



TAHITO Te Tai o Rehua Fund

He Whakatauāki: He weuweu takitini, he pū takitahi (*One seed, many outgrowths; all great things start from something small*)

Our TAHITO Fund showed a positive return in July of 2.4% yet underperformed the benchmark by -0.3%. The S&P/NZX 50 Portfolio Index was up 1.9% and the S&P/ASX 200 was up 3.5% in NZD terms (2.4% in AUD).

Performance (Returns net of fees)

31-Jul-25	Month	3 Mths	6 Mths	YTD	1 Yr	2 Yrs	3 Yrs	5 Yrs	Start (p.a.)
Fund	2.4%	9.7%	3.0%	5.9%	10.2%	7.2%	6.3%	8.8%	6.9%
Benchmark	2.7%	9.0%	1.7%	4.0%	8.0%	8.0%	7.5%	8.5%	6.4%
Alpha	-0.3%	0.7%	1.3%	1.9%	2.2%	-0.8%	-1.2%	0.3%	0.5%

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

Our Performance

In Aotearoa, investor attention centred on the upcoming corporate earnings season, with hopes for signs of recovery amid subdued consumer demand and soft labour market conditions. Migration trends raised concerns, as a record number of skilled workers departed for Australia, potentially straining local talent pools. Inflation ticked up to 2.7% in the June quarter, driven by elevated food prices and rising council rates, though underlying economic activity remained weak, suggesting significant spare capacity. The Reserve Bank of New Zealand held the Official Cash Rate steady at 3.25%, signalling potential further cuts to support recovery.

I aro te ngākau o ngā kaituku moni ki te wā hua ā-pakihi e haere ake nei, me te tūmanako ka puta he tohu whakaoranga i waenga i te ngoikore o te hiahia a ngā kaihoko me te māmā o te āhua o te māketē mahi. I whakaarahia ngā māharahara mō ngā ia hekenga tangata, i te mea he nui rawa ngā kaimahi pūkenga i wehe atu ki Ahitereiria, ā, tērā pea ka pā kino ki ngā puna pūkenga o te rohe. I piki te tāmi ahumoni ki te 2.7% i te hauwhā o Pipiri, nā te pikinga o ngā utu kai me ngā reiti kaunihera, ahakoa te ngoikore o te mahi ohanga i raro iho, e tohu ana he nui tonu te kaha e toe ana. I pupuri ai te Pūtea Matua o Aotearoa i te Reiti Moni Mana (OCR) i te 3.25%, me te tohu pea ka heke anō hei tautoko i te whakaoranga.

The Australian share market surged to record highs, buoyed by global trade optimism following a major US-Japan deal and easing geopolitical tensions. Investor sentiment was lifted by expectations of interest rate cuts from the Reserve Bank of Australia, although the RBA surprised markets by holding the cash rate steady at 3.85% amid a cautious inflation outlook. The economy remained

sluggish, with per capita GDP continuing to decline and household consumption showing only modest signs of recovery.

i piki te māketē whaipānga o Ahitereiria ki ngā taumata teitei rawa atu, nā te ngākau pai o te ao mō te tauhokohoko i muri i tētahi kirimana nui i waenga i Amerika me Hapani, me te whakangāwari o ngā taupatupatu tōrangapū ā-ao. I whakakaha ake te kakare o ngā kaituku moni i te tūmanako ka heke ngā reiti pānga nā te Pēke Pūtea o Ahitereiria, ahakoa te ohore o te māketē i te whakatau a te RBA kia pupuri tonu i te reiti moni i te 3.85%, i waenga i ohiti o te tirohanga tāmi ahumoni. I noho ngoikore tonu te ōhanga, i te mea e heke tonu ana te GDP mō ia tangata, ā, he āhua iti noa iho ngā tohu whakaoranga o te whakapau moni a ngā kāinga.

The key movers in our Fund were:

- AEF +22%, following exceptional FY25 results, record funds under management growth and successful integration of the Altius Asset Management acquisition. The company was identified as the listed fund manager with strong investment performance and limited exposure to resources and fossil fuels benefiting returns. Technical analysts noted positive momentum signals and a strong rising trend, validating market confidence in ethical investing approaches during challenging economic conditions.
- CSL Ltd +13% benefiting from sustained momentum following the landmark FDA approval of ANDEMBRY® (garadacimab-gxii) on June 16, 2025, the first and only once-monthly prophylactic treatment targeting factor XIIIa for hereditary angioedema (HAE). Brokers maintained positive sentiment.

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TAHITO



SUSTAINABLE PLUS
— CERTIFIED BY RIAA —



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- Carbon Fund -6% reflecting continued weakness in underlying NZ carbon credit (NZU) prices amid persistent auction failures in the NZ Emissions Trading Scheme. The market uncertainty is exacerbated by the government's earlier proposal to potentially lower the minimum carbon price floor from \$68. The reduced ETS cap from 27.9 million units in 2024 to 19.1 million in 2025 failed to provide sufficient price support, as secondary market prices remained below auction floor levels.
- GenTrack Group -13% triggered by a market update revealing that "an Australian customer [informed] Gentrack is no longer part of a process aimed at replacing their current platform". The stock also experienced further technical weakness as the loss of the potential Australian utility contract raised concerns about competitive pressures in the platform replacement market, contributing to investor caution ahead of the company's planned investor day in December and full-year earnings announcement in November.

Global returns: MSCI World ex emerging markets 2.0%, S&P 500 2.2%, Nasdaq 100 2.4%, UK FTSE 100 4.3%, Euro Stoxx 50 0.4%, Japan Nikkei 225 1.4%, Chinese CSI 300 4.3%, Hong Kong Hang Seng 3.1%.

There was a mix of optimism and caution in global share markets in July. Equity markets rose broadly, driven by progress on trade negotiations—particularly the U.S. reaching tariff agreements with major partners—and strong corporate earnings in sectors like technology and healthcare. Enthusiasm around artificial intelligence continued to fuel gains in tech stocks, while emerging markets outperformed developed ones, buoyed by foreign inflows and favourable trade developments.

Underlying economic signals were mixed. Job growth in the U.S. slowed, inflation remained elevated in some regions, and concerns over fiscal discipline and central bank independence added uncertainty. Oil price volatility, driven by Middle East tensions and shifting supply dynamics, also impacted investor sentiment. While markets remained resilient, the combination of extended valuations and unresolved macro risks led to a cautious outlook heading into August.

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

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

Good News sustainability stories:

- » **97% of all plastic bottles are returned.** A new study from the University of British Columbia reveals that offering a lottery-style reward for recycling—rather than a small, guaranteed refund—can significantly boost participation. Inspired by Norway's successful model, where 97% of plastic bottles are returned, researchers found that people recycled 47% more when given a chance to win up to \$1,000. The thrill of a potential big win, even with low odds, sparked greater engagement and "anticipatory happiness," making recycling more enjoyable. This innovative approach could help cities increase recycling rates without additional costs.
- » **A new UN study reveals that solar power is now 41% cheaper than fossil fuels,** marking a major turning point in global energy economics. Over the past 15 years, solar costs have plummeted while fossil fuel prices remain volatile. In 2024 alone, green energy investments outpaced fossil fuels by \$800 billion, and 92.5% of new electricity capacity added globally came from renewables. UN Secretary-General António Guterres declared this the dawn of a clean energy era, urging nations to embrace renewables for economic and environmental security.
- » **One million native trees and plants across Aotearoa.** The Sustainable Business Network has celebrated a major milestone. This achievement marks the launch of a new nationwide initiative aimed at accelerating nature regeneration. Alongside this, innovative Kiwi businesses are making waves—like a South Island start-up that's using beer tap technology to deliver milk on tap, reducing plastic waste and emissions. These efforts reflect a growing movement toward practical, community-driven sustainability solutions.
- » **Farmers for Climate Action,** a farmer-led organisation with over 8,400 members, is leading the charge in sustainable agriculture across Australia. Recognised at the 36th Banksia National Sustainability Awards, FCA empowers farmers to take climate action through education, advocacy, and collaboration. By building carbon and energy literacy and fostering partnerships with universities and policymakers, FCA is helping rural communities adapt to climate challenges while ensuring farms can thrive for generations to come.

United Nations Global Risk Report

As the world grapples with converging global challenges—from escalating climate change to the pervasive spread of misinformation—risks are becoming increasingly interconnected, amplifying their potential to overwhelm existing institutions and systems. A recent survey of 1,100 stakeholders across 136 countries, including voices from government, industry, civil society, and academia, highlights how risk importance is measured by both likelihood and severity. Environmental risks emerged as the highest priority across all regions, with climate change inaction and large-scale pollution seen as both highly probable and deeply impactful. Notably, climate change inaction ranked as the most pressing issue in three out of seven global regions.

Meanwhile, mis- and disinformation has been identified as the most immediate global risk, with 84% of respondents reporting its active presence today, according to the UN. The World Economic Forum's Global Risk Report also ranks it as the top risk over the next two years. While environmental concerns dominate globally, regional differences reveal unique priorities—such as cybersecurity breakdowns and artificial intelligence risks in North Africa and Asia. Alarming, cybersecurity breakdowns are among the least prepared-for risks, scoring just 3.9 out of 7 in preparedness, second only to space-based events in terms of global readiness.

[Ranked: The 28 Biggest Global Risks, According to the UN](#)

[UNHQ-GlobalRiskReport-WEB-FIN.pdf](#)

Reliance Worldwide Corporation (RWC)

Whakarāpopototanga | Summary

RWC has a Tahito score of 5.4 (out of 10) with good scores in climate change and Human Capital efforts and governance quality. RWC has an 'A' MSCI ESG rating.

Reliance Worldwide Corporation Limited	Score	Building Products	Score
Women Directors	50%	T-score	5.4
Women in Executive roles	37.5%	ESG Rating	A
\$M Donations and community grants	\$0.12	Te Pai o Rangi TAHITO Score***	7.7
% of community grants to NPAT (ebita if a loss)	0.1%	Climate Change Theme Score*	10.0
Has achieved Carbon Netural (CO2 only, Y/N)	N	Te Poho o Papa TAHITO Score***	2.6
Target date for carbon netural if N	2050	Environmental Pillar Score*	5.8
Has set target for Net zero scope 1,2 (Y/N)	Y	Environmental Opportunities Score*	3.3
Target date for Net zero Scopes 1&2	2050	Natural Capital Score*	-
Has set target Carbon Net zero Scopes 1,2 &3 (Y/N)	Y	Pollution and Waste Score*	3.3
Target date for Net zero Scopes 1,2 & 3	2050	Human Capital Score*	6.4
Scopes 1&2 Carbon Emissions - Key *	Reported	Wage Ratio (multiple of median wage)**	45
Scope 1+2 (metric tons) *	32,550	Qualitative TAHITO Community Score	5.0
Scope 1+2 Intensity (t/USD million sales) *	26.4		
Scope 3 Carbon Emissions - Key *	Estimation		
Scope 3 - Total metric tons (combined dataset) *	751,616		
Scope 3 - Total Sales Intensity (combined dataset) *	593.0		
Total GHG Emissions - metric tons (Scopes 1, 2 and 3) *	785,703		

Carbon intensity = tons / \$M sales

* MSCI ESG data and scores

** CEOs salary divided by the median national wage

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

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

Te Timatanga | Introduction

Reliance Worldwide Corporation demonstrates an evolving commitment to sustainable practices and collective wellbeing, showing meaningful progress in several areas central to TAHITO's indigenous values framework. As a global plumbing solutions company, RWC's operations span three primary regions (Americas, Asia Pacific, and EMEA), with a business model centred on repair and maintenance markets that provide relative stability compared to new construction sectors.

Te Taiao | Environmental Performance

RWC shows alignment with our environmental values, particularly in climate action and waste management:

Climate and Emissions

- Committed to Net Zero greenhouse gas emissions by 2050 (Scope 1 and 2)
- Achieved 35% reduction in Scope 1 and 2 emissions from FY21 baseline
- Set interim target of 42% emissions reduction by 2030
- Implemented renewable energy initiatives, including solar installation at UK facility

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Waste and Circular Economy

- Significant materials recovery: recycled 4,900 tonnes of brass and 2,100 tonnes of copper
- Achieved zero waste to landfill in UK operations
- Redesigned packaging resulting in 13% weight reduction across 343 product lines
- Developing circular economy initiatives through product redesign and materials recovery

He Tangata | Social Performance

RWC demonstrates progress in diversity and community engagement, though opportunities exist for deeper indigenous engagement:

Diversity and Inclusion

- Working toward 40:40:20 gender balance goal (40% female, 40% male, 20% any gender)
- Increased female representation in executive leadership to 38% (from 33%)
- Improved management tier female representation to 27% (from 18%)
- Maintained 98% parental leave return rate

Community Investment

- Conducted 12 community events across 4 countries
- Assembled 1,942 water filters impacting 23,304 lives
- Raised over \$80,000 USD for water sanitation projects
- Donated 330kg of food to support food security initiatives

Ngā Whakahaere | Governance and Leadership

RWC's governance structure shows commitment to ethical practices and sustainable growth:

Financial Performance

- Net Sales: \$1,245.8 million (0.2% increase)
- Adjusted EBITDA: \$274.6 million
- Reduced net debt to \$421.1 million
- Maintained stable dividend distribution

Strategic Direction

- Focus on product leadership and operational efficiency

- Strategic acquisition of Holman Industries
- Enhanced safety governance resulting in 52% reduction in injury frequency
- Implementation of global safety standards

Te Aromatawai | Critical Assessment

Strengths

- Strong environmental performance metrics
- Clear progress on diversity targets
- Robust waste management initiatives
- Solid financial stability

Areas for Development

- Deeper integration of indigenous perspectives and values
- More comprehensive Scope 3 emissions strategy
- Enhanced community impact measurement
- Stronger circular economy framework

Alignment with TAHITO Values

- Whanaungatanga: Demonstrates understanding of interconnected relationships through stakeholder engagement
- Whakapapa: Shows awareness of environmental interdependence
- Whakarongo: Balanced approach to social and environmental priorities
- Utu: Growing commitment to community giveback
- Kawa: Long-term sustainability focus

Te Kupu Whakamutunga | Conclusion

RWC demonstrates meaningful progress toward sustainable business practices and shows potential for deeper alignment with TAHITO's indigenous values framework. While their environmental and social initiatives are promising, opportunities exist for more transformative approaches to circular economy and indigenous engagement. Their stable financial performance provides a foundation for continued investment in sustainability initiatives.

The company's direction has some alignment with our vision of He Ao Whakahou (A Regenerative World), continued evolution toward more holistic and indigenous-aligned practices would strengthen this alignment.

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.responsibleinvestments.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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