

Monthly Fund Fact Sheet March 2023



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)	1.1431 31 March 2023
Monthly Return	+2.34% After fees, before tax. March 2023
Return to date	+10.28% per annum Since fund inception, 5 November 2021
Fund Size	\$83.9 million* 31 March 2023 <i>* Includes fund flows effective 31 Mar</i>
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 rose in March, despite weakness early in the month associated with the collapse of 2 US banks. Developed country equity markets (as represented by the MSCI World index) rose +2.56% (adjusted for gross dividends) in local currency terms. After adjusting for currency movements, the MSCI World index rose +2.16% (gross) in NZ dollar terms.

Indices of lower-risk equities outperformed the broader global equity market. The fund's benchmark index returned +2.60% in New Zealand dollar terms in March.

Share market returns from the Information Technology, Materials, Communication Services, and Utilities sectors were stronger than other sectors in March, while Financials, Real Estate, and Energy lagged the rest of the market. Within the Financials sector, banks were particularly weak. Returns were broadly similar (in NZ dollar terms) from each major geographic 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 **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 +2.34% in March (after fees, but before taxes). This was an under-performance in comparison to the benchmark index, which returned +2.60%. Key factors which affected relative performance were:

- The fund held a higher-than-benchmark weighting in banks, which adversely affected performance, as the share prices of banks declined sharply (-12.6% on average) in reaction to the collapse of two US banks.
- Although the fund's relative performance was adversely affected by having a relatively high weighting in banks, the banks that the fund held generally performed better than the average bank over the month, which significantly reduced the impact of having a high allocation to banks.
- The fund benefited significantly from a relatively small holding in gold miner Resolute Mining, which rose 69% during the month. This contributed +0.17% to the fund's relative performance.
- Holdings in tech giants Microsoft & Alphabet (both up 14%) also contributed positively to relative performance.
- The fund's performance was adversely affected by its holding in German residential landlord Vonovia, which declined -26% during the month, detracting 0.10% from the fund's relative performance.
- More generally, the fund's relative performance for the month was adversely affected by its tilt towards "value stocks" (companies that trade on low multiples relative to earnings and asset backing), as value stocks generally underperformed the rest of the market in March.

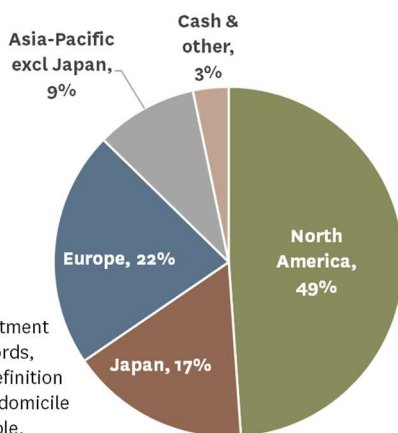
Since inception (5 November 2021), the fund has returned +10.28% per annum, outperforming its benchmark index by +6.89% per annum.

Portfolio Composition

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

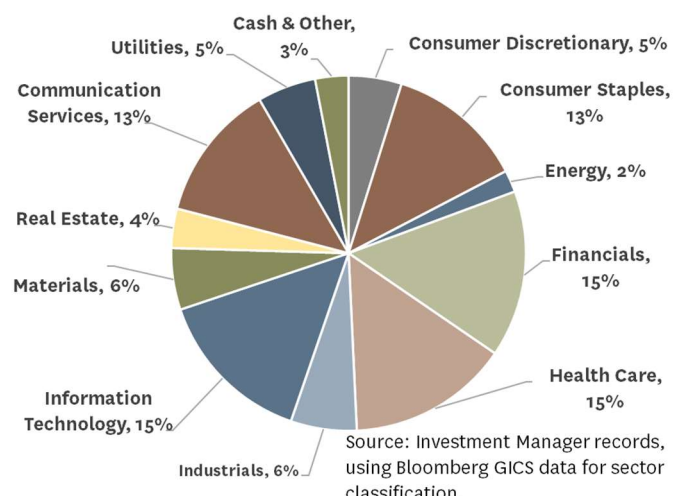
Company	Percentage of fund	{Company's weight in benchmark index}
Microsoft Corp	3.31%	2.20%
Verizon Communications	2.81%	0.75%
Apple	2.32%	2.62%
Alphabet (includes 2 classes of security)	2.08%	1.14%
Sumitomo Mitsui Financial Group	1.47%	0.05%
KDDI Corp	1.46%	0.29%
WW Grainger	1.25%	0.03%
Sanofi	1.18%	0.36%
Check Point Software Technologies	1.13%	0.01%
National Grid	1.11%	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

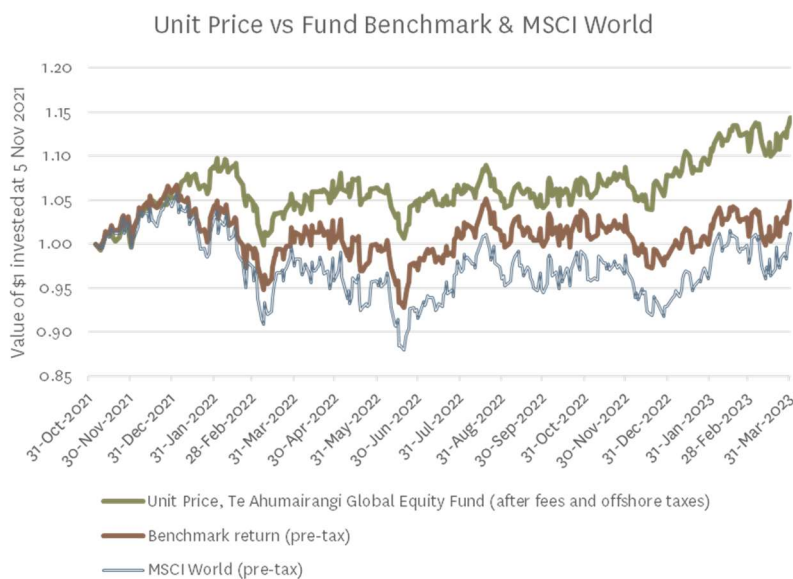
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Fund Returns

	March 2023	One year to March 2023	Since Inception (5 Nov 2021 to 28 March 2023) annualised return
Return after fees but before taxes	+2.34%	+10.30%	+10.28%
Benchmark Return*	+2.60%	+4.57%	+3.39%

* 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 10.8%, which compares to 13.3% for the benchmark, and 16.1% for the MSCI World Index.

Important Notice and Disclaimer

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