Monthly Fund Fact Sheet
April 2022

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)	**1.0534** 2 May 2022, uses 29 April valuations
Monthly Return	**+1.44%** After fees, April 2022
Fund Size	**$13.73 million** 29 April 2022
Fund Type	**Portfolio Investment Entity**
Start date	**5 November 2021**
Minimum Investment	**$100,000 direct, or $250 through InvestNow.**
Investment Manager	**Te Ahumairangi Investment Management Ltd**
Issuer and Fund Manager	**Implemented Investment Solutions Ltd**
Supervisor	**Public Trust**
Custodian	**BNP Paribas**
Registry	**MMC**
Management Fees	**0.60% per annum plus GST (approx 0.64% 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.

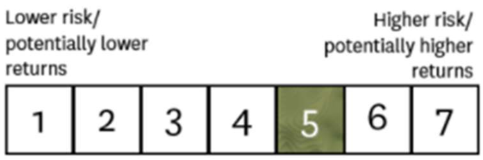
For long-term investors, it will often make sense to hold global equities as part of a diversified portfolio that also includes fixed interest investments and possibly other investments such as New Zealand equities. Global equities provide a level of diversification that is difficult to achieve from 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 plunged in April, with developed country equity markets returning -6.85% in gross local currency terms over the period. However, weakness in the NZ dollar meant that the MSCI World index fell just -1.70% in NZ dollar terms.

Indices of lower-risk equities performed better than the broader global equity market. The fund's benchmark index rose +0.02% in New Zealand dollar terms in April.

Consumer Staples was the best performing sector for the month, Information Technology and Consumer Discretionary were the worst performing sectors. The best performing markets were in Western Europe and non-Japan Asia, whereas US equities lagged the rest of the world, and NZ dollar returns from Japanese equities were poor due to weakness in the Japanese yen.

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 +1.44% in April (after fees), outperforming the benchmark index, which rose by +0.02%. Key factors explaining this outperformance were:

- The fund achieved better-than-benchmark returns in 11 of the 12 countries in which it had the most funds invested in April.
- In particular, the fund benefitted from achieving significantly better-than-benchmark returns in Japan. Although weakness in the Japanese yen meant that returns from the Japanese *market* were poor when measured in NZ dollar terms, the returns that the fund achieved in Japan (+2.3%) were significantly better.
- The weakness in global equity markets during April was concentrated in highly priced growth companies with volatile share prices, and the fund benefited in a relative sense from having a relatively small investment in these sorts of companies. Specifically, the fund benefitted from a lower-than-benchmark exposure to the Information Technology sector, a significantly lower-than-benchmark holding in Amazon.com, and from not holding any investment in Tesla or Nvidia.
- The fund benefitted from strong returns on investments in two telecommunication companies – AT&T and KDDI Corporation.
- The fund enjoyed better-than benchmark returns in 8 out 11 industrial sectors.
- Generally, the fund benefitted from a market environment that saw cheap stocks outperforming their more expensive peers while low-risk stocks outperformed stocks that are volatile and/or sensitive to market conditions.

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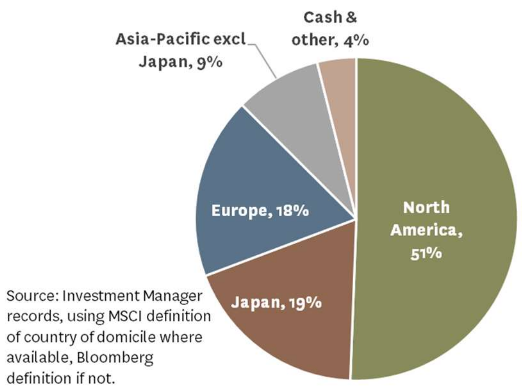
Portfolio Composition

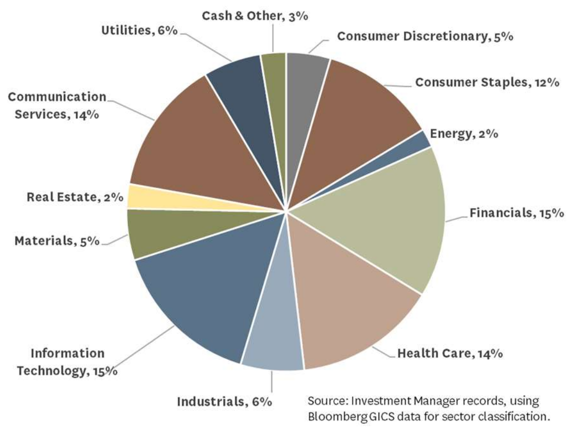
The table below shows the fund's top 10 equity investments at the end of April. For comparison, the table also shows how each company is represented in the fund's benchmark index.

Company	Percentage of fund	{Percentage of benchmark index}
Microsoft Corp	3.16%	2.08%
Verizon Communications Inc	2.71%	0.90%
Apple Inc	2.41%	2.52%
Alphabet Inc (includes 2 classes of security)	2.00%	1.42%
Sumitomo Mitsui Financial Group	1.80%	0.04%
KDDI Corp	1.69%	0.25%
Roche Holding AG (includes 2 classes of security)	1.27%	0.95%
Meta Platforms Inc	1.15%	0.45%
Sanofi	1.10%	0.17%
Unilever plc (includes shares listed in 2 countries)	1.09%	0.14%

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



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



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

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Fund Returns

	April 2022	Since Inception (5 Nov 2021 to 29 Apr 2022)
Return after fees but before taxes	**+1.44%**	**+5.48%**
Benchmark Return*	**+0.02%**	**+0.22%**

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

Portfolio spotlight: Microsoft Corporation

Microsoft is the fund's largest holding, representing 3.17% of the fund at the end of April.

Microsoft is the third most highly-valued company in the world, behind Apple and Saudi Aramco.

Microsoft has been growing rapidly, with 18% annual revenue growth in the most recent quarter. Revenue growth has been particularly strong for Azure, Microsoft's cloud platform/services business, but subscription revenues for the Microsoft Office suite have also been growing very strongly. Microsoft's share price at least partly reflects this growth, as it trades on a significantly higher multiple of earnings than could be justified if it was merely growing in line with the broader economy.

Although we know that it is inevitable that Microsoft's growth rate will ultimately slow down, and know this will ultimately result in Microsoft trading at a lower multiple of earnings, we expect that above-average growth will persist for a long time, such that when Microsoft is valued on a lower multiple of significantly higher earnings, it will be more valuable than it is today.

In our assessment, it is possible to have greater certainty and visibility about Microsoft's future growth and profitability than is the case with other large technology-based companies such as Apple, Alphabet, and Amazon.