Monthly Fund Fact Sheet
June 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)	**1.2130** 30 June 2023
Monthly Return	**+1.98%** After fees, before tax. June 2023.
Return to date	**+12.68%** per annum After fees, before taxes. Since fund inception, 5 November 2021
Fund Size	**$191.4 million*** * *Includes fund flows effective 30 June*
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:

Lower risk/ potentially lower returns — Higher risk/ potentially higher returns

1	2	3	4	5	6	7

For more information on the risks associated with this fund, please see the Product Disclosure Statement (PDS).

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Performance Update

Global equity markets were strong in June. Developed country equity markets (as represented by the MSCI World index) returned +5.72% (including gross dividends) in local currency terms. Due to strength in the New Zealand dollar, the MSCI World index rose +3.78% (gross) in NZ dollar terms.

Lower-risk equities lagged the broader equity market (as is normally the case in very strong markets). The fund's benchmark (which includes a lower-risk component) returned +2.34%.

Share market returns were strongest in the cyclical Consumer Discretionary and Industrials sectors, and weakest in the more defensive Utilities, Consumer Staples, Communication Services, and Health Care sectors. Geographically, NZ dollar returns were strongest for North America and weakest for Japan (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 +1.98% in June (after fees, but before taxes). This was an under-performance in comparison to the benchmark index, which returned +2.34%. Key factors which affected relative performance in June were:

- The month was characterised by strong share price performances by volatile highly-valued "growth" stocks, and the fund missed out by having relatively little invested in these sorts of stocks. While no shares that we held in the fund detracted as much as -0.1% from the fund's relative performance, not owning Tesla cost the fund -0.13% of relative performance in June (due to how strength in Tesla shares boosted the benchmark index).
- Overall, the fund's selection of investments within sectors and within countries contributed positively to relative performance, but the fund missed out due to how it was allocated between countries and sectors. In particular, having a lower-than-benchmark weight in the United States and a lower-than benchmark weight in the Industrials and Consumer Discretionary sectors detracted from the fund's relative performance.
- The fund benefitted from strong performances by WW Grainger (+19%, contributing +0.18% to relative performance) and Danske Bank (+17%, contributing +0.10% to relative performance).
- The fund held an average weighting in cash deposits of 3.9% during the month, which was a drag on relative performance, as cash deposits missed out on the strong rise in share prices. This detracted -0.18% from the fund's relative performance. Partly offsetting this, the fund enjoyed gains of +0.12% from a small amount of currency hedging.
- The fund has returned +14.41% in the first 6 months of 2023, compared to a benchmark return of +13.16% over the same period. Since inception, the fund has returned +12.68% per annum, compared to a benchmark return of +6.75% per annum.

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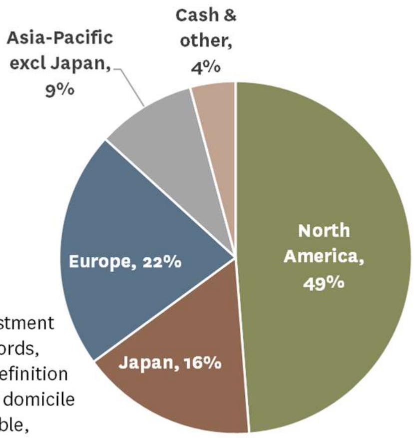
Portfolio Composition

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

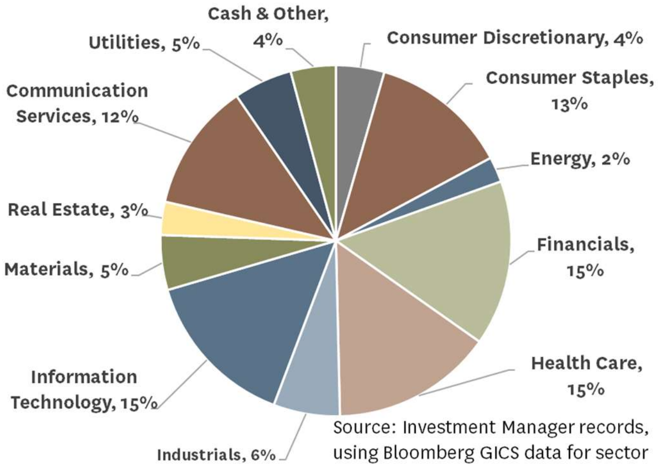
Company	Percentage of fund	*Company's weight in benchmark index*
Microsoft Corp	3.34%	*2.41%*
Verizon Communications	2.87%	*0.71%*
Apple	2.36%	*2.95%*
Alphabet (includes 2 classes of security)	2.01%	*1.22%*
KDDI Corp	1.47%	*0.29%*
Sumitomo Mitsui Financial Group	1.32%	*0.05%*
WW Grainger	1.22%	*0.03%*
Check Point Software Technologies	1.16%	*0.02%*
Merck & Co	1.10%	*0.91%*
Roche Holding (includes 2 classes of security)	1.10%	*0.70%*

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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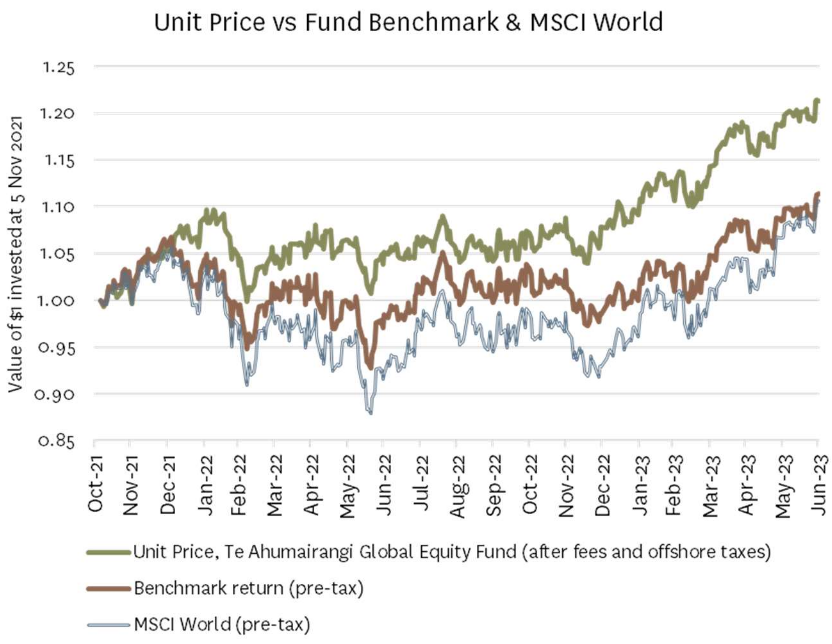
Fund Returns

	June 2023	One year to June 2023	Since Inception (5 Nov 2021 to 30 June 2023) annualised return
Return after fees but before taxes	+1.98%	+17.20%	+12.68%
Benchmark Return*	+2.34%	+14.72%	+6.75%

* 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 10.5%, which compares to 12.8% for the benchmark, and 15.6% for the MSCI World Index.

Important Notice and Disclaimer

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