Monthly Fund Fact Sheet
July 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)	**1.0671** 1 August 2022, uses 29 July valuations*
Monthly Return	**+2.81%** After fees, July 2022
Fund Size	**$60.9 million*** 29 July 2022 * *Inclusive of inflows on 29 July*
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**

* Technically this unit price uses 29 July valuations for foreign exchange and all equity markets apart from Australia but uses 1 August share prices for the less than 1% of the portfolio that is invested in Australian equities.

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.

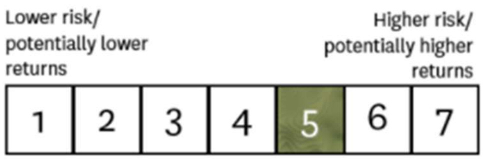
For long-term investors, it will often make sense to hold global equities as part of a diversified portfolio that also includes fixed interest investments and possibly other investments such as New Zealand equities. Global equities provide a level of diversification that is difficult to achieve from 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

After a weak first half of the year, Global Equity markets bounced in July. Developed country equity markets returned +8.00% (including gross dividends) in local currency terms. This was partly offset by a rise in the NZ dollar, such that the MSCI World index returned +7.06% in NZ dollar terms.

Indices of lower-risk equities lagged the broader global equity market. The fund's benchmark index returned +4.79% in New Zealand dollar terms in July.

Many of the sectors that had fallen the hardest in the first half of the year bounced the hardest in July. The strongest sectors were Consumer Discretionary, Information Technology, and Industrials, while more defensive sectors generally lagged. Returns were stronger in the United States than in most other major global markets.

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 +2.81% in July (after fees). This was an under-performance in comparison to the benchmark index, which returned +4.79%. Key factors contributing to underperformance were:

- The recovery in equity markets during July was led by companies and stocks exhibiting several of the following characteristics: high valuations; strong perceived growth potential; volatile share prices; high sensitivity to economic conditions; share prices that are highly sensitive to market conditions; and poor relative share price performance over the first 6 months of 2022. As the fund is generally tilted to companies that have the opposite characteristics, it did not fully participate in the July recovery in share prices. For example, the fund holds no Tesla or Nvidia shares and has a relatively modest investment in Amazon shares, but these 3 companies made a disproportionately large contribution to the return of the benchmark index.
- Related to this, the fund held a lower than benchmark weight in the Consumer Discretionary and Information Technology sectors, and these were the two best performing sectors during July.
- The fund held an average cash weighting of 4% during the month, which diluted its return.
- The portfolio's holding of Verizon Communications performed poorly during the month, returning -8.6%, due to a disappointing quarterly financial result.
- The US share market performed better than most other share markets in July. The fund has a lower percentage weighting in the United States than the benchmark index, so benefitted less from the relative strength of the US market.

Partly offsetting these factors that detracted from relative performance, returns were boosted by the fund's holdings in HCA Healthcare and WW Grainger, which returned 25% and 19% respectively, due to good quarterly financial results.

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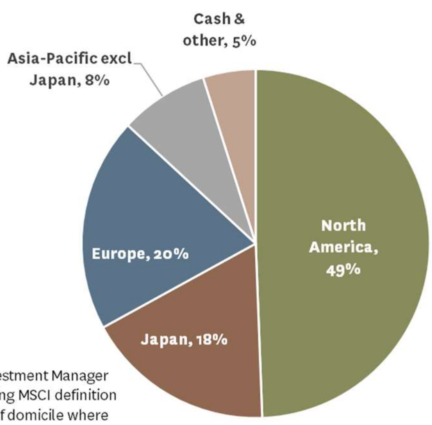
Portfolio Composition

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

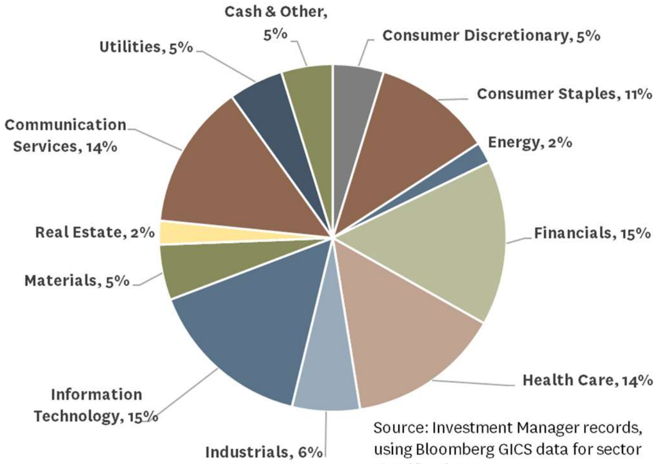
Company	Percentage of fund	{Percentage of benchmark index}
Microsoft Corp	3.26%	2.20%
Verizon Communications Inc	2.81%	0.87%
Apple	2.31%	2.72%
Alphabet (includes 2 classes of security)	2.11%	1.35%
Sumitomo Mitsui Financial Group	1.68%	0.04%
KDDI Corp	1.52%	0.25%
Roche Holding (includes 2 classes of security)	1.26%	0.83%
WW Grainger	1.12%	0.02%
KB Financial Group	1.08%	0.00%
HCA Healthcare	1.08%	0.05%

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

	July 2022	Since Inception (5 Nov 2021 to 29 July 2022)
Return after fees but before taxes	+2.81%	+6.81%
Benchmark Return*	+4.79%	+1.74%

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

Portfolio spotlight: WW Grainger

1.12% of the fund is invested in WW Grainger.

WW Grainger is an industrial supplies company, providing businesses with a vast array of "maintenance, repair, and operations" ("MRO") supplies, such as safety equipment, lighting, tools, cleaning products, plumbing supplies, motors, pumps, materials handling equipment, fasteners, and other hardware. It supplies these products through both "high-touch solutions" where it aims for superior customer service (providing advice and sometimes managing inventories for customers) and an online "endless assortment" business which offers a large catalogue of products at competitive prices.

Grainger is the largest single supplier in the fragmented North American MRO supplies market and has been gaining market share over time. In recent years, Amazon attempted to enter this market, which prompted Grainger to cut prices, but Amazon does not appear to have taken a significant share of the MRO supplies market. In the most recent quarter, Grainger grew sales by 22% compared to the same quarter of the previous year, and estimated that it had out-grown the market by 5.5% in North America. While Grainger operates mainly in North America, it also has operations in the UK, and has a 50% shareholding in MonotaRo, an online MRO supplier in Japan (which is highly valued by the Japanese share market).