MONTHLY FUND COMMENTARY

October 2025

CLARITY TRANS-TASMAN VALUE FUND

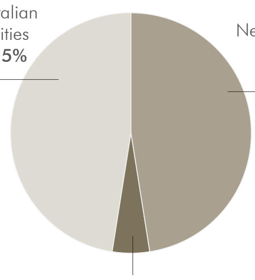
The Trans-Tasman Value Fund continued to enjoy a strong run of relative performance, returning +2.3% in October, +1% ahead of its benchmark.

Our large overweight position in Sky Television was the top contributor during the month, rising +15% despite a lack of news. Despite the rise, the shares remain some of the cheapest in the market, trading on 10x next year's forecast earnings and offering an 11.8% gross dividend yield. The company is adapting well to streaming competition and we continue to like the value on offer.

The biggest riser in the Fund was uranium miner Paladin Energy (+16%). We recently invested in this company as a potential beneficiary of the artificial intelligence boom. The huge amount of power AI datacentres consume suggests the need for more nuclear power plants and therefore uranium. Paladin has a producing mine in Namibia, a development project in Canada, and long-term offtake agreements with some of the largest nuclear power plant operators in the world.

AFT Pharmaceuticals shares have struggled over the last few years as earnings have failed to keep pace with revenue growth, with management prioritising re-investment in the business over profitability. During October the company issued an investor update confirming they remain on track to hit profit guidance for the FY26 financial year, driving a +10% rally in the share price.

Target investment mix[1]



Performance

As at 31 October 2025	1 Mth	3 Mth	1 Yr	3 Yrs p.a.	5 Yrs p.a.	Since Inception p.a.
Clarity Trans-Tasman Value Fund*	2.3%	8.3%	15.1%	9.6%	10.6%	8.7%
Benchmark Index**	1.3%	7.5%	13.5%	10.4%	9.2%	6.0%

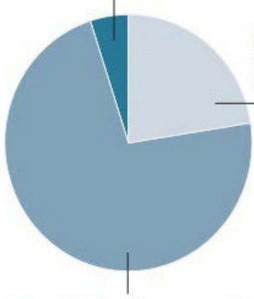
CLARITY DIVIDEND YIELD FUND

The Dividend Yield Fund returned +2.8% in October and has now returned 24.6% over the last six months, its highest ever six-month return since inception in 2013 (including the 2020 bounce from the Covid shock). Some of this return can be attributed to declining interest rates driving increased demand for shares with decent dividend yields, as an alternative source of investment income. Listed property companies have been a prime example. With the interest rate outlook firming in both New Zealand and Australia recently, returns may moderate from here.

Along with Sky TV (discussed above), another standout performer during the month was ANZ (+10%), which held an investor day where new CEO Nuno Matos outlined his strategy to cut costs and improve return on capital over the next few years. Delivery of these targets will be challenging, but ANZ has been a laggard over the last few years relative to its competitors, and investors have backed the new strategy, pushing the share price up.

During the month Precinct Properties raised $310m from investors to fund growth opportunities, specifically the re-development of the Downtown Carpark in Auckland. After a few years of declining property valuations and gearing (debt) sitting towards the top end of target levels, the recent rise in listed property share prices has given property companies the opportunity to tap shareholders for fresh capital (post month end Vital Healthcare has done the same). This extra supply of stock could also temper further share price rises in the short term.

Target investment mix[1]



Performance

As at 31 October 2025	1 Mth	3 Mth	1 Yr	3 Yrs p.a.	5 Yrs p.a.	Since Inception p.a.
Clarity Dividend Yield Fund*	2.8%	10.7%	20.8%	10.3%	9.0%	10.3%
Benchmark Index**	2.5%	10.8%	19.7%	10.2%	9.0%	7.2%

[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.

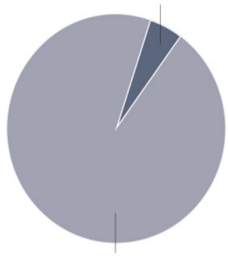
CLARITY NEW ZEALAND EQUITY FUND

The Fund returned 2.4% in October, as the New Zealand share market continues to recover and push on from its dip earlier in 2025, buoyed by some signs of economic recovery as well as further monetary loosening from the Reserve Bank of New Zealand. During the month portfolio company Freightways held its Annual General Meeting where it provided a trading update. Freightways is essentially a business-to-business parcel courier company, and for the last couple of years the volumes of parcels businesses have been sending within New Zealand have been declining, or at best flat, reflecting weak activity within the economy. At the AGM however, management confirmed that the same customer volume growth had started to pick up, rising +1.8% from a year earlier in the September quarter. This helped push Freightways share price up +7% during the month.

Other investments in the Fund that potentially stand to benefit from an improvement (or expectation of an improvement) in economic activity in New Zealand include Fletcher Building, Mainfreight and Sky City.

One of the detractors from performance during the month was Vista Group, the cinema software company (-11%). US box office takings are down this year, which impacts some of Vista's revenue streams and may also diminish cinema operator's appetite for investment in new software. Looking ahead, the movie release 'slate' is strong, including the next edition of blockbuster Avatar, and during the month Vista confirmed it continues to grow revenue despite the box office weakness.

Target investment mix[1]



Performance

As at 31 October 2025	1 Mth	3 Mth	1 Yr	3 Yrs p.a.	5 Yrs p.a.	Since Inception p.a.
Clarity New Zealand Equity Fund*	2.4%	5.3%	9.9%	8.0%	4.3%	5.6%
Benchmark Index**	1.9%	5.9%	8.0%	7.0%	3.1%	4.5%

CLARITY FIXED INCOME FUND

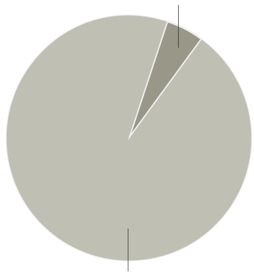
The Clarity Fixed Income Fund returned +0.5% in October, in line with its benchmark.

During the month, the Reserve Bank of New Zealand (RBNZ) surprised markets by cutting the Official Cash Rate (OCR) by 50 basis points to 2.50%, versus the roughly 25-basis-point reduction most economists had anticipated. This brings the total easing since August 2024 to 300 basis points, from 5.50%. The move reflected risk-management considerations amid sluggish economic growth, including a contraction in second-quarter activity. Looking ahead to the final RBNZ meeting of the year in November, markets are pricing in another 25-basis-point cut, which is expected to conclude this interest rate cycle.

October's inflation data showed prices rising 3% year-on-year (1.0% quarter-on-quarter), at the top of the RBNZ's target range. Inflation is expected to gradually decline toward the mid-point of the target range by June 2026.

At month-end, the portfolio's yield stood at 3.7%, with a duration of 2.5 years.

Target investment mix[1]



Performance

As at 31 October 2025	1 Mth	3 Mth	1 Yr	3 Yrs p.a.	5 Yrs p.a.	Since Inception p.a.
Clarity Fixed Income Fund*	0.5%	2.2%	6.3%	6.5%	2.4%	3.9%
Benchmark Index**	0.5%	2.3%	6.4%	6.8%	4.4%	3.2%

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CLARITY GLOBAL SHARES FUND

The Clarity Global Shares Fund returned +2.2% in October.

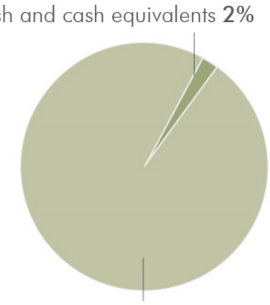
Global share markets rose by 3.3% in October, driven by strong corporate earnings in the United States, lower interest rates from central banks, and continued optimism about the growth of AI. Markets remained steady despite renewed trade tensions between the US and China and an extended US government shutdown.

Within the Fund, Toyota Tsusho (+15%) was a standout contributor. Toyota Tsusho is a diversified company operating across metals, machinery, energy, chemicals, automotive parts and logistics. The stock rallied in October after the company raised its full-year profit forecast and increased its dividend guidance — moves management attributed to stronger-than-expected performance in its supply-chain and Africa divisions and favourable currency effects — which boosted investor sentiment and momentum.

Elsewhere, Finning International (+17 %) also added meaningfully to returns. Finning is a global dealer and distributor of heavy-equipment and parts, serving mining, construction, energy and forestry customers. In October the company reached a new 52-week high, supported by analyst target-price upgrades and renewed investor interest in its industrial-services franchise. The rally may also have been supported by the wider policy impetus in the U.S. and allied nations to strengthen critical-minerals and rare-earth supply chains — a backdrop that enhances the appeal of mining-equipment and services businesses such as Finning.

The Fund's three largest positions had mixed results. Nvidia (+9%) rose on new U.S. Department of Energy AI supercomputer projects and a record AI chip order backlog. Microsoft (unchanged) reported quarterly revenue and earnings beats, but investors weighed strong Azure growth against higher AI-related capital expenditure and a major OpenAI deal. Meta (–12%) declined after announcing quarterly revenue beat expectations but earnings fell short, driven by elevated AI spending, prompting rotation out of the stock.

Target investment mix[1]



Performance

As at 31 October 2025	1 Mth	3 Mth	1 Yr	3 Yrs p.a.	5 Yrs p.a.	Since Inception p.a.
Clarity Global Shares Fund*	2.2%	7.8%	22.9%	21.8%	18.9%	13.2%
Benchmark Index**	3.3%	10.3%	24.5%	21.5%	16.4%	13.0%

CLARITY - CAPITAL GROUP NEW PERSPECTIVE FUND[2]

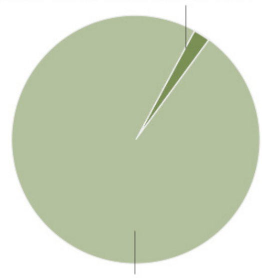
The Clarity-Capital Group New Perspective Fund delivered a return of +2.9% in October.

Within the Fund, Eli Lilly & Co (+13%) was a strong contributor. Eli Lilly is a global pharmaceutical company known for its leadership in diabetes, obesity treatments, and its growing gene-therapy pipeline. In October, the stock rose following its quarterly earnings release, which reported revenue up +54% year-on-year and earnings ahead of analyst expectations, and the company raised its full-year guidance. The share price was further supported by a major investment to expand its Puerto Rico manufacturing facility and the acquisition of Adverum Biotechnologies, advancing its gene-therapy portfolio and highlighting strategic growth initiatives in high-margin segments.

EssilorLuxottica (+15%) was another strong contributor. EssilorLuxottica is a global leader in eyewear and vision-care products, combining brands such as Ray-Ban and Oakley. In October, the stock rose following its quarterly earnings release, which showed revenue growth of around 12% year-on-year, driven by strong demand for AI-powered smart glasses and growth in North America and EMEA. The share price was further supported by the company's decision to accelerate production capacity for wearables and strategic investments in its vision-health ecosystem, highlighting continued innovation and expansion in high-potential segments.

Elsewhere, the Fund benefited from strong gains in SK Hynix Inc (+61%), Hitachi Ltd (+35%), and Hyundai Motor Co (+35%). SK Hynix rose on strong demand for memory chips driven by AI and data-centre growth. Hitachi gained after investors reacted positively to its quarterly earnings beat and announcements around infrastructure and energy technology projects. Hyundai's shares advanced on robust vehicle sales, particularly in electric vehicles, and strategic investments in mobility and battery technology. These sector trends highlight continued investor support for semiconductors, industrial technology, and automotive innovation.

Target investment mix[1]



Performance

As at 31 October 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*	2.9%	8.1%	22.6%	20.4%	13.5%	13.2%
Benchmark Index**	3.3%	10.3%	24.5%	21.5%	16.5%	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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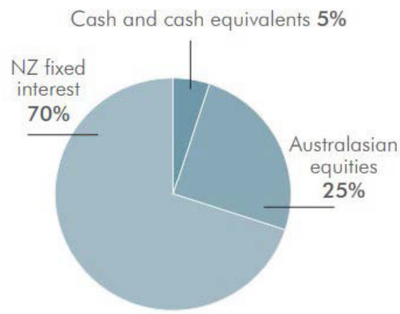
CLARITY DIVERSIFIED INCOME FUND

The Diversified Income Fund returned +1.3% in October, a touch ahead of the benchmark.

Within the Fund, returns were driven by the Clarity Dividend Yield Fund which returned +2.8%, ahead of its benchmark. The Clarity Fixed Income Fund posted a return of +0.5%, while the Smart Global Aggregate Bond ETF returned +0.7% 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 mix[1]



Performance

As at 31 October 2025	1 Mth	3 Mth	1 Yr	3 Yrs p.a.	5 Yrs p.a.	Since Inception p.a.
Clarity Diversified Income Fund*	1.3%	5.1%	10.7%	7.5%	4.7%	4.8%
Benchmark Index**	1.1%	5.1%	10.2%	8.3%	6.0%	4.8%

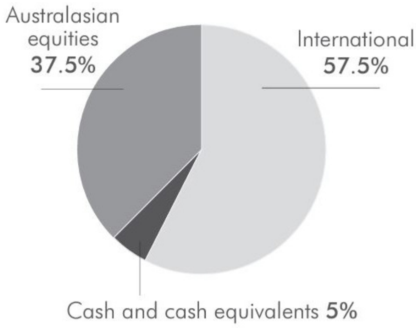
CLARITY DIVERSIFIED GROWTH FUND

The Diversified Growth Fund returned +2.1% in October.

Returns were driven by the Clarity-Capital Group New Perspective Fund, which rose +2.9% over the month. The Clarity Trans-Tasman Value Fund contributed +2.3%, the Clarity Global Shares Fund added +2.2%, while the TAHITO Te Tai o Rehua Fund returned +1.1%.

The Fund maintains growth exposure across 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 mix[1]



Performance

As at 31 October 2025	1 Mth	3 Mth	1 Yr	3 Yrs p.a.	5 Yrs p.a.	Since Inception p.a.
Clarity Diversified Growth Fund*	2.1%	6.7%	17.2%	15.8%	13.1%	9.4%
Benchmark Index**	2.5%	9.2%	20.0%	17.0%	13.6%	11.5%

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