

Fund Update

For the quarter ended 30 June 2023

- Te Ahumairangi Investment Funds
- Te Ahumairangi Global Equity Fund

This fund update was first made publicly available on: 31 Jul 2023

What is the purpose of this update?

This document tells you how the Te Ahumairangi Global Equity Fund has performed and what fees were charged. The document will help you to compare the fund with other funds. FundRock NZ Limited prepared this update in accordance with the Financial Markets Conduct Act 2013. This information is not audited and may be updated.

Description of this fund

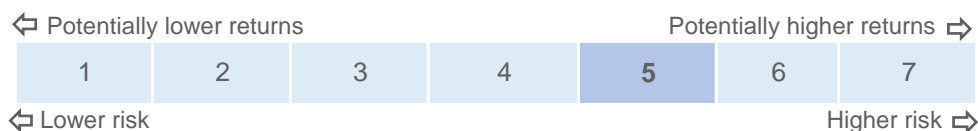
Objective: The fund's primary objective is to outperform its benchmark index (50:50 combination of the MSCI World Index, and the MSCI Minimum Volatility Index optimised for NZ dollar based investors). Over the long-term (7+ years) the fund also aims to deliver pre-tax post-fee returns of over 6.5% per annum and to produce better returns than the broader global equity universe (as proxied by the MSCI World index), while at the same time achieving a significantly lower level of risk (which can be measured in terms of lower return volatility, and smaller drawdowns than the MSCI World Index).

Strategy: The fund invests in global equities across various listed equity markets and will typically maintain a small weight (0 to 5%) in cash to maintain liquidity / flexibility, but will occasionally hold a higher cash weighting if the investment manager considers this appropriate. The fund may use leverage of up to 5% of the aggregate value of its investments, but only for the purposes of providing short-term liquidity. The fund may use forward foreign exchange contracts to tilt the foreign exchange exposures of the portfolio, but will typically have over 90% net unhedged exposure to currencies other than the NZ dollar.

Total value of the fund	\$NZ 191,254,540
The date the fund started	05 November 2021

What are the risks of investing?¹

Risk indicator for the Te Ahumairangi Global Equity Fund.



The risk indicator is rated from 1 (low) to 7 (high). The rating reflects how much the value of the fund's assets goes up and down. A higher risk generally means higher potential returns over time, but more ups and downs along the way.

To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at www.sorted.org.nz

Note that even the lowest category does not mean a risk-free investment, and there are other risks that are not captured by this rating.

This risk indicator is not a guarantee of a fund's future performance. The risk indicator is based on the returns data for 5 years to 30 June 2023. While risk indicators are usually relatively stable, they do shift from time to time. The risk indicator will continue to be updated in future fund updates.

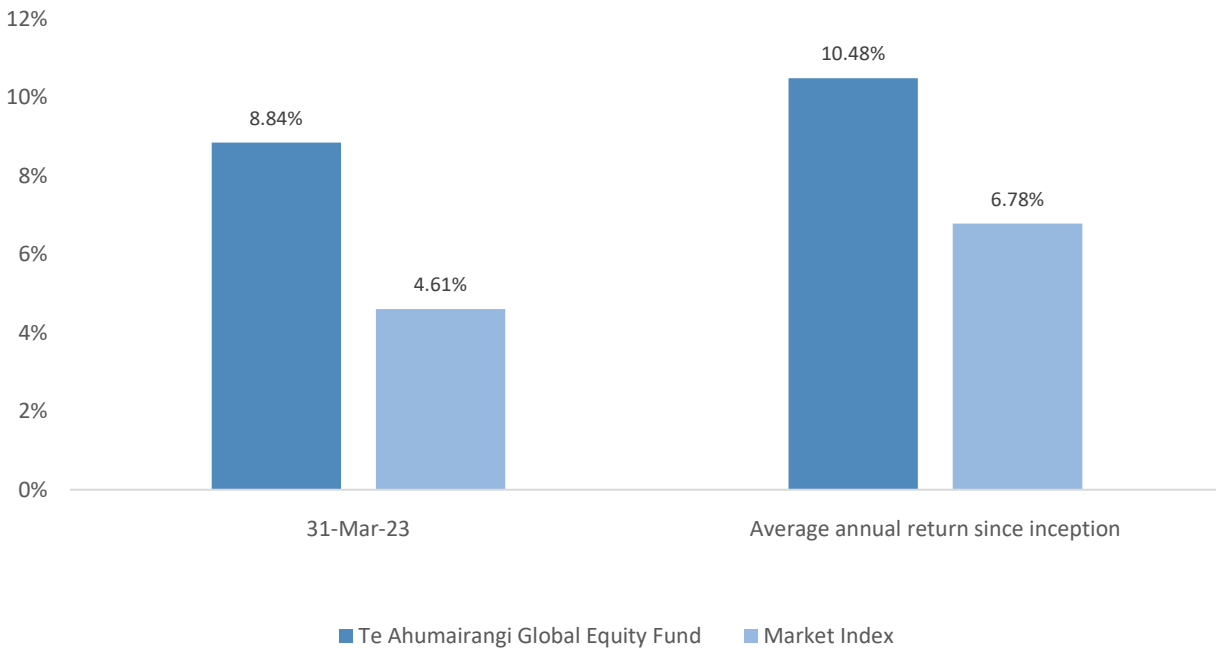
See the product disclosure statement (PDS) for more information about the risks associated with investing in this fund.

How has the fund performed?

	Past year
Annual return (after deductions for charges and tax)	14.30%
Annual return (after deductions for charges but before tax)	16.00%
Market index annual return (reflects no deduction for charges and tax)	14.76%

The market index return is the 50:50 combination of the MSCI World Index, and the MSCI Minimum Volatility Index optimised for NZ dollar based investors. This has been the market index since the inception of the fund. Additional information about the market index is available on the offer register at www.disclose-register.companiesoffice.govt.nz.

Annual Return Graph²



This shows the return after fund charges and tax for each year ending 31 March since the fund started. The last bar shows the average annual return since the fund started, up to 30 June 2023

Important: This does not tell you how the fund will perform in the future.

Returns in this update are after tax at the highest prescribed investor rate (PIR) of tax for an individual New Zealand resident. Your tax may be lower.

What fees are investors charged?

Investors in the Te Ahumairangi Global Equity Fund are charged fund charges. In the year to 31 March 2023 these were:

	% of net asset value (including GST)
Total fund charges (including GST)	0.66%
Which are made up of:	
Total manager and administration charges (including GST)	0.66%
Including:	
Manager's basic fee (including GST)	0.38%
Other management and administration charges	0.28%

Investors may also be charged individual action fees for specific actions or decisions (for example, for withdrawing from or switching funds). See the PDS for the Te Ahumairangi Global Equity Fund on the offer register at www.disclose-register.companiesoffice.govt.nz for more information about those fees.

Example of how this applies to an investor

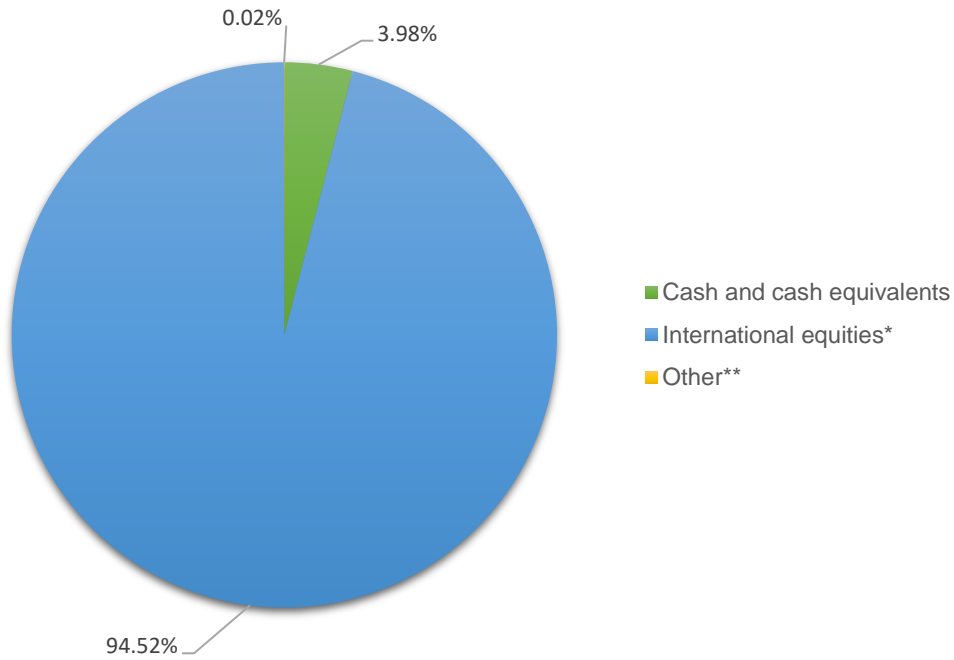
Small differences in fees and charges can have a big impact on your investment over the long term.

Anthony had \$10,000 in the fund at the start of the year and did not make any further contributions. At the end of the year, Anthony received a return after fund charges were deducted of \$1,600 (that is 16.00% of his initial \$10,000). This gives Anthony a total return after tax of \$1,430 for the year.

What does the fund invest in?

This shows the types of assets that the fund invests in.

Actual investment mix³

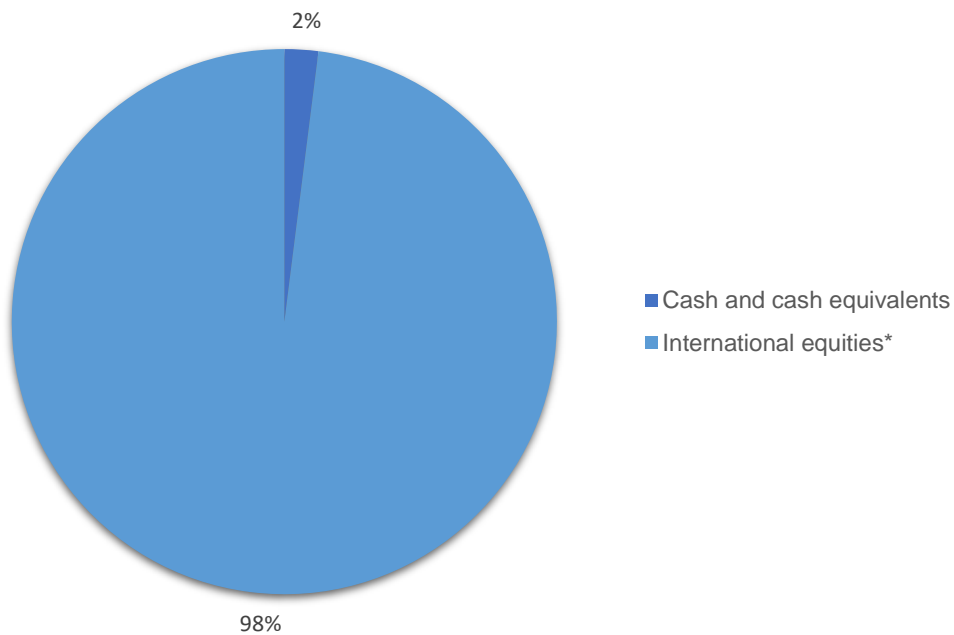


* Includes Australian equities and all sectors

**Forward Foreign exchange

Foreign currency exposure was 4.37% hedged to New Zealand dollars as at 30 June 2023.

Target investment mix



* Includes Australian equities and all sectors

Top 10 investments

	Name	% of Fund net assets	Type	Country	Credit rating (if applicable)
1	Microsoft Corp	3.34%	International equities	US	N/A
2	Verizon Communications	2.87%	International equities	US	N/A
3	Apple	2.36%	International equities	US	N/A
4	US Dollar cash at Bank	2.07%	Cash and cash equivalents	US	N/A
5	Alphabet (includes 2 classes of security)	2.01%	International equities	US	N/A
6	KDDI Corp	1.47%	International equities	JP	N/A
7	Sumitomo Mitsui Financial Group	1.32%	International equities	JP	N/A
8	WW Grainger	1.22%	International equities	US	N/A
9	Check Point Software Technologies	1.16%	International equities	IL	N/A
10	Merck & Co	1.10%	International equities	US	N/A

The top 10 investments make up 18.93% of the net asset value of the fund.

Key personnel

This shows the directors and employees who have the most influence on the investment decisions of the fund.

Name	Current position	Time in current position	Previous or other current position	Time in previous or other current position
Nicholas Bagnall	Chief Investment Officer	3 years 7 months	ACC – Chief Investment Officer	26 years 0 months
Ian Graham	Senior Analyst	3 years 7 months	Scott Technology – Projects and Strategy	2 years 5 months
Jack Crowley	Senior Analyst	2 years 10 months	Jarden – Equity Research Analyst	5 years 2 months

Further information

You can also obtain this information, the PDS for the Te Ahumairangi Investment Funds, and some additional information from the offer register at www.disclose-register.companiesoffice.govt.nz.

Notes

- 1 A combination of actual fund returns and market index returns have been used to determine the risk indicator as the fund has not been operating for the required five years. The risk indicator may therefore provide a less reliable indicator of the fund's future volatility. Market index returns have been used until 30 November 2021 and fund returns thereafter.
- 2 The bar chart shows fund returns after deducting fees and tax. Tax is deducted at the highest Prescribed Investor Rate of 28%. However, the market index returns are shown before deducting fees and tax. Your tax may be lower.
- 3 The default position of the fund is to accept the unhedged currency exposure associated with the securities that it invests in. However, the fund will sometimes use foreign exchange forwards (and allocation of any cash balances) to tilt the fund's exposure to a different mix of currencies than arises directly from the underlying investments, if the investment manager judges that this different mix of currency exposures is likely to result in a better balance of risk and return.