



TAHITO Te Tai o Rehua Fund

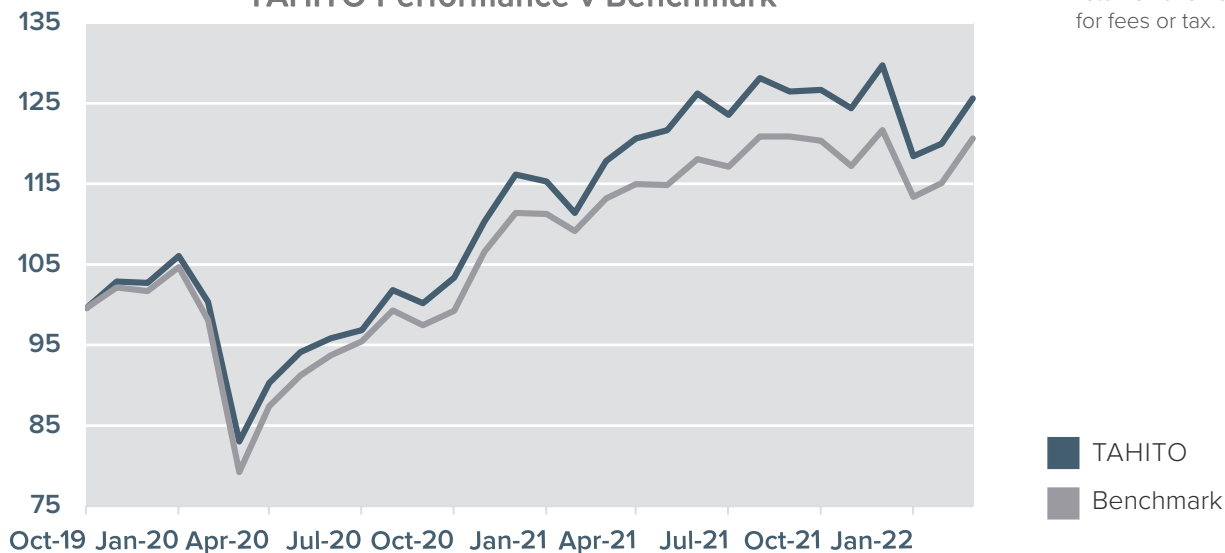
This communication is for information purposes only and does not represent an offer to invest in TAHITO.

31-Mar-22	Month	3 Mths	6 Mths	YTD	1 Year	2 Year	Inception (p.a.)
Fund	4.7%	-3.2%	-0.7%	-3.2%	6.5%	23.0%	9.6%
Benchmark	4.8%	-0.8%	-0.1%	-0.8%	6.6%	23.5%	8.0%
Alpha	-0.2%	-2.4%	-0.6%	-2.4%	0.0%	-0.5%	1.6%

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.

TAHITO Performance v Benchmark



TAHITO Motuhake | TAHITO Te Tai o Rehua Fund Performance

Our Te Tai o Rehua Fund performed well in March despite its lack of exposure to the buoyant resources sector. The markets had a strong month (benchmark +4.8%). The biggest contributors in March were Sims Ltd, Commonwealth Bank and Computershare.

Although February and March produced positive returns, it was not enough to offset the steep decline in January, resulting in the Fund returning -3.2% for the quarter, behind the benchmark return of -0.8%. Longer term relative performance remains comfortably positive.

The latest Te Tai Ōhanga / New Zealand Treasury economic update notes a sharp dip in business and consumer confidence, highlighting the challenges the economy faces from pandemic-related imbalances to supply and demand and from the impact of surging costs and prices on businesses and households. While high global commodity prices are boosting export values, and building consents have reached a new record, shortages of labour and materials may slow the rate of actual activity on the ground.

Internationally, the Russia-Ukraine conflict is worsening, and global supply and demand imbalances that drove the initial inflation surge are facing further disruption as China tightens its severe pandemic-related restrictions.

Faced with surging inflation, major central banks around the world

are raising interest rates. The RBNZ recently lifted the Official Cash Rate (OCR) 50 basis points to 1.5%. The OCR sat at a record low of 0.25% for much of the pandemic but now the RBNZ has lifted the OCR for the fourth consecutive time since October 2021. This rise was expected as the central bank fights soaring inflation that is sitting at a 30-year high of 5.9%, with predictions it could go higher. House prices are falling, and a tight labour market is also increasingly coming in to focus for the central bank.

The valuation of growth stocks can be negatively affected by higher interest rates. The reason for this is that the stock price of a growing company reflects profits that will be earned in the future, and those profits need to be discounted by an appropriate interest rate (because of the time value of money). The sectors that are most affected are the technology and consumer discretionary sectors, and it was these sectors that fell the most after the Federal Open Market Committee (FOMC, which sets the Federal Reserve's interest rate policy) minutes were recently released.

Growth stocks don't necessarily underperform whenever interest rates are rising, but they are more susceptible when there is uncertainty about the duration and magnitude of a cycle of rate increases. This is because a lot of growth stocks value is derived from distant cash flows, rather than cash flows generated today.

Top 5 Investment Holdings	Sector	T-Score	V-Score	Mkt Cap \$NZbn	Weight
Commonwealth Bank of Australia	Banks	6.0	3.0	178.4	7.7%
Meridian Energy	Electricity NZ	7.4	5.1	13.1	5.9%
Spark New Zealand	Telecommunications	6.4	5.1	8.6	5.8%
Mercury Energy	Electricity NZ	6.1	5.0	8.3	5.0%
Sims Metal Management	Metals & Mining	7.2	6.1	4.2	4.9%

Ngā tohu matua i aro ki ngā whaipanga ō TAHITO | Key points about Sims Limited

This quarter we take a closer look at Sims Limited, a global leader in metal and electronics recycling. Some of the key positive attributes we see in the company are outlined below and discussed in more depth later in this report.

Utu - tō mauri (Reciprocal – collective dominance, sustainability, circular economy): Sims’ social capital efforts involve advancing their circular economy and supporting local economies by having nearly all of their spending done with local suppliers. Sims plans to become carbon neutral by 2042.

Honotahi to wairua (Complimentary – collective self, community): Sims aims to have a positive, long-term impact by investing in projects that enhance social, environmental and economic well-being. The Sims sites support a large number of community initiatives with financial donations and volunteering.

Whanaungatanga to ao (Relational – collective reality, purpose, values, principles): Sims purpose is ‘to create a world without waste to preserve our planet’. Guided by its purpose, the Company

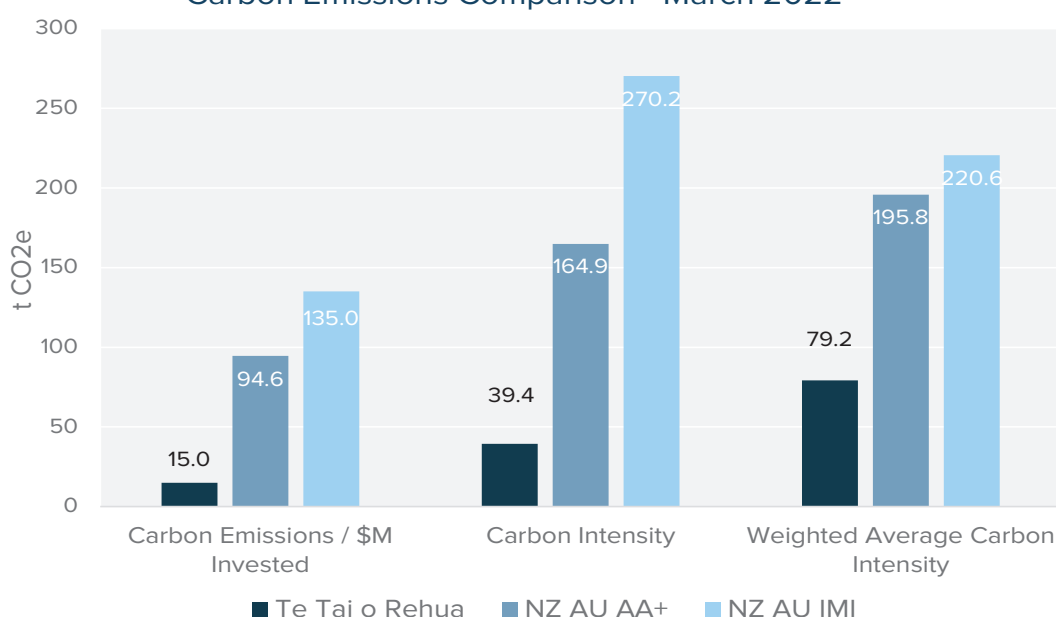
continues to seek innovative ways to keep resources in use at their highest value for as long as possible and assist its customers in increasing the sustainability of their own supply chains and reducing their carbon footprints.

Te Tai o Rehua Fund has been awarded the Fossil Fuel Free and Weapons Free badges by Mindful Money.

<https://mindfulmoney.nz/>

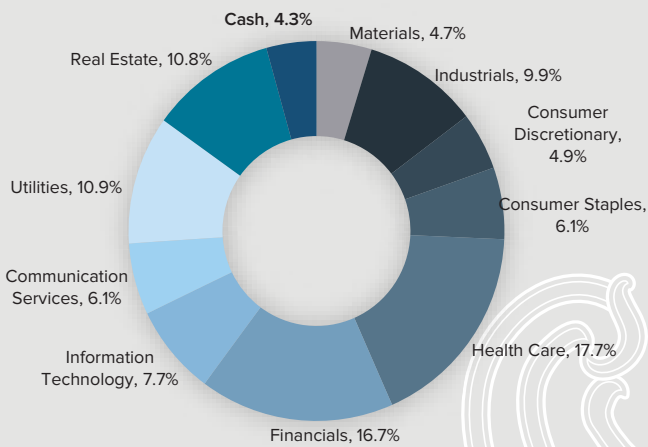


Carbon Emissions Comparison - March 2022



The carbon emissions in Te Tai o Rehua Fund are 84.2% lower than all NZ AU MSCI listed equities with a AAA or AA ESG rating. Carbon intensity is 76.1% lower and weighted average carbon intensity is 59.6% lower. (NZ AU AA+ = New Zealand and Australian equities with an ESG rating of AA or better) (NZ AU IMI = The Morgan Stanley New Zealand and Australia Investible Market Index).

TAHITO Te Tai o Rehua Portfolio Weights



Ngā āhuatanga motuhake o te Tahua Key features of the fund

- Positive ethical screening
- Low carbon foot print
- Holistic sustainability measures
- High ESG quality
- Active management
- Experienced team
- Environmental & social impact
- Competitive fees

Climate Change 2022 | IPCC Sixth Assessment Report

The Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report provides an updated global assessment of climate change mitigation progress and examines the sources of global emissions. It explains developments in emission reduction and mitigation efforts and assesses the impact of national climate pledges in relation to long-term emissions goals.

The global temperature will stabilise when carbon dioxide emissions reach net zero. In 2010-2019, average annual global greenhouse gas emissions were at their highest levels in human history. Although the rate of growth has slowed, without immediate and deep emissions reductions across all sectors, limiting global warming to 1.5°C is beyond reach. However, in the latest IPCC report scientists identify increasing evidence of climate action.

Since 2010, there have been sustained decreases of up to 85% in the costs of solar and wind energy, and batteries. An increasing range of policies and laws have enhanced energy efficiency, reduced rates of deforestation and accelerated the deployment of renewable energy. "We are at a crossroads. The decisions we make now can secure a liveable future. We have the tools and know-how required to limit warming," said IPCC Chair Hoesung Lee.

There are options in all sectors to at least halve emissions by 2030 but limiting global warming will require major transitions in the energy sector, in particular a substantial reduction in fossil fuel use, widespread electrification, improved energy efficiency, and use of alternative fuels (such as hydrogen). There are options for rapidly growing and new cities to significantly reduce emissions. These can be achieved through lower energy consumption (such as by creating compact, walkable cities), electrification of transport in combination with low-emission energy sources, and enhanced carbon uptake and storage using nature. Reducing emissions in

industry will involve circular economy principles, using materials more efficiently, reusing and recycling products and minimising waste. For basic materials, including steel, building materials and chemicals, low- to zero-greenhouse gas production processes are at their pilot to near-commercial stage.

Agriculture, forestry, and other land use can provide large-scale emissions reductions and also remove and store carbon dioxide at scale. However, land cannot compensate for delayed emissions reductions in other sectors.

<https://www.ipcc.ch/report/ar6/wg3/resources/press/press-release>

Te Whakaaturanga Tahua | Fund Description

Putting Environment and People before profit: The TAHITO Te Tai o Rehua is an indigenous ethical and sustainable fund for investors who want competitive market returns but equally would like to see their capital applied to a high ethical standard and in investments that are making a positive social and environmental impact.

TAHITO Te Tai o Rehua uses ethical and sustainable screens derived from Māori indigenous values. Māori values and ethics place people and the environment in high priority. This thinking is derived from the ancestral Māori and Polynesian worldview which centres on the connection and interrelationship of all things.

The investment process effectively measures 'Aroha Connection'. We are measuring the transition of companies from the 'substantive', internally focused, very self-absorbed behaviours, to the ideal 'relational', externally connected, collective behaviours. This requires ethically strong and committed governance with a clear drive toward long-term sustainability to enhance financial returns.

The History of Energy Transitions | Fund Visual Capitalist 2022

Over the last 200 years, how we've produced our energy has changed drastically. These changes were driven by innovations like the steam engine, oil lamps, internal combustion engines and the wide-scale use of electricity. The shift from a primarily agrarian global economy to an industrial one called for new sources to provide more efficient energy inputs. The current energy transition is powered by the realization that avoiding the catastrophic effects of climate change requires a reduction in greenhouse gas emissions. This infographic provides historical context for the ongoing shift away from fossil fuels using data from Our World in Data and scientist Vaclav Smil.

<https://elements.visualcapitalist.com/the-history-of-energy-transitions/>

Global energy-related carbon dioxide emissions rose by 6% in 2021 to 36.3 billion tonnes, their highest ever level, as the world economy rebounded strongly from the Covid-19 crisis, according to new IEA analysis released in March 2022. The increased use of coal was the main factor driving up global energy-related CO2 emissions by over 2 billion tonnes, their largest ever annual rise in absolute terms.

This increase in global CO2 emissions was the largest in history in absolute terms, more than offsetting the previous year's pandemic-induced decline. The recovery of energy demand in 2021 was compounded by adverse weather and energy market conditions – notably the spikes in natural gas prices – which led to more coal being burned despite renewable power generation registering its largest ever growth.

<https://www.iea.org/news/global-co2-emissions-rebounded-to-their-highest-level-in-history-in-2021>

Te Kura Whakangao | Investment Philosophy

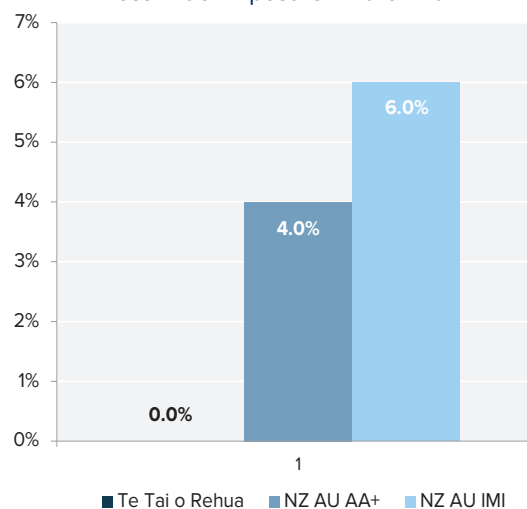
The TAHITO investment philosophy focuses on providing high quality ethical and sustainable investment services to investors. It is based on the following principles;

1. We are ethical investors. We actively seek companies that are well run and meet our stringent Māori ethical screening tests.
2. We have a disciplined approach to risk management.
3. We actively manage the portfolio, enabling quick assessment and reaction to adverse changes.
4. We look for long term sustainable growth potential and a willingness to change and engage new tech.
5. We take a long-term view.
6. We are values-based investors. We invest in quality companies that are serious about their ethics and committed to low environmental impact and a high-level of social and corporate responsibility.
7. All securities undergo fundamental valuation and financial quality analysis.
8. We integrate MSCI Environmental Social and Governance (ESG) research on a values basis in our ethical screening.

TAHITO | Portfolio Analysis as at 31 March 2022

Risk	TAHITO TToR	Benchmark	Difference
Total Risk	16.34	15.95	0.39
Tracking Error	6.08		
Beta	0.95	1.00	-0.05
No. of Stocks	29	250	-221
Active shares	74%		
Aggregate Statistics: Value	TAHITO TToR	Benchmark	Difference
Dividend Yield	3.5%	3.7%	-0.2%
Earnings Yield	4.8%	5.3%	-0.5%
Growth			
Historic Earnings Growth	5.7%	12.8%	-7.1%
Forecast Earnings Growth	6.3%	9.4%	-3.1%
Historic Dividend Growth	7.9%	6.0%	1.8%
Forecast Dividend Growth	7.0%	4.9%	2.1%
Quality			
High Quality	28.7%	18.5%	10.2%
ROE	13.9%	13.2%	0.7%

Fossil Fuel Exposure - March 2022



TAHITO | Portfolio Fossil Fuels

The companies in the Te Tai o Rehua Fund hold no fossil fuel reserves whereas 4% of MSCI listed equities with a AAA or AA ESG rating have gas and oil fossil fuels exposure.

Climate Action | NZ's Emissions Reduction Plan 2022

The Climate Action Tracker (CAT) is an independent scientific analysis that tracks government climate action and measures it against the globally agreed Paris Agreement aim of "holding warming well below 2°C, and pursuing efforts to limit warming to 1.5°C."

<https://climateactiontracker.org/countries/new-zealand/>

The CAT rates New Zealand's climate targets, policies and finance as "Highly insufficient". The "Highly insufficient" rating indicates that New Zealand's climate policies and commitments are not stringent enough to limit warming to 1.5°C and need substantial improvements. New Zealand's target is rated "Critically insufficient" when compared with its fair-share contribution to climate action and "Insufficient" when compared to modelled domestic pathways. Its policies and action do not put it on track to meet this target and its climate finance is inadequate. The CAT states that New Zealand should increase both its emissions reduction target and climate policies, and provide additional, predictable, finance to others to meet its fair-share contribution.

New Zealand is one of the few countries to have a net zero emissions by 2050 goal enshrined in law, in its Zero Carbon Act, but short-term policies cannot yet keep up with that ambition. New Zealand has increasingly relied on the mitigation potential of the land use and forestry sector to meet its target rather than focusing efforts on reducing emissions from high emitting sectors. Although included in the Act, methane from agriculture and waste (over 40% of New Zealand's emissions) is currently exempt from the net zero emissions goal and has a separate target (at least 24-47% reduction below 2017 levels by 2050) not yet covered by significant policies.

The Minister for the Environment is aiming to publish the New Zealand Emissions Reduction Plan next month. The plan provides an opportunity to set ambitious policies to decarbonise all sectors.

<https://www.beehive.govt.nz/release/new-report-confirms-case-emissions-reduction-plan>.

Sims Limited (SGM)

Whakarāpopototanga | Summary

SGM has one of the top five Tahito scores (7.2/10) and is in the top three for overall Te Tai o Rehua T & V scores. SGM has an 'AAA' MSCI ESG rating. SGM has a high TAHITO Taiao score indicating that their environment policies, practices and measures are of high standard. SGM also has good TAHITO Mana Whakahaere score indicating that their leadership, vision, values and purpose are strong and effective.

T Score
7.2

V Score
6.1

TAHITO Score Card - SGM (Out of 10)	Score
Te Taiao - Environment	9.2
Hapori - Social	6.4
Mana whakahaere - Governance	7.3
MSCI ESG Ratings (Out of 10)	AA
Climate change	10.0
Environmental pillar	10.0
Human capital development	7.5
Corporate governance theme	7.5

Te Whakaaturanga | Business Description

Sims Limited is a metals and electronics recycler. The Company is engaged in the buying, processing and selling of ferrous and non-ferrous recycled metals and the provision of solutions for the disposal of post-consumer electronic products, including information technology (IT) assets recycled for commercial customers. It operates through six segments: North America Metal (NAM), Australia/New Zealand Metal (ANZ), UK Metal (UK), Global Trading, Investment in SA Recycling (SAR) and Sims Lifecycle Services (SLS). The Company's product groups include ferrous secondary recycling, non-ferrous secondary recycling, recycling solutions, and secondary processing and other services. Its ferrous secondary recycling includes the collection, processing and trading of iron and steel secondary raw material. Its non-ferrous secondary recycling comprises the collection, processing and trading of other metal alloys and residues, principally aluminium, lead, copper, zinc and nickel-bearing materials.

Mana Whakahaere | Governance

Sims' purpose is to create a world without waste to preserve our planet. Three pillars serve as the foundation of their sustainability strategy.

1. Operate responsibly.
2. Close the loop.
3. Partner for change.

Each is aligned to a United Nations Sustainable Development Goal (UN SDG), being 8 – Decent Work and Economic Growth, 13 – Climate Action, and 12 – Responsible Consumption and Production respectively. Sims believe these are the areas they can most significantly have positive impact, and they have developed a corresponding set of sustainability goals which they plan to achieve by fiscal year 2025 (FY25).

Safety: Safety is stated as Sims' first priority. They believe that all injury incidents are preventable and are committed to a goal of zero injuries.

The Sims values are:

- **Integrity:** We conduct all business with integrity and adhere to the highest standard of ethical business conduct.
- **Respect:** We will treat each other, our customers, visitors and community members with respect and dignity.
- **Transparency:** We ensure a sense of appropriate transparency in everything we do.
- **Excellence:** We commit to excellence in everything we do and champion continuous improvement and sharing of best practices across the Company.
- **Social Responsibility:** We aim to be the world's safest and most sustainable recycling company.

Partner for Change: Sims appreciate that a sustainable future cannot be created by one entity alone and acknowledge that positive impact is far greater if done in collaboration with customers, suppliers, communities and governments. Sims has established business relationships and partnerships with like-minded organisations to ensure that they are best positioned to achieve their sustainable future purpose.

Renewable Energy: The Sims joint venture, LMS Energy, is a leader in landfill gas-to-renewable energy and an innovator in solar on landfill technology. In FY21, LMS expanded key sites in Victoria, commissioning a new project in Queensland and increasing its solar power installations in South Australia. With these additions, LMS now has a total of 30 landfill biogas-to-energy projects and 20 flaring projects in operation across Australia and New Zealand, generating more than 500,000 megawatt hours of baseload renewable electricity annually, which powers 90,000 homes per annum. Additionally, LMS now has six solar projects across Australia.

Sims Limited (SGM) - Continued

Te Pāpori | Social

SGM social capital efforts involve advancing their circular economy and supporting local economies by having nearly all of their spending done with local suppliers. Nearly 100 percent of Sims spending is on local suppliers, big and small. Sims aims to have a positive, long-term impact by investing in projects that enhance social, environmental and economic well-being. The Sims sites support a large number of community initiatives with financial donations and volunteering. Over the coming years, they plan to develop a more strategic approach to community investments to maximise their collective positive impact across their sites and businesses.

In Australia, SMG supports Reconciliation efforts to improve the economic, health and social opportunities for Aboriginal and Torres Strait Islander peoples and their communities. The Sims Metal's Reflect Reconciliation Action Plan (RAP) was developed with support from the RAP Working Group, representing employees from across Australia and facilitating a unified approach to their efforts. The SMG-endorsed RAP was published on the Reconciliation Australia website and shared on the Company's dedicated "Respect & Inclusion" page on My Sims. Information is also included in the region's new hire welcome pack.

Sims' business model requires its facilities to be located in or near large metropolitan areas and most of their employees, including the local senior management, are hired from the local community. Sims purchases valuable resources from the community to inject back into the circular economy. This spans contracts with companies for IT asset disposition to accepting cans, buckets and car loads from individual peddlers.

Sims operations bring economic benefits to the communities where they work by employing people, buying services and products and paying taxes. They focus on transparently engaging with their host communities and working openly with anyone who is impacted by their operations. Sims states a commitment to being a respected, responsible corporate citizen, which drives them to work constructively with communities and other stakeholders and ensure honest and ethical conduct in the way they conduct business.

Te Taiao | Environment

Sims states sustainability is at the core of what they do. Reducing waste and keeping resources in use for as long as possible is the

basis for developing their sustainability strategy. This past year Sims announced plans to achieve net zero emissions by 2050 in line with the Paris Climate Agreement and to become carbon neutral by 2042.

Sims Lifecycle Services (SLS) is a worldwide leader in IT asset and cloud infrastructure reuse, redeployment and recycling. SLS offers ITAD (IT asset disposition) and e-waste recycling solutions for businesses and plays a critical role in helping businesses and data centres manage the shift in how and where technology is managed. Their data centre division plays a hands-on role in decommissioning servers and blades, bulk hard drive destruction and repurposing data centre equipment. In business since 2002, SLS reflects how dramatically the industry has changed in the last 20 years. SLS drives circular economy initiatives with clients and ensure data safe solutions.

Sims Municipal Recycling processes and markets more than 600,000 tonnes of municipal curb side material annually for NYC, Palm Beach County, and portions of New Jersey, Long Island and Chicago. SMR offers high-quality post-consumer glass, plastic, and metal commodities for use in manufacturing and more.

Sims Resource Renewal is a leading circular business that operates in line with the waste hierarchy by using material left over from the metal recycling process to create new products. Some statistics: a) 2.1 million cloud storage units repurposed, b) 31% increase in repurposed cloud storage units entering secondary electronics markets, c) > 650k tonnes of municipal curb side recycling processed, d) 500k MWh of base-load renewable energy generated via LMS Energy (powers 90,000 homes per annum), e) 19% renewable electricity used across Sims facilities, f) 8.6m tonnes of secondary metals recycled.

Resource Renewal is part of Sims long-term growth strategy. They plan to expand the business offering to transform the leftover material following metals recycling (auto shredder residue (ASR), which currently is landfilled) into useful products for society. They will use proven, advanced plasma gasification technology, supported by continual improvement through research and development. The designs follow European emissions standards, which are the current global emissions benchmark. This line of business will allow Sims to close the loop on their own waste, save on landfill and energy costs, and develop a new revenue stream.

Te Pārongo Ahumoni | Financial Information

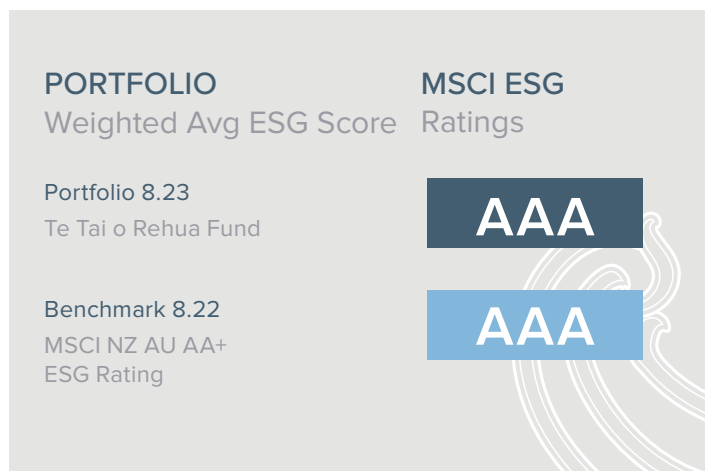
Ticker	Forward Dividend Yield	Forward P/E	Long Run Median P/E	Forward P/E rel LRM	Forecast EPS Growth (Yr 2&3)	Return on Capital	Total Debt / Total Capital
SGM AU	3.1%	8.3	14.6	0.6	-23%	17.2%	21%

The SGM share price is up 44% over the past year as it benefits from rising steel prices. The company is forecast to post earnings per share of AU\$2.67 for next year compared to AU\$1.14 last year.

Return On Capital Employed (ROCE) is a measure of a company's yearly pre-tax profit (its return), relative to the capital employed in the business. Sims has a ROCE of 9.5%, which is slightly better than the Metals and Mining industry average of 8.6%. While in absolute terms it isn't a high ROCE, it's promising to see that it has been

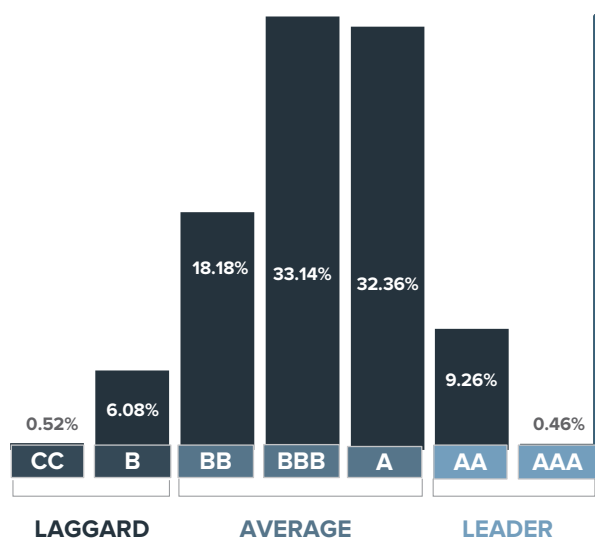
moving in the right direction. Over the last five years, returns on capital employed have risen substantially to 9.5%. The amount of capital employed has increased too, by 42%. This can indicate that there are plenty of opportunities to invest capital internally and at ever higher rates.

Te Tai o Rehua Fund ESG summary



MSCI ESG Fund Metrics Distribution

Coloured bars correspond to portfolio and benchmark ESG Quality Scores



MSCI ESG
Quality Score
(out of 10)

TToR
Portfolio

10.00

Primary
Benchmark

10.00

TAHITO Engagement and Proxy Voting

Whakarāpopototanga | Summary

During the first quarter of 2022 TAHITO submitted proxy votes for the annual general meetings of: TNE – Technology One: Whakarongo – tō hiwa (Balanced – collective awareness). TAHITO voted for the re-election of the standing female director and against the two male directors. TNE should be taking the opportunity to increase female representation and ethnic diversity on the board. TAHITO voted against the remuneration report. TAHITO is principally opposed to remuneration reports and performance rights until the pay equity is within our accepted ratio or range.

TAHITO held a meeting with the senior management of portfolio holding My Food Bag (MFB): The purpose was to understand how

MFB have handled the operational side of their business through the Omicron outbreak. Their short-term outlook is slightly more challenged but the medium-term proposition remains good. MFB have publicly confirmed they will meet their prospectus forecasts. MFB are continually improving the quality of their ESG and sustainability reporting.

Our voting is aligned to our TAHITO Values. Generally, we vote against inequitable executive / director remuneration and against directors when we believe there is not fair gender representation on the board. For more information on engagement and voting please contact us at info@tahito.co.nz

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