



TAHITO Te Tai o Rehua Fund

Performance (Returns net of fees)

	31-Oct-23	Month	3 Mths	6 Mths	YTD	1 Year	2 Year	3 Years	Inception (p.a.)
Fund		-4.4%	-9.8%	-6.9%	0.1%	1.0%	-4.2%	4.0%	3.7%
Benchmark		-3.9%	-8.8%	-6.1%	-2.1%	-2.0%	-3.4%	4.2%	2.9%
Alpha		-0.5%	-1.0%	-0.8%	2.2%	3.0%	-0.8%	-0.2%	0.8%

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

Our Performance

October was another tough month for both the ASX and NZX markets, with the NZX experiencing a particularly tough time. The S&P/NZX 50 Portfolio Index was down -5.3% and the S&P/ASX 200 fell -2.3% (in NZD terms). Our Te Tai o Rehua Fund returned -4.4%, 0.5% below the benchmark.

Share markets have declined for three consecutive months as investors adjust to "higher for longer" interest rates. Recently the RBA announced a 25bp rate hike, lifting the cash rate to 4.35%, while the RBNZ has held the Official Cash Rate at 5.50%. The higher interest rates make short term money market investments quite attractive on a risk / return relative basis.

This was felt the world over, as the large share markets also suffered in October: Negative returns were experienced by the S&P 500 (-2.1%), the Nasdaq 100 (-2.0%), the UK FTSE 100 (-3.7%), the Chinese CSI 300 (-3.1%) and the Euro Stoxx 50 (-2.6%).

The key movers in our Fund during October were:

- Spark NZ +3.3%, which completed its acquisition of Adroit to boost its presence in environmental monitoring solutions.
- Ebos +2.3%, delivering another record annual result with revenue exceeding \$12 billion for the first time.
- Heartland Group -14.0%, experiencing a pull back on short term market sentiment.
- Meridian Energy -6.0%, with the Rio Tinto Southland smelter making news.

October was a busy AGM month with TAHITO voting in nine company AGMs. We make a stand on Board gender equality and remuneration equity, requiring us to vote against many of the director appointments and remuneration reports. More detail is available in our quarterly reports.

Good news sustainability stories from October 2023:

- Stockholm to ban petrol cars in its centre from 2025: To move around without adding to fossil fuel emissions requires a shift from private comfort to public transport, bikes, or walking. Another part is having governments willing to make bold decisions. Stockholm for example has announced plans to prohibit petrol and diesel cars from the city centre starting 2025. No waivers for those willing to pay the fee. No special timetables for those who don't mind the inconvenience. The few exceptions are that ambulances and police cars won't be subject to the incoming ban, neither will disabled persons.
- Hull: the first UK city to give people a 'right to grow' on unused land. Hull – in Yorkshire – is set to become the first town in the UK to allow a "right to grow" on unused council land. There's a huge waiting list for 'allotments' in the UK, which are a type of rented plot of land where fruit and veg can be grown. The new legislation will cut the bureaucracy to obtain a plot and increase the number of such plots. This is part of a burgeoning 'right to grow' movement in the UK. With this move, Hull is set to lead the way.



TAHITO



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Next steps? Councillors will map out the available land and help aspiring cultivators to get growing.

- A letter from 131 firms demands that fossil fuels be ditched ahead of COP28: This petition is backed by some of the largest corporates: Nestlé, Volvo Cars, Unilever, Mahindra Group, plus 127 others with combined annual revenues of nearly \$1 trillion. In their letter, they're asking politicians attending November's COP28 summit to commit. Richer economies need to reach 100% decarbonized power systems by 2035, and they need to lend financial support to developing countries to do the same by 2040.

Te Tūtohi Toitū Hokohoko – Sustainable Trade Index

The Hinrich-IMD Sustainable Trade Index (STI) measures the capacity of 30 major global economies to participate effectively and sustainably in trade, on the basis of 71 economic, societal, and environmental indicators. New Zealand and the United Kingdom maintain their top two positions in the overall ranking. New Zealand's achievement is the result of its robust performance in all pillars, ranking first in the environmental pillar, second in the societal pillar, and eighth in the economic pillar. Top-ranking economies in the economic pillar exhibit robust infrastructure and a strong commitment to technological innovation, facilitated and supported by access to adequate financing. Economies where the private sector enjoys ample funding opportunities thrive. Leading the rankings in this pillar are Singapore, South Korea, Hong Kong, the United States, and the United Kingdom.

<https://www.hinrichfoundation.com/research/wp/sustainable/sustainable-trade-index-2023/>

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

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.



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