

Fund Update

For the quarter ended 31 December 2021

- **Te Ahumairangi Investment Funds**
- **Te Ahumairangi Global Equity Fund**

This fund update was first made publicly available on: 14 February 2022

What is the purpose of this update?

This document tells you how the Te Ahumairangi Global Equity Fund has performed and what fees were charged. The document will help you to compare the fund with other funds. Implemented Investment Solutions Limited prepared this update in accordance with the Financial Markets Conduct Act 2013. This information is not audited and may be updated.

Description of this fund

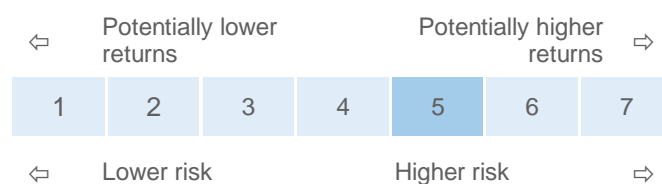
Objective: to outperform its benchmark index (50:50 combination of the MSCI World Index, and the MSCI Minimum Volatility Index optimised for NZ dollar based investors). Additional long-term (7+ years) objectives for the fund are to achieve pre-tax post-fee returns of over 6.5% per annum, and to produce better returns than the broader global equity universe (as proxied by the MSCI World index), while at the same time achieving a significantly lower level of risk (which can be measured in terms of lower return volatility, and smaller drawdowns than the MSCI World Index).

Strategy: The fund invests in global equities across various listed equity markets. The Fund will typically hold investments in 150-180 listed companies around the world. The fund invests primarily in large companies that are based in developed economies, in North America, Asia, and Europe. The fund mainly invests in companies where the investment manager believes there is good visibility about how the company can be expected to generate sufficient cashflows to deliver good long-run returns to shareholders. The investment manager aims to invest mainly 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.

| | |
|---------------------------|-----------------|
| Total value of the fund | \$NZ 9,217,387 |
| The date the fund started | 5 November 2021 |

What are the risks of investing?

Risk indicator for the Te Ahumairangi Global Equity Fund¹.



The risk indicator is rated from 1 (low) to 7 (high). The rating reflects how much the value of the fund's assets goes up and down. A higher risk generally means higher potential returns over time, but more ups and downs along the way.

To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at www.sorted.org.nz.

Note that even the lowest category does not mean a risk-free investment, and there are other risks that are not captured by this rating.

This risk indicator is not a guarantee of a fund's future performance. The risk indicator is based on the returns data for 5 years to 31 December 2021. While risk indicators are usually relatively stable, they do shift from time to time. The risk indicator will continue to be updated in future fund updates.

See the product disclosure statement (PDS) for more information about the risks associated with investing in this fund.

How has the fund performed?

| | Past year |
|--|----------------|
| Annual return (after deductions for charges and tax) | Not applicable |
| Annual return (after deductions for charges but before tax) | Not applicable |
| Market index annual return (reflects no deduction for charges and tax) | 24.53% |

The market index return is a 50:50 combination of the MSCI World Index, and the MSCI Minimum Volatility Index optimised for NZ dollar based investors. This has been the market index since the inception of the fund. Additional information about the market index is available on the offer register at <https://disclose-register.companiesoffice.govt.nz>.

What fees are investors charged?

Investors in the Te Ahumairangi Global Equity Fund are charged fund charges which are:

| | % of net asset value (including GST) |
|---|---|
| Total fund charges (estimate) ² | 0.64% |
| Which are made up of: | |
| Total manager and administration charges | 0.64% |
| Including: | |
| Manager's basic fee (including GST) | 0.64% |
| Other management and administration charges | 0.00% |

The manager's basic fee includes all fund-related costs, including but not limited to supervisor, custody, fund accounting, registry and audit. The manager's basic fee wouldn't cover certain extraordinary costs such as costs of convening and holding any unitholder meetings.

Investors may also be charged individual action fees for specific actions or decisions (for example, for withdrawing from or switching funds). See the PDS for the Te Ahumairangi Investment Funds on the offer register at <https://disclose-register.companiesoffice.govt.nz> for more information about those fees.

Example of how this applies to an investor³

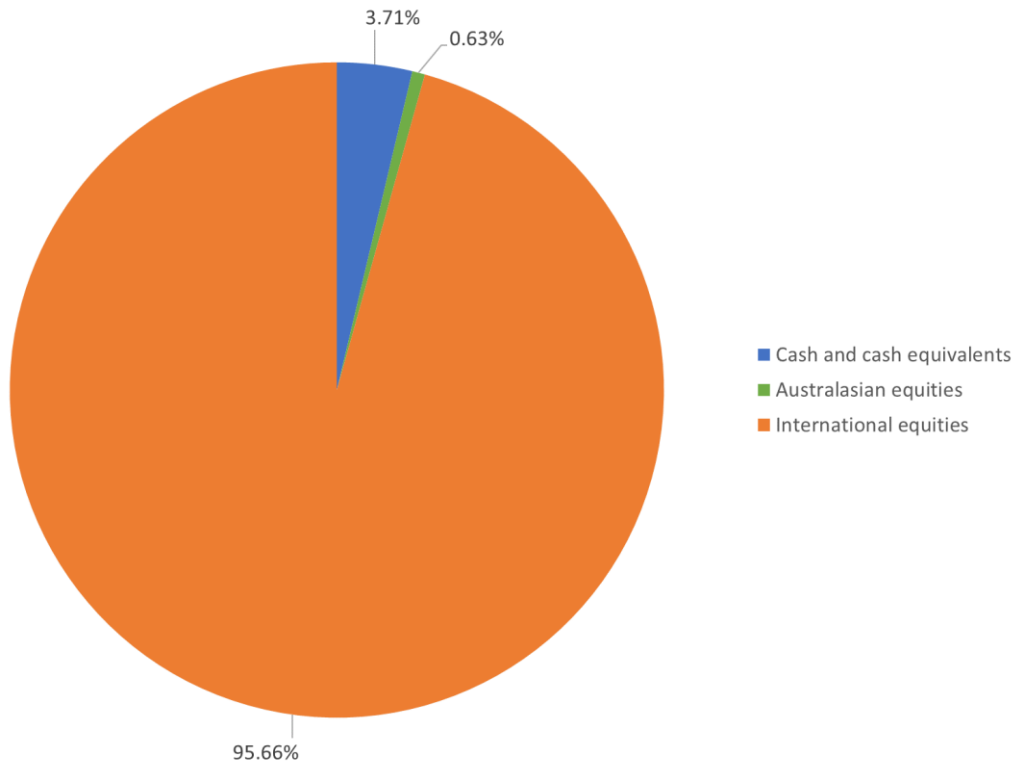
Small differences in fees and charges can have a big impact on your investment over the long term.

Anthony had \$10,000 in the when the fund received its first contribution, on 5 November 2021, and did not make any further contributions. At the end of the period to 31 December 2021, Anthony received a return after fund charges were deducted of \$526 (that is 5.26% of his initial \$10,000). This gives Anthony a total return after tax of \$507 for the period.

What does the fund invest in?

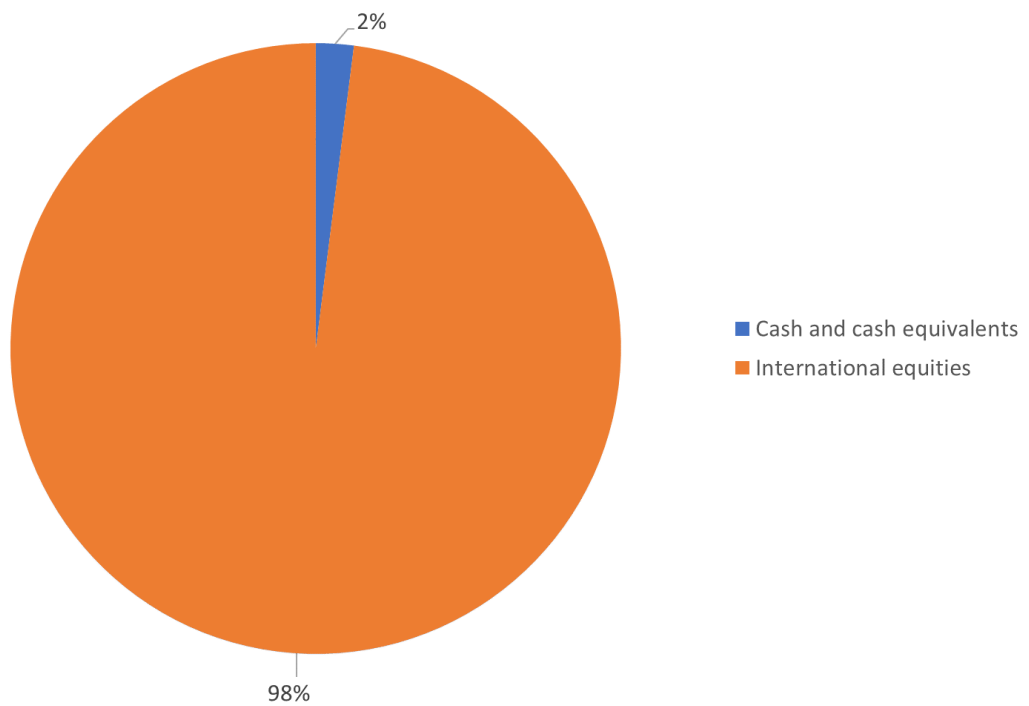
This shows the types of assets that the fund invests in.

Actual investment mix



Foreign currency exposure was not hedged to New Zealand dollars as at 31 December 2021.

Target investment mix



Top 10 investments

| | Name | % of Fund net assets | Type | Country | Credit rating (if applicable) |
|----|--|----------------------|---------------------------|-------------|-------------------------------|
| 1 | MICROSOFT CORP | 3.25% | International equities | US | N/A |
| 2 | USD CASH DEPOSIT, BNP PARIBAS A/C | 3.23% | Cash and cash equivalents | US | A+ |
| 3 | VERIZON COMMUNICATIONS | 2.77% | International equities | US | N/A |
| 4 | APPLE INC | 2.59% | International equities | US | N/A |
| 5 | ALPHABET INC (Class A & Class C Stock combined value) | 2.02% | International equities | US | N/A |
| 6 | SUMITOMO MITSUI FINANCIAL GROUP | 2.01% | International equities | Japan | N/A |
| 7 | KDDI CORP | 1.57% | International equities | Japan | N/A |
| 8 | ROCHE HLDGS (Voting and non-voting stock combined value) | 1.28% | International equities | Switzerland | N/A |
| 9 | KROGER CO | 1.14% | International equities | US | N/A |
| 10 | HCA HEALTHCARE INC | 1.10% | International equities | US | N/A |

The top 10 investments make up 20.96% of the net asset value of the fund.

Key personnel

This shows the directors and employees who have the most influence on the investment decisions of the fund.

| Name | Current position | Time in current position | Previous or other current position | Time in previous or other current position |
|-------------------------|--------------------------|--------------------------|--|--|
| Nicholas Bagnall | Chief Investment Officer | 2 years 1 months | ACC – Chief Investment Officer | 26 years 0 months |
| Ian Graham | Senior Analyst | 2 years 1 months | Scott Technology – Projects and Strategy | 2 years 5 months |
| Jack Crowley | Senior Analyst | 1 years 4 months | Jarden – Equity Research Analyst | 5 years 2 months |

Further information

You can also obtain this information, the PDS for the Te Ahumairangi Investment Funds, and some additional information from the offer register at <https://disclose-register.companiesoffice.govt.nz>.

Notes

¹ A combination of actual fund returns and market index returns have been used to determine the risk indicator as the fund has not been operating for the required five years. The risk indicator may therefore provide a less reliable indicator of the fund's future volatility. Market index returns have been used until 30 November 2021 and fund returns thereafter.

² As the fund only started accepting contributions on 5 November 2021, historical fee information is not available.

³ As the fund has not existed for a full year, figures in this example are based on returns from the date of the first fund contribution (5 November 2021).