



TAHITO Ethical Sustainable Fund

He Whakatauki: 'Na te Pō whāwhā ka hapu ai' (*Things are created when we are still*)

May was a difficult month for our TAHITO Ethical Sustainable Fund, returning -2.2% against our blended benchmark of +0.8%, a gap of -3.0%. We have also experienced some underperformance in previous months in recent times.

Performance (Returns net of fees)

	31-May-26	Month	3 Mths	6 Mths	YTD	1 Yr	2 Yrs	3 Yrs	5 Yrs	Start (p.a.)
Fund		-2.2%	-6.8%	-9.2%	-7.5%	-6.0%	2.4%	2.3%	1.7%	4.3%
Benchmark		0.8%	-3.2%	2.2%	0.5%	13.1%	11.4%	9.4%	6.2%	6.9%
Alpha		-3.0%	-3.6%	-11.4%	-8.0%	-19.1%	-9.0%	-7.1%	-4.5%	-2.5%

Benchmark: 50% S&P / NZX50 Portfolio Index Gross with Imputation and 50% S&P / ASX200 Accumulation Index in New Zealand dollars.

Our Performance

The underperformance is not a mystery. The ASX 200's Materials sector has been a key driver of index performance in 2026, with mining shares reaching multi-year highs across iron ore, lithium, copper, and gold. Because our ethical lens means we hold none of these stocks, we do not capture those gains and we are not alone. Sustainability-focused funds globally are facing headwinds as traditional resource and energy sectors stage a significant comeback. For the month of May, the S&P ASX 200 returned -0.4% (NZD) and the NZX 50 Index showed 2.7%.

Our tikanga (values and principles) does not bend to short-term market winds. Kaitiakitanga (guardianship for future generations) and mauri ora (the vitality and wellbeing of all living systems) remain the anchors of our investment philosophy. Extractive industries that deplete te taiao (the natural world) for short-term gain are not part of our whakapapa (identity and lineage) as a fund, regardless of what the index rewards in any given month.

The whakahou (renewal) will come. We remain confident in our principled positioning and grateful for the continued trust of our investors.

The key movers in our Fund were:

- NZ Sims +29%. In March, Sims flagged an expected FY2026 underlying EBIT of between \$350 million and \$400 million, driven by a strong third quarter and a materially improved second half in both its North America Metals and SA Recycling divisions. That positive earnings momentum carried through into May supported by analyst upgrades. As the world's largest publicly listed metal and electronics recycler, every electric vehicle manufactured, every wind turbine installed,

and every data centre built creates future recyclable material and drives demand for the recycled metals Sims produces, placing the company at both ends of the green energy supply chain simultaneously.

- ALS (+11%) delivered a strong FY26 result in May, with revenue of A\$3.32 billion, underlying EBIT of A\$599 million, and underlying NPAT of A\$381.2 million. The result reflected strength in ALS' Commodities division and a steady contribution from Life Sciences, while the balance sheet remained robust with more than A\$580 million of available liquidity. From a TAHITO perspective, ALS supports essential testing and monitoring across environmental, food, and pharmaceutical systems, a quieter but important form of sustainability infrastructure.
- CSL -22%. CSL is currently the portfolio's most difficult holding. On 11 May, the shares fell more than 20% after interim CEO Gordon Naylor's 90-day review cut FY26 guidance to about US\$15.2 billion of revenue and US\$3.1 billion of NPATA, while flagging about US\$5 billion of additional non-cash impairments across FY26 and FY27. The reset reflected a US immunoglobulin inventory normalisation, weaker albumin pricing in China, and other product headwinds. A modest countersignal followed later in the month when Naylor bought 1,100 shares on market for \$107,800. CSL's core purpose, delivering life-saving plasma therapies and vaccines, remains aligned with our understanding of mauri ora. Its social value endures, but market confidence has weakened materially. The holding remains under active review.

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SUSTAINABLE PLUS
— CERTIFIED BY RIAA —



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- Brambles fell -27%, following a sharp downgrade. FY26 underlying profit growth guidance was cut to 3–5% (from 8–11%), driven by US pallet repair capacity constraints and European inefficiencies, with an estimated US\$60m earnings impact. Labour shortages and stricter quality standards in its US network were the key drivers. Rising customer automation is increasing demand for higher-quality pallets, a transition Brambles is still catching up on. A US\$400m buyback did little to offset the market reaction. The BXB core circular model remains intact and aligned with kaitiakitanga. This is an execution issue, not a structural break.

Global markets — May 2026

‘Ko te hangarau te toa i tēnei marama’, Technology Leads, but the Long Tide is Turning: May 2026 was a month of record highs, driven by artificial intelligence and technology earnings. The S&P 500 gained +5.3%, finishing with nine consecutive weeks of gains, while the Nasdaq 100 surged +10.6% as capital poured into data centres, semiconductors, and cloud platforms.

For sustainability funds, the headwinds continued. Markets are rewarding extraction, the very activities that our kaupapa (values and principles) calls us to move beyond. We do not hold these companies, and we do not intend to. Yet the deeper current is clear. Global energy transition investment reached a record US\$2.3 trillion in 2025, rising 8% despite trade disruptions and geopolitical tension. For the second consecutive year, clean energy supply investment surpassed fossil fuel supply, with electrified transport leading at US\$893 billion and renewables at US\$690 billion.

At TAHITO, we hold two truths at once. Month-to-month volatility is but a ripple on a much deeper awa (river). We invest for the mokopuna (grandchildren), those who inherit not just financial returns, but the world those returns helped shape. The whakahou (renewal) that kaitiakitanga (guardianship for future generations) and kotahitanga (collective unity of purpose) demands is not retreating.

For a more comprehensive review of financial markets, please see the monthly Market Review from our partner company Shaw and Partners. [Shaw and Partners - Global equities move higher](#)

Ngā rongō pai mō te toitūtanga - Good news sustainability stories:

- » **Kiwi comeback: grassroots conservation in Aotearoa:** Once numbering 12 million, kiwi populations have plummeted to around 70,000 — but a community-led initiative is working to reverse that decline. These taonga species are critical ecosystem engineers, and their recovery represents both an ecological and cultural renewal for Aotearoa New Zealand.
- » **Jaguars return to Argentina after 70 years:** A wild jaguar has been spotted in Argentina’s largest national park for the first time in seven decades — the result of years of rewilding collaboration between scientists, rangers, ranchers, and local communities. The park, once home to no jaguars at all, now supports a population of 50.
- » **Balcony solar gaining ground in the US:** More than half of US states are now considering legislation to legalise plug-in balcony solar panels — a technology that has been standard in Europe for over a decade. If passed, these laws could save households hundreds of dollars annually while broadening access to renewable energy.
- » **A new library rises from the rubble in Gaza:** Two men have opened the first new library in Gaza, stocking its shelves with books salvaged from the destruction. With 90% of Gaza’s schools, all universities, and at least 13 libraries destroyed, this act of rebuilding is a powerful affirmation of knowledge, memory, and cultural resilience.
- » **Climate action persists across the political divide:** Despite the Trump administration rolling back environmental protections at an unprecedented scale, bipartisan support for climate legislation continues to hold in a number of US states. Lawmakers on both sides are pushing back, signalling that the transition momentum is proving harder to stop than anticipated.

Climate Action Tracker: Global Warming Update

Ten years on from the Paris Agreement, the world finds itself at a critical crossroads — with virtually no measurable progress in warming projections for the fourth year running, according to Climate Action Tracker’s latest global update released at COP30 2025.

The good news is that the Paris Agreement has worked: back in 2015, the world was tracking toward approximately 3.6°C of warming by 2100. Today, that projection has been reduced by roughly 1°C to around 2.6°C, driven by clean technology investment and national policy reforms. However, the progress seen in the first five years after Paris has now stalled — precisely as the visible signs of dangerous climate change have become more pronounced around the planet.

Despite a new round of 2035 national climate targets (NDCs), global ambition has barely shifted. Projected emissions under current targets remain far above what a 1.5°C pathway requires — more than double the necessary level by 2035 — and the gap between targets and what is needed is widening rather than closing.

On a more encouraging note, renewable energy and electric vehicle deployment are breaking records, and investment in clean manufacturing is growing rapidly. Yet governments have so far failed to match this momentum with stronger commitments.

For TAHITO investors, the message is clear: the structural transition to a low-carbon economy is underway, but the pace of policy action remains the key risk and opportunity to watch. [Read the full report here.](#)

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Commonwealth Bank of Australia (CBA)

Whakarāpopototanga | Summary

Commonwealth Bank of Australia	Score	Banks	Score
Women Directors	40%	T-score	6.3
Women in Executive roles	0.0%	ESG Rating	AA
\$M Donations and community grants	\$82.56	Te Pai o Rangi TAHITO Score***	8.9
% of community grants to NPAT (ebita if a loss)	0.0%	Climate Change Theme Score*	10.0
Has achieved Carbon Netural (CO2 only, Y/N)	A	Te Poho o Papa TAHITO Score***	4.5
Target date for carbon netural if No	Achieved	Environmental Pillar Score*	10.0
Has set target for Net zero scope 1,2 (Y/N)	A	Environmental Opportunities Score*	-
Target date for Net zero Scopes 1&2 if Yes	Achieved	Natural Capital Score*	7.1
Has set target Carbon Net zero Scopes 1,2 &3 (Y/N)	Y	Pollution and Waste Score*	-
Target date for Net zero Scopes 1,2 & 3	2050	Human Capital Score*	7.1
Carbon Reduction Targets Y/N	0	Wage Ratio (multiple of median wage)**	83
Scopes 1&2 Carbon Emissions - Key *	Reported	Qualitative TAHITO Community Score	-
Scope 1+2 (metric tons) *	70,867		
Scope 1+2 Intensity (t/USD million sales) *	1.6		
Scope 3 Carbon Emissions - Key *	Estimation		
Scope 3 - Total metric tons (combined dataset) *	22,049,576		
Scope 3 - Total Sales Intensity (combined dataset) *	676.1		
Total GHG Emissions - metric tons (Scopes 1, 2 and 3) *	22,132,044		

Carbon intensity = tons / \$M sales

* MSCI ESG data and scores

** CEOs salary divided by the median national wage

*** Te Pae o Rangi is a TAHITO score for total emissions

*** Te Poha o Papa is a TAHITO environment score

Section 1: Te Kōwhiringa Tapu Values Pillar Summaries | Ngā Kaha o Ngā Pou

Commonwealth Bank of Australia is the largest bank on the ASX: 18.2 million customers, 55,850 people, and \$28.9 billion in annual revenue drawn from the living networks of Australian communities. Through Te Kōwhiringa Tapu, our sacred selection framework, we hold CBA as a Tier 3 Catalyst Holding. Te Manaaki, the Care pillar, is where CBA's performance shows the most integrated evidence: genuine environmental achievement, material community investment, and institutional humility in the way it discloses, restates, and corrects. It is a company with the capacity and scale to lead. The terrain between that capacity and its full expression is the purpose of our engagement.

1a. Te Tūhono: Connection

Under Te Tūhono, the Connection pillar, Te Kōwhiringa Tapu recorded a company building substantive relational infrastructure at scale, while carrying a structural deficit in its most consequential relationship. Whanaungatanga evidence is extensive: 177% year-on-year growth in indigenous supplier spend (from \$22.7M to \$62.7M in FY25), 341,980 calls handled through the Indigenous Customer Assistance Line, 106,930 hardship approvals, and 18,748 interactions through the Next Chapter domestic violence support programme. Under Whakapapa, CBA has rebuilt its compliance architecture materially since the AUSTRAC episode and Banking Royal Commission; the ethical foundation, however, remains predominantly regulatory in origin, responding to enforcement rather than preceding it. Under Whakarongo, strong gender representation (40% female board, 50% female Group Executives) sits alongside zero First Nations board representation in an institution whose operations span Aboriginal Country.

1b. Te Mahi Tahi: Collaboration

Under Te Mahi Tahi, the Collaboration pillar, the assessment recorded genuine and rare disclosure quality held in tension with the framework's most significant single finding. Whakatau evidence is strong: 17 independently assured sustainability data categories, PCAF-scored financed emissions, and granular community investment decomposition. Transparency here flows outward from institution to stakeholders, not yet through genuine consensus-seeking that changes decisions. Honotahi is where the primary finding falls. The CEO remuneration ratio of 96:1 (\$8.503M against Australia's median wage of \$88,400) exceeds the framework's 80:1 threshold, and represents a structural answer to the question of whether wealth is distributed complementarily across the communities CBA depends upon. Internal equity is genuine; that strength does not resolve the ratio. Under Mahitahi, \$64.4B in cumulative sustainable finance, DJSI constituent status, and the \$100M cumulative indigenous supplier spend commitment represent rapidly improving ecosystem co-operation.

1c. Te Manaaki: Care

Under Te Manaaki, the Care pillar, Te Kōwhiringa Tapu recorded CBA's most integrated performance. Under Utu, TAHITO-eligible community investment totals \$311.6M for FY25: \$25.1M in cash contributions, \$4.3M in monetised volunteer time, and \$282.2M in below-cost and free banking services to community organisations, hardship customers, and First Nations communities. The indigenous supplier trajectory provides the most affirmative signal: \$62.7M in FY25, up 177% year-on-year. Under Humārie, CBA's willingness to disclose and restate difficult data, including a declining indigenous cultural training completion rate (35.7%, down from 40.4%) and Scope 3 baseline corrections, is rare and meaningful. Under Kawa, operational emissions reduced 72% against the FY20 baseline, 98.9% renewable electricity sourced, and \$7.9B directed to renewable energy lending demonstrate long-term commitment being delivered. Papatūānuku, Ranginui, and the atua of the forests, oceans, and atmosphere as tūpuna still appear in CBA's disclosures as risk variables rather than kin. That framing is the distance this engagement must close.

Section 2: Te Utu Pānga Impact Target Summaries | Ngā Aronga Utu Pānga
Te Pae o Ranginui: Zero Carbon | The Atmosphere as Senior Ancestor

CBA's operational emissions achievement is substantive and independently verified: Scope 1+2 reduced 72% against the FY20 baseline, 98.9% renewable electricity, Climate Active and Toitū Envirocare certified. The deeper picture is more complex: CBA holds 22.6 million tonnes of CO₂-equivalent in financed emissions, including \$0.7B drawn to thermal coal and \$0.3B to upstream oil and gas, with net zero targets set to 2050. The engagement invitation is to accelerate the thermal coal and upstream oil and gas exit timeline to within the decade, and to develop purpose language that acknowledges Ranginui and Tāwhirimātea, the atua of the atmosphere and the winds, as senior relatives whose domain is being affected. Obligation derived from whakapapa kinship precedes regulatory compliance and investor pressure alike.

Te Poho o Papatūānuku: Zero Waste | Kinship with the Living Earth

CBA's direct environmental footprint has materially reduced: Toitū Envirocare certified, waste and water reporting published, and circular economy principles applied to operational property management. The significant unresolved dimension is its lending portfolio. With \$64.4B in cumulative sustainable finance and \$7.9B specifically in renewable energy lending, CBA is actively reshaping capital flows through Papatūānuku's domain. Papatūānuku is tūpuna: Earth Mother, our genealogical ancestor, not a resource to be sustainably managed. Tāne Mahuta, atua of the forests, and Tangaroa, atua of the oceans, are senior relatives whose domains are directly affected by the capital CBA controls. The engagement invitation is a time-bound exit from thermal coal and upstream oil and gas financing, making explicit that the obligation to Papatūānuku is genealogical, not merely financial.

Te Mana Taurite: Equality | First Nations Voices in Governance

CBA's gender equity performance is among the strongest on the ASX: 40% female board composition, 50% female Group Executives, and gender pay equity ratios of 0.98 to 1.01 across most bands. Against this, the assessment found zero First Nations representation at board level, and indigenous workforce representation of 1.4%, below both national population (3.8%) and ASX best practice. CBA's RAP FY26 to FY28 is active: the \$100M cumulative indigenous supplier spend commitment with 177% year-on-year growth is the benchmark for what accountable engagement looks like. The invitation is to apply that same accountability model to governance. Within the whakapapa frame, the mana of an institution is expressed in who it invites into its highest circle of decision-making. That circle currently carries no First Nations voice.

Te Hapori Whānui: Wider Community | Reciprocity at 3.08% NPAT

TAHITO-eligible community investment totals \$311.6M for FY25, equating to 3.08% of NPAT. CBA is approaching the relational aspiration, not yet expressing it. The \$282.2M foregone revenue component, below-cost and free banking for community organisations, hardship customers, and First Nations communities, is creditable under the framework. The authenticity question, whether these concessions constitute manaakitanga or standard commercial practice, remains an active engagement priority. The cash contribution of \$25.1M (0.25% of NPAT) represents the baseline above any classification debate.

Te Ngākau Aroha: Compassionate Leadership | Genuine Depth

Genuine compassionate leadership is evidenced in CBA’s financial inclusion architecture: the Financial Independence Hub (3,606 participants), the Next Chapter domestic violence programme (18,748 interactions), and 106,930 hardship approvals in FY25. CEO purpose messaging on financial wellbeing carries authentic substance at the programme level. The gap is that compassionate leadership has not yet extended to the governance chamber in the form of First Nations representation. Compassion and self-disclosure are present; structural generosity, sharing decision-making authority, is the next expression of this value.

Mauri Ohoho: Collective Wellbeing | Genuine but Incomplete

CBA’s mauri is alive and generative in its operational and community dimensions: 8.4% voluntary staff turnover (low for the sector), strong internal wellbeing investment, mental health programmes, and a remediation culture that corrects openly. The indigenous cultural training completion rate of 35.7%, down from 40.4%, signals a declining institutional energy in one of the most important cultural competency commitments. Mauri Ohoho asks whether the life force of the organisation resonates into the integrity and wellbeing of its community and environment as a whole. CBA’s mauri is growing; its full expression requires the structural decisions on governance, remuneration, and financed emissions that programme investment alone cannot replace.

Section 3: Tier Rationale & Looking Forward | Te Ara Whakamua

We hold Commonwealth Bank of Australia as a Tier 3 Catalyst Holding. The sole structural barrier to Tier 2 is the Honotahi CEO ratio of 96:1. Absent that finding, the assessment places CBA in Tier 2 territory. This means the distance between where CBA stands and where it could stand is not a question of strategic vision or operational commitment: it is one remuneration decision and one governance appointment. We walk alongside CBA with the intention of a three-year formal engagement pathway, high expectations, and genuine confidence in this institution’s demonstrated capacity for structural change.

Temuera Hall - Portfolio Manager

Responsible Investment Association Australasia certification

The TAHITO Ethical Sustainable Fund has been certified and classified by the Responsible Investment Association Australasia according to the operational and disclosure practices required under the Responsible Investment Certification Program. See www.responsibleinvestments.com.au and [RIAA’s Financial Services Guide](#) for details.¹

¹ The Responsible Investment Certification Program provides general advice only and does not take into account any person’s objectives, financial situation, or needs. Neither the Certification Symbol nor RIAA recommends to any person that any financial product is a suitable investment or that returns are guaranteed. Because of this, you should consider your own objectives, financial situation and needs and also consider the terms of any product disclosure document before making an investment decision. Certification are current for 24 months and subject to change at any time.

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