Monthly Fund Fact Sheet September 2023

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)	**1.2083** 29 September 2023
Monthly Return	**-3.02%** After fees, before tax. September 2023.
Return to date	**+10.75%** per annum After fees, before taxes. Since fund inception, 5 November 2021
Fund Size	**$211.4 million*** * *Includes fund flows effective 29 Sep*
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 0.63% 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 weak in September. Developed country equity markets (as represented by the MSCI World index) returned -3.66% (including gross dividends) in local currency terms. Strength in the New Zealand dollar made it even worse for NZ-based investors: the MSCI World index returned -5.14% (gross) in NZ dollar terms.

Lower-risk equities performed slightly better than the broader equity market in September. The fund's benchmark (which includes a lower-risk component) returned -4.55%.

Share market returns were strongest in the Energy, Financials, and Communication Services sectors, and weakest in the Information Technology and Real Estate sectors. Geographically, NZ dollar returns were weaker in North America and Europe than from the Asia-Pacific region.

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 <u>gross</u> 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 <u>net</u> 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 -3.02% in September (after fees, but before taxes). While a poor absolute result, this was a significant out-performance in comparison to the benchmark index, which returned -4.55%. Key factors which affected relative performance in September were:

- The fund benefitted from strong performance from "value stocks" (i.e. companies that are statistically cheap relative to earnings, cashflows, and assets) in Japan. The three biggest contributors to the fund's out-performance during the month were all Japanese companies: Sumitomo Mitsui Financial Group, KDDI, and Mitsubishi UFJ Financial Group. Overall, Japanese holdings contributed about one third of the fund's outperformance in September.
- The fund achieved better-than-benchmark performance in 10 out of 11 industrial sectors. Relative performance was particularly strong in the Financials, Industrials, Consumer Discretionary, and Real Estate sectors.
- As it was unaffected by the weakness in global equity markets, the fund's modest holdings of cash contributed +0.13% to the fund's relative out-performance.
- A small amount of currency hedging contributed +0.09% to the fund's performance.
- Fees deducted about -0.054% from the fund's return.

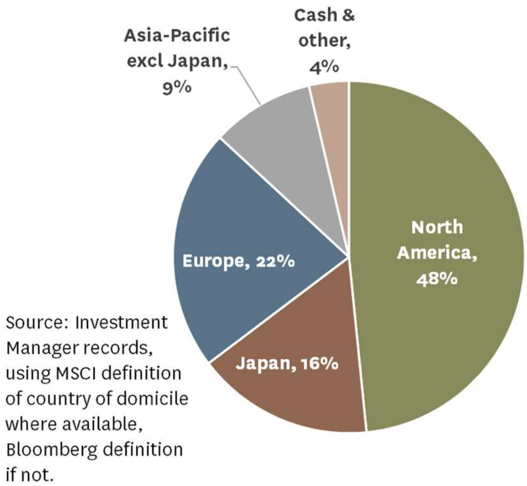
Please see the Important Notice and Disclaimer at the bottom of page 4.

Portfolio Composition

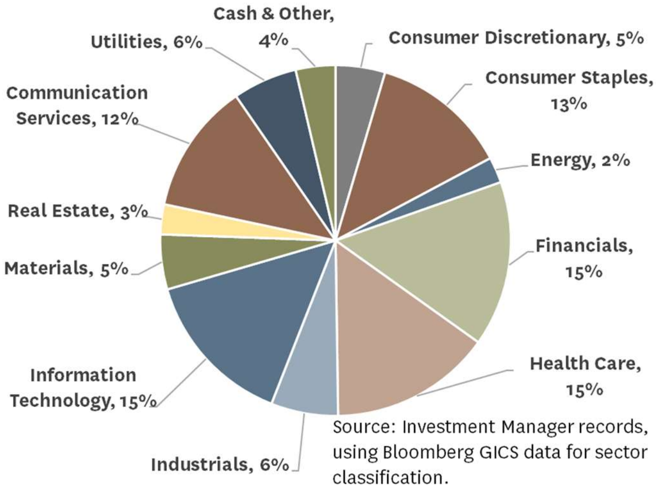
The table below shows the fund's top 10 equity investments at the end of September.

Company	Percentage of fund	Company's weight in benchmark index
Microsoft Corp	3.29%	2.30%
Verizon Communications	2.86%	0.66%
Apple	2.34%	2.67%
Alphabet (includes 2 classes of security)	2.17%	1.37%
KDDI Corp	1.46%	0.30%
KB Financial Group	1.22%	0.00%
Check Point Software Technologies	1.18%	0.02%
Sumitomo Mitsui Financial Group	1.18%	0.06%
WW Grainger	1.15%	0.03%
Merck & Co	1.13%	0.86%

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

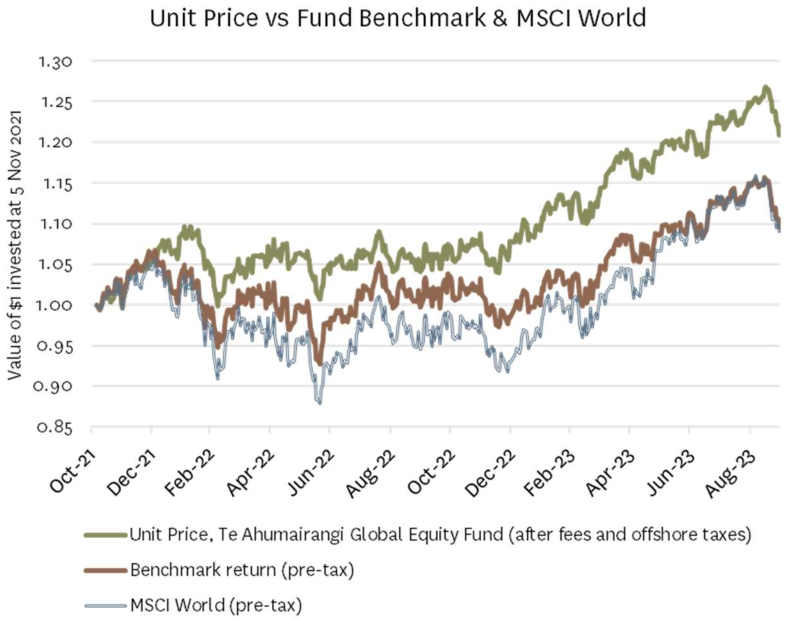
Please see the Important Notice and Disclaimer at the bottom of Page 4.

Fund Returns

	September 2023	One year to September 2023	Since Inception (5 Nov 2021 to 31 September 2023) annualised return
Return after fees but before taxes	-3.02%	+16.39%	+10.75%
Benchmark Return*	-4.55%	+9.79%	+4.91%

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

Fund Performance Graph



The graph on the left compares the unit price (which is net of fees and offshore taxes) to the cumulative gross (i.e. pre-tax) return of both the benchmark and the MSCI World index.

Over this period, the fund has not just outperformed both indices, it has also been less volatile. The standard deviation of rolling 5-weekday changes in the unit price has been 10.4%, which compares to 12.6% for the benchmark, and 15.1% for the MSCI World Index.

Important Notice and Disclaimer

This Fund Fact Sheet is provided for general information purposes only and does not constitute, nor should be construed as, an offer, or a recommendation or financial advice to any person. The information herein is believed to be reliable, but no warranty is given as to its accuracy or completeness. Information, views, and opinions, whilst given in good faith, are subject to change without notice. Any views and opinions expressed are a judgment at the time they were made, reflecting then prevailing market conditions, other factors, and certain assumptions. The contents of this Fund Fact Sheet do not constitute advice of a legal, accounting, taxation, or other nature to any persons. Investors must receive and should carefully read the Product Disclosure Statement (PDS) issued by FundRock NZ Ltd, the licensed manager of the Te Ahumairangi Global Equity Fund, before deciding to invest in the Fund. The PDS is available at https://www.fundrock.com/fundrock-new-zealand-funds/te-ahumairangi-global-equity-fund/. Potential investors who may need financial advice should obtain that advice from a financial adviser before investing. Past performance of an investment is not a reliable indicator of future results, and no representation is made regarding the future performance of the Global Equity Fund. The value of investments and the income derived from them may go down as well as up, and investors may not get back the original amount invested. You are not guaranteed to make a return on your investment, and you may lose money. Exchange rates may cause the value of investments in the Fund to rise and fall. Fund performance will be affected by the deduction of fund charges. No person guarantees the repayment of any capital or any returns on capital invested in the Fund.