

Te Whakahou - Here-turi-kōkā

Revitalise - August 2025



TAHITO

TAHITO Te Tai o Rehua Fund

He Whakatauāki: Iho taketaketia tō kaupapa (*Know what you're doing before you do anything*)

August 2025 was the toughest month for relative performance since the inception of the Fund. While our TAHITO Fund was faintly positive at 0.1%, its benchmark rose 3.3% and therefore the Fund underperformed by -3.2%. This deviation from the index is primarily due to our TAHITO fund having low or no exposure to excessive environmental impact sectors like Materials, Fossil Fuels and Mining. The S&P/NZX 50 Portfolio Index was up 1.7% and the S&P/ASX 200 was up a strong 4.8% in NZD terms (3.1% in AUD).

Performance (Returns net of fees)

31-Aug-25	Month	3 Mths	6 Mths	YTD	1 Yr	2 Yrs	3 Yrs	5 Yrs	Start (p.a.)
Fund	0.1%	4.9%	5.4%	5.9%	8.2%	8.0%	6.7%	7.8%	6.9%
Benchmark	3.3%	7.9%	7.7%	7.4%	12.0%	10.9%	8.1%	8.3%	6.9%
Alpha	-3.2%	-3.0%	-2.3%	-1.4%	-3.8%	-2.9%	-1.4%	-0.6%	0.0%

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

Our Performance

The smaller gain in New Zealand reflected mixed investor sentiment despite the RBNZ's decision to cut the Official Cash Rate by 25 basis points to 3.0% with dovish forward guidance projecting further cuts by year-end. While monetary easing provided some support, market performance was constrained by uneven economic conditions and significant stock-specific divergences. The subdued overall performance reflected ongoing challenges from uneven economic growth across industries, with retail and construction sectors struggling while unemployment continued to increase, despite expectations that lower interest rates would encourage household spending and business investment over time.

The gains in the Australian share market were helped by the Reserve Bank of Australia's decision to cut the cash rate by 25 basis points to 3.60% following inflation falling to 2.7% in the June quarter, providing significant stimulus to interest-sensitive sectors and boosting investor confidence in the economic recovery. The performance was underpinned by a robust earnings season that saw hundreds of ASX companies release their latest financial reports to the end of June 30, with many delivering better-than-expected results, particularly in the resources sector where major mining stocks like BHP, Rio Tinto, and Fortescue benefited from resilient iron ore pricing and strong operational performance. Our Fund does not invest in these companies due to their environmental impact, and this was one of the key reasons for the relative underperformance in August.

Technology stocks with AI exposure continued to attract investment despite inflationary pressures. The market's outperformance also reflected Australia's relative resilience compared to global markets grappling with trade policy uncertainty.

The key movers in our Fund were:

- Seek Ltd +15%, driven primarily by robust FY25 results. The market embraced Seek's 31% dividend increase alongside steady revenue growth. Broker support strengthened momentum, with a majority of analysts maintaining 'outperform' status, as employment market conditions stabilise. Seek has strengthened market leadership in ANZ, by completing the strategic Sidekicker acquisition which provides a strategic entry to the contingent labour market, and AI-enhanced platform capabilities supporting meaningful employment connections across Australia and Asia while maintaining operational discipline in challenging market conditions.
- Ingenia Group +13%, following FY25 results delivering underlying profit growth of 33% to \$126.1 million and exceeding earnings guidance with underlying EPS of 30.9 cents. This performance reflected the company's commitment to 520 new home settlements (up 13%) in quality affordable seniors' housing. Also contributing were the strategic acquisitions of holiday parks at Tomakin and Kinka Beach, combined with prudent balance sheet management which maintained gearing below 30%.
- EBOS Group -20% following FY25 results, as the market expressed disappointment with the healthcare distributor's performance despite its vital role in pharmaceutical supply chains across Australia and New Zealand. The market reaction reflected broader healthcare sector pressures and operational headwinds, though EBOS's essential pharmaceutical distribution infrastructure continues to underpin its long-term investment case as a critical provider of healthcare products to communities across the region.

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TAHITO



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- **CSL Ltd -22%** - while meeting headline expectations, the FY25 results exposed deeper structural challenges. The key disappointment centred on CSL Behring's underperformance, where immunoglobulin sales were more severely impacted than anticipated by US Medicare Part D redesign changes and the loss of several international tenders that will impact FY26 revenues. The market also reacted negatively to the announced 15% workforce reduction and controversial Seqirus demerger plans.

Global returns: MSCI World ex emerging markets 2.1%, S&P 500 2.0%, Nasdaq 100 0.9%, UK FTSE 100 1.2%, Euro Stoxx 50 0.6%, Japan Nikkei 225 4.1%, Chinese CSI 300 10.5%, Hong Kong Hang Seng 1.3%.

The US rally was driven primarily by a dovish speech by the Federal Reserve Chair at Jackson Hole on August 22, signalling potential September rate cuts and sending stocks soaring and Treasury yields tumbling. European markets showed mixed performance, with London's FTSE 100 reaching record highs for four consecutive sessions and posting its best weekly performance since May. The pan-European Stoxx 600 gained 0.47% with strong support from mining, autos and travel sectors, though eurozone inflation ticked up to 2.1% in August with ECB policymakers reinforcing that interest rates would remain unchanged.

For a more comprehensive financial market review, please see the Monthly View from our sister company JMI Wealth.

[Monthly View September 2025 | JMI Wealth](#)

Good News sustainability stories:

- » **Tackling food waste:** Iceland Foods has launched a UK-wide digital alert system connecting its 900+ stores to mobile apps Olio and Gander, notifying shoppers in real-time when discounted "yellow sticker" items nearing their sell-by dates become available. The initiative, expanding successful trials from Bristol and London, aims to tackle the UK's 9.5 million tonnes of annual food waste while helping customers save money. Since 2019, Gander has helped divert over 39 million items from landfill, while Iceland's partnership with Olio has already provided more than 7 million meals to communities through volunteer networks, demonstrating how technology can drive both environmental and social impact in the circular economy.
- » China is constructing what will be the **world's largest solar farm** on a Tibetan plateau, covering 610 square kilometres (the size of Chicago) with over 7 million panels capable of powering 5 million households when complete. This massive project is part of China's record-breaking solar expansion, having installed 212 gigawatts of solar capacity in the first half of 2025 alone—more than America's entire solar capacity. The investment is already showing results, with China's carbon emissions falling 1% in early 2025, suggesting the world's largest emitter may have reached peak emissions well ahead of its 2030 target. However, challenges remain in transmitting power from sparsely populated western regions to eastern population centres, and China will need to accelerate emission reductions to 3% annually to meet its 2060 carbon neutrality goal.
- » **Circular economy:** ReTuna shopping mall in Eskilstuna, Sweden, is the world's first retail centre selling exclusively second-hand and repurposed items, established in 2015 as a municipality-funded climate initiative built alongside the city's recycling centre. Unlike traditional charity shops, ReTuna creates a stylish, curated environment where donated goods are transformed into an appealing shopping experience that customers often mistake for new retail, featuring everything from fashion to an Ikea second-hand store. The mall's success reflects the booming global second-hand market, projected to reach \$367 billion by 2029 and growing 2.7 times faster than traditional retail, demonstrating that sustainable consumption can be stylish, convenient, and rewarding rather than a compromise.
- » Established in 2012 under Project Tongariro, **Greening Taupō** has transformed urban restoration in the town through initiatives like Kids Greening Taupō, which now works with 46 schools and kindergartens to create "bird corridors" connecting Mt Tauhara to the Waikato river corridor. Led by education coordinator Rachel Thompson, the project culminates in an annual Greening Taupō Day that attracts 2000 participants who plant thousands of trees, while over 100 student leaders bring their families into the environmental movement. What began four decades ago as a memorial to local environmentalists has evolved into a thriving community-driven conservation effort that educates the next generation while connecting urban green spaces throughout Taupō.

Australian Mining Sector Undergoes Historic Transformation

Australia's mining industry is experiencing unprecedented change across multiple dimensions that are fundamentally reshaping how companies operate and compete. The transformation encompasses six critical areas: evolving Indigenous partnerships, aggressive decarbonisation strategies, water management challenges, expanded safety culture, regulatory complexity, and sophisticated mine closure planning.

Indigenous Rights Take Centre Stage: Mining companies are moving beyond transactional arrangements toward genuine partnership models with Traditional Owners. More than half of Australia's critical minerals mines now operate on Indigenous land, creating new imperatives for meaningful engagement. Companies like Fortescue are modernising agreements with Traditional Owner groups to embed concepts of consent, co-management, and economic participation. This shift reflects both strengthened legal frameworks and growing recognition of the business case for early, comprehensive Indigenous engagement throughout project lifecycles.

Decarbonisation Investments Surge: The sector is making massive investments in renewable energy infrastructure, with Fortescue leading the charge through its commitment to spend \$900 million to \$1.2 billion annually through 2027 on decarbonisation efforts. The company plans to deploy an additional 2-3 gigawatts of renewable generation capacity with battery storage as part of its \$6.2 billion total investment to achieve "real zero" emissions across iron ore operations by 2030. Other companies are following suit, with varying approaches ranging from immediate implementation to planned transitions aligned with equipment replacement cycles.

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Water Emerges as Critical Constraint: Water management has evolved from a peripheral concern to a critical operational constraint, particularly in Western Australia's Pilbara region where mining operations extract approximately 550 gigalitres annually. Traditional Owner groups report waterholes drying up across their lands, creating acute challenges that combine climate change impacts with historical over-extraction. The concept of "aqua nullius" - that water has no owner - faces growing challenges from Indigenous communities, potentially opening new fronts for compensation claims and requiring companies to develop more sophisticated water strategies and stronger community relationships.

The Road Ahead: Companies demonstrating leadership across these transformation areas are positioning themselves for competitive advantage in an increasingly constrained operating environment. Success requires viewing these challenges as opportunities for innovation rather than compliance burdens, with early adopters likely to capture disproportionate value as traditional metrics may not fully reflect strategic positioning in this new paradigm.

Read More:

- [Fortescue's Decarbonisation Investment Plans](#)
- [Traditional Owner Rights in Mining](#)
- [Pilbara Water Management Challenges](#)

Ingenia Communities Group Limited (INA)

Whakarāpototanga | Summary

INA has a Tahito score of 5.7 (out of 10) with a good score in climate change and a reasonable score in environmental efforts. INA has a 'BBB' MSCI ESG rating.

Ingenia Communities Group	Score	Real Estate Management & Services	Score
Women Directors	43%	T-score	5.7
Women in Executive roles	44.4%	ESG Rating	BBB
\$M Donations and community grants	\$0.12	Te Pai o Rangi TAHITO Score***	7.7
% of community grants to NPAT (ebita if a loss)	0.9%	Climate Change Theme Score*	9.5
Has achieved Carbon Netural (CO2 only, Y/N)	N	Te Poho o Papa TAHITO Score***	4.9
Target date for carbon netural if N	2035	Environmental Pillar Score*	3.6
Has set target for Net zero scope 1,2 (Y/N)	Y	Environmental Opportunities Score*	3.6
Target date for Net zero Scopes 1&2	2035	Natural Capital Score*	-
Has set target Carbon Net zero Scopes 1,2 &3 (Y/N)	Y	Pollution and Waste Score*	-
Target date for Net zero Scopes 1,2 & 3	2050	Human Capital Score*	5.1
Scopes 1&2 Carbon Emissions - Key *	Reported	Wage Ratio (multiple of median wage)**	29
Scope 1+2 (metric tons) *	14,428	Qualitative TAHITO Community Score	4.0
Scope 1+2 Intensity (t/USD million sales) *	55.0		
Scope 3 Carbon Emissions - Key *	Estimation		
Scope 3 - Total metric tons (combined dataset) *	67,528		
Scope 3 - Total Sales Intensity (combined dataset) *	214.1		
Total GHG Emissions - metric tons (Scopes 1, 2 and 3) *	81,956		

Carbon intensity = tons / \$M sales

* MSCI ESG data and scores

** CEOs salary divided by the median national wage

*** Te Pae o Rangi is a TAHITO score for total emissions

*** Te Poha o Papa is a TAHITO environment score

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Ingenia Communities Group is an Australian real estate company that challenges traditional notions of property development by creating interconnected, community-focused living.

Critical Assessment: Ingenia Communities Group (INA)

Ingenia Communities Group demonstrates strong alignment with TAHITO's indigenous values and principles through its integrated approach to community development, environmental stewardship, and social responsibility. The company's core purpose "To Build Belonging" reflects the fundamental TAHITO principle of whanaungatanga (relationships and interconnectedness).

Strategic Position and Business Model

Ingenia has successfully transformed from a small-cap specialist into a significant ASX 200 entity with a \$2.5 billion portfolio spanning 102 communities. The company's focus on affordable housing solutions through land lease communities, rental accommodations, and holiday parks creates genuine social value while maintaining commercial viability. This balanced approach embodies the TAHITO principle of utu (reciprocity).

The recent leadership transition to CEO John Carfi has brought positive structural changes, including business simplification and improved operational efficiency. While these changes have delivered strong financial outcomes, including 17% EBIT growth and 14% underlying earnings growth, they have been implemented without compromising the company's social and environmental commitments.

Environmental Leadership

Ingenia's environmental initiatives demonstrate strong alignment with the TAHITO principles of kaitiakitanga (guardianship) and whakarongo (balanced approach). Key achievements include:

- Commitment to net zero emissions by 2035 with clear interim targets
- 18% emissions reduction across baseline assets
- Substantial renewable energy investments (\$4 million in solar installations)
- Implementation of innovative solutions like geothermal heating/cooling systems
- Green Star Communities ratings for new developments

However, there is room for improvement in waste management, with only a modest increase in recycling rates from 20% to 22%. The company would benefit from more ambitious circular economy initiatives and deeper integration of indigenous environmental knowledge.

Social Impact and Community Engagement

The company exhibits strong alignment with TAHITO's principles of whanaungatanga (relationships) and aroha (compassion) through its comprehensive community programs and social initiatives:

- Substantial community investment through partnerships with organisations like Ronald McDonald House Charities
- Strong commitment to regional economic development with 80% of employees in regional locations
- Progress toward reconciliation through indigenous engagement and cultural awareness programs
- Industry-leading gender diversity with 67.4% female employees and 44% female executive representation

While these achievements are commendable, there remains opportunity to deepen indigenous leadership representation and expand the scope of the Reconciliation Action Plan.

Governance and Leadership

Ingenia's governance framework demonstrates alignment with TAHITO principles through:

- Transparent decision-making processes
- Integration of sustainability into core business strategy
- Strong diversity and inclusion practices
- Comprehensive risk management approach

The board renewal program and simplified executive structure show commitment to efficient governance while maintaining ethical standards.

Areas for Development

While Ingenia demonstrates strong overall alignment with TAHITO values, several areas present opportunities for enhancement:

1. Indigenous Engagement
 - Increase indigenous representation in leadership positions
 - Deepen integration of indigenous knowledge in business practices
 - Expand scope of reconciliation initiatives
2. Environmental Impact
 - Set more ambitious waste reduction targets
 - Strengthen circular economy initiatives
 - Expand biodiversity programs
3. Community Development
 - Increase community investment beyond current levels
 - Enhance measurement of social impact outcomes
 - Strengthen local indigenous partnerships

Overall Assessment

Ingenia Communities Group demonstrates strong alignment with TAHITO's indigenous ethical investment principles. The company successfully balances commercial success with genuine social and environmental responsibility. Its focus on building connected communities, environmental stewardship, and social inclusion reflects key TAHITO values of whanaungatanga (relationships), kaitiakitanga (guardianship), and aroha (compassion).

The company's strategic direction and operational execution suggest potential for continued positive impact, particularly if it can strengthen indigenous engagement and circular economy initiatives. Ingenia represents a compelling investment opportunity that aligns well with TAHITO's indigenous ethical investment framework while delivering strong financial performance.

From a TAHITO scoring perspective, Ingenia demonstrates particular strength in the principles of whanaungatanga (relationships), utu (reciprocity), and whakarongo (balanced approach), while showing room for improvement in aspects of whakapapa (indigenous connection) and mahitahi (co-operational engagement with indigenous communities).

Temuera Hall - Portfolio Manager

Responsible Investment Association Australasia certification

The TAHITO Te Tai o Rehua Fund has been certified and classified by the Responsible Investment Association Australasia according to the operational and disclosure practices required under the Responsible Investment Certification Program. See www.responsiblereturns.com.au and [RIAA's Financial Services Guide](#) for details.¹

¹ The Responsible Investment Certification Program provides general advice only and does not take into account any person's objectives, financial situation, or needs. Neither the Certification Symbol nor RIAA recommends to any person that any financial product is a suitable investment or that returns are guaranteed. Because of this, you should consider your own objectives, financial situation and needs and also consider the terms of any product disclosure document before making an investment decision. Certification are current for 24 months and subject to change at any time.

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