CLARITY FUNDS SCHEME

QUARTERLY FUND UPDATE

For the quarter ended 30 June 2026

This fund update was first made publicly available on 29 July 2026

CLARITY DIVERSIFIED INCOME FUND

What is the purpose of this update?

This document tells you how the Clarity Diversified Income Fund has performed and what fees were charged. The document will help you to compare the fund with other funds. Clarity Funds Management Limited prepared this update in accordance with the Financial Markets Conduct Act 2013. This information is not audited and may be updated.

Description of this fund

The Fund aims to generate income over the medium term by investing in fixed income securities and dividend paying New Zealand and Australian equities, primarily investing in managed funds (including other Clarity funds) to achieve a well diversified portfolio of assets. We intend for the Fund to make quarterly income distributions.

Total value of the fund	$5,655,392
Date the fund started	3 April 2017

What are the risks of investing?

Risk indicator for the Clarity Diversified Income Fund

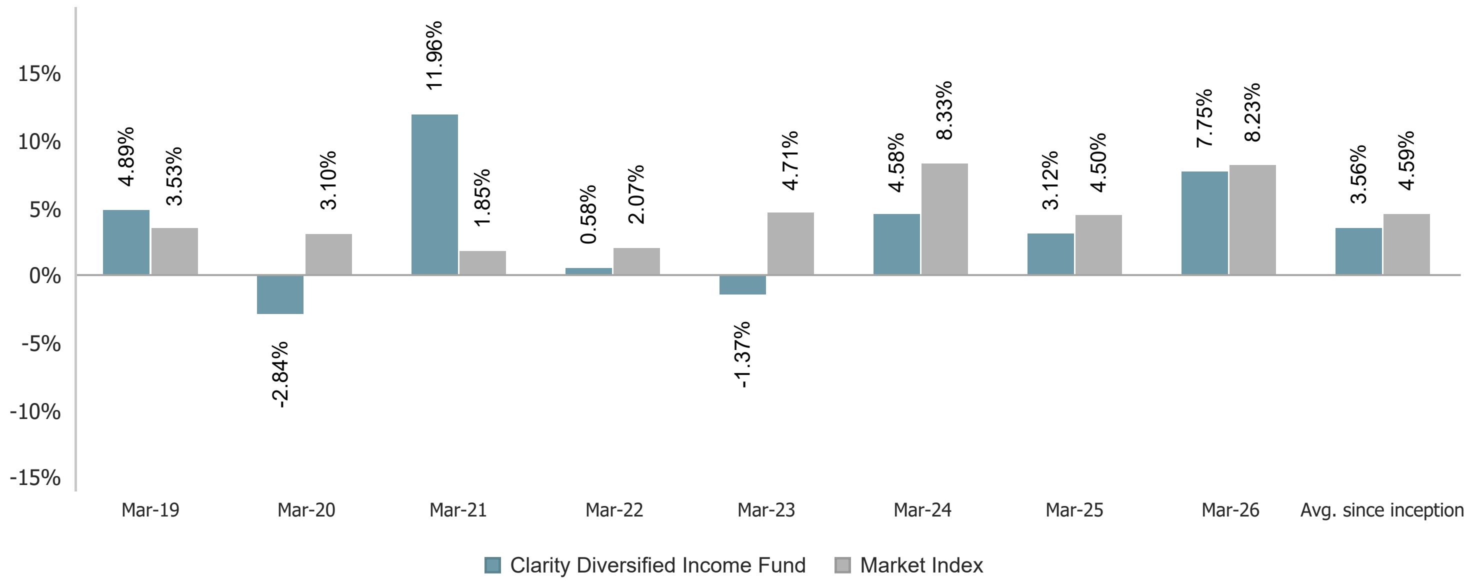
Lower expected returns						Higher expected returns
1	2	**3**	4	5	6	7
Lower risk						Higher risk

The risk indicator is rated from 1 (low) to 7 (high). The rating reflects how much the value of the fund's assets goes up and down. A higher risk generally means higher potential returns over time, but more ups and downs along the way.
To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at www.sorted.org.nz/tools/investor-kickstarter
Note that even the lowest category does not mean a risk-free investment, and there are other risks that are not captured by this rating.
This risk indicator is not a guarantee of a fund's future performance. The risk indicator is based on the returns data for the five year period to 30 June 2026. While risk indicators are usually relatively stable, they do shift from time to time. The risk indicator will continue to be updated in future fund updates.
See the Product Disclosure Statement (PDS) for more information about the risks associated with investing in this fund.

How has the fund performed?	Avg. over past 5 years	Past Year
Annual Fund Return (after deduction for fund charges and tax)	2.89%	6.72%
Annual Fund Return (after deduction for fund charges but before tax)	3.86%	7.84%
Market index annual return (reflects no deduction for charges and tax)	5.97%	7.56%

We calculate the market index annual return from 29 September 2023 by using 75% Bloomberg New Zealand Bond Composite 0-5 Year Index and 25% S&P/NZX 50 High Dividend Index Gross with Imputation. Between 3 April 2017 and 28 September 2023, the market index used was the S&P/NZX Bank Bills 90-Day Index +1.5% benchmark index. Additional information about the market index is available on the offer register at www.disclose-register.companiesoffice.govt.nz.

Annual return graph



This shows the return after fund charges and tax for each year ending 31 March since the fund started. The last bar shows the average annual return since the fund started up to 30 June 2026. Important: This does not tell you how the fund will perform in the future. Returns in this update are after tax at the highest prescribed investor rate (PIR) of tax for an individual New Zealand resident. Your tax may be lower. The market index return reflects no deduction for charges and tax.

What fees are investors charged?

Investors in the Clarity Diversified Income Fund are charged fund charges. In the year to 31 March 2026 these were:

	% of Net Asset Value
Total Fund Charges (incl GST)	0.96%
Comprising of the below management, administration and performance charges:	
Manager's basic fee:	0.56%
Other management and administration charges:	0.40%
Performance fees (if applicable):	0.00%

Investors may also be charged individual action fees for specific actions or decisions (for example, for withdrawing from or switching funds).
See the PDS for more information about those fees.

Example of how this applies to an investor

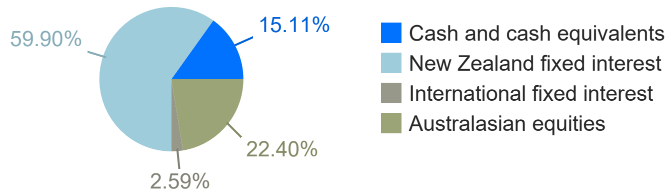
Small differences in fees and charges can have a big impact on your investments over the long term.

Chris had $10,000 in the Clarity Diversified Income Fund at the start of the year and did not make any further contributions. At the end of the year, Chris received a return after fund charges were deducted of $784 (that is 7.84% of his initial $10,000). Chris does not pay any other charges. This gives Chris a total return after tax of $672 for the year.

What does the fund invest in?

The chart (below) shows the types of assets that the Clarity Diversified Income Fund invests in.

Actual Investment Mix



As at 30 June 2026, 5.43% of the Fund's assets were denominated in foreign currency, but 101.44% of this foreign currency exposure was hedged.

Target investment mix

Asset Sector	Target Asset Allocation %	Range %
Australasian equities	25	0 - 50
Cash and cash equivalents	5	0 - 45
International equities	0	0 - 20
International fixed interest	0	0 - 20
New Zealand fixed interest	70	0 - 90
Other	0	0 - 20

Top 10 investments

Asset name	% of fund net assets	Type	Country	Credit rating
NZD Cash at Bank	14.69%	Cash and cash equivalents	NZ	
NZGB 4.50% 15/05/2030	3.91%	New Zealand fixed interest	NZ	AAA
NZMS First Mortgage Securities Limited	3.46%	New Zealand fixed interest	NZ	
HOUSNZ 4.422% 15/10/2027	2.64%	New Zealand fixed interest	NZ	AAA
Smartshares Global Aggregate Bond ETF	2.59%	International fixed interest	NZ	
WSTPNZ 3.868 19/11/30	2.42%	New Zealand fixed interest	NZ	AA-
ASBBNK 4.1% 02/09/30	2.31%	New Zealand fixed interest	NZ	AA-
PCTNZ 5.42% 24/10/2029	2.24%	New Zealand fixed interest	NZ	
BZLNZ 4.354% 28/01/2031	2.04%	New Zealand fixed interest	NZ	AA-
WATERC 3.847% 30/09/2030	2.02%	New Zealand fixed interest	NZ	

The top 10 investments make up 38.33% of the net asset value of the Fund.

Key personnel

Name	Current position	Time in current position	Previous position	Time in previous position
Alan Lee	Director, Clarity Funds Management Limited	21 years, 0 months	Director, Jarden Morgan Investment Services Limited	4 years, 0 months
Andrew Kelleher	Director, Clarity Funds Management Limited	18 years, 2 months	Acting Managing Principal, ASB Securities Limited and Investment Consultant, ASB Limited	3 years, 5 months
Jack Glover	Investment Analyst, Clarity Funds Management Limited	1 year, 3 months	Data Team Leader - Private Capital, Allocator	3 years, 7 months

Further information

You can also obtain this information, the PDS for the Clarity Funds, and some additional information from the offer register at disclose-register.companiesoffice.govt.nz