MONTHLY FUND COMMENTARY

July 2026

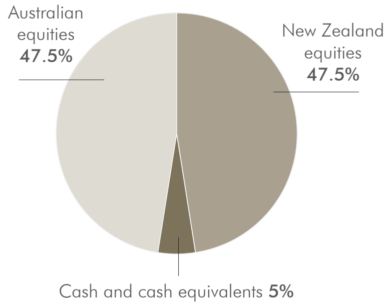
CLARITY TRANS-TASMAN VALUE FUND

The Trans-Tasman Value Fund returned of +0.7% in July, with momentum slowing in the New Zealand share market, while a rising New Zealand / Australian dollar exchange rate somewhat dampened a good month for the Australian market.

The best performing stock in the Fund was AFT Pharmaceuticals, which rose +31% in a busy news month for the company where it reaffirmed strong sales growth, released very positive company-funded broker research on the stock, and held a seminar for investors on its promising research and development pipeline. AFT has grown sales at an average of 17% per annum over the last 20 years and this is now converting into strong profit growth too. Despite the rise last month, we think AFT shares remain good value relative to their larger peers.

In Australia, the banking sector rebounded strongly in July. Banks make up about a quarter of the Australian market by value, which meant a solid month for the Australian market too (+2.3%). The bounce in the banks puzzles us, given the Australian housing market continues to soften after the introduction of a capital gains tax and continued interest rate rises. This is likely to feed into slower credit growth and strong competition to provide loans – neither good for bank earnings growth. The Fund holds shares in ANZ (+6%) and National Australia Bank (+9%) but with Australian bank shares expensive versus peers around the world, overall, we are underweight the sector. This counted against relative performance for the Fund in July.

Target investment mix[1]



Performance

As at 31 July 2026	1 Mth	3 Mth	1 Yr	3 Yrs p.a.	5 Yrs p.a.	Since Inception p.a.
Clarity Trans-Tasman Value Fund*	0.7%	5.1%	13.6%	9.5%	7.7%	8.6%
Benchmark Index**	0.3%	3.5%	11.2%	9.0%	6.3%	6.0%

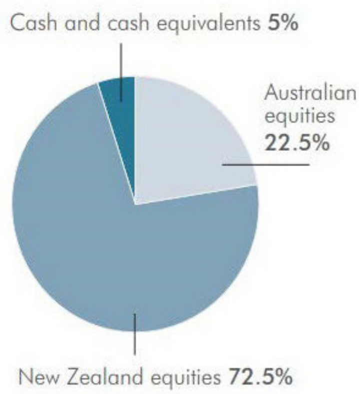
CLARITY DIVIDEND YIELD FUND

Rising interest rates in New Zealand put pressure on the share prices of many of the companies held in the Dividend Yield Fund during July, and the Fund was flat during the month. The S&P/NZX High Dividend Index fell -1.4%, underperforming the broader New Zealand market. This is a reversal of the trend we saw during 2025 and early 2026 when declining interest rates led investors to seek income from dividend paying shares and saw the Fund outperforming the broader market. Throughout these fluctuations we have remained focussed on investing in companies with attractive and sustainable dividend yields.

The top performer for the Fund in July was Australian property company Dexus (+11%). Dexus shares have had a tough run as the company misfired in its strategy of diversifying into property funds management (in addition to investing in its own properties). Dexus' main investments are premium grade, CBD office towers in the major Australian cities and these have suffered from negative sentiment and lower occupancy in the years since Covid. The recent move higher in Australian interest rates has also been a headwind. During July, Dexus announced the divestment of three office buildings for a total of $A715m. This helps strengthen the balance sheet and builds confidence in management and the underlying asset base.

In New Zealand, recent portfolio addition EBOS had a good month, with shares rising +6%. Healthcare company shares don't feature much in this Fund as they tend to be higher growth, higher valuation companies that don't offer a great dividend yield. But the defensive nature of their businesses is attractive, so when EBOS shares came under pressure following the loss of the major Chemist Warehouse, we took the opportunity to invest at an attractive 6% dividend yield.

Target investment mix[1]



Performance

As at 31 July 2026	1 Mth	3 Mth	1 Yr	3 Yrs p.a.	5 Yrs p.a.	Since Inception p.a.
Clarity Dividend Yield Fund*	-0.0%	1.1%	13.7%	9.6%	6.5%	9.9%
Benchmark Index**	-0.4%	0.9%	11.2%	7.9%	6.2%	6.8%

[1] The current target investment mix is shown, but variations around these targets are likely from time to time.

* These returns are after deductions for fees and before tax.
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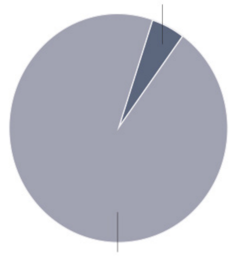
CLARITY NEW ZEALAND EQUITY FUND

The New Zealand Equity Fund returned +0.8% in July, which was slightly ahead of its benchmark. Leading the market higher during the month were several cyclical companies whose share prices have been depressed in the last few years.

Mainfreight (+12%) released a first quarter trading update at its AGM which was much stronger than investors had been expecting, with Profit Before Tax up 78% relative to the same period last year as the company continues to win market share and grow utilisation of its expanding network.Fletcher Building (+8%) continued to make incremental positive announcements. During July management increased their profit guidance and announced government support for the Group's cement manufacturing operation near Whangarei.SkyCity (+13%) announced the sale of non-core property assets in Auckland, along with a tentative agreement to sell the SkyCity Grand Hotel. Both were positively received by the market as they will relieve pressure on SkyCity's balance sheet. The next move by management may be to sell the underperforming Adelaide Casino, potentially clearing all remaining debt and allowing them to focus on optimising their New Zealand assets.

Whilst economic activity remains subdued in New Zealand, the three examples above show that our listed companies are adapting to the challenging economic environment we've been stuck in and are creating shareholder value in spite of this. With consumer and business confidence both picking up in recent months, once we have the election out of the way we think the path could clear for a sustained economic recovery that could provide a further boost for these companies.

Target investment mix[1]



Performance

As at 31 July 2026	1 Mth	3 Mth	1 Yr	3 Yrs p.a.	5 Yrs p.a.	Since Inception p.a.
Clarity New Zealand Equity Fund*	0.8%	6.6%	7.5%	6.7%	3.7%	5.2%
Benchmark Index**	0.6%	6.3%	7.6%	5.1%	2.5%	4.2%

CLARITY FIXED INCOME FUND

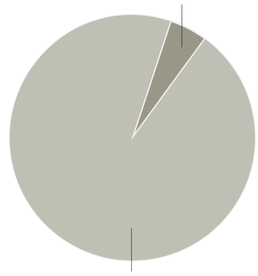
The Clarity Fixed Income Fund returned -0.5% in July, in line with its benchmark, which also returned -0.5%. We view the flat relative performance positively, given the rise in short-term yields following the RBNZ's decision.

During the period, The Reserve Bank of New Zealand (RBNZ) increased the Official Cash Rate (OCR) by 25 basis points to 2.50%, reflecting concern that inflation pressures may prove more persistent than previously anticipated. The RBNZ appears increasingly focused on inflation expectations and the risk that inflation becomes embedded in wage and pricing behaviour. The RBNZ has provided clear guidance that further OCR increases are likely in the coming months. However, the pace and extent of further OCR increases will depend on future inflation data.

Recent economic data presents a mixed but gradually improving picture of the New Zealand economy. Business confidence has continued to recover from the lows experienced over the past two years, while forward-looking indicators suggest economic momentum is beginning to improve.

At month end, the Fund's yield was 4.3%, with a duration (average maturity) of 2.37 years.

Target investment mix[1]



Performance

As at 31 July 2026	1 Mth	3 Mth	1 Yr	3 Yrs p.a.	5 Yrs p.a.	Since Inception p.a.
Clarity Fixed Income Fund*	-0.5%	1.1%	3.1%	5.6%	2.8%	3.7%
Benchmark Index**	-0.5%	1.0%	3.2%	5.8%	4.6%	3.1%

[1] The current target investment mix is shown, but variations around these targets are likely from time to time.

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MONTHLY FUND COMMENTARY

July 2026

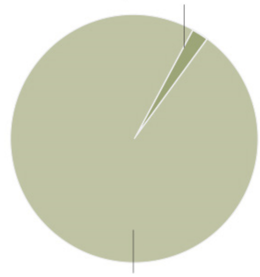
CLARITY GLOBAL SHARES FUND

The Clarity Global Shares Fund delivered a return of -0.4% for the period, outperforming its benchmark return of -1.8% by 1.4%.

Despite weaker overall market returns, the US earnings season remained supportive. Around 60% of S&P 500 companies had reported by month-end, with approximately 87% exceeding earnings expectations. Corporate earnings growth remained strong at around 27% year-on-year, while continued AI investment remained a key market driver. The Magnificent Seven (Mag 7) continued to lead gains, supported by accelerating AI-driven growth and resilient cloud demand.The Fund's top contributor was Microsoft (+24.6%), contributing +0.56% to performance. Azure revenue grew 43% year-on-year and surpassed US$100 billion in annual revenue for the first time. Strong cloud and productivity growth, alongside Microsoft 365 Copilot exceeding 30 million paid users, reinforced confidence in its AI investments. Microsoft subsequently added approximately US$500 billion in market value in a single session, the largest one-day increase on record. Amazon (+13.8%) was the second-largest contributor following another strong earnings result. AWS revenue grew 37%, its fastest pace in over four years, driven by demand for AI infrastructure and cloud computing. Its AI and custom chip businesses both exceeded an annual revenue run rate of US$25 billion, while expanding margins highlighted attractive returns on AI investment. Apple (+6.6%) also contributed positively as sentiment improved around its AI strategy and continued resilience across its devices and services ecosystem.

The Fund's largest detractor was Alphabet (-6.4%), which lost approximately US$265 billion in market value following its results. Despite 24% revenue growth, 82% growth in Google Cloud and strong AI momentum, investors focused on increased 2026 capital expenditure guidance of US$195-205 billion and the potential impact on near-term free cash flow. Longer-term confidence remained evident, with its subsequent US$25 billion bond issuance attracting approximately US$115 billion of demand. Intel also detracted despite earnings ahead of expectations, as investors remained cautious about elevated investment requirements and the time needed to generate sustainable earnings growth. Caterpillar was another detractor as concerns over slowing global industrial activity and softer construction demand weighed on sentiment, despite a longer-term outlook supported by infrastructure and energy and data centre investment.

Target investment mix[1]



Performance

As at 31 July 2026	1 Mth	3 Mth	1 Yr	3 Yrs p.a.	5 Yrs p.a.	Since Inception p.a.
Clarity Global Shares Fund*	-0.4%	7.4%	25.6%	22.3%	15.8%	13.9%
Benchmark Index**	-1.8%	4.6%	21.8%	19.3%	12.9%	13.1%

CLARITY - CAPITAL GROUP NEW PERSPECTIVE FUND[2]

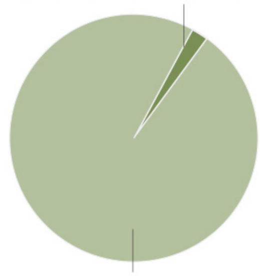
The Clarity Capital Group New Perspective Fund delivered a return of -4.1% for the period, underperforming its benchmark return of -1.8% by 2.3%.

The fund's key contributors included Microsoft and Amazon, supported by earnings results that exceeded market expectations. Outside the Magnificent Seven, TotalEnergies was also a strong performer, driven by positive operational updates across its upstream, LNG and renewable energy businesses. Highlights included progress on the Bab Gas Cap concession in Abu Dhabi, the start-up of the ECA LNG plant in Mexico, and continued expansion in renewable power projects.

The Fund's largest detractor was FTAI Aviation, despite reporting revenue ahead of expectations. Lower-than-anticipated leasing income resulted in weaker adjusted EBITDA and earnings, weighing on the share price, although management maintained a positive long-term outlook and raised its 2027 EBITDA guidance.

Eli Lilly also detracted despite delivering a strong quarterly result, with revenue growth of 48% year-on-year driven by robust demand for Mounjaro and Zepbound. However, the share price underperformed as elevated investor expectations limited the market reaction despite upgraded guidance.

Target investment mix[1]



Performance

As at 31 July 2026	1 Mth	3 Mth	1 Yr	3 Yrs p.a.	5 Yrs p.a.	Since Inception p.a.
Clarity - Capital Group New Perspective Fund*	-4.1%	2.7%	11.0%	14.8%	8.4%	12.1%
Benchmark Index**	-1.8%	4.6%	21.8%	19.3%	12.9%	13.7%

[1] The current target investment mix is shown, but variations around these targets are likely from time to time.

[2] Capital Group and Capital Group New Perspective are trademarks of the Capital Group Companies, Inc.

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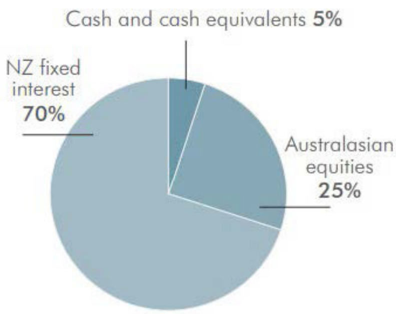
CLARITY DIVERSIFIED INCOME FUND

The Diversified Income Fund returned -0.4% for the period, outperforming its benchmark return of -0.7% by 0.3%.

Performance across the Fund's underlying investments was broadly in line with expectations. The Clarity Dividend Yield Fund returned 0.0%, outperforming its benchmark return of -0.4%, while the Clarity Fixed Income Fund returned -0.5%, in line with its benchmark. The Smart Global Aggregate Bond ETF returned -0.91%, outperforming its benchmark return of -1.01%.

The Fund continues to maintain a diversified allocation across income-generating strategies, with approximately 67% invested in the Clarity Fixed Income Fund, 25% in the Clarity Dividend Yield Fund, and 3% in the Smart Global Aggregate Bond ETF.

Target investment mix[1]



Performance

As at 31 July 2026	1 Mth	3 Mth	1 Yr	3 Yrs p.a.	5 Yrs p.a.	Since Inception p.a.
Clarity Diversified Income Fund*	-0.4%	1.0%	6.0%	6.6%	3.8%	4.5%
Benchmark Index**	-0.7%	0.7%	5.6%	6.8%	5.8%	4.5%

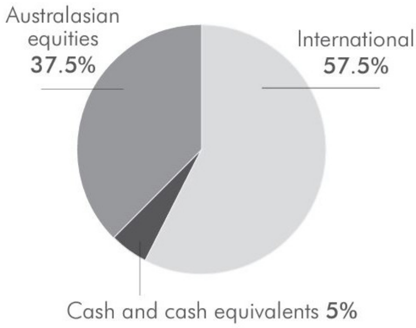
CLARITY DIVERSIFIED GROWTH FUND

The Diversified Growth Fund returned -1.0% in July, which was in line with its benchmark.

Performance across the underlying strategies was mixed during the month. The Clarity Global Shares Fund returned -0.4%, outperforming its benchmark return of -1.8%, while the Clarity Capital Group New Perspective Fund returned -4.2%, underperforming its benchmark return of -1.8%. The TAHITO Ethical Sustainable Fund was exited during the period, with proceeds reinvested into the Clarity Trans-Tasman Value Fund, which returned 0.7%, ahead of its benchmark return of 0.3%.

The Fund remains well diversified across three growth-oriented strategies: the Clarity Global Shares Fund (27%), the Clarity Capital Group New Perspective Fund (26%), and the Clarity Trans-Tasman Value Fund (43%).

Target investment mix[1]



Performance

As at 31 July 2026	1 Mth	3 Mth	1 Yr	3 Yrs p.a.	5 Yrs p.a.	Since Inception p.a.
Clarity Diversified Growth Fund*	-1.0%	4.4%	12.6%	13.3%	9.4%	9.3%
Benchmark Index**	-1.0%	4.2%	17.5%	15.2%	10.5%	11.4%

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