by a -47% fall in gold miner Resolute Mining, which detracted -0.11% from the fund's return. We hold a small investment in Resolute as an alternative to the more highly valued "gold majors" that have a significant weight in the fund's benchmark. Resolute's main asset is a gold mine in Mali, and during November Mali's military government took the CEO of Resolute hostage and forced Resolute to sign up to a new tax / royalty / ownership deal that gave Mali a greater share of profits than the deal Resolute had signed with the then-democratic government of Mali before developing the mine.
- Fees deducted -0.05% from the fund's return in November.

Portfolio Composition

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

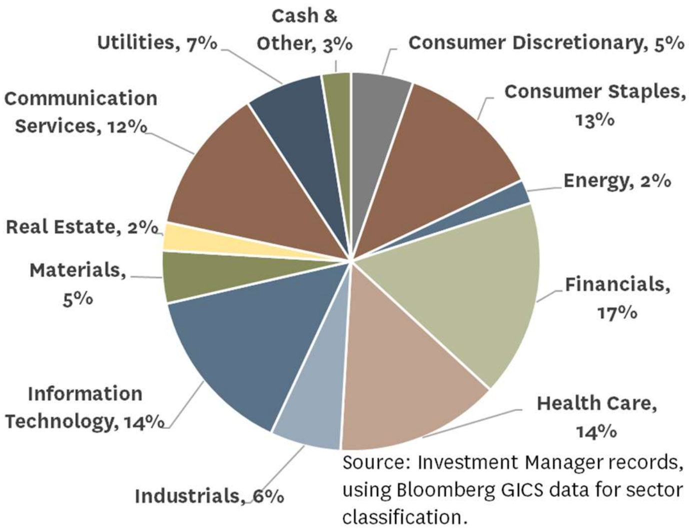
Company	Percentage of fund	Company's weight in benchmark index
Microsoft Corp	3.71%	2.42%
Verizon Communications	3.06%	0.48%
Apple Inc	2.46%	2.72%
Alphabet (includes 2 classes of security)	2.16%	1.36%
National Grid	1.43%	0.04%
Everest Group	1.32%	0.01%
Suntory Beverage & Food	1.28%	0.03%
VeriSign	1.21%	0.18%
AT&T	1.14%	0.37%
KB Financial Group	1.13%	0.00%

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

	November 2024	One year to November 2024	Since Inception (5 Nov 2021 to 29 November 2024) annualised return
Return after fees but before taxes	+2.91%	+24.23%	+15.38%
Benchmark Return*	+4.34%	+29.90%	+13.10%

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

Portfolio Spotlight: Henkel

1.01% of the fund is invested in Henkel.

Henkel is a German-based company operating globally through two similar-sized divisions, Henkel Adhesive Technologies and Henkel Consumer Brands.

Henkel Adhesive Technologies is the world's largest producer of adhesives, sealants, and specialist coatings for industrial customers. Its specialist adhesives are used in manufacturing products in many industries, including semiconductors, consumer electronics, automotive, construction, medical devices, packaging, and furniture. It also sells adhesives into the maintenance/repair and craft markets.

Henkel Consumer Brands has a strong position in laundry products and hair care, but also sells dishwashing, household cleaning, and other products in some markets. Henkel's main laundry brand is Persil, which it sells in most markets around the world. However, it does not sell Persil in New Zealand as Unilever has owned the NZ rights to Persil since 1931. In New Zealand, Henkel owns the Dynamo, FAB, Cold Power, Sard, and Earthwise brands, as well as Bref toilet cleaner. In hair care, Henkel's main focus is on products sold through hair salons, although it also sells the Schwarzkopf brand through supermarkets.

Henkel has improved the trajectory of its revenues and profitability over the past 18 months, after experiencing some challenges in prior years. Looking forward, we don't expect Henkel's Consumer Brands business to grow much faster than inflation, but we expect that the Adhesives Technology business will show reasonable growth. We see potential for Henkel to continue to rebuild its operating margins.

Henkel is modestly priced, with its common shares trading at a price/earnings multiple of 14.2 times estimated 2024 earnings. We don't anticipate that Henkel will require much incremental capital to fund growth and therefore anticipate a good return from continuing to hold its shares. Henkel has two classes of shares, common and preference shares. The fund mainly holds the common shares, which have voting rights and receive a 1.1% lower dividend than the preference shares, yet trade at a 10% lower price.