

ACI
FUNDS





Unlock the potential

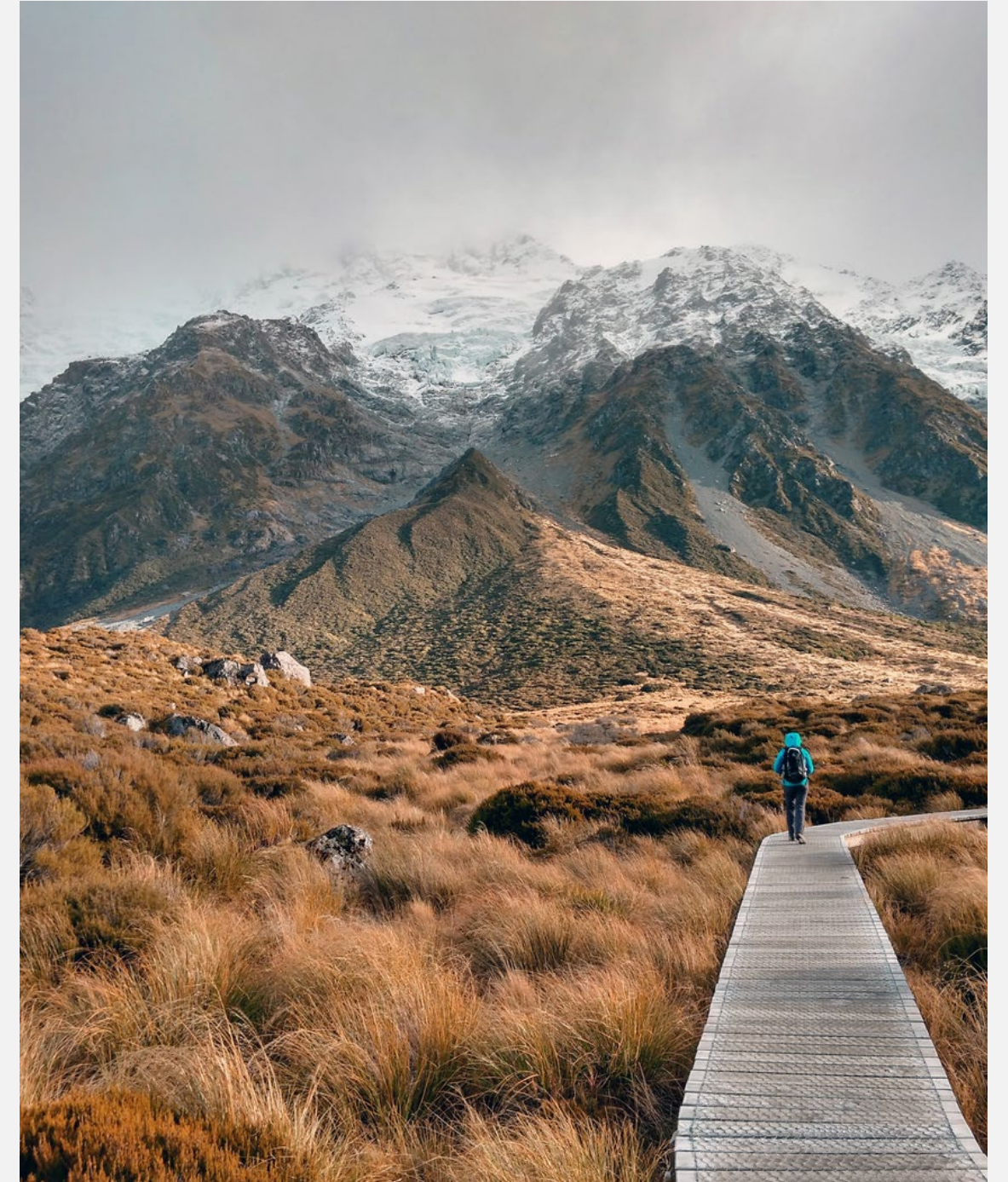
Every investor deserves access to evidence based investments, no matter the size of their initial investment. ACI Funds was created to empower investors who were priced out of individually tailored wealth management products. A gap exists at the intersection of accessibility and quality. ACI Funds aim to bridge this gap.

- ACI Funds is open to anyone - starting with as little as \$50.
- Maximum tax rate of 28% - the same as a traditional KiwiSaver fund.
- Access your investment whenever you want to use it, for any reason.
- Professional investment oversight by our experienced fund managers.

Expertise

Stewart Group Asset Management (SGAM) is the appointed investment manager for the ACI Funds and with 38 years of experience behind us we are positioned to leverage our industry relationships, expertise and sound investment philosophy.

SGAM aims to provide best-in-market research and modelling, in combination with ESG filters we have been incorporating in our approach since inception.



Core Principles



Our investment approach is built on a solid, straightforward, and meticulous philosophy, delivered to investors through our role as manager of the ACI Funds. We adhere to the widely recognised Modern Portfolio Theory, grounded in these core principles:

1.

Market efficiency and rationality of investors.

2.

A strong relationship between risk and return.

3.

The essential nature of diversification.

4.

The critical role of portfolio structure in determining performance.

When applied, this means...

We practice smart diversification and avoid market timing.

You never know which market segments will outperform from year to year. By holding a globally diversified portfolio, investors are well positioned to capture returns wherever they occur.

We consider the drivers of returns

Academic research, including the Fama-French Model, has identified equity and fixed income factors which point to differences in expected returns. Investors can pursue higher expected returns by structuring their portfolio around these factors.

We know markets have rewarded discipline.

Historically, the equity and bond markets have provided growth of wealth that has more than offset inflation. Evidence proves investors can ride out short-term volatility and periodic underperformance, and investors would be rewarded for those losses in the long term. This means, historically, it has paid to stay in your seat through market fluctuations.

Fama-French Model

The Fama-French Model (FFM) is a statistical model for calculating likely returns on a given portfolio, developed initially by Nobel laureate Eugene Fama and his colleague Kenneth French in the 1990s and updated in 2014. It aims to describe the return of a stock portfolio by five factors, some of which are used to guide our asset allocation decisions.

The rationale being that the validity of each of these factors is backed by empirical data. Historic returns data shows companies that are small-cap, have high book-to-market value and high profitability tend to outperform the overall market.



Factor-Focused Model

Factor-Focused Model

This model has proved highly reliable over time. It expands on the Capital Asset Pricing Model (CAPM) by looking beyond risk. Adding these other factors creates a better tool for evaluating performance – giving the ability to explain over 90% of return in a diversified portfolio.

We can therefore target drivers of high expected return during portfolio construction and asset allocation.

The ACI Funds options have been created with consideration to the FFM.

1.

Market risk premium :

The expected return of the stock market is higher than the risk-free rate.

2.

Company size:

The outperformance of small-cap companies vs large-cap companies.

3.

Company Value:

The outperformance of high book-to-market value companies vs low book-to-market value companies.

4.

Profitability :

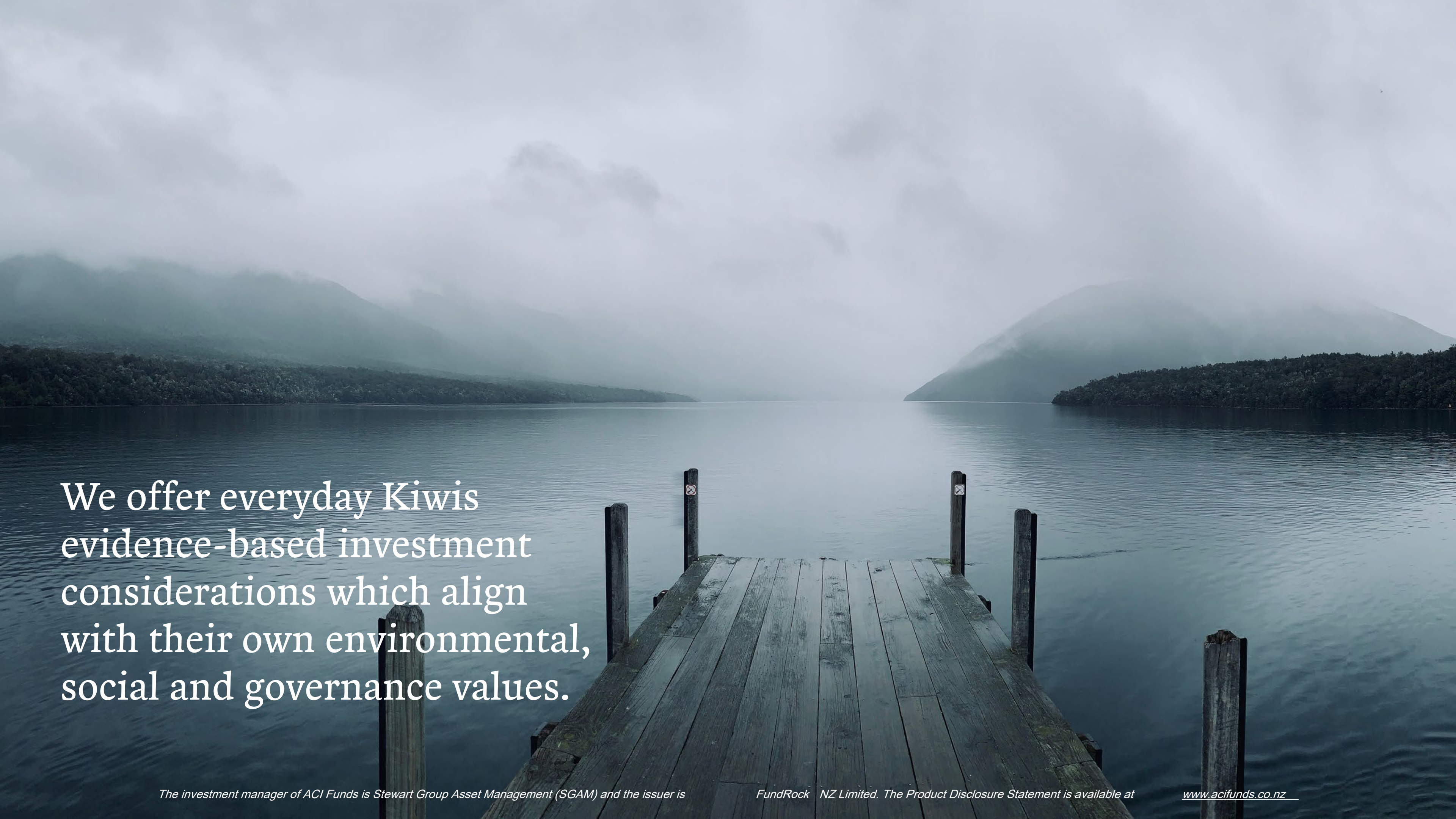
Companies reporting higher future earnings have higher returns in the stock market.



Sustainable Investing: A science-based approach

We believe sustainability-focused investors can pursue a sound investment experience that reflects their sustainability values. Through our relationship with Dimensional Fund Advisors, we can leverage their patented investment methodology to not only start with a robust investment framework but also incorporate sustainability considerations for most of the underlying investments.

SGAM believes that investors can do well fiscally while doing good for people and the planet. Our investment philosophy is backed by decades of research and then overlaid with Dimensional Fund Advisors' specific environmental and social screens.

A serene landscape photograph of a calm lake under a heavy, grey sky. In the foreground, a weathered wooden pier extends from the bottom center towards the middle of the frame. The water is still, reflecting the overcast sky. In the background, two large, forested mountains rise from the water's edge, their peaks partially shrouded in mist. The overall mood is quiet and atmospheric.

We offer everyday Kiwis
evidence-based investment
considerations which align
with their own environmental,
social and governance values.

B-Corp Certified

It's hard to tell fact from fluff when it comes to sustainability these days. B Lab created as close to a globally recognised tick as you can get: B Corporation. B Corps prioritise doing business for good and must go through a rigorous application process, then re-certify every 3 years.

What started as a journey towards sustainable practice quickly became more. B Corp certification allows SGAM to be part of a global community working to balance people, planet and profit, by meeting high standards for social and environmental performance, accountability, and transparency.

SGAM has a B Impact score of 105.4, which places us above the median score of B Corps in NZ (81.9). The minimum score for B Certification is 80.



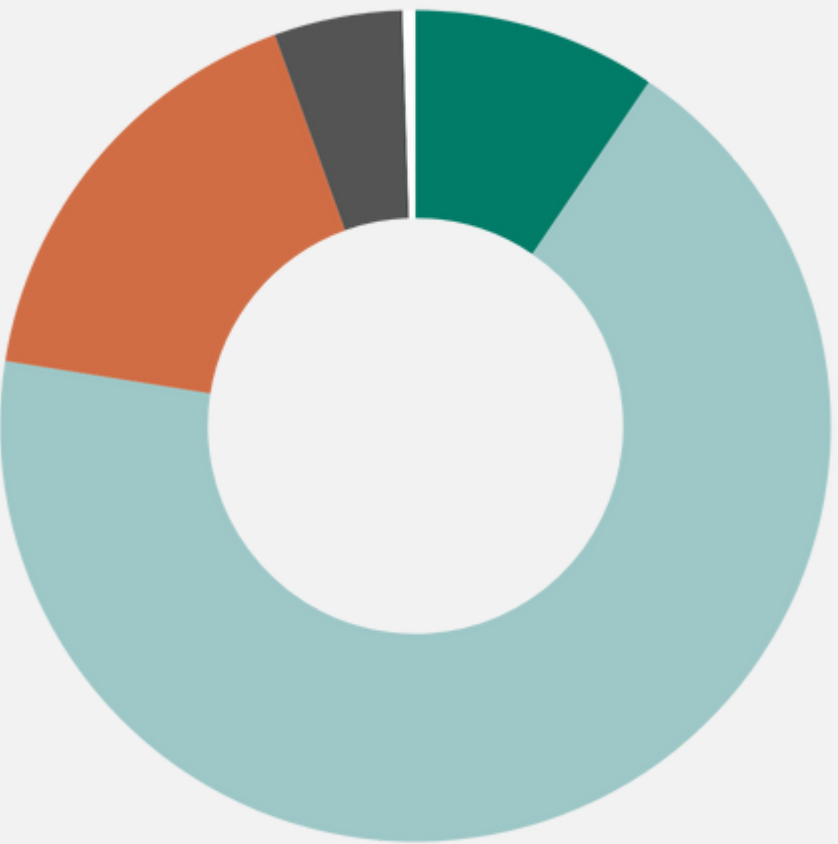
ACI Growth Fund

Diversified portfolio, investing predominantly in New Zealand, Australian and international shares as well as property but includes some income assets. Fund's objective is to achieve a rate of return (net of fees but before tax) of at least 4.5% per annum above inflation.

FUND TYPE	Portfolio Investment Entity (PIE)
INCEPTION DATE	April 6, 2023
NET ASSETS VALUE (NAV)	\$3,407,479 (NZD)
UNIT PRICE	\$1.315 (NZD)
INVESTMENT MANAGER	Stewart Group Asset Management (SGAM)
ISSUER AND MANAGER	FundRock NZ Ltd
BENCHMARK	Composite blend of indices that represent the Fund's underlying investment funds, in their target weights.

TARGET INVESTMENT MIX

GLOBAL FIXED INCOME	10%
GLOBAL EQUITIES	68%
AUSTRALIAN EQUITIES	17%
GLOBAL PROPERTY	5%
CASH	1%



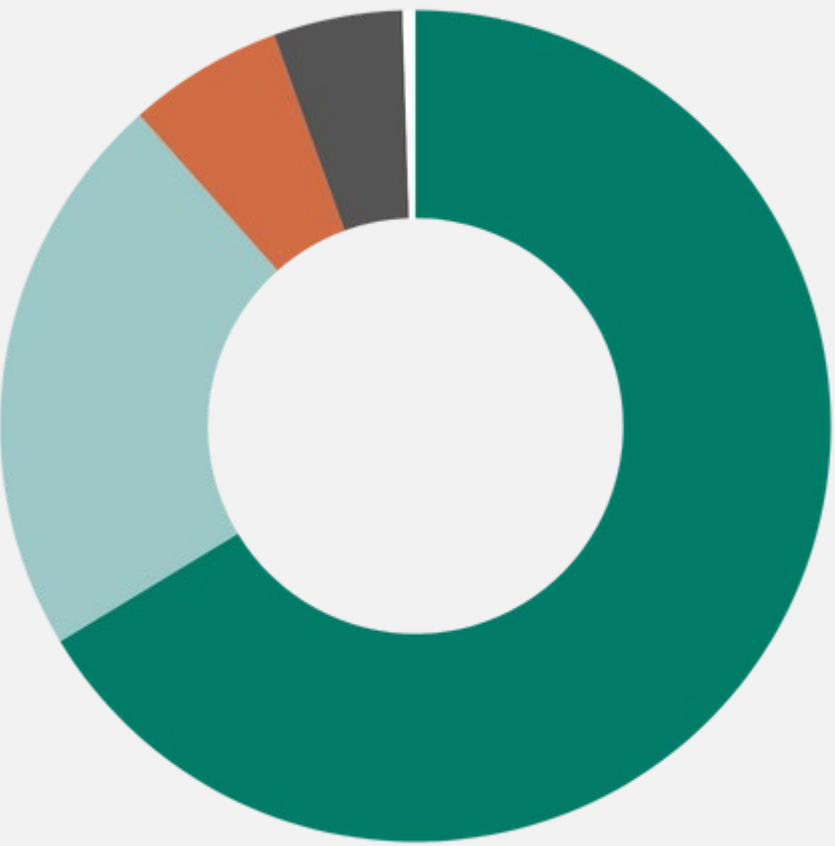
ACI Conservative Fund

Diversified portfolio, investing mainly in income assets, but with some growth asset exposure. The fund's objective is to achieve a rate of return (net of fees but before tax) of at least 1.75% per annum above inflation.

FUND TYPE	Portfolio Investment Entity (PIE)
INCEPTION DATE	April 6, 2023
NET ASSETS VALUE (NAV)	\$1,888,295 (NZD)
UNIT PRICE	\$1.162 (NZD)
INVESTMENT MANAGER	Stewart Group Asset Management (SGAM)
ISSUER AND MANAGER	FundRock NZ Ltd
BENCHMARK	Composite blend of indices that represent the Fund's underlying investment funds, in their target weights.

TARGET INVESTMENT MIX

GLOBAL FIXED INCOME	66%
GLOBAL EQUITIES	22%
AUSTRALIAN EQUITIES	6%
GLOBAL PROPERTY	5%
CASH	1%



Unlocking the way for all Kiwis to grow wealth

For more information on ACI Funds, Stewart Group Asset Management or Dimensional, visit our website.

WWW.ACIFUNDS.CO.NZ

