



TAHITO Te Tai o Rehua Fund

Performance (Returns net of fees)

30-Apr-23	Month	3 Mths	6 Mths	YTD	1 Year	2 Years	3 Years	Inception (p.a.)
Fund	3.0%	1.8%	8.5%	7.5%	-0.6%	1.7%	11.4%	6.4%
Benchmark	1.3%	-1.8%	4.3%	4.2%	-0.6%	1.9%	11.0%	5.2%
Alpha	1.7%	3.6%	4.1%	3.3%	0.0%	-0.3%	0.3%	1.2%

Benchmark: 50% S&P / NZX50 Portfolio Index Gross with Imputation and 50% S&P / ASX200 Accumulation Index in New Zealand dollars.

Our Te Tai o Rehua Fund posted another strong return in April, both absolute and relative to its benchmark. The Fund returned 3.0%, 1.7% above the benchmark. Both the ASX and NZX were up for the month, with the S&P/ASX 200 Index returning 1.8% (in NZD terms) and the S&P/NZX 50 Portfolio Index up by 0.7%. All major market indices were positive with the exceptions of MSCI Emerging Markets, the Chinese CSI 300 and the Hong Kong Hang Seng.

The International Monetary Fund (IMF) released its Global Economic Outlook in April. The report indicated that the outlook remains uncertain amid financial sector turmoil, high inflation, the ongoing effects of Russia's invasion of Ukraine, and three years of COVID. The baseline forecast provided is for growth to fall from 3.4% in 2022 to 2.8% in 2023, before settling at 3.0% in 2024. Advanced economies are expected to see an especially pronounced growth slowdown, from 2.7% in 2022 to 1.3% in 2023. Inflation is likely to decline more slowly, with a return to target unlikely before 2025 in most cases.

Public debt as a ratio to GDP soared across the world during COVID-19 and is expected to remain elevated. Supply-chain disruptions and rising geopolitical tensions have brought the risks and potential benefits and costs of geoeconomic fragmentation to the centre of the policy debate.

The key movers in our Fund during April were:

- Stockland +12%, tracking 98% rental collection and continued high occupancy levels, which meant the group maintained its FY23 guidance.

- Reliance Worldwide +11%, boosted by several broker analysts turning more positive on the stock.
- EBOS -5%, easing after a very strong run in its share price over the last six months.
- Summerset Group -8%, as the weaker housing market reduced gains in the value of its properties.

Good news stories from April 2023:

- » Plastic bag bans work: Plastic bags are everywhere - littering streets, clogging up rivers, and choking wildlife in the ocean. But after years of campaigning from environmental groups, many places have banned them entirely. Over 100 countries now have a full or partial ban on single-use plastic bags. Between 2010 and 2019, the number of public policies intended to phase out plastic carryout bags tripled. The results of such tough rules are starting to show.
- » US Supreme Court won't rule on local climate cases in a 'critical victory' for activists: Cities and states in the US will be able to sue massive fossil fuel polluters thanks to a Supreme Court decision. Local governments are taking energy giants to court. Big Oil appealed five of these local cases to America's Supreme Court. But the court declined to hear them, setting an important precedent for future lawsuits.

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- » 'Extinct' lion spotted in Chad: A lion has been spotted in Chad's Sena Oua National Park - the first sighting in almost 20 years. Researchers previously believed the animals to be extinct in the area, which is close to Chad's border with Cameroon. The sighting - the first since 2004 - is an early sign that big cat populations in the area could be increasing.
- » World's biggest cross-border power line will deliver clean energy to 1.8 million homes in Europe: The Netherlands and the UK plan to build Europe's biggest cross-border power line to deliver clean energy and boost energy security. Connected to an offshore wind farm, the 'LionLink' interconnector will be able to transfer 1.8 gigawatts (GW) of electricity - enough to power 1.8 million homes.
- » Solar baking - the sun is helping to reduce the cost of bread in Lebanon: Food prices have skyrocketed in Lebanon during a three-year economic crisis. In an effort to reduce production costs and emissions, inventor Toufic Hamdan has created a commercial bakery oven powered by the sun's heat. "This oven will save bakery owners about 80 per cent of their monthly usage of diesel, and therefore it would reduce the price of the bread bundle that reaches the consumer," says Hitaf Ghazal, co-founder and operations manager of Partners With Sun.

Environmental regeneration and sustainability in a world with 8 billion people

According to the United Nations the global population reached eight billion people in November 2022. In the latest revision by the United Nations (released in 2022), the world population reached seven billion in late 2010 and six billion was reached towards the end of 1998. The previous milestones are five billion in 1987, four billion in 1974, three billion in 1960 and two billion in 1930. The rapid population increase fuelled the one-sided measure of economic growth, required massive increase in resources and greater exploitation and degradation of nature.

In April this year the population of India (1.429 billion) reportedly exceeded that of China (1.4257 billion). Then there is a large step down to USA (335.9 million), Indonesia (280.9 million) and Pakistan (231.7 million). India's population density is at 476 people per km², with China at 151 per km² and USA at 37 per km².

The World Bank Global Infrastructure rankings places India at 47th, with China at 14th and USA at 16th. A huge population combined with a high density and medium to low infrastructure logically leads to other socio-ecological issues. This article in Euronews highlights the challenges faced by India and other countries with similar public infrastructure and social challenges.

<https://www.euronews.com/green/2023/05/07/diseases-mosquitoes-filth-indias-urban-centres-are-choking-on-sewage-and-waste>

Temuera Hall - Portfolio Manager

Responsible Investment Association Australasia certification

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. The Certification Symbol signifies that an investment product or service has implemented an investment style and process that takes into account environmental, social, governance or ethical considerations. See www.responsiblereturns.com.au for details.¹

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