

CLARITY TRANS-TASMAN VALUE FUND

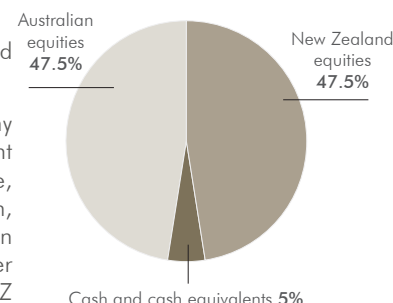
The Fund returned +4.9% in May, +0.6% ahead of its benchmark. Both the NZ and Australian share markets rose strongly during the month, in a continuation of the rally that followed the Trump-tariff induced slump in early April.

The Australian share market is now back near all-time highs, but despite its bounce in May the New Zealand market remains a laggard in 2025, down -5%.

We attended a major investment conference in Australia during the month and were reminded of the many attractions of Australia for international investors – large, liquid and well-regulated capital markets, abundant natural resources, strong infrastructure investment and a growing population, to name a few. Furthermore, executives we spoke to were pleased with the decisive outcome in the recent Australian general election, which should ensure government policy continuity and stability. Although Australian consumers have been impacted by rising prices and interest rates, overall, the economy is relatively robust, and certainly in a better position than New Zealand at present. The Trans-Tasman Value Fund, with a target 50/50 split between NZ and Australian shares, benefits from this diversification. Top Australian performers during May were Ramsay Healthcare and Johns Lyng Group (both +15%). Other Australian holdings up more than 10% included Macquarie Group, Seek and Capstone Copper.

The Fund does not hold shares in Commonwealth Bank, which rose a further +6% in May to another record high, now up 47% over one year. Our lack of exposure to the largest listed company in Australia continues to detract from the Fund's relative performance, but with the shares trading on nearly 30x price-to-earnings, and offering little growth and a miserly dividend yield, we continue to stick to our value investing strategy (as per the name of the Fund!), and are not currently considering an investment, despite CBA's remarkable performance.

Target investment mix¹



Performance

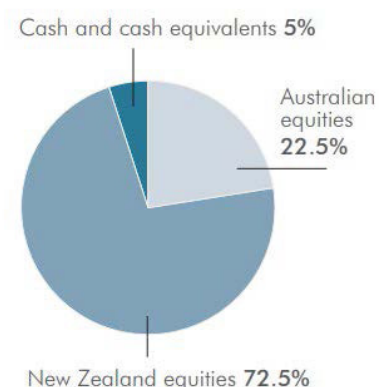
As at 31 May 2025	1 Mth	3 Mth	1 Yr	3 Yrs p.a.	5 Yrs p.a.	Since Inception p.a.
Clarity Trans-Tasman Value Fund*	4.9%	0.4%	8.7%	4.1%	8.8%	8.0%
Benchmark Index**	4.3%	-0.1%	9.7%	5.8%	8.5%	5.5%

CLARITY DIVIDEND YIELD FUND

The Clarity Dividend Yield Fund returned +5.6% during the month, modestly behind its benchmark. A key driver of the strong return was good performance from the Fund's listed property investments in New Zealand (Vital Healthcare +13%, Precinct +9%, Kiwi Property +9%). Several property companies reported full year results during the month, and the general theme from these results was positive, with earnings and property valuations stabilising after a couple of years of decline. While tenant demand in certain sectors is slow, occupancy and rental growth remained robust, and despite the rolling recession New Zealand has experienced, there have been minimal missed rent payments. This reflects the quality of the properties owned by listed operators (better, on average, than the wider commercial market) and a disciplined approach to tenant selection and management. With interest rates now falling, the worst headwinds for the sector are behind it, and we see potential for capital gain as well as a healthy dividend yield over the coming year.

Relatively new Fund investment Napier Port (+18%) reported strong half year results during the month and declared a better-than-expected dividend, plus a special dividend, as the company's earnings continued to recover from the effects of Cyclone Gabrielle. Unlike its larger peers Auckland and Tauranga, Napier is primarily an export port, providing the most efficient route to international markets for Hawke's Bay horticultural and forestry products. Gabrielle severely affected the region's productive capacity in 2023 and 2024, but this has now largely bounced back, and volumes have been further bolstered by a strong growing season. Yield per container is also increasing, as management target an improvement on the return on capital that the company generates. This should flow into further dividend growth in the medium-term.

Target investment mix¹



Performance

As at 31 May 2025	1 Mth	3 Mth	1 Yr	3 Yrs p.a.	5 Yrs p.a.	Since Inception p.a.
Clarity Dividend Yield Fund*	5.6%	3.7%	12.1%	4.6%	7.6%	9.1%
Benchmark Index**	6.0%	3.2%	9.4%	4.8%	7.9%	6.0%

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 NEW ZEALAND EQUITY FUND

The Fund returned +5.2% in May, outperforming its benchmark by +0.9%. Several companies held in the Fund reported full or half year results during the month, and overall, their financial performance was resilient in the context of a weak domestic economy.

The top performer was Mainfreight (+27%) which saw revenue grow 11% for the year, although earnings declined marginally as profit margins continued to ease back towards pre-Covid levels. The share price had been impacted by tariff concerns in April, so a lot of the move was just regaining lost ground, but management commentary also gave investors confidence that the company can resume its long-term growth trajectory from here.

Fisher & Paykel Healthcare (+7%), New Zealand's largest listed company (and consequently the largest holding in this Fund), reported an excellent result with earnings growing 30% during the year. Earnings guidance for the coming year is for continued growth as more hospitals adopt their high-flow respiratory products. Undeniably a high-quality company, the company's valuation remains too rich for us at c.50x price-to-earnings, and we continue to maintain an underweight position.

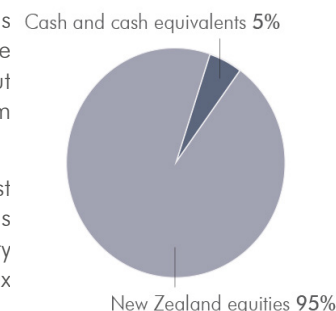
Of the Fund's smaller company investments, Tower (+14%), Sanford (+19%) and AFT Pharmaceuticals (+10%) were all rewarded by the share market for reporting decent earnings numbers.

Retirement village operator Ryman Healthcare (-5%) was the key disappointment, with the company taking a larger than expected write-down to the carrying value of its assets as it continues to re-base the business following its \$1bn capital raise earlier this year. Without a tailwind from a strong residential property market, the company's turnaround is likely to take several years. We continue to believe it will be worth the wait, and maintain a modest overweight position.

Performance

As at 31 May 2025	1 Mth	3 Mth	1 Yr	3 Yrs p.a.	5 Yrs p.a.	Since Inception p.a.
Clarity New Zealand Equity Fund*	5.2%	0.7%	7.8%	4.4%	4.4%	4.1%
Benchmark Index**	4.3%	-1.2%	5.4%	4.0%	3.4%	3.1%

Target investment mix¹



CLARITY FIXED INCOME FUND

The Clarity Fixed Income Fund returned -0.1% in May, in line with benchmark. Rising market interest rates meant bond values fell slightly, more than offsetting the interest earned during the month.

During the month the Fund invested in a new Toyota Finance bond. They issued NZ\$100 million worth of 5-year fixed-rate notes at a yield of 4.54%. Toyota Finance holds an A+ credit rating from rating agency S&P Global Ratings.

During the month, the Reserve Bank of New Zealand reduced the Official Cash Rate (OCR) by 25 basis points to 3.25%, as widely anticipated, although one committee member dissented from the decision. The accompanying statement somewhat surprised the market by offering no clear guidance on the direction of future OCR moves despite ongoing concerns regarding tariffs and economic growth, citing inflation expectations at the upper end of the target band. Consequently, financial markets are currently pricing an OCR of 3.00% over the next 12 months, suggesting that a further cut to 2.75%, as previously anticipated, is now unlikely.

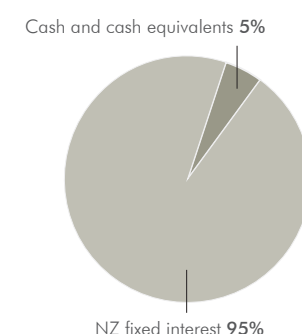
Corporate bond issuance in New Zealand has remained subdued in 2025, largely due to two factors: a shift by corporates toward offshore markets offering more attractive funding terms, and a temporary lull resulting from the maturity cycle of COVID-era bonds. Many companies that issued five-year debt in 2020 either refinanced early in 2023, or are holding off in anticipation of better pricing later this year. Looking ahead, borrowing activity may pick up as corporates face renewed capital requirements.

At month-end, the portfolio's yield stood at 4.5%, with an average duration of 2.3 years.

Performance

As at 31 May 2025	1 Mth	3 Mth	1 Yr	3 Yrs p.a.	5 Yrs p.a.	Since Inception p.a.
Clarity Fixed Income Fund*	-0.1%	1.0%	7.2%	4.9%	2.1%	3.7%
Benchmark Index**	-0.1%	1.1%	7.2%	6.0%	3.7%	3.0%

Target investment mix¹



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CLARITY GLOBAL SHARES FUND

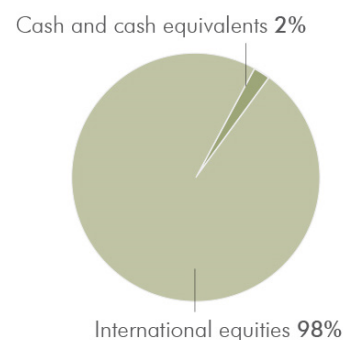
The Clarity Global Shares Fund returned 6.1% in May, outperforming its benchmark return of 5.4%.

Global share markets were calmer last month following extreme volatility in April. The US S&P 500 Index led global share markets, gaining 6.2%, its best May in 30 years. In a joint announcement the US and China agreed to significantly reduce tariffs. The US agreed to lower the recently imposed 145% tariff on Chinese goods to 30%, while China agreed to lower the 125% tariff on US goods to 10%. Sector specific tariffs that apply to most countries remain (e.g. 25% on autos) and the agreement is temporary, lasting 90 days.

Within the Fund, Finning International Inc. (+31%) was a standout contributor. Finning is the world's largest dealer of Caterpillar equipment—including construction machinery, mining equipment, and industrial engines and operates across Canada, South America, and the UK. During the month the company reported strong quarterly results, with revenue up 9% and an 18% increase in earnings. The rally was further supported by a record equipment backlog, analyst upgrades, all reflecting strong operational performance and rising investor confidence.

Elsewhere, the Fund's three largest positions—Meta (+18%), Microsoft (+17%), and Nvidia (+24%)—all contributed positively, with each company reporting strong earnings and highlighting continued momentum in AI and cloud-based services.

Target investment mix¹



Performance

As at 31 May 2025	1 Mth	3 Mth	1 Yr	3 Yrs p.a.	5 Yrs p.a.	Since Inception p.a.
Clarity Global Shares Fund*	6.1%	-0.8%	13.0%	15.5%	15.9%	11.8%
Benchmark Index**	5.4%	-1.7%	14.6%	14.0%	13.7%	11.4%

CLARITY - CAPITAL GROUP NEW PERSPECTIVE FUND²

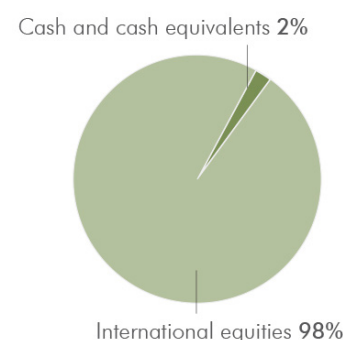
The Clarity-Capital Group New Perspective Fund delivered a return of 6.4% in May, well ahead of the benchmark of 5.4%.

Within the Fund, semiconductor company Broadcom (+26%) was a standout contributor. The company delivered strong quarterly results, with revenue up 25% and AI-related revenue increasing 77%. While the stock faced pressure in April due to Liberation Day, sentiment rebounded sharply towards the end of April and continued into May. Key positive catalysts included a substantial share buyback program, and the launch of Incident Protection, an AI-driven cybersecurity solution. These developments, combined with ongoing tailwinds from AI adoption and strength across the broader semiconductor sector, supported Broadcom's strong performance. The stock currently trades at a forward P/E of approximately 23x, reflecting a modest premium to the sector.

Another top contributor was Royal Caribbean Cruises (+20%), a global cruise operator offering leisure travel experiences under brands including Royal Caribbean International, Celebrity Cruises and Silversea. After a volatile April, the stock rebounded strongly in May following the release of quarterly results. The company beat earnings estimates by 7% and raised its full-year profit guidance on the back of strong bookings and onboard revenue growth. The stock was further supported by multiple analyst upgrades and optimism around sustained demand recovery across the cruise sector.

The Fund also benefited from strength across its software holdings as investors favoured the resilience of their business models in a challenging macroeconomic environment. Cloudflare (+37%), Duolingo (+33%), and Roblox (+30%) all posted strong gains, reflecting their perceived durability and long-term growth prospects.

Target investment mix¹



Performance

As at 31 May 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*	6.4%	-1.2%	14.2%	13.3%	12.6%	11.6%
Benchmark Index**	5.4%	-1.7%	14.6%	13.9%	13.7%	11.5%

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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

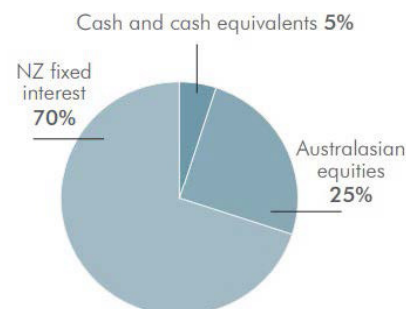
The Diversified Income Fund returned 1.5% in May, in line with benchmark.

Within the Fund, the Clarity Dividend Yield Fund returned 5.6% underperforming the benchmark by 0.4%. The Clarity Fixed Income Fund posted -0.12%, in line with its benchmark.

The Smart Global Aggregate Bond ETF returned 0.33% 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 31 May 2025	1 Mth	3 Mth	1 Yr	3 Yrs p.a.	5 Yrs p.a.	Since Inception p.a.
Clarity Diversified Income Fund*	1.5%	1.6%	7.8%	4.4%	4.0%	4.0%
Benchmark Index**	1.5%	1.6%	7.5%	6.2%	4.5%	4.1%

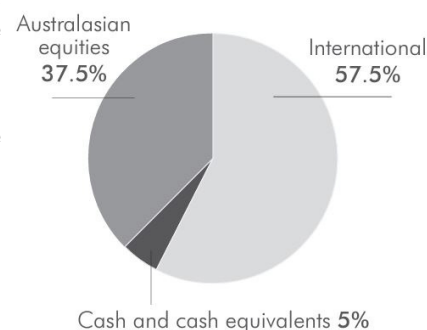
CLARITY DIVERSIFIED GROWTH FUND

The Diversified Growth Fund returned 5.1% in May, ahead of the benchmark of 4.9%.

The strongest contributor to performance was the Clarity-Capital Group New Perspective Fund, which outperformed its benchmark by 1%. All underlying holdings delivered positive absolute returns of over 4%, with each outperforming its respective benchmark.

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.

Target investment mix¹



Performance

As at 31 May 2025	1 Mth	3 Mth	1 Yr	3 Yrs p.a.	5 Yrs p.a.	Since Inception p.a.
Clarity Diversified Growth Fund*	5.1%	-0.4%	11.3%	10.2%	11.9%	8.3%
Benchmark Index**	4.9%	-1.1%	12.7%	10.8%	11.8%	10.2%

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