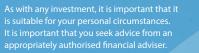
WHAI RAWA INVESTMENT COMMENTARY

OCTOBER 2019



You can find information about Whai Rawa Unit Trust on the Disclose register managed by the Registrar of Financial Service Providers. We encourage investors to take an interest, review their own investment choices and ask questions about where and how their money is invested.

The information contained in this document is intended for general guidance and information only and is **not personalised** to you. It does not take into account your particular financial situation or goals. Before making any investment decision, you should refer to the Product Disclosure Statement and / or consult an appropriately **authorised** adviser.





Whai Rawa Fund Limited is the issuer of the Whai Rawa Unit Trust. A Product Disclosure Statement for the Whai Rawa Unit Trust is available at www.whairawa.com/pds/.

MARKET SUMMARY

October delivered another positive month for global markets, with global equities rising and bond yields inching higher.

Developed equity markets embraced such news, as the MSCI World Index returned +1.9% in local currency (+0.3% in unhedged New Zealand dollars). New Zealand equities (-1.2%) moved in reverse to their global peers, dragged down by negative headlines surrounding leading energy retailers. Global Listed Property (+1.8%) had a strong month, whilst Infrastructure remained static (0.0%). Global Aggregate Bonds (-0.2%) delivered negative returns over the month as bond yields continued to creep higher from their Q3 lows.

Significant developments include:

- The United States Federal Reserve cut the target range for the Federal Funds rate to 1.50%–1.75%, the third cut this year, with Chairman J Powell signalling that future easing is likely to be on pause in order to save capacity to offset a potential economic downturn.
- Hong Kong slipped into a recession for the first time since the Global Financial Crisis, following months of political disruption and adverse effects from the US-China trade war. GDP fell 3.2% in the third quarter.
- The US added 128,000 non-farm payrolls in October, down from the 180,000 in September, but ahead of expectations; this was in contrast to the weakest growth in consumer spending in six months. Despite this, the US stock market pushed to a record high by month-end.
- The European Central Bank (ECB) left rates on hold in October, amid continued adverse economic data in the region. Eurozone inflation fell in October to a three-year low of 0.8% p.a. with outgoing President Mario Draghi predicting a further fall into the final quarter of the year.
- The NZ share market (-1.2%) delivered negative returns over the month as energy retailer share prices slid over the period. Across the Tasman, the ASX 200 fell (-0.4%), driven by investor concerns over the performance of major Australian banks. 12-month returns for both indicies remain above the majority of their global equity counterparts.

THE WHAI RAWA FUND

Whai Rawa Funds are invested in Mercer Investment Trusts New Zealand's Conservative Fund (the 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.

The Whai Rawa Fund is spread across many investments and managed by other professionals. We generally don't buy securities directly but are exposed to them through pooled funds.

More information about the Whai Rawa Unit Trust can be found in the Product Disclosure Statement and the latest fund update which is available on the Whai Rawa website. www.whairawa.com Information contained in this document has been obtained from a range of third-party sources. While the information is believed to be reliable, Whai Rawa Fund Limited has not sought to verify it and makes no representations or warranties as to the accuracy or completeness of the information presented and takes no responsibility for, nor has any liability (including for indirect, consequential or incidental damages), in respect of any error, omission or inaccuracy in the information.

If you have any pātai/questions please get in touch with: DAVID TIKAO Whai Rawa Executive Director david.tikao@ngaitahu.iwi.nz +64 3 974 0132

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Te Rūnanga o NGĀI TAHU

WhaiRawa