



# TAHITO Te Tai o Rehua Fund

He Whakatauki: E rapu te rapu, e whai te whai *(Seek and you shall find)*

Our TAHITO Te Tai o Rehua Fund returned 1.1% in February, lagging its 50/50 NZX50 Portfolio / ASX200 Gross index benchmark (3.8%) by -2.7%. This softer result reflects a broader pattern across global sustainability funds, many of which continued to underperform mainstream indices over the month.



**SUSTAINABLE PLUS**  
— CERTIFIED BY RIAA —

## Performance (Returns net of fees)

	28-Feb-26	Month	3 Mths	6 Mths	YTD	1 Yr	2 Yrs	3 Yrs	5 Yrs	Start (p.a.)
<b>Fund</b>		<b>1.1%</b>	<b>-2.6%</b>	<b>-3.8%</b>	<b>-0.8%</b>	<b>1.4%</b>	<b>4.8%</b>	<b>5.4%</b>	<b>5.0%</b>	<b>5.7%</b>
<b>Benchmark</b>		3.8%	5.6%	8.3%	3.8%	16.7%	13.7%	10.4%	8.0%	7.7%
<b>Alpha</b>		-2.7%	-8.2%	-12.2%	-4.6%	-15.3%	-8.8%	-5.0%	-3.0%	-2.0%

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

## Our Performance

Recent market commentary shows that selected sustainable indices trailed their conventional counterparts as investors rotated toward value, energy, and materials stocks — sectors where sustainable funds typically have lower exposure.

More broadly, ESG and sustainability focused funds have faced ongoing headwinds, including weaker returns relative to traditional equity funds and reduced investor sentiment driven by sector challenges and capital flowing back toward higher yielding, non ESG assets. We continue to focus on long term value aligned with tikanga and sustainable fundamentals, acknowledging that short term market rotations can create periods of relative underperformance.

The key movers in our Fund were:

- Commonwealth Bank of Australia +19%, driven largely by renewed confidence in the Australian banking sector and solid interim results. Investors responded positively to improving net interest margin trends and stable credit quality, supporting a re rating across the major banks. CBA's lift reinforces the value of its consistent governance practices and long term customer wellbeing initiatives, which align well with our indigenous values framework.
- Australian Ethical Investments +13%, supported by improved fund flow momentum and stronger investor sentiment toward ethical and impact aligned managers. The company continued to benefit from its clear sustainability positioning and disciplined cost management, helping rebuild

confidence after a challenging 2025. For TAHITO, AEF's performance aligns with its strong cultural, environmental, and governance foundations, reinforcing its role as a high conviction ethical leader within the portfolio.

- CSL -19%, reflecting investor concern over softer profitability guidance and slower-than-expected growth in its plasma and vaccines units, as well as the sudden departure of the CEO. Market sentiment was further pressured by higher R&D costs and margin compression, leading to a broad de rating across the biotech sector. From a TAHITO perspective, CSL maintains strong ethical credentials through its commitment to life saving therapies and global health outcomes, but February's decline highlights the need for continued monitoring of operational execution and long term value alignment.
- SEEK - 21%, driven by weaker than expected job ad volumes across Australia and Asia alongside softer revenue guidance for FY26. Investors reacted negatively to signs of a slowing labour market and higher operating costs tied to platform investments, which intensified the sell off across employment services stocks. Despite the decline, SEEK continues to demonstrate strong governance and social impact alignment through transparent data practices and its focus on fair employment outcomes—key factors supporting its ongoing inclusion within the TAHITO portfolio.



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Global equities edged higher in February as leadership broadened beyond US mega cap technology to value oriented, asset heavy sectors amid firmer earnings expectations and easing bond yields. Emerging markets outperformed developed markets, while Australia's ASX200 delivered one of the strongest regional results, driven by banks and resources; materials were notable winners through reporting season and the index approached record highs. The S&P/NZX50 saw choppy trading but recovered from mid month weakness into month end as local results landed. Index composition changes from MSCI's February review underscored the ongoing evolution in global benchmarks.

From a sustainability lens, selected sustainable indices and funds continued to lag mainstream peers, reflecting underweights to energy/materials and the ongoing style rotation, alongside net outflows in parts of the ESG fund segment. For TAHITO, we remain anchored in **kaitiakitanga**—guardianship of people and planet—and **kotahitanga**, seeking collective progress with issuers that enable the climate transition (grids, storage, efficient industrials, responsibly sourced critical minerals), while accepting that short term style shifts can create periods of relative underperformance in pursuit of long term, tikanga aligned value. For a more comprehensive review of financial markets, please see the monthly Market Review from our partner company Shaw and Partners. [Shaw and Partners - Geopolitical risks intensify](#)

### Good News sustainability stories:

- » **Malaria vaccine rollout cuts childhood cases by up to 40%:** A powerful social equity milestone emerged from Africa, where regions implementing the RTS,S malaria vaccine are already seeing childhood malaria cases fall by 30–40%. With malaria killing a child every minute, this rapid progress represents a transformative leap in global health equity and a reminder of how targeted public health innovation can save thousands of young lives.
- » **Thriving new coral reef discovered despite climate pressures:** Scientists reported the discovery of a new coral reef thriving in the Mediterranean even under climate change stress, offering a rare and hopeful sign of marine resilience. This unexpected ecological bright spot demonstrates nature's capacity to adapt and rebound when conditions allow, reinforcing the importance of global conservation efforts protecting these fragile ecosystems.
- » **NZ businesses lift public transport use through employer subsidies:** Auckland businesses are increasingly supporting low carbon commuting, with over 80 companies now subsidising staff travel through Auckland Transport's Fareshare programme. Early results show more people choosing buses, ferries and trains, supporting cleaner air, reduced congestion and healthier communities. It's a simple but powerful example of employers stepping up to enable sustainable everyday choices.
- » **Community led ecological restoration accelerates across Aotearoa:** Thousands of volunteers continued their mahi restoring rivers, wetlands, and local ecosystems under the Connect for Nature programme, with eight standout community groups highlighted in February. Their work—from riparian planting to wetland revival—demonstrates the strength of whanaungatanga and local stewardship in healing te taiao, proving that grassroots action can drive nationwide ecological recovery.

## Sustainable Trade Index 2025

Aotearoa New Zealand ranks second overall in the 2025 Sustainable Trade Index, reflecting its enduring strength in the societal and environmental pillars—areas deeply aligned with TAHITO's indigenous values of whanaungatanga, manaakitanga, and kaitiakitanga. The report shows New Zealand as an “open market leader,” maintaining high trade liberalisation with low tariffs, and using strong institutions, labour protections, and social cohesion to anchor trust in trade. This places Aotearoa among mature economies that uphold robust social foundations while navigating slower economic growth, demonstrating that long-term legitimacy in trade comes from fairness, dignity, and the equitable distribution of benefits across communities. In TAHITO terms, New Zealand's performance reflects a trade system that—while imperfect—remains grounded in human wellbeing, high standards of labour rights, and solid governance structures that support collective resilience.

From an environmental perspective, the Index situates New Zealand within the “green industrial transition” group: economies with high renewable energy uptake but still elevated ecological footprints due to consumption patterns and exposure to resource intensive sectors. This highlights a critical tension for Aotearoa—how to align emissions, land use, and natural resource pressures with long-term climate obligations while maintaining export competitiveness. For TAHITO, this underscores the need for deeper structural shifts toward regenerative land use, low impact production, and circular trade models consistent with kaitiakitanga. The report's broader message—that sustainable trade is a process of adaptation, requiring economies to navigate three competing trade offs (efficiency vs autonomy, profitability vs social cohesion, climate ambition vs development sovereignty)—reinforces that New Zealand's future advantage lies not in scale, but in values-led strategy, environmental stewardship, and transparent, socially anchored trade relationships.

[20251001 - STI 2025 - Main Report WP - FINAL.pdf](#)

## Technology One Ltd (TNE) Whakarāpopototanga | Summary

Xero Limited	Score	Software & Services	Score
Women Directors	30%	<b>T-score</b>	<b>5.4</b>
Women in Executive roles	12.5%	<b>ESG Rating</b>	<b>AAA</b>
\$M Donations and community grants	<b>\$1.03</b>	Te Pai o Rangi TAHITO Score***	<b>5.9</b>
% of community grants to NPAT (ebita if a loss)	0.9%	Climate Change Theme Score*	10.0
Has achieved Carbon Neutral (CO2 only, Y/N)	A	Te Poho o Papa TAHITO Score***	3.0
Target date for carbon neutral if N	Achieved	Environmental Pillar Score*	5.8
Has set target for Net zero scope 1,2 (Y/N)	Y	Environmental Opportunities Score*	3.9
Target date for Net zero Scopes 1&2	2030	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*	5.6
Scopes 1&2 Carbon Emissions - Key *	Reported	Wage Ratio (multiple of median wage)**	51
Scope 1+2 (metric tons) *	197	Qualitative TAHITO Community Score	2.0
Scope 1+2 Intensity (t/USD million sales) *	0.6		
Scope 3 Carbon Emissions - Key *	Estimation		
Scope 3 - Total metric tons (combined dataset) *	42,080		
Scope 3 - Total Sales Intensity (combined dataset) *	119.8		
Total GHG Emissions - metric tons (Scopes 1, 2 and 3) *	42,277		

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 Poho o Papa is a TAHITO environment score

### Portfolio Assessment Summary - *Te Arotake Pūtea*

TechnologyOne represents an exciting opportunity in Australia's technology sector - a company combining exceptional operational excellence with growing environmental leadership. As Australia's largest SaaS ERP provider and an ASX Top 50 company, TechnologyOne serves over 1,300 enterprise customers including 73% of Australian and New Zealand residents through council software. With 16 consecutive years of record profit and 99%+ customer retention, the company demonstrates both technical strength and deep stakeholder relationships that provide a strong foundation for values-aligned transformation.

### Core Aspects - *Te Ngākau o te Kaupapa*

#### Financial Strength & Innovation

TechnologyOne's FY2025 performance showcases remarkable growth: \$610 million revenue (+18%), \$137.6 million net profit (+17%), and \$184.2 million free cash flow (+55%). The company reinvests 25% of revenue in R&D annually, demonstrating genuine commitment to innovation and long-term value creation. Their pioneering SaaS+ platform and AI-enabled PLUS solution position them as technology leaders driving digital transformation across government, education, and healthcare sectors.

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### Relationship Excellence

The company's 'Power of One' model integrates development, implementation, and support under single accountability, creating exceptional customer partnerships. Their co-development approach - including providing free solutions for sector-critical needs like Commonwealth Prac Payments - demonstrates relationship depth beyond transactional norms. Recognition as AWS Technology Partner of the Year 2025 and AFR Customer Champion Leader 2025 validates their collaborative approach.

### Community Connection

Through the TechnologyOne Foundation (established 2016), the company commits resources to empowering underprivileged youth across Australia, New Zealand, UK, and Malaysia. Employees receive 2.5 days paid volunteer leave annually, and the company donates software access to not-for-profit organisations, extending the reach of community-serving organizations.

## Environmental Performance - *Te Whakatutukitanga Taiao*

TechnologyOne stands as an environmental leader in Australia's technology sector:

- **Carbon Neutral Operations:** Achieved across Australia, New Zealand, UK, and Malaysia since FY2021
- **69% Emissions Reduction:** From FY2022 baseline (Scope 1 & 2), with science-based targets for 80% reduction by 2025 and 100% by 2030
- **Renewable Energy Transition:** Six major global offices now powered by renewable energy
- **Industry Leadership:** Environmental performance outpaces many global SaaS competitors, particularly data-centre-heavy cloud providers

This climate leadership provides a strong foundation for expanding environmental consciousness to include biodiversity regeneration, circular economy principles, and ecosystem restoration - areas representing exciting opportunities for pioneering work.

## Opportunities for Deeper Transformation - *Ngā Āheinga mō te Whakarerekētanga Hohonu*

### Indigenous Partnership Development

TechnologyOne's deep integration with Australian and New Zealand government, education, and healthcare sectors creates natural opportunities for Treaty of Waitangi partnership frameworks. As software serving 73% of Australian and New Zealand residents reaches indigenous communities, developing authentic Māori and Aboriginal stakeholder relationships could position TechnologyOne as a pioneer in indigenous technology partnership models.

### Enhanced Community Investment

The company's strong financial position - with \$184 million free cash flow and healthy 30% profit margins - provides capacity to expand community investment from current levels toward deeper reciprocity with the communities where value is created. Moving from 2.2% to 10% of net profit community investment would strengthen relationships with local councils, universities, and health services while creating measurable community wellbeing outcomes.

### Governance Diversity Enhancement

Recent board appointments signal positive momentum in governance evolution. Expanding this transformation to include Indigenous directors and achieving 40% female board representation would bring diverse perspectives essential for serving stakeholders across government, education, and healthcare sectors. This diversity strengthens decision-making and reflects the communities TechnologyOne serves.

### Complementary Wealth Distribution

Exploring more balanced remuneration approaches - moving toward ratios that recognize all contributors to company success - would align with emerging stakeholder capitalism principles and demonstrate leadership in equitable value distribution. This creates stronger organizational culture and enhances long-term sustainability.

### Regenerative Environmental Expansion

Building on exceptional climate leadership, TechnologyOne could pioneer technology sector engagement with biodiversity regeneration, ecosystem restoration, and circular economy transformation. Partnerships with conservation organizations in regions where TechnologyOne operates would extend environmental commitment from carbon neutrality toward net-positive ecological impact.

## Our Collaborative Engagement Vision - *Tō Mātou Tirohanga Mahi Tahī*

TAHITO views TechnologyOne's transformation as a market leadership opportunity. Companies pioneering Indigenous partnership frameworks, genuine community reciprocity, and regenerative impact will secure competitive advantages as government and institutional procurement criteria evolve toward values alignment. We offer partnership to position TechnologyOne as a global exemplar of collective self-intelligence in technology, creating strategic differentiation through authentic stakeholder engagement.

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## Encouraging Progress Toward TAHITO Standards - *Te Akiaki i te Kokenga ki ngā Paerewa TAHITO*

We celebrate TechnologyOne’s strengths while encouraging evolution in several areas:

- **Community Investment:** Pathway from 2.2% to 10% NPAT over 36 months, with focus on local Australian/NZ communities and Indigenous programs
- **Indigenous Representation:** Commitment to Indigenous board appointment within 24 months, reflecting stakeholder communities
- **Board Diversity:** Target 40% female representation within 36 months, building on recent positive appointments
- **Environmental Expansion:** Extend climate leadership to biodiversity regeneration, allocating 1% revenue to ecosystem restoration
- **Wealth Distribution:** Explore remuneration philosophies that recognize collective contribution, moving toward 15:1 ratio over three years

## Why This Journey Matters - *He Aha te Take o Tēnei Haerenga*

TechnologyOne’s transformation journey is significant beyond the company itself. As Australia’s largest SaaS ERP provider serving government, education, and healthcare sectors, TechnologyOne’s evolution toward collective self-intelligence principles could catalyse broader public sector sustainability. When technology platforms embedded in 73% of Australian and New Zealand residents’ lives embrace Indigenous partnership and regenerative principles, the ripple effects extend across communities, demonstrating that operational excellence and values alignment are complementary, not contradictory.

## Partnership for Transformation - *Te Rangapū mō te Whakarerekētanga*

TAHITO’s engagement approach positions transformation as strategic opportunity. We will connect TechnologyOne with Indigenous business networks, facilitate dialogue with councils and universities seeking Indigenous partnership frameworks in technology procurement, and collaborate on shared community investment opportunities. Our goal is partnership, not criticism - working together to demonstrate that technology leadership and collective wellbeing are mutually reinforcing.

## Looking Forward - *Te Titiro Whakamua*

TechnologyOne stands at an exciting threshold - combining 16 years of operational excellence with emerging environmental leadership and strong stakeholder relationships. The company’s financial strength (\$184M free cash flow, healthy margins, sustainable growth) provides capacity for values transformation without compromising business performance. We see TechnologyOne’s journey as emblematic of broader market evolution: from shareholder primacy toward stakeholder reciprocity, from carbon neutrality toward regenerative impact, from conventional governance toward Indigenous partnership.

Investment is endorsement of potential and commitment to partnership. TechnologyOne’s transformation journey is also TAHITO’s journey - demonstrating that Indigenous values frameworks can guide ASX companies toward greater collective responsibility while strengthening competitive positioning.

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](http://www.responsibleinvestments.com.au) and [RIAA’s Financial Services Guide](#) for details.<sup>1</sup>

<sup>1</sup> 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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