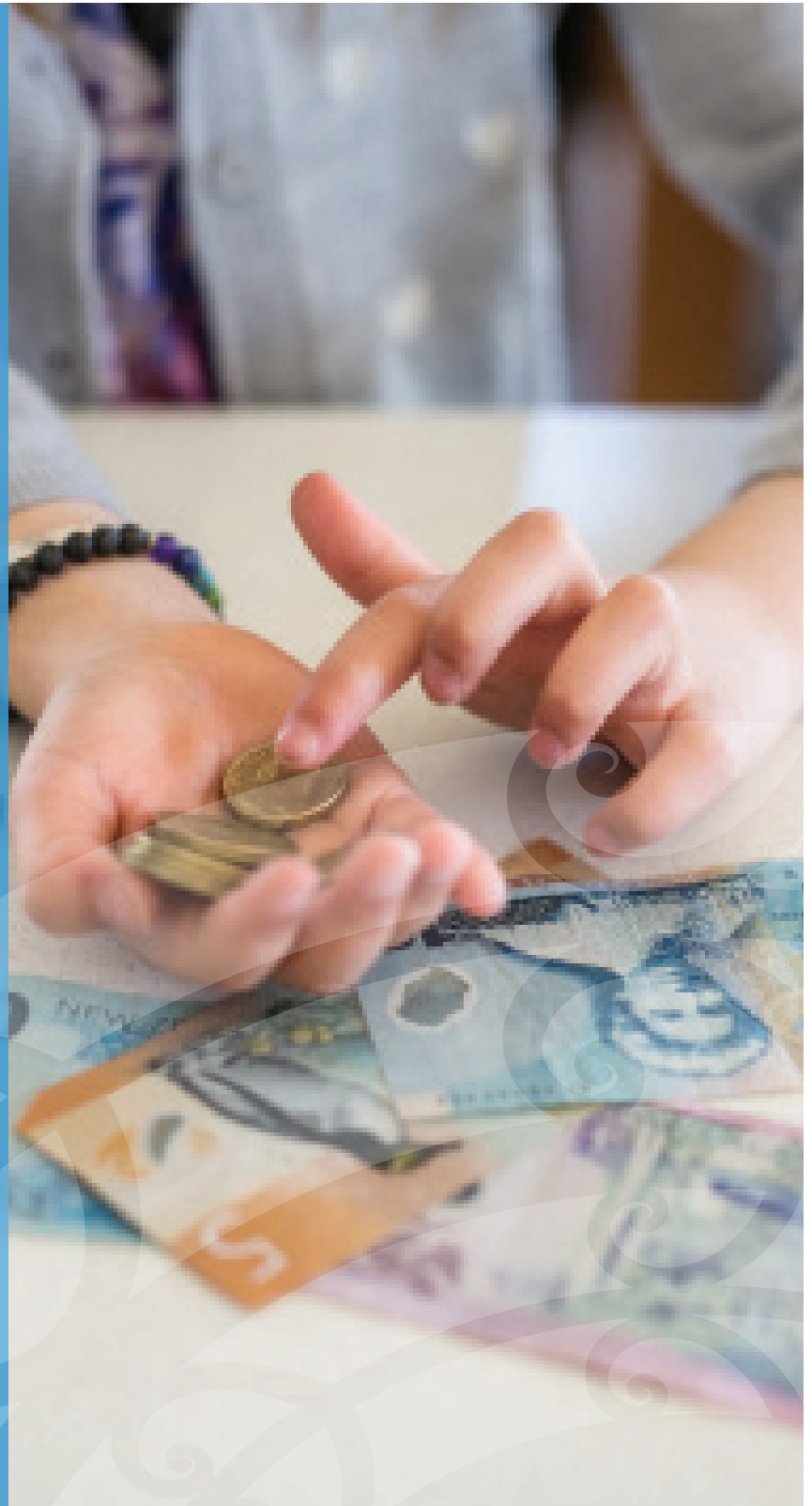


WHAI RAWA

INVESTMENT COMMENTARY



FEBRUARY 2019



MARKET SUMMARY

February delivered more good news to investors, including members of the Whai Rawa Fund.

Most asset classes posted positive returns (apart from Government bonds) for the second consecutive month. In most cases, share market gains in January and February 2019 have been sufficient to hide the falls experienced in the last quarter of 2018. The US Federal Reserve has reiterated its position that there will be no further short-term interest rate hikes for the foreseeable future and combined with signs of easing trade tensions between the United States and China, helped support investment markets over the month.

Positive returns in the New Zealand and Australian share markets continued into February. The NZX 50 and ASX 200 Indices rose +3.8% and +6.0% respectively over the month. In Australia, banking shares climbed - along with the wider ASX 200 Index - on the conclusion of the Royal Commission which looked into the conduct of the Banking and Financial Services sector and the assessment that the recommendations would be less damaging than originally expected.

Developed share markets such as US, UK, Canada and others returned +3.3% in February. Emerging Markets lagged their developed counterparts, returning +1.1%; rising US interest rates and a strong US dollar have weighed on the sector over the last year.

THE WHAI RAWA FUND

Whai Rawa members invest in Mercer Investment Trusts New Zealand's Conservative Fund, which has a mix of defensive and growth assets. The benchmark split is 80% defensive assets, such as bonds (50%) and cash (30%) and 20% growth assets, such as shares (16%) and real assets (4%). The Fund is expected to achieve slightly higher returns over the medium term (at least 3 years) than those expected from investing solely in bank term deposits, but there is a possibility of some fluctuations in returns in any one year.

In stark contrast to December, growth assets performed better in January and February as wider markets recovered. Most asset classes posted positive performance. Off the back of a negative quarter at the end of 2018, the Whai Rawa Conservative fund returned a positive position in February, delivering a return of 0.96% for the month, +0.16% above its benchmark. Whai Rawa members will be eagerly anticipating the March investment commentary based on the positive returns achieved in both January and February.

More information about the Whai Rawa fund can be found in the Product Disclosure Statement available online at www.whairawa.com/pds.

If you have any pātai/questions please get in touch with:

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Te Rūnanga o NGĀI TAHU

WhaiRawa NGĀI TAHU