

WHAI RAWA

INVESTMENT COMMENTARY



20 AUGUST 2020

As with any investment, it is important that it is suitable for your personal circumstances. It is important that you seek advice from an appropriately authorised financial adviser.

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 NGĀI TAHU

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/.



INVESTMENT COMMENTARY

MARKET SUMMARY

Global equity markets extended their remarkable quarterly gains throughout June, with a major United States stock exchange, the NASDAQ, touching record highs as FAANG (Facebook, Amazon, Apple, Netflix and Google) stocks continued their recent price surge. Government bond yields decreased modestly as investors re-trained their focus on the economic fallout of the COVID-19 virus, on the back of rising infection rates in large economies such as the US, Brazil and India. Oil had a positive month, finishing up 16.5% for the period as economic activity started to show signs of returning, albeit from very depressed levels and despite a backdrop of rising infections. Gold markets saw continued inflows during June, touching spot prices not seen since February 2012, while central banks around the world maintained supportive monetary policies to soften the economic impacts inflicted by COVID-19.

WHAI RAWA FUND UPDATE

Equity markets continued their recent rebound throughout June, with many markets enjoying one of the strongest quarters in recent times. Despite the remarkable recovery in markets, downside risks remain, with COVID-19 cases pushing through 10 million in late June.

All three Whai Rawa Socially Responsible Funds delivered positive returns over the month, with returns ranging from 0.60% to 1.02% for the month of June.

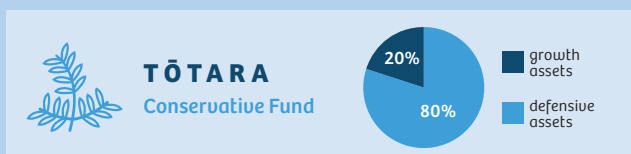
One way to gauge a manager's performance is to measure actual fund performance against the return that would have been generated by specified market indices. This theoretical index based return calculation is called a benchmark return. The Whai Rawa Funds outperformed their benchmarks [we use to judge their performance] over the month, with the largest outperformance coming from the Balanced-Matai Fund (+0.21%). The Tōtara-Conservative Fund and Rātā-Growth Fund also outperformed by +0.13% and +0.07%, respectively.

In the financial year to date, to 30 June 2020, all the Funds are performing strongly, taking advantage of the recent market rally. The Rātā-Growth Fund, Matai-Balanced Fund, and Tōtara-Conservative Fund have returned 9.41%, 7.59%, and 4.61% respectively in the financial year to date from 1 April 2020 to 30 June 2020.



WHAI RAWA FUNDS OVERVIEW

Whai Rawa Funds are invested in Mercer Investment Trusts New Zealand's Socially Responsible Conservative, Balanced and Growth Portfolio's. The level of risk and return in each Portfolio correspond to your fund choice.



Tōtara-Conservative Fund: This fund is considered a 'lower-risk' option than the other two with about 80% of your savings invested in defensive assets like fixed interest and cash. The remaining 20% is invested in growth assets such as shares, property, and infrastructure.



Matai-Balanced Fund: Sits in the middle of the fund options. Balanced is considered riskier than the conservative fund, but less risky than the growth fund. About 55% of your savings are invested in growth assets such as shares, property, and infrastructure. The remaining 45% is invested in defensive assets like fixed interest and cash.



Rātā-Growth Fund: Growth is considered a higher-risk option with about 75% of your savings invested in growth assets such as shares, property, and infrastructure. The remaining 25% is invested in defensive assets like fixed interest and cash.

NOTE: The returns you receive are dependent on the investment decisions of WRFL, the fund management decisions of the Fund Manager and the performance of the investments. The value of those investments may go up or down. Even investing in the Tōtara-Conservative Fund does not mean a risk-free investment.

WHAT FUND SHOULD YOU BE INVESTED IN?

Here are some ways you can be confident your Whai Rawa investment is working the way you want.

1. Are you a risk taker or do you like to play it safe? You can access online tools to help you work out what fund you should be in and understand the impact markets may have on your investment. Take a moment to consider what sort of investor you are by taking a risk quiz at www.purl.co.nz/wr/riskquiz

2. Need to withdraw money in the near future? If you are thinking of withdrawing your money for education, your first where or retirement, it's important that you understand your investment savings may be reduced if investment markets weaken. As you approach a life milestone you may wish to alter your Whai Rawa investment fund options to better reflect your risk profile. To help you make the right decision, discuss your circumstances with a financial adviser.

This information does not take into account your personal objectives, financial situation or needs. Historical market performance may not be indicative of future market performance. Therefore, you should not act on this information if you have not considered the appropriateness of this information to your personal objectives, financial situation and needs. You should consult a financial adviser before making any investment decisions.

RISK INDICATOR UPDATE

Whānau, you may have noted that the latest Quarterly Fund Updates contain risk indicators that are not aligned with our current Product Disclosure Statement (PDS). As at the end of 30 June 2020, the Risk Indicators have increased for two of our investment funds; the Mātai-Balanced and Rātā -Growth funds. We can confirm we will be updating the PDS to reflect the current risk indicators in our annual renewal process. The updated PDS is scheduled to be published in October 2020.

Managed Funds in New Zealand must have a standard risk indicator. The risk indicator is designed to help investors understand the uncertainties both for loss and growth that may affect their investment. You can compare funds using the risk indicator.

The risk indicator is rated from 1 (low) to 7 (high). The rating reflects how much the value of each Fund's assets goes up and down (volatility). A higher risk generally means higher potential returns over time, but more ups and downs along the way.

While risk indicators are usually relatively stable, they do shift from time to time. You can see the most recent risk indicator in the latest Fund Update for each Fund at www.whairawa.com/publications and look under Quarterly Fund Update.

More information about the Whai Rawa Unit Trust can be found in the Product Disclosure Statement and the latest fund updates which are available on the Whai Rawa website www.whairawa.com

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

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