

CLARITY TRANS-TASMAN VALUE FUND

The Trans-Tasman Value Fund returned -0.9% in September, broadly in line with its benchmark, in a tougher month for share markets globally as bond yields and oil prices continued to rise.

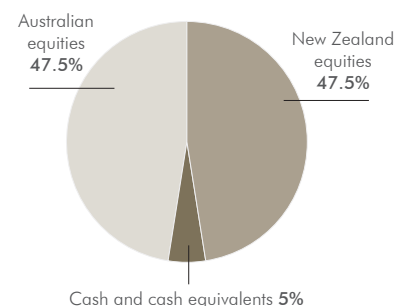
The top performer in New Zealand was campervan rental company Tourism Holdings (THL), which returned 11% including its dividend payment. THL is currently entertaining conditional takeover offers from two groups interested in acquiring the business at prices well above the current share price. During the month the company provided an update on the due diligence process which it feels is progressing constructively. In Australia, hospital operator Ramsay Healthcare was our top performer (+11%), continuing its recent good run. In August, Ramsay delivered an impressive full year result, characterised by improving margins across the Group. These were achieved through a combination of better theatre utilisation, successful pricing strategies and strong cost management. Ramsay has historically suffered from poor management execution, but we believe that this result is a clear demonstration that an operational turnaround is underway. Market analysts responded to this result by meaningfully upgrading their medium-term earnings expectations, and this continued to support the stock in September.

Weighing on returns were our small holdings in 'tech' companies CAR Group (-18%) and Xero (-32%). We added these good quality businesses to the portfolio last year as their share prices came back to what we felt were reasonable levels. However, the threat that AI poses to their businesses, whether real or imagined, continues to see both stocks under pressure currently, despite continuing to produce good growth and earnings in the near term.

Performance

As at 30 September 2026	1 Mth	3 Mth	1 Yr	3 Yrs p.a.	5 Yrs p.a.	Since Inception
Clarity Trans-Tasman Value Fund*	-0.9%	2.8%	9.6%	12.2%	7.5%	8.6%
Benchmark Index**	-0.8%	1.4%	6.0%	11.4%	5.9%	6.0%

Target investment mix¹



CLARITY DIVIDEND YIELD FUND

The Clarity Dividend Yield strategy returned 1.0% in September, underperforming its benchmark by 0.6%. The strategy lagged the index in part because we don't own Hallenstein Glasson (HLG). HLG rallied 23% during the month following a strong result and a positive start to its 2027 financial year, with sales rising 18%.

The top performers were Fonterra (+25.9%), Channel Infrastructure (+8.4%), and Dalrymple Bay Infrastructure (+7.7%). The main detractors were EBOS (-7.7%), BHP (-6.1%), and Stride (-4.9%).

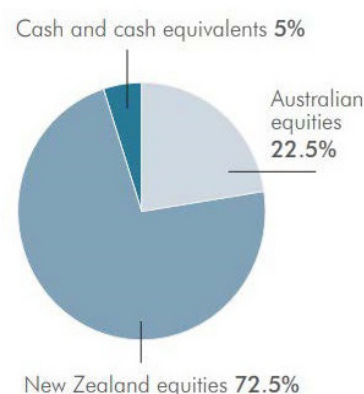
September is a relatively quiet month for corporate news flow, falling between the August reporting season and the October AGM season. We used this time to review the businesses we own, the current macroeconomic environment, and scenarios relating to the upcoming election. Increasingly, we are seeking companies with business models that are unaffected by - or preferably benefit from - higher interest rates, while avoiding exposure to cyclical economic weakness.

Listed property companies typically struggle to create value as interest rates rise, and smaller vehicles often trade at larger discounts to their asset values. Dexu Convenience REIT has been conducting an ongoing share buyback, which lifted its share price at the start of September. We took the opportunity to begin reducing the position, with an aim to exit it entirely. Meanwhile, we recently added APA Pipelines. APA owns a large network of natural gas pipelines and energy infrastructure across Australia. The company generates stable, predictable free cash flow, supporting a reliably growing dividend stream. Given the tailwinds from electrification and the current build out of data centre infrastructure, Australia needs more baseload power, and APA is well placed to provide a range of solutions. The company trades at a fair valuation and offers a 6.3% dividend yield.

Performance

As at 30 September 2026	1 Mth	3 Mth	1 Yr	3 Yrs p.a.	5 Yrs p.a.	Since Inception
Clarity Dividend Yield Fund*	1.0%	1.4%	7.0%	11.8%	6.2%	9.8%
Benchmark Index**	1.6%	1.3%	4.8%	10.3%	5.7%	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

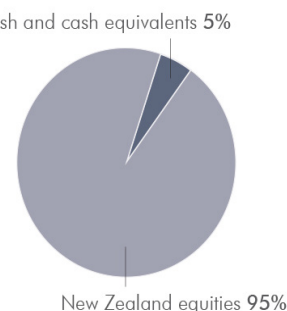
The New Zealand Equity Fund returned -0.5% in September, broadly in line with its benchmark. Property and property-adjacent stocks were among the weakest performers on the NZX during the month as higher bond yields increased the opportunity cost of owning these types of companies.

Best performers included Tourism Holdings (+11%) and Channel Infrastructure (+8%), while retirement village companies Ryman Healthcare and Summerset (-12%) and building materials business Fletcher Building (-11%) dragged on returns.

Looking ahead, the upcoming general election in New Zealand is now looking like a very close race, with the recent rise in polling for left-leaning parties suggesting a higher chance of a change in government. Economic indicators like unemployment (high), inflation (high), interest rates (high) and property prices (weak) also support the potential for change.

Historically, a change in government in New Zealand has been associated with subsequent period of underperformance by the local market, relative to other equity markets, the logic being that investors take a risk-averse approach while digesting the potential impact of new policy settings. Potential individual stock or sector impacts are more nuanced and depend on the set of policies adopted as part of any coalition agreement. The retirement sector may be exposed to certain centre-left policies, and the share price moves above possibly reflect this risk being priced in. Conversely, a change of government could be positive for the electricity sector given NZ First's stated policy of vertical separation of electricity companies. Export-focused companies should be less exposed. Fisher & Paykel Healthcare, A2 Milk and Scales are good examples.

Target investment mix¹



Performance

As at 30 September 2026	1 Mth	3 Mth	1 Yr	3 Yrs p.a.	5 Yrs p.a.	Since Inception p.a.
Clarity New Zealand Equity Fund*	-0.5%	1.8%	5.7%	9.1%	2.9%	5.3%
Benchmark Index**	-0.4%	1.9%	4.8%	7.8%	1.6%	4.3%

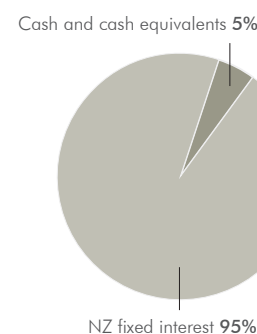
CLARITY FIXED INCOME FUND

The Clarity Fixed Income Fund returned -0.4% for the period, in line with its benchmark. We consider this a satisfactory result given the backdrop in the domestic market, where bond yields rose sharply over the month and the New Zealand 10-year yield pushed above 5% for the first time in nearly three years. As yields rise, bond prices fall, which weighed on returns across the market.

Offshore, bond markets reacted to the renewed inflationary impact of higher oil prices, alongside concerns about rising fiscal deficits. In early September, the RBNZ increased the OCR by 25 basis points to 2.75%. With the move largely priced in, the short end of the curve barely moved, while longer-dated yields climbed, steepening the curve. Markets are now pricing in more than 100 basis points of further rate increases by the end of 2027. Inflation remains above the RBNZ's 1–3% target range, rising to 4.1% in the June quarter, with petrol alone accounting for almost a quarter of the annual increase. However, the impact is no longer confined to the pump. Higher fuel costs are flowing through to the wider economy, raising the price of goods and services such as flights and food, while electricity and council rates have also risen sharply. Price pressures are now broad-based, with more than 80% of the CPI basket increasing in price over the year. The concern is that these second-round effects make inflation more persistent, with the majority of the RBNZ's Monetary Policy Committee citing upside risks from sustained high energy and petrochemical prices.

However, in our view, much of this risk is now priced in, and we see the current environment as an opportunity to lock in higher yields. As a result, the Fund is positioned long duration, at 2.65 years against the benchmark's 2.33 years, with a running yield of 4.85%.

Target investment mix¹



Performance

As at 30 September 2026	1 Mth	3 Mth	1 Yr	3 Yrs p.a.	5 Yrs p.a.	Since Inception p.a.
Clarity Fixed Income Fund*	-0.4%	-0.7%	1.1%	5.7%	2.9%	3.7%
Benchmark Index**	-0.4%	-0.6%	1.2%	5.5%	4.5%	3.0%

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CLARITY GLOBAL SHARES FUND

The Clarity Global Shares Fund returned 2.1% for the period, outperforming its benchmark by 0.7%.

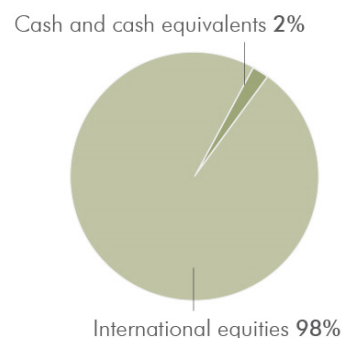
Nvidia was the largest contributor, adding 0.47% to performance as its shares rose 3.7%. The company continues to benefit from strong demand for AI infrastructure, with second-quarter revenue more than doubling to around US\$96bn. Intel was the Fund's top performer, with its shares climbing 35% over the month. The rally reflected a growing view that the rapid adoption of AI agents will drive demand for CPUs, not just GPUs. Intel's data centre and AI revenue rose 59% year on year, and management has indicated that supply is currently meeting only around half of customer demand. Following a gain of more than 200% this year, however, much of this optimism now appears to be reflected in the share price. Kinross Gold was the largest detractor, falling 22% as precious metals sold off and the company cut its 2026 and 2027 production outlook, citing extreme weather at La Coipa in Chile and lower mining rates at Round Mountain in Nevada. Lower output also lifted its expected cost per ounce, although Kinross partly cushioned the news by raising its 2026 shareholder return target to 50% of free cash flow.

Autodesk also weighed on performance, with its shares down 19%. Despite positive sentiment around the launch of new agentic AI capabilities across its three industry clouds, including Autodesk Forma for architecture, engineering and construction, the shares were caught up in a broader sell-off in software stocks. Third-quarter earnings guidance below market expectations and concerns about near-term margin dilution from the US\$3.6bn MaintainX acquisition added further pressure. With revenue still growing at 16% and most analysts retaining positive ratings, the recent weakness appears driven more by sentiment than by a change in the underlying business.

Performance

As at 30 September 2026	1 Mth	3 Mth	1 Yr	3 Yrs p.a.	5 Yrs p.a.	Since Inception p.a.
Clarity Global Shares Fund*	2.1%	3.3%	23.6%	25.0%	17.0%	14.1%
Benchmark Index**	1.4%	1.7%	18.1%	22.6%	13.9%	13.2%

Target investment mix¹



CLARITY - CAPITAL GROUP NEW PERSPECTIVE FUND²

The Clarity Capital Group New Perspective Fund returned 1.9% for the period, ahead of its benchmark return of 1.4%, an outperformance of 0.5%.

Meta was the largest contributor, adding 1.08% to performance as its shares rose approximately 36%, their strongest monthly gain in over a decade. Markets have continued to reward signs of a return being generated on the billions being invested in artificial intelligence, but this rally was about more than validating AI spending. Investors have been waiting for a credible agentic AI product, and Meta delivered with Muse, its personal AI agent, which climbed to the top of the Apple App Store ahead of ChatGPT, Anthropic's Claude and SpaceX's Grok. The launch has prompted a re-rating of the shares, as the market begins to price in a clear monetisation strategy alongside Meta's advanced advertising capabilities. Built on Meta's existing user base, Muse is projected to generate around US\$50bn in revenue, creating a meaningful new business line alongside the company's roughly US\$228bn in trailing advertising revenue.

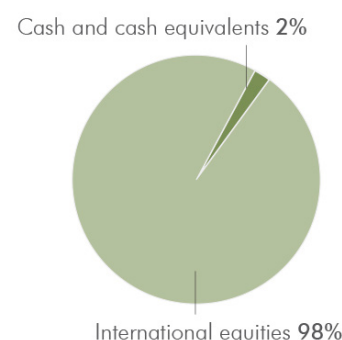
Netflix was the largest detractor, falling 14% over the month amid concerns about weakening engagement and viewers shifting to competitors such as YouTube. Co-CEO Ted Sarandos also acknowledged that the company is not growing as fast as he would like.

Despite these near-term headwinds, there is a case that the sell-off has been overdone. The shares are trading nearly 50% below their all-time high, and Netflix has recovered from similar setbacks before, with a small number of successful releases often enough to shift sentiment. Its global scale and resilient subscription model remain key strengths, and the third-quarter result on 20 October will be closely watched.

Performance

As at 30 September 2026	1 Mth	3 Mth	1 Yr	3 Yrs p.a.	5 Yrs p.a.	Since Inception p.a.
Clarity - Capital Group New	1.9%	-0.3%	9.9%	18.2%	9.4%	12.4%
Benchmark Index**	1.4%	1.7%	18.1%	22.6%	13.9%	13.9%

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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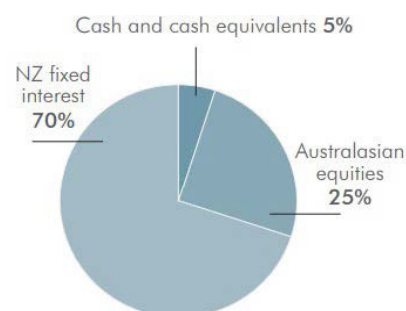
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CLARITY DIVERSIFIED INCOME FUND

The Diversified Income Fund was flat for the period, behind its benchmark return of 0.4%. Within the Fund, the Clarity Dividend Yield Fund trailed its benchmark by 0.6% and was the main drag on relative performance, while the Clarity Fixed Income Fund performed in line with its benchmark.

Bond markets remained under pressure during the month as yields rose sharply, with the New Zealand 10-year yield moving above 5% for the first time in nearly three years. While rising yields weigh on returns in the short term, they also improve the income outlook for the portfolio. The Clarity Fixed Income Fund is now positioned long duration with a running yield of 4.85%, allowing the Fund to lock in these higher yields. The Fund remains well diversified across its income-generating strategies.

Target investment mix¹



Performance

As at 30 September 2026	1 Mth	3 Mth	1 Yr	3 Yrs p.a.	5 Yrs p.a.	Since Inception
Clarity Diversified Income Fund*	0.0%	-0.2%	2.4%	7.1%	3.7%	4.4%
Benchmark Index**	0.4%	-0.1%	2.3%	6.6%	5.8%	4.5%

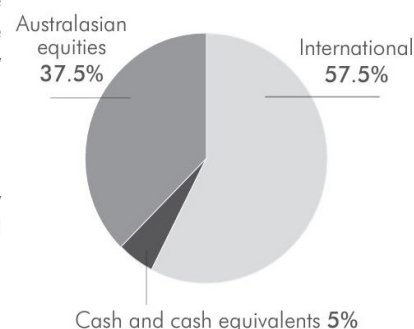
CLARITY DIVERSIFIED GROWTH FUND

The Diversified Growth Fund returned 0.7% for the period, ahead of its benchmark return of 0.5%.

Global equities were the main driver of returns. Both the Clarity Global Shares Fund and the Clarity Capital Group New Perspective Fund delivered a good month. This was partly offset by the Clarity Trans-Tasman Value Fund, which finished slightly behind its benchmark despite a generally positive reporting season across Australasia.

The month highlighted the value of blending managers with different investment styles and regional exposures: when one part of the portfolio lags, others can carry returns. Looking ahead, with company earnings holding up well but central banks signalling that interest rates are likely to stay restrictive for longer, we remain comfortable with the Fund's diversified mix of growth-oriented strategies.

Target investment mix¹



Performance

As at 30 September 2026	1 Mth	3 Mth	1 Yr	3 Yrs p.a.	5 Yrs p.a.	Since Inception
Clarity Diversified Growth Fund*	0.7%	1.9%	11.0%	16.0%	9.9%	9.5%
Benchmark Index**	0.5%	1.6%	13.2%	18.0%	10.8%	11.5%

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