

CLARITY TRANS-TASMAN VALUE FUND

In May, the Trans-Tasman Value Fund continued to recover from the earlier US-Iran war related downturn and is now back in the black for 2026 (+1.6% for May, +0.8% YTD) Pleasingly, performance was ahead of benchmark during the month, and consistent application of our long-term investing approach has added value for investors, after fees and relative to benchmark, over one, three and five years.

The Fund's top performer during the month was cinema software company Vista Group (+37%). The company announced three major customer contracts either converting existing customers to their new cloud-based service, or brand-new business. Interestingly, NZ card data showed a big jump in consumer spending on movies in May (+28% year-on-year), and a decent slate of movies coming through recently suggests a brighter future for the cinema industry after the one-two punch of streaming and Covid over the last decade.

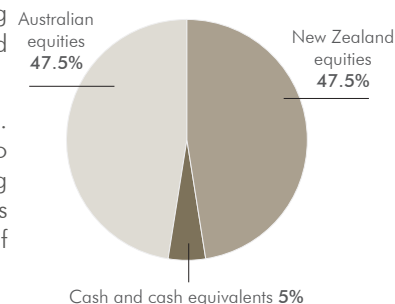
In Australia, copper miner Capstone Copper was our strongest performer (+30%), propelled higher by a strong copper price, which in turn is benefitting from demand from datacentre, electricity and defence applications. A hyperscale AI datacentre uses up to 50,000 tonnes of copper. Supply disruptions at some of the world's major copper mines is also contributing to the squeeze higher.

Our long held underweight position in Australian banking stocks added relative value during the month as the sector declined following cautious earnings reports including increased provisions for bad debts, and the release of the Australian federal government budget which included significant changes to negative gearing and capital gains tax settings that may dampen investor demand for residential housing in Australia, and lead to weaker credit growth.

Performance

As at 31 May 2026	1 Mth	3 Mth	1 Yr	3 Yrs p.a.	5 Yrs p.a.	Since Inception p.a.
Clarity Trans-Tasman Value Fund*	1.6%	-2.4%	16.3%	9.8%	7.2%	8.5%
Benchmark Index**	0.8%	-3.2%	13.1%	9.4%	6.2%	5.9%

Target investment mix¹



CLARITY DIVIDEND YIELD FUND

The Dividend Yield Fund returned +0.8% for the month, broadly in line with its dividend-focussed benchmark.

The best performers in the Fund were major Australian mining companies BHP (+16%) and Rio Tinto (+11%). As noted above, the copper price has been supportive of mining stocks recently, while the iron ore price has been stable above \$100 a tonne, well above the cost of production which is driving strong cash flows for each company, and a good dividend stream in turn.

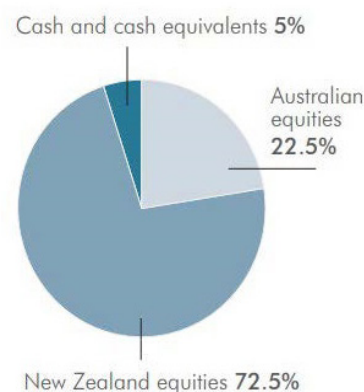
In New Zealand, the electricity sector continued to perform well (+2.3% on average), with high hydro lake levels and strong electricity demand signals. About 25% of the Fund is invested across the four major electricity companies, all of whom provide strong and we believe sustainable dividend yields. Contact Energy was the laggard during the month (flat), mainly due to the sale by Infratil of a 10% stake in the company, as that company looked to raise cash for its growing data centre investment pipeline.

Telecommunications is another major sector exposure for the Fund, with Spark and Chorus combined representing about 12% of total investment. Until recently we also held a position in dominant Aussie telco Telstra, but strong share price performance had diminished its yield attractiveness. Spark has been a disappointing investment for the Fund over the last couple of years, while Chorus has been a strong performer, such that the market capitalisation of Chorus (spun off from what was then Telecom NZ in 2011) is now larger than its former parent company! Spark continued to struggle in May with the share price falling a further -6%. At its core, the company holds a strong set of assets (the mobile network), and we expect that in time its weak performance should stabilise.

Performance

As at 31 May 2026	1 Mth	3 Mth	1 Yr	3 Yrs p.a.	5 Yrs p.a.	Since Inception p.a.
Clarity Dividend Yield Fund*	0.8%	0.5%	20.9%	11.1%	6.7%	10.0%
Benchmark Index**	0.9%	0.4%	18.6%	9.4%	6.5%	6.9%

Target investment mix¹



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.

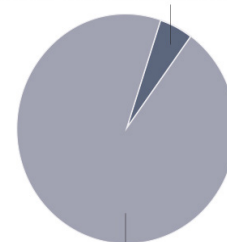
** Benchmark returns reflects no deduction for fees and tax. Details of these are included in the Quarterly Fund Update which is available at <https://clarityfunds.co.nz/investor-documents>.

CLARITY NEW ZEALAND EQUITY FUND

The New Zealand share market enjoyed a strong month in May, and the New Zealand Equity Fund was slightly better again, returning +2.8%. **Target investment mix¹**

The key driver of this return was investment company Infratil, whose share price rose +26% after it announced a huge 555MW data centre development deal for its CDC data centre business early in the month. This was the announcement the market had been waiting for, but it came in much larger than expected. Once complete, CDC project annual EBITDA of \$A2bn by 2030, up from \$A700m this year. Investment in data centres is the clearest exposure we have in the Australian and New Zealand markets to the AI-boom that has driven the US sharemarket to all-time highs. Infratil now has the second largest weighting in the S&P/NZX 50 Index at 12%, behind only Fisher & Paykel Healthcare, so a big move like the one we saw in May makes a solid contribution to the overall index return.

Cash and cash equivalents 5%



New Zealand equities 95%

At the other end of the size spectrum, the only stock currently held in the Fund that is not a member of the S&P/NZX 50 is AFT Pharmaceutical. AFT is a small but fast-growing business based down the road from the Clarity offices in Takapuna, Auckland, but with operations around the world. It sells some well-known products like Maxigesic and Crystaderm along with a wide range of other prescription and over-the-counter treatments. AFT announced their full year results during the month which showed 22% revenue growth and 24% profit growth. Founder, CEO and majority shareholder Hartley Atkinson expects this growth to continue. The shares rose 12% during the month.

Performance

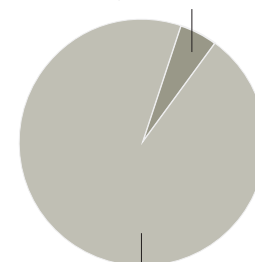
As at 31 May 2026	1 Mth	3 Mth	1 Yr	3 Yrs p.a.	5 Yrs p.a.	Since Inception p.a.
Clarity New Zealand Equity Fund*	2.8%	-2.3%	8.6%	6.6%	3.4%	4.8%
Benchmark Index**	2.7%	-3.3%	7.4%	4.7%	2.2%	3.8%

CLARITY FIXED INCOME FUND

The Clarity Fixed Income Fund returned +0.8% in May, slightly ahead of its benchmark return of +0.7%. **Target investment mix¹**

During the month, the Fund participated in the Asian Development Bank's (ADB) new bond issue. ADB issued \$1,300 million of 7 year senior, secured fixed rate bond, offering an outright yield of 4.45%. The Fund also participated in Toyota's new 5-year direct, unsecured and unsubordinated medium-term note. Toyota issued \$115 million, offering an outright yield of 4.75%.

Cash and cash equivalents 5%



NZ fixed interest 95%

May's key event was the Reserve Bank's Monetary Policy Statement on 27 May, where the Committee voted to hold the Official Cash Rate at 2.25%. The headline was unchanged, but the substance was hawkish. The Committee split three votes to three, with external members voting to lift the OCR 25 basis points immediately, and the rate held only because the Governor exercised her casting vote. The RBNZ revised its inflation forecast up to a peak of 4.3% in the September quarter, and meaningfully downgraded its near-term growth outlook, noting that higher fuel costs were reducing household purchasing power and weighing on business margins.

The Bank was explicit that it expects to increase the OCR this year, with the conflict in the Middle East identified as the primary force keeping inflation above the 1 to 3% target range. Market debate quickly shifted to the timing of that first move, with some economists expecting July and others September. The split vote and the revised forecasts gave markets enough to price in a more aggressive path, and swap rates moved accordingly.

At month end, the Fund's yield was 4.31%, with a duration (average maturity) of 2.51 years.

Performance

As at 31 May 2026	1 Mth	3 Mth	1 Yr	3 Yrs p.a.	5 Yrs p.a.	Since Inception p.a.
Clarity Fixed Income Fund*	0.8%	0.0%	4.0%	5.5%	2.8%	3.8%
Benchmark Index**	0.7%	0.1%	4.0%	6.0%	4.5%	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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CLARITY GLOBAL SHARES FUND

The Clarity Global Shares Fund delivered a return of +4.2% in May, broadly in line with its benchmark return of +4.3% (50% hedged).

Over the month, unhedged global equities rose 5.3%, following a 9.4% gain in April. Global sharemarkets were led higher by the US, with the S&P 500 gaining 5.1% in April, bringing its two-month gain to more than 16%, one of the strongest two-month performances on record. Emerging markets also performed strongly, with the representative index rising 9.7% in April.

Lenovo (+105%) was the standout contributor to Fund returns. Lenovo is a Hong Kong listed technology company and the world's largest PC maker, with a fast-growing AI server and data centre division. Shares more than doubled through the month after results released mid-month showed revenue up 27% year on year and net profit up 479% year on year, driven by surging demand for AI infrastructure from enterprise and cloud customers.

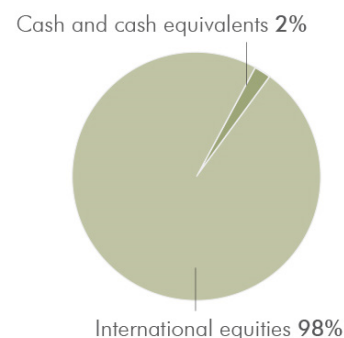
O'Reilly Automotive (-13%) was the key detractor. O'Reilly is a US based retailer of automotive aftermarket parts operating across North America. Shares fell late in the month after a sector peer reported results flagging margin pressure and inventory charges, dragging the broader auto parts retail group lower.

The Fund's three largest holdings delivered a mixed month. Nvidia (+6%) reported record quarterly results mid-month, with revenue up 85% year on year, though the modest share price gain reflected a result that had been largely anticipated. Apple (+15%) continued to rise after reporting its best ever March quarter in late April, with revenue up 17% year on year and earnings per share up 22%, with momentum carrying through May. Alphabet (-1%) ended the month broadly flat, consolidating the sharp gains made in late April following its strong first quarter result.

Performance

As at 31 May 2026	1 Mth	3 Mth	1 Yr	3 Yrs p.a.	5 Yrs p.a.	Since Inception p.a.
Clarity Global Shares Fund*	4.2%	7.3%	31.5%	23.9%	16.2%	13.8%
Benchmark Index**	4.3%	7.5%	29.5%	22.0%	13.9%	13.3%

Target investment mix¹



CLARITY - CAPITAL GROUP NEW PERSPECTIVE FUND²

The Clarity Capital Group New Perspective Fund delivered a return of 4.0% in May, slightly behind its benchmark return of +4.3% (50% hedged).

Micron Technology (+87%) was the standout performer for the Fund. Micron is a US based semiconductor company specialising in memory and storage chips, supplying data centres, PCs, and mobile devices globally. Shares surged through May, fuelled by a major UBS price target upgrade late in the month and growing conviction that AI demand for high-bandwidth memory will remain structurally tight well beyond 2026. The company's most recent quarterly results, released in March, showed revenue up 196% year on year and net income up 770% year on year, providing a strong earnings backdrop to the rally.

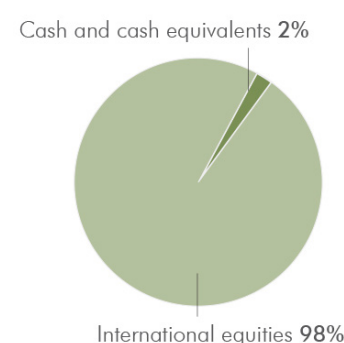
Heico (+29%) was another strong contributor to Fund returns. Heico is a US based aerospace and defence company, producing FAA-approved replacement parts and specialised electronic systems for commercial and military aircraft. Shares rose sharply following results released late in the month, which showed revenue up 25% year on year and net income up 49% year on year, with organic sales growth exceeding 18% and record results across both operating divisions.

Marubeni (-14%) was the key detractor for the Fund. Marubeni is a Japan based trading conglomerate with operations spanning energy, food, agriculture, and industrial machinery across more than 60 countries. Shares fell early in the month after full year results missed earnings expectations by a wide margin, with weakness concentrated in the energy and resources segments. A Goldman Sachs downgrade shortly after added further pressure.

Performance

As at 31 May 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*	4.0%	4.4%	18.8%	17.8%	9.8%	12.7%
Benchmark Index**	4.3%	7.5%	29.5%	22.0%	13.9%	14.0%

Target investment mix¹



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

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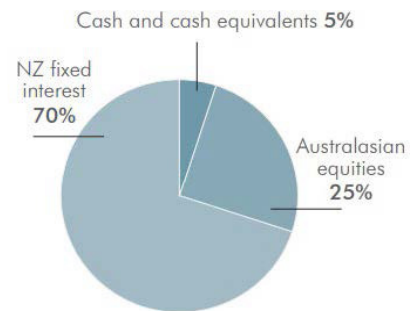
CLARITY DIVERSIFIED INCOME FUND

The Diversified Income Fund returned +0.7% in May, equal to its benchmark return of +0.7%.

Returns across the underlying strategies were close to benchmark through the month. The Clarity Dividend Yield Fund returned +0.8% against its benchmark of +0.9%, while the Clarity Fixed Income Fund returned +0.8% versus +0.7%. The Smart Global Aggregate Bond ETF returned +0.5%, in line with its +0.5% benchmark return.

The Diversified Income Fund continues to focus on a diversified mix of income oriented strategies, with current exposure to the Clarity Fixed Income Fund (65%), the Clarity Dividend Yield Fund (25%), and the Smart Global Aggregate Bond ETF (3%).

Target investment mix¹



Performance

As at 31 May 2026	1 Mth	3 Mth	1 Yr	3 Yrs p.a.	5 Yrs p.a.	Since Inception p.a.
Clarity Diversified Income Fund*	0.7%	0.1%	8.9%	6.9%	3.9%	4.5%
Benchmark Index**	0.7%	0.5%	8.5%	7.3%	5.8%	4.6%

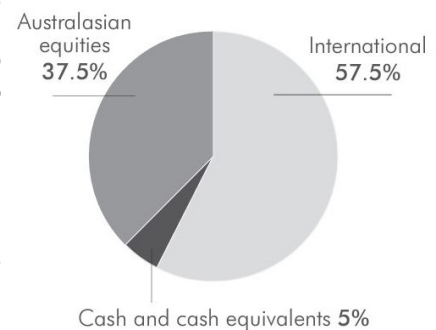
CLARITY DIVERSIFIED GROWTH FUND

The Diversified Growth Fund returned +2.4% in May, behind its benchmark return of +2.9%.

Performance across the underlying funds was mixed during the month, with global equity markets driving the stronger results while domestic strategies lagged. The Clarity Global Shares Fund returned +4.2%, marginally behind its benchmark return of +4.3%. The Clarity Capital Group New Perspective Fund also returned less than its benchmark, finishing the month at +4.0% against the same +4.3% benchmark. The TAHITO Ethical Sustainable Fund returned -2.2%, behind its benchmark of +0.8%, while the Clarity Trans-Tasman Value Fund returned +1.6%, ahead of its +0.8% benchmark.

The Fund remains well diversified across four growth oriented strategies: the Clarity Global Shares Fund (27%), the Clarity Capital Group New Perspective Fund (27%), the Clarity Trans-Tasman Value Fund (29%), and the TAHITO Ethical Sustainable Fund (12%).

Target investment mix¹



Performance

As at 31 May 2026	1 Mth	3 Mth	1 Yr	3 Yrs p.a.	5 Yrs p.a.	Since Inception p.a.
Clarity Diversified Growth Fund*	2.4%	1.7%	16.6%	14.6%	9.6%	9.2%
Benchmark Index**	2.9%	3.2%	22.7%	16.9%	10.9%	11.5%

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