Monthly Fund Fact Sheet
August 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)	**1.2464** 31 August 2023
Monthly Return	**+1.95%** After fees, before tax. August 2023.
Return to date	**+13.14%** per annum After fees, before taxes. Since fund inception, 5 November 2021
Fund Size	**$214.1 million*** * *Includes fund flows effective 31 Aug*
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:

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 soft in August. Developed country equity markets (as represented by the MSCI World index) returned -1.71% (including gross dividends) in local currency terms. But due to weakness in the New Zealand dollar, the MSCI World index rose +2.06% (gross) in NZ dollar terms.

Lower-risk equities performed in line with the broader equity market in August. The fund's benchmark (which includes a lower-risk component) returned +2.07%.

Share market returns were strongest in the Energy and Health Care sectors, and weakest in the Utilities sector. Geographically, NZ dollar returns were strongest from Japan and North America and weakest from Europe and Hong Kong/China.

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 +1.95% in August (after fees, but before taxes). This was an under-performance in comparison to the benchmark index, which returned +2.07%. Key factors which affected relative performance in August were:

- Citigroup's share price declined -8.4% (in NZD) over the month, detracting -0.10% from the fund's relative performance.
- The fund "missed out" by not owning some strongly performing stocks that boosted the return of the benchmark index. In particular, we missed out by not owning 3 pharmaceutical companies that saw their share prices rise due to rising expectations for the anti-obesity drugs they are developing (Eli Lilly, Novo Nordisk, and Amgen), and by not owning Nvidia, which is enjoying strong sales of its GPUs to companies looking to build capability in artificial intelligence. Together, these 4 companies contributed +0.37% to the return of the benchmark index.
- The fund benefitted by a partial rebound in Verizon (which had declined sharply in the previous month). Verizon returned +7.3% in August, boosting the fund's relative performance by +0.11%.
- The fund benefited from a greater-than-benchmark weighting in Japan (which performed relatively strongly), but was hurt by its lower-than-benchmark weighting in the United States (which also outperformed) and by a higher-than-benchmark exposure to Hong Kong/China (which performed poorly in August).
- Partial currency hedging detracted -0.13% from the fund's return.
- Fees deducted about -0.054% from the fund's return.

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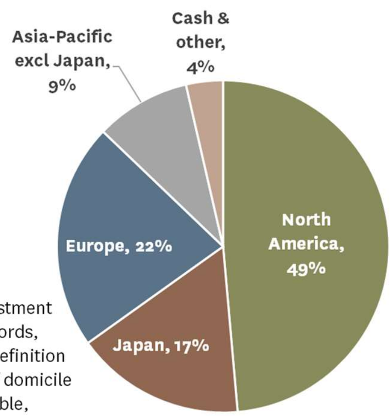
Portfolio Composition

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

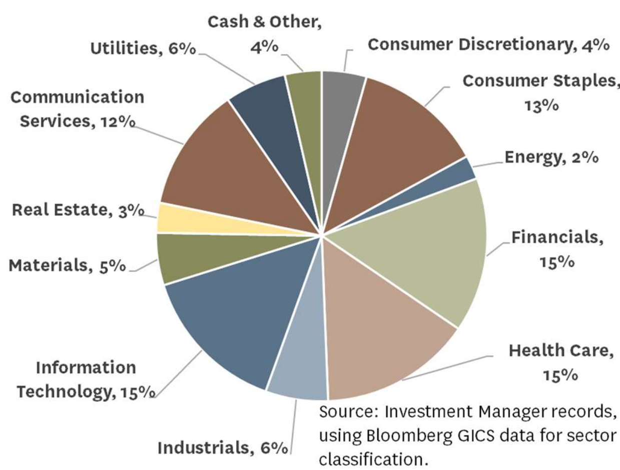
Company	Percentage of fund	*Company's weight in benchmark index*
Microsoft Corp	3.30%	2.29%
Verizon Communications	2.88%	0.68%
Apple	2.39%	2.81%
Alphabet (includes 2 classes of security)	2.23%	1.36%
KDDI Corp	1.48%	0.28%
Sumitomo Mitsui Financial Group	1.31%	0.05%
KB Financial Group	1.21%	0.00%
Check Point Software Technologies	1.19%	0.02%
WW Grainger	1.13%	0.03%
Merck & Co	1.09%	0.87%

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

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Fund Returns

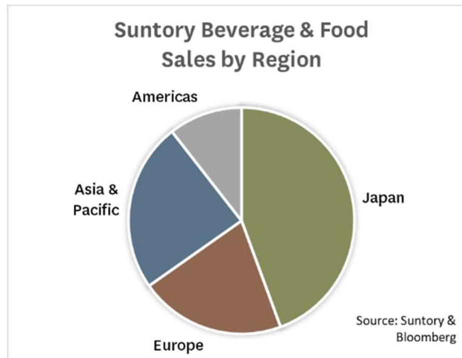
	August 2023	One year to August 2023	Since Inception (5 Nov 2021 to 31 August 2023) annualised return
Return after fees but before taxes	+1.95%	+19.15%	+13.14%
Benchmark Return*	+2.07%	+14.31%	+7.86%

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

Portfolio Spotlight: Suntory Beverage & Food

0.98% of the fund is invested in Suntory Beverage & Food.

Suntory Beverage & Food is a Japanese-based soft drinks company. (Although "food" forms part of its name, food represents less than 5% of sales). While the brand "Suntory" is associated with whiskey & beer, these products are produced by Suntory Beverage & Food's unlisted parent company, and Suntory Beverage & Food does not itself produce any alcoholic drinks.



Suntory Beverage & Food derives 44% of its revenues from Japan, with the remaining sales split between Asia/Pacific, Europe, and the Americas. In New Zealand, its subsidiary Suntory Frucor produces V, Boss, Ribena, h2go, Just Juice, Fresh Up, The Real McCoy, and Mizone. It also sells Pepsi, Gatorade, and Up&Go in NZ (although these brands are owned by other companies).

Most of Suntory Food & Beverage's brands are regional rather than global. In Japan, it mainly sells bottled water, coffee, and tea. Some brands are gaining market share, while others appear to be losing market share, but overall Suntory's revenues appear to be growing at a similar rate to the soft drink markets in which it participates. Like other soft drink companies, it has been facing cost increases and passing these onto customers through price increases.

Suntory Beverage & Food trades at a significantly lower multiple of earnings than other soft drink companies, but we don't believe that this discount can be explained by any meaningful difference in its outlook.