Monthly Fund Fact Sheet October 2026

Te Ahumairangi
GLOBAL EQUITY SPECIALISTS

About the Fund

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)	**2.3149** 30 October 2026
Monthly Return	**+2.66%** After fees, before tax. October 2026.
Return since inception	**+18.71%** per annum After fees, before taxes. Since fund inception, 5 November 2021.
Fund Size	**$1,245 million*** ** Includes fund flows effective 30 October*
Fund Type	**Portfolio Investment Entity**
Minimum Investment	**$50,000 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 0.61% 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 declined in October. Developed country equity markets (as represented by the MSCI World index) returned -0.74% (including gross dividends) in local currency terms. After taking foreign exchange rate movements into account, this worked out as a -0.55% global equity market return when measured in NZ dollar terms.

Lower-risk equities significantly outperformed the broader market in October. The fund's benchmark (which includes a lower-risk component) returned +2.28% in NZ dollar terms.

Share market returns were strongest in the Energy, Consumer Staples, and Health Care sectors, but weaker in the Communication Services and Information Technology Sectors. Geographically, share markets were strongest in Europe, and weakest in 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 +2.66% in October (after fees, but before taxes), out-performing the benchmark index, which returned +2.28%. The following factors affected relative performance in October:

- Holdings that contributed positively to relative performance included: Everest Group (+12.8%, contributing +0.16% to relative performance); Check Point Software Technologies (+18.8%, contributing +0.14%); and National Grid (+10.7%, contributing +0.10%).
- In a reversal from what we saw in September (when strong performance of semiconductor companies hurt the fund's relative performance), the fund's relative performance in October was boosted by the poor performance of many semiconductor companies that the fund didn't own (including Micron (-16.8%), Applied Materials (-23.6%), AMD (-17.3%), ASML (-12.8%), and LAM Research (-27.1%)) as well as the poor performance of Nvidia (-10.2%), a semi-conductor company in which the fund holds a significantly lower-than-benchmark weight. Altogether, the fund's underweighting in semi-conductor companies contributed +1.49% to the fund's relative performance in October.
- The largest detractors from relative performance were: Alphabet (returned -18.4%, detracting -0.15% from relative performance); Lloyd's Banking Group (-11.6%, detracting -0.10%); and LG Electronics preference shares (-21.5%, detracting -0.10%).
- The fund's holdings in banks (not just Lloyd's) generally detracted from performance in October, as they performed poorly as a group, and our bank holdings performed worse than other listed banks.
- The fund's Health Care sector holdings generally contributed to outperformance in October. The fund had a higher than benchmark weighting in this strongly performing sector, and the health care companies that it held performed even better than the sector.
- Holdings of cash detracted -0.09% from relative performance.
- Fees detracted -0.05% from the fund's return.

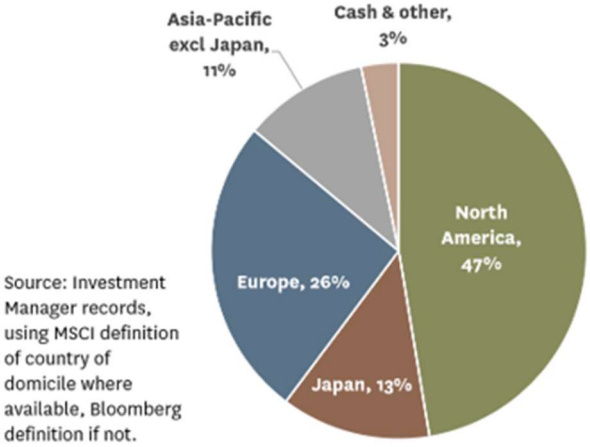
Please see the Important Notice and Disclaimer at the bottom of page 4.

Portfolio Composition

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

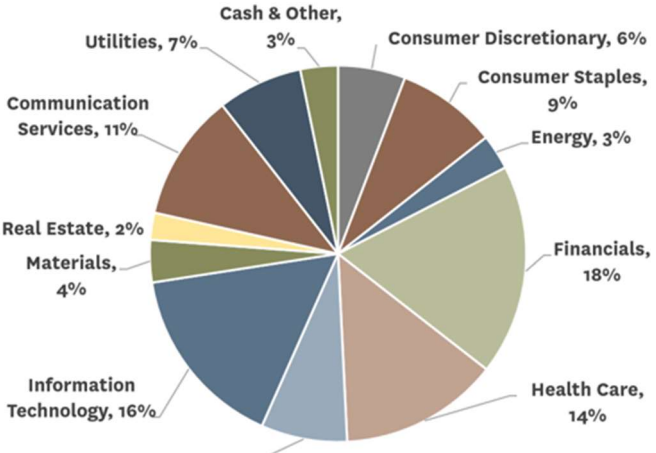
Company	Percentage of fund	*Company's weight in benchmark index*
Microsoft	4.33%	*2.56%*
Verizon Communications	2.62%	*0.41%*
Alphabet (includes 2 classes of security)	2.44%	*1.71%*
Apple	2.26%	*3.06%*
Everest Group	1.59%	*0.01%*
NVIDIA	1.39%	*2.94%*
National Grid	1.37%	*0.05%*
Unilever (includes shares listed on 2 exchanges)	1.28%	*0.11%*
CK Hutchison Holdings	1.27%	*0.01%*
Verisign	1.16%	*0.28%*

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 (except for 0.40% invested in a listed infrastructure fund, which we have treated as a Financial in this chart).

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

Fund Returns

	October 2026	One year to October 2026	3 years to October 2026 annualised return	Since Inception (5 Nov 2021 to 30 Oct 2026) annualised return
Return after fees but before tax	**+2.66%**	**+23.80%**	**+23.89%**	**+18.71%**
Benchmark Return*	**+2.28%**	**+15.85%**	**+21.15%**	**+14.55%**

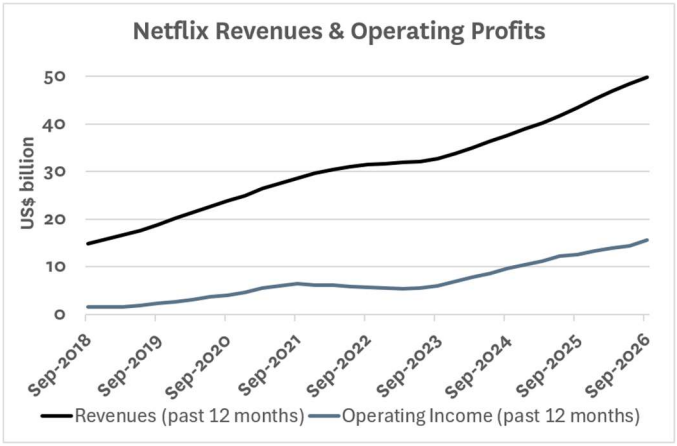
* See page 2 for a description of the benchmark index.

Portfolio Spotlight: Netflix

0.91% of the fund is invested in Netflix.

Netflix's business model will be familiar to most investors. The core of Netflix's business is streaming films and TV series whilst receiving monthly subscription revenues from its subscribers. However, it is also expanding its offering of games and live content and receives a modest portion of revenues from selling advertising (shown on lower-cost subscription plans, which will be rolled out to New Zealand next year).

As can be seen in the graph, Netflix's revenues have grown steadily over time (generally at over 10% per annum) and operating leverage has meant that this revenue growth has contributed to even faster growth in operating profits. Despite this growth, the market is now placing a lower valuation on Netflix's business than it was when Te Ahumairangi Global Equity Fund started 5 years ago.



Many market participants appear to be concerned by the fact that surveys indicate that people are spending less time watching Netflix in the United States, such that Netflix's share of video time is falling compared to other providers such as Alphabet's YouTube. However, Netflix recently reported that churn (the proportion of people unsubscribing each month) has declined in the US despite Netflix raising prices. Netflix continues to grow strongly in other regions, helped by increased local language content. Netflix is capital-efficient, needing only modest amounts of incremental capital to fund its growth.

We expect Netflix's growth rates to slow down over the next few years, particularly in countries such as the United States where over 60% of households are already subscribers. However, the share market has reduced Netflix's valuation to a point where we now anticipate strong investment returns despite this slowdown in growth. We have accordingly increased the fund's weighting in Netflix over last few months.

Important Notice and Disclaimer

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