

CLARITY TRANS-TASMAN VALUE FUND

The Fund returned 2.7% in June, 1% ahead of benchmark, capping a decent first half of the year from a relative perspective, although the weak New Zealand share market meant the overall return for the six months was below par.

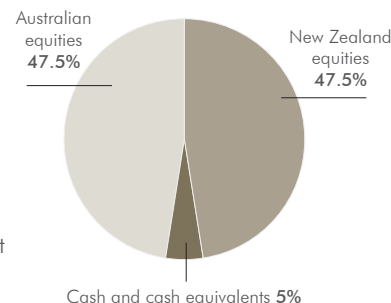
New Zealand sticks out as one of the only share markets worldwide to lose ground in the first half of the year. The S&P/NZX 50 Portfolio Index fell -1.5% while the S&P/ASX 200 Index rose 6.4% (in Australian dollars). A few observations:

- Keep in mind this follows a very strong period of performance for NZ in the prior six months (+12.3% in H2 2024). This coincided with start of the RBNZ rate-cutting cycle and growing hopes for economic recovery.
- That economic recovery has undoubtedly disappointed since the start of the year, yet RBNZ policy has not become more accommodative in response (given persistent inflation). Furthermore, NZ's primary/export sector, an area of economic strength currently, is under-represented on the NZ share market.

Despite the weak first half, we remain positive on the outlook for NZ shares:

- The lagged effect of interest rate cuts continues to work its way through the economy, and the RBNZ is expected to cut further later this year.
- Government spending slowed after the election (general austerity plus cancelled projects e.g. Interisland ferry upgrade, Three Waters, Dunedin Hospital) but this is starting to turn and fast-tracked infrastructure projects will drive activity too.
- Cyclical company share prices are now discounting a more realistic economic outlook (rather than a quick recovery).
- As term deposit rates decline, New Zealand's dividend yielding stocks become relatively more attractive.
- On a like-for-like basis share valuations look attractive versus Australia.

Target investment mix¹



Performance

As at 30 June 2025	1 Mth	3 Mth	1 Yr	3 Yrs p.a.	5 Yrs p.a.	Since Inception p.a.
Clarity Trans-Tasman Value Fund*	2.7%	5.8%	11.5%	7.1%	9.0%	8.2%
Benchmark Index**	1.7%	5.0%	11.5%	8.7%	8.3%	5.5%

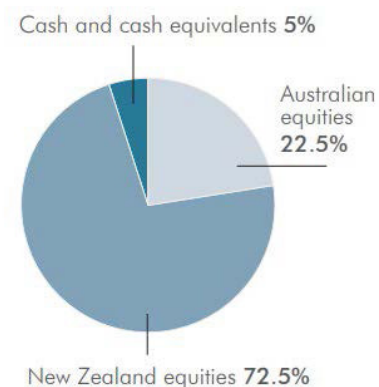
CLARITY DIVIDEND YIELD FUND

The Dividend Yield Fund returned +3.7% in June, bringing its one-year return to +16.8%. On average, higher dividend yielding shares have outperformed the broader NZ market over the last year, and particularly in the last six months, perhaps driven by investors looking for dependable equity income as term deposit interest rates have declined.

The best performing stock in the Fund in June was Australian LNG producer Santos (+16%), who announced it had received a takeover offer from a consortium of investors led by the Abu Dhabi National Oil Company. This pushed the share price higher, although it is still well below the proposed takeover offer price, given uncertainty as to whether the Australian government (via the Foreign Investment Review Board) will approve the takeover of Santos' strategic assets by another country. Santos' share price had been relatively depressed for the last couple of years and with a couple of major projects nearing completion, at which point the company will become highly cash-generative, the takeover interest is not surprising.

In New Zealand, Sky TV (+11%) was a top performer, as press speculation grew that they were on the verge of re-signing the NZ rugby broadcast rights at a lower cost than the current contract. This saving would help Sky TV deliver on their guidance of a 30 cent per share dividend this coming financial year. The dividend is fully imputed and implies a potentially highly attractive 14% gross dividend yield at the current share price.

Target investment mix¹



Performance

As at 30 June 2025	1 Mth	3 Mth	1 Yr	3 Yrs p.a.	5 Yrs p.a.	Since Inception p.a.
Clarity Dividend Yield Fund*	3.7%	8.4%	16.8%	7.6%	8.0%	9.4%
Benchmark Index**	3.6%	8.7%	14.4%	7.4%	8.4%	6.2%

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.

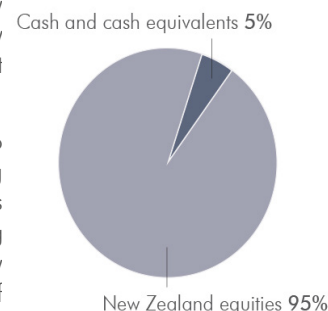
** Benchmark returns reflects no deduction for fees and tax. Details of these are included in the Quarterly Fund Update which is available at <https://clarityfunds.co.nz/investor-documents>.

CLARITY NEW ZEALAND EQUITY FUND

The New Zealand Equity Fund returned +2.5% in July, 1% ahead of its benchmark. This adds to a recent period of pleasing relative performance from the Fund, attributable to excellent returns this year from several of our long-held, smaller company positions including Tower (returned +45% year to date in 2025), Sky TV (+20%), Channel Infrastructure (+22%) and Scales (+24%). These stocks possibly benefitted from investors moving money out of larger companies that had previously performed strongly and were starting to look fully valued. This 'rotation' is a well-known phenomenon in the share market but of course is always easier to spot in hindsight.

Looking ahead we still see good value in some of our smaller cap holdings, while others are starting to look more fairly priced. In contrast, we think some of New Zealand's larger companies are now looking more interesting. Infratil and EBOS are two good examples, and we have recently added to the Fund's holdings in each. Infrastructure investment fund Infratil is trading at a wide discount to the underlying value of its investments, and its largest investment, data centre company CDC, continues to report very strong demand for more data centre capacity. Reassuringly, the Infratil CEO has taken advantage of the recent weakness in its share price to materially increase his shareholding – always a good sign. Pharmaceutical distribution company EBOS has now cycled through the loss of the massive Chemist Warehouse contract and should start to see earnings grow again, helped by very strong demand for GLP-1 drugs in Australia. Both companies are also expected to be added to the S&P/ASX 200 Index later this year, which could drive additional investor interest.

Target investment mix¹



Performance

As at 30 June 2025	1 Mth	3 Mth	1 Yr	3 Yrs p.a.	5 Yrs p.a.	Since Inception p.a.
Clarity New Zealand Equity Fund*	2.5%	5.1%	11.3%	6.7%	3.9%	4.5%
Benchmark Index**	1.5%	2.8%	8.3%	5.9%	2.7%	3.4%

CLARITY FIXED INCOME FUND

The Clarity Fixed Income Fund returned 0.6% in June, in line with the benchmark.

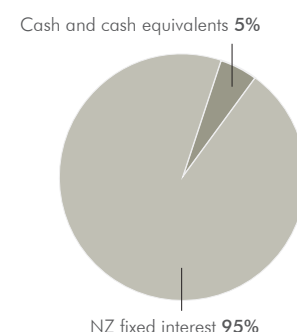
Market interest rates fell modestly in New Zealand during the month, which produced a small capital gain for bonds, over and above the running yield.

Longer-term US interest rates fell on softer than expected economic data, favourable inflation data, and increasing odds the Fed would reduce interest rates in July. The US 10-year government bond fell 17 basis points (0.17%) to 4.23% over the month. Alongside weak domestic business activity surveys, this was probably the key driver behind the decline in local rates.

During the month Rabobank issued a NZ\$425 million 3-year floating-rate note priced at 74bps over the 3-month Bank Bill Benchmark Rate, implying a current running yield of 4.05%. We invested in the bond for the Fund, acquiring NZ\$5.6 million.

At month-end, the portfolio's yield stood at 4.4%, with an average duration of 2.3 years.

Target investment mix¹



Performance

As at 30 June 2025	1 Mth	3 Mth	1 Yr	3 Yrs p.a.	5 Yrs p.a.	Since Inception p.a.
Clarity Fixed Income Fund*	0.6%	1.2%	7.1%	5.1%	2.2%	3.8%
Benchmark Index**	0.6%	1.4%	7.1%	6.1%	3.9%	3.0%

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 GLOBAL SHARES FUND

The Clarity Global Shares Fund returned 4.6% in June, well ahead of the benchmark of 3.3%.

The US market was strong during the month (S&P 500 +5.1%). Emerging markets also performed well, with the MSCI Emerging Markets index returning +4.9% over the month. Conversely, markets across Europe were slightly weaker after strong outcomes in May. US longer-term interest rates fell in June on softer than expected economic data, favourable inflation data, and increasing odds the Fed would reduce interest rates in July. The US 10-year government bond fell 17 basis points (0.17%) to 4.23% over the month.

Within the Fund, Northern Trust Corp (+19%) was a standout contributor. Northern Trust is a leading global provider of wealth management and banking solutions. In June, Northern Trust was the subject of merger speculation involving Bank of New York Mellon (BNY), which temporarily boosted its share price to new 52-week highs. The firm reaffirmed its commitment to independence following media reports.

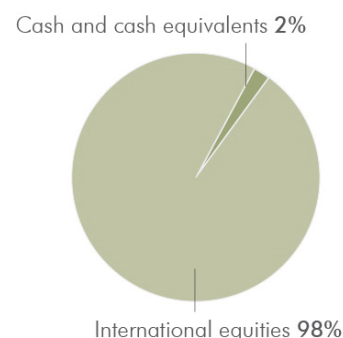
Another top contributor was SK Hynix (+43%), a leading South Korean semiconductor company specializing in advanced memory chips essential for computers, smartphones, and data centres. In June, SK Group announced a significant joint investment with Amazon Web Services to develop South Korea's largest data centre by 2029. Alongside new AI-focused memory product launches and continued chip innovation, SK Hynix benefited from analyst upgrades reflecting forecasts of an 18% rise in quarterly revenue and a 23% increase in operating profit.

Elsewhere, the Fund's three largest positions—Meta (+14%), Microsoft (+8%), and Nvidia (+17%)—all contributed positively, with each company reporting strong earnings and highlighting continued momentum in AI and cloud-based services.

Performance

As at 30 June 2025	1 Mth	3 Mth	1 Yr	3 Yrs p.a.	5 Yrs p.a.	Since Inception p.a.
Clarity Global Shares Fund*	4.6%	8.7%	14.6%	19.8%	16.8%	12.3%
Benchmark Index**	3.3%	6.6%	15.1%	17.5%	14.2%	11.8%

Target investment mix¹



CLARITY - CAPITAL GROUP NEW PERSPECTIVE FUND²

The Clarity-Capital Group New Perspective Fund delivered a return of 3.1% in June, broadly in line with the benchmark.

Within the Fund, technology company Meta Platforms (+14%) was a standout contributor. Meta is a leading American technology firm behind social media platforms such as Facebook, Instagram, and WhatsApp. In June, the company reached an all-time high share price, driven by a US\$15 billion investment in Scale AI for a 49% stake, and a bold hiring strategy attracting top AI talent from competitors such as OpenAI and Alphabet. These moves underscored Meta's deepening commitment to AI leadership, which was met with strong market enthusiasm and analyst upgrades.

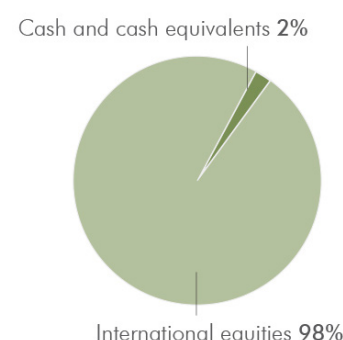
Another top contributor was Rolls-Royce Holdings (+12%), the British multinational engineering company specializing in power systems for aviation, marine, and energy applications, with a focus on civil and defence aerospace engines and nuclear technology. In June, Rolls-Royce SMR was selected as the preferred bidder by the UK government to develop the country's first small modular nuclear reactors (SMRs), pending final approvals. This initiative aligns with the UK's commitment to expanding nuclear energy capacity. Additionally, as European countries work towards meeting NATO's defence spending targets, Rolls-Royce stands to benefit from increased investment in defence infrastructure and technology.

The Fund also benefited from strength across select AI and High-Performance Computing companies, with Arm Holdings (+30%), Micron Technology (+30%), and Oracle (+34%) all posting strong gains. These gains continue to reflect investors' commitment to the long-term benefits of companies servicing and embracing AI, semiconductors, and data centres.

Performance

As at 30 June 2025	1 Mth	3 Mth	1 Yr	3 Yrs p.a.	5 Yrs p.a.	Since Inception p.a.
Clarity - Capital Group New Perspective Fund*	3.1%	8.7%	13.7%	17.1%	12.7%	12.0%
Benchmark Index**	3.3%	6.6%	15.1%	17.5%	14.2%	11.9%

Target investment mix¹



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.

* 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>.

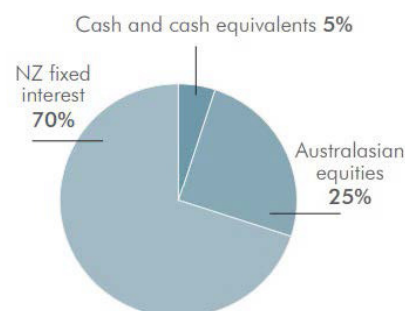
CLARITY DIVERSIFIED INCOME FUND

The Diversified Income Fund returned +1.6% in June, in line with benchmark.

Within the Fund, returns were driven by the Clarity Dividend Yield Fund which returned +3.7%. The Clarity Fixed Income Fund posted a return of +0.7%, while the Smart Global Aggregate Bond ETF returned +0.5% over the month.

The Diversified Income Fund is invested across three underlying strategies: the Clarity Fixed Income Fund, the Clarity Dividend Yield Fund, and the Smart Global Aggregate Bond ETF.

Target investment mix¹



Performance

As at 30 June 2025	1 Mth	3 Mth	1 Yr	3 Yrs p.a.	5 Yrs p.a.	Since Inception p.a.
Clarity Diversified Income Fund*	1.6%	3.2%	9.1%	5.4%	4.2%	4.2%
Benchmark Index**	1.6%	3.1%	9.0%	6.7%	4.8%	4.2%

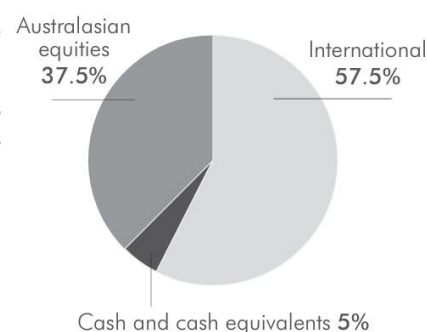
CLARITY DIVERSIFIED GROWTH FUND

The Diversified Growth Fund returned +2.9% in June, outperforming the benchmark by +0.2%.

The Diversified Growth Fund maintains exposure to four underlying strategies: the Clarity Global Shares Fund, the Clarity-Capital Group New Perspective Fund, the Clarity Trans-Tasman Value Fund, and the TAHITO Te Tai o Rehua Fund.

All underlying Fund's delivered positive absolute returns in June, with each outperforming its respective benchmark. The strongest contributor to performance was the Clarity Global Shares Fund, which outperformed its benchmark by +1.3%.

Target investment mix¹



Performance

As at 30 June 2025	1 Mth	3 Mth	1 Yr	3 Yrs p.a.	5 Yrs p.a.	Since Inception p.a.
Clarity Diversified Growth Fund*	2.9%	6.7%	12.2%	13.4%	12.2%	8.6%
Benchmark Index**	2.7%	6.0%	13.7%	14.2%	12.0%	10.4%

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>.

Information and Disclaimer: Clarity Funds Management Limited is the licenced issuer of the Clarity Funds. This report is for information purposes only. It does not take into account your investment needs or personal circumstances and is not intended to be viewed as investment or financial advice. Should you require financial advice you should always speak to your Financial Adviser. Before investing you should read the Clarity Funds Product Disclosure Statement and Statement of Investment Policy and Objectives, at www.clarityfunds.co.nz or www.companies.govt.nz/disclose. Past performance is not indicative of future results and no representation or warranty, express or implied, is made regarding future performance. Reference to taxation or the impact of taxation does not constitute tax advice. The levels and bases of taxation may change. This report has been prepared from published information and other sources believed to be reliable, accurate and complete at the time of preparation. While every effort has been made to ensure accuracy, neither Clarity Funds Management, nor any person involved in this publication, accept any liability for any errors or omission.