

WHAI RAWA

INVESTMENT COMMENTARY



20 APRIL 2021

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** financial 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 (As provided by Mercer to the end of February 2021)

Global equities experienced a volatile February but finished broadly positive, as investors positioned themselves for a stronger than expected economic recovery in the near future. The impact of this was visible across several asset classes, with sovereign bond yields rising sharply as investors brought forward their expectations for inflation and central bank rate rises. Despite finishing the month in positive territory, the rise in yields created headwinds for global equities that saw them fall back from their all time highs in mid-February.

The MSCI World Index returned 1.7% over February in unhedged NZD (2.6% in local currency). The MSCI World Value Index (a measure of the performance of the “cheaper” half of the MSCI World Index) returned 3.8% in unhedged NZD with investors seeking the relative stability of value as whispers of inflation grew louder. Small companies (average size c.USD1.8b) continued to benefit from the reflation trade, returning 4.1% in unhedged NZD (5.1% in local currency). Domestic equities had a difficult month, returning -6.9% as the energy sector saw a substantial sell-off after a significant rally over the previous quarter and A2 Milk announced another forecast earnings downgrade. Bond markets saw continued outflows in February with domestic bonds returning -3.2%. Global bonds returned -1.5%, driven by sovereign bonds which returned -2.1%.

PERFORMANCE COMMENTARY

Global markets looked beyond on-going pandemic related restrictions across the world, as well as severe winter weather in the United States, to finish February broadly positive. Falling COVID-19 cases across the globe and a slow easing of restrictions in some western countries fuelled optimism that full re-openings will go ahead in 2021. However, that optimism over stronger growth was offset by fears over more rapid monetary policy normalisation, most visible in the accelerated rally of bond yields which disrupted markets towards the end of the month.

WHAI RAWA FUND UPDATE

The Whai Rawa Diversified Portfolios struggled to deliver real or relative returns during February. The Rātā-Growth Portfolio fell 1.2%*, underperforming the benchmark by 1.1%, whilst the Matai-Balanced and Tōtara-Conservative Portfolios fell 1.4%* and 1.5%*, underperforming their benchmarks by 0.7% and 0.3%, respectively. Over a 12-month period, the Whai Rawa Diversified Portfolios continue to deliver positive returns. The Rātā-Growth Portfolio returned 11.2%*, outperforming the benchmark by 1.5%, whilst the Matai-Balanced and Tōtara Conservative Portfolios returned 8.7%* and 3.8%* respectively (outperforming their benchmarks by 1.4% and 1.2%).

*Returns are gross figures.

WHAI RAWA FUNDS OVERVIEW

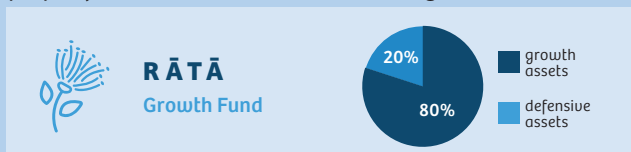
Whai Rawa Funds are invested in Mercer Investment Trusts New Zealand's Socially Responsible Conservative, Balanced and Growth Portfolio's. Each portfolio has a different level of risk and accordingly different return expectations.



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 60% of your savings are invested in growth assets such as shares, property, and infrastructure. The remaining 40% is invested in defensive assets like fixed interest and cash.



Rātā-Growth Fund: Growth is considered a higher-risk option with about 80% of your savings invested in growth assets such as shares, property, and infrastructure. The remaining 20% 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 underlying 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.

HOW CAN I DECIDE WHAT FUND OPTION IS BEST FOR ME?

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 decide which of our fund options is most suitable for you and to 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.whairawa.com/riskquiz

2. Need to withdraw money in the near future? If you are thinking of withdrawing your money for education, your first whare 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.

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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