

Ngā Tohu Whakahira o TAHITO

Highlights and Key Points of TAHITO



TAHITO

TAHITO is Indigenous investing

TAHITO is a unique way of measuring companies using indigenous knowledge combined with Environmental, Social and Governance (ESG) criteria and conventional financial analysis to provide an ethical and sustainable fund.

Mauri o te Aroha, ora o te Aroha, Mauriora

This translates as 'Mauri is life force, aroha is connection, aroha feeds mauri, life force is fed by connection'. We measure connectivity, because the more you are connected the more you will care about the environment and the communities you are in. We are effectively measuring the transition of companies from the 'substantive', internally focused behaviours, to the ideal indigenous 'relational', externally connected, collective behaviours.

The insight falls out of the ancestral Māori worldview

This is centred on connection and the interdependence of all things:

- Its ethics strive for balance and consensuality
- Its behaviour is complementary and co-operational
- Its target is reciprocity and harmony

We look for companies that:

- Display connectivity and value relationships
- Are serious about their ethics and values
- Place people and environment in high priority
- Care for and give back to the community
- Show long term sustainable growth potential

20 Plus Years' Experience

The financial markets and investment experience for the TAHITO Investment Committee averages to over 20 years per person.

Te Kōwhiringatapu / TAHITO investment process

The TAHITO investment process is based upon indigenous ethics, sustainability and regenerative values. This is at our core. We apply primarily positive screens and integrate ESG on a values basis.

Our screening process is holistic, comprehensive and thorough. We measure behaviour change.

Fund Features and Rewards

- **No Fossil fuels:** (more details on page 2)
- **Low carbon footprint:** Our companies demonstrate low greenhouse gas emissions, even when compared to other companies that are well rated from an ESG perspective (more details on page 2).
- **We measure diversity** in governance and senior management: For a company to be eligible for the Fund they must have as least one female director.
- **Positive investment screening:** Our screening process has over 50 quantitative and qualitative measures to ensure your investment is applied ethically and sustainably with positive social and environmental purpose.
- **Negative Screens:** Negative business involvement screens are conducted to prevent the allocation of capital to companies or sectors that are not consistent with our investment philosophy (more details on page 2).
- **The Fund has produced a competitive return to date:** We believe you can invest to a high ethical and sustainable standard and receive a competitive return on investment (see page 3 for more details).
- **High ESG quality:** The TAHITO Te Tai o Rehua Fund has a strong A rating based on data from independent provider MSCI ESG.
- **Actively managed:** In order to achieve and maintain a high indigenous ethical and sustainable commitment the Fund needs constant active attention and care.
- **Strong financial analysis:** Our Investment team backs its decisions with robust and thorough financial analysis and research. Our portfolio construction focuses on long term sustainable growth and resilience.
- **Institutional Administration and Compliance:** TAHITO and its products and services are part of the Investment Services Group.

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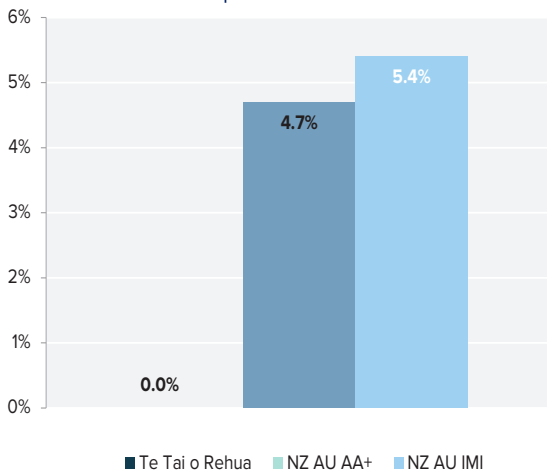
TAHITO

Expansive Negative Screens

- Alcohol producers
- Adult Entertainment/Pornography
- Civilian Firearms
- Global Sanctions
- Defence and Weapons
- Fossil Fuels
- Gambling
- Genetic Engineering (GE)
- Human Rights & Environmental Violations
- Nuclear Power
- Production or Purchase of Palm Oil
- Tobacco and Vaping
- No Female Board Representation

No Fossil Fuels*

Fossil Fuel Exposure - March 2023



The companies in the Te Tai o Rehua Fund hold no fossil fuel reserves and don't have any ties to fossil fuels. (*Data from the MSCI ESG Carbon Portfolio Analytics report and the MSCI fossil fuel reserves and ties to fossil fuels screens. Also supported by the Morningstar Carbon Report. Carbon reports are updated quarterly.)

Fossil Fuel Reserves

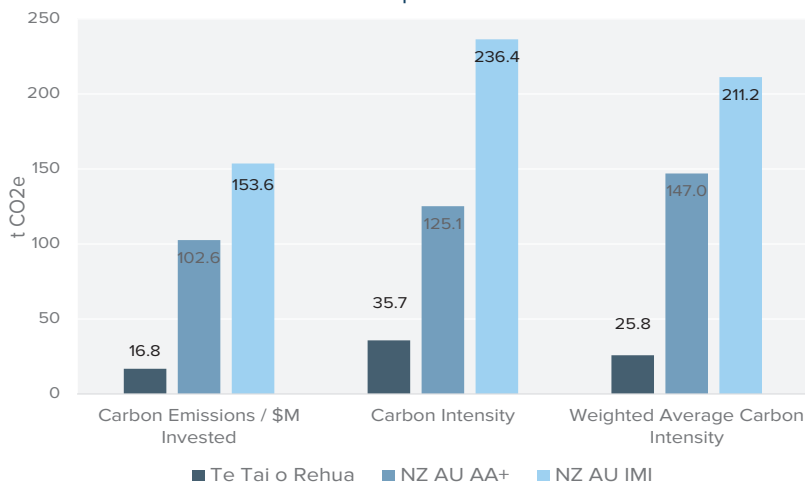
This field identifies companies with evidence of owning fossil fuel reserves regardless of their industries, including companies that own less than 50% of a reserves field. Fossil reserves are defined as proved and probable reserves (i.e. 1P and 2P) for coal and proved reserves (i.e. 1P) for oil and natural gas. Evidence of owning reserves includes companies providing the exact volume of reserves, and companies making a statement about their ownership of reserves.

Fossil Fuels - Any Tie

Companies with an industry tie to fossil fuels (thermal coal, oil and gas), in particular reserve ownership, related revenues and power generation. It does not flag companies providing evidence of owning metallurgical coal reserves.

TAHITO is collective self-intelligence. Collective self-intelligence is connection; everything is interrelated, nothing exists of itself.

Carbon Emissions Comparison - March 2023



Low Carbon Emissions

The carbon emissions in Te Tai o Rehua Fund are 83.6% lower than all NZ AU MSCI listed equities with a AAA or AA ESG rating. Carbon intensity is 71.5% lower and weighted average carbon intensity is 82.5% lower. (NZ AU AA+ = New Zealand and Australian equities with and ESG rating of AA or better) (NZ AU IMI = The Morgan Stanley New Zealand and Australia Investible Market Index).

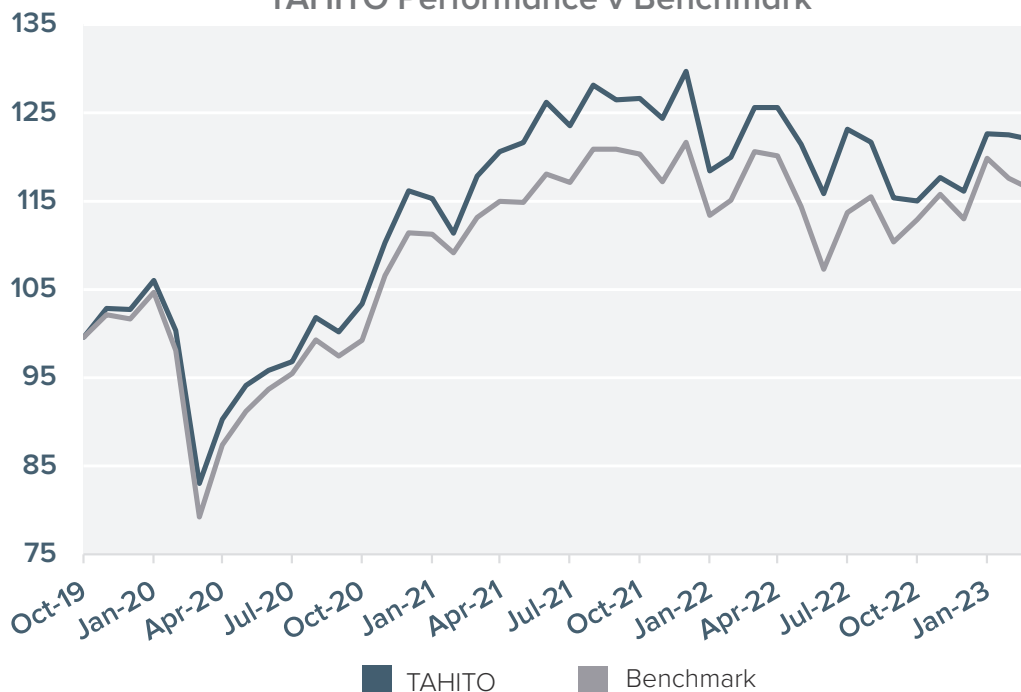
TAHITO is about re-building the connection between people and the environment. It is an indigenous contribution towards a new global story of diversity, equity and sustainability.

Te Tai o Rehua Gross Performance (before fees and tax)



TAHITO

TAHITO Performance v Benchmark



CERTIFIED BY RIAA

The TAHITO Te Tai o Rehua Fund has been certified by the Responsible Investment Association Australasia according to the strict operational and disclosure practices required under the Responsible Investment Certification Program. See www.responsiblereturns.com.au for details.¹

1. The Responsible Investment Certification Program does not constitute financial product advice. Neither the Certification Symbol nor RIAA recommends to any person that any financial product is a suitable investment or that returns are guaranteed. Appropriate professional advice should be sought prior to making an investment decision. RIAA does not hold an Australian Financial Services Licence.

31-Mar-23	Month	3 Mths	6 Mths	YTD	1 Year	2 Years	3 Years	Inception (p.a.)
Fund	-0.4%	4.4%	5.0%	4.4%	-3.5%	1.4%	13.4%	5.7%
Benchmark	-1.1%	2.9%	5.4%	2.9%	-2.2%	2.1%	14.2%	4.9%
Alpha	0.7%	1.5%	-0.4%	1.5%	-1.3%	-0.7%	-0.8%	0.7%

Benchmark - 50% NZX 50 Portfolio index (including imputation credits) / 50% ASX Accumulation 200 index (in NZD).

Fund returns are after deductions for fees but before tax. Benchmark returns have no deduction for fees or tax.

Our TAHITO Te Tai o Rehua Fund is created upon indigenous, ethical and sustainable values.

To create equity, environmental sustainability and regeneration we need to avoid further concentration of wealth and wealth polarization and strive for:

- A quantum shift in economics - prioritizing community and environmental wellbeing over profit; and
- A commitment to 'a new story' of how we want the world to be.

Our TAHITO Pūraka and our website www.tahito.co.nz provide a deeper insight into the TAHITO philosophy, values and process.

Mauri ora.

Summary of the Statement of Investment Policies and Objectives



TAHITO

Description of the Fund

The Fund is an indigenous, ethical and sustainable fund. The Fund uses positive ESG integrated screens in selecting investments. Māori indigenous values and principles serve as the foundation to the Fund's philosophy and investment selection process.

The Fund is best suited for investors who:

1. Want their investment aligned to high level of values and principles;
2. Want their investment to be sustainably managed across a well-researched portfolio of primarily Australian and New Zealand equities; and
3. Would like to see their capital applied ethically in investments with positive social and environmental purposes.

Investment Philosophy

The TAHITO investment philosophy focuses on providing high quality ethical and sustainable investment services to investors. It is based on the following principles:

1. We are ethical and sustainable investors.
2. We are values-based investors. We invest in high quality investments that display connectivity and relational behaviours and qualities, have or are committed to a low environmental impact and have a high level of social and corporate responsibility.
3. We integrate MSCI ESG research on a values basis in our ethical screening.
4. All securities undergo fundamental valuation and financial quality analysis.
5. We take a long-term view.
6. We are active investors.
7. We have a disciplined approach to risk management.

Who else is involved?

Role	Name	Description
Manager	Clarity Funds Management Limited	Clarity has been licensed by the Financial Markets Authority, under the Financial Markets Conduct Act to act as Manager of the Fund.
Investment Advisor	TAHITO Limited	Appointed by Clarity to provide investment advisory services for the Fund, including advice on the process by which Maori indigenous values, principles and behaviours are incorporated into investment decision-making processes.
Supervisor & Custodian	The New Zealand Guardian Trust Company Limited	Supervisor of the Scheme under the FMC Act, responsible for supervision of us as the Manager of the Fund.
Sub-Custodian	BNP Paribas Fund Services Australasia Pty Limited	Appointed by the Supervisor to hold the assets of the Fund on behalf of investors.
Administration Manager and Unit Registrar	Apex Limited	Appointed to provide various administration functions on our behalf including unit pricing, fund accounting and unit registry services.

Investment Objective, Strategy and Guidelines of the Fund



TAHITO

Benchmark	50% S&P/NZX50 Portfolio Index Gross with Imputation and 50% S&P/ASX200 Accumulation Index in New Zealand dollars.
Investment Objective	The Fund will provide actively managed exposure to a portfolio of primarily New Zealand and Australian companies that have been selected in accordance with the TAHITO investment philosophy. The Fund aims to generate a better return than the benchmark over the medium to long term.
Strategy	The Fund is an indigenous ethical and sustainable fund which uses positive ESG integrated screens in selecting investments. Māori indigenous values and principles serve as the foundation to the Fund's philosophy and investment selection process. The Fund aims to generate capital growth over the medium to long term by actively investing in a select portfolio of well researched New Zealand and Australian companies.
Number of holdings	The Fund will typically hold shares in 20-30 New Zealand and Australian companies. The Fund may also invest in cash or cash equivalents depending on market conditions. The Fund is actively managed, which means the holdings may differ considerably from the relevant benchmark index.
Currency hedging	The foreign currency exposure arising from Australian equities will typically be unhedged but we do have the ability to hedge this exposure anywhere in the range from 0-100%.
Distributions	We do not make any cash distributions from the Fund.
Prudential Limits	<p>The exposure to any individual company is not to exceed 10%.</p> <p>The Fund may invest in shares listed on the New Zealand Stock Exchange in a range of 30% - 70%.</p> <p>The Fund may invest in shares listed on the Australian Stock Exchange in a range of 30% - 70%.</p> <p>The Fund may invest in cash in a range of 0% - 30%.</p> <p>The Fund may not be leveraged.</p> <p>If cash flows, or market movements, cause the Fund to move outside the ranges defined above the Fund must be rebalanced within 5 working days of the range being exceeded.</p>

Information Disclaimer: This is for information purposes only. It does not take into account your investment needs or personal circumstances and so is not intended to be viewed as investment or financial advice. Should you require financial advice you should always speak to your Financial Adviser. Before investing you should read the TAHITO Te Tai o Rehua Product Disclosure Statement and Statement of Investment Policy and Objectives, available at www.tahito.co.nz and www.companies.govt.nz/disclose. Past performance is not indicative of future results and no representation or warranty, express or implied, is made regarding future performance.

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