



TAHITO ETHICAL SUSTAINABLE FUND - TOITŪ ME TE TIKAI · QUARTERLY REPORT

He Reo Pūtea

A VOICE FROM THE MARKETS

3RD QUARTER, MAHURU (SEPTEMBER) 2026

TE HAUWHA

TAHITO.CO.NZ

MAHURU 2026

Te pupuri ki te pae tawhiti: Holding the long horizon

FUND RETURN

0.64%

3rd Quarter 2026

BLENDED BENCHMARK

1.38%

50% NZX50 / 50% ASX200 (NZD)

ACTIVE DIFFERENCE

-0.74%

3rd Quarter 2026

PERFORMANCE TO 30 SEPTEMBER 2026 (RETURNS NET OF FEES)

30 SEPTEMBER 2026	MONTH	3 MTHS	6 MTHS	YTD	1 YR	2 YRS	3 YRS	5 YRS	START (P.A.)
Fund	-1.45%	0.64%	4.71%	-2.73%	-6.07%	0.80%	4.73%	1.98%	4.88%
Benchmark	-0.81%	1.38%	6.86%	4.36%	5.99%	9.35%	11.36%	5.94%	7.11%
Alpha	-0.64%	-0.74%	-2.15%	-7.08%	-12.06%	-8.55%	-6.63%	-3.96%	-2.23%

Benchmark: 50% S&P/NZX50 Portfolio Index Gross with Imputation and 50% S&P/ASX200 Accumulation Index in New Zealand dollars. Fund returns are after deductions for fees but before tax. Benchmark returns have no deduction for fees or tax.

I. TĀ TĀTOU HAERE · OUR PERFORMANCE

This issue of He Reo Pūtea covers the three months to the end of Mahuru (September). The Fund returned 0.6% for the quarter net of fees, against 1.4% for the benchmark. In the month of September the Fund fell

1.5% while the benchmark fell 0.8%, as rising interest rates weighed on markets on both sides of the Tasman.

Over six months the Fund has gained 4.7%, against 6.9% for the benchmark. Over one year the Fund is down 6.1% while the benchmark rose 6.0%, and since inception in October 2019 the Fund has returned 4.9% a year. We do not look away from that gap. Much of the market's strength this quarter came from energy companies lifted by oil prices above US\$100 a barrel. We hold no fossil fuel producers, by design, and that choice carries a cost in a quarter like this one. Our portfolio also leans toward growth and quality companies, which were among the most affected as bond yields rose.

Takeover interest lifted two of our holdings in the month of September. Ingenia Communities rose 32.5% after a series of cash proposals from US private equity firm Warburg Pincus, and Reliance Worldwide rose 13.2% after agreeing to be acquired by Brookfield for US\$3.38 a share. On the other side, Xero fell 31.5% to a seven-year low with no company-specific bad news, caught in a broad sell-off in software shares on fears that AI could automate bookkeeping. SEEK fell 16.8% on weak job advertising volumes and a flatter revenue outlook.

The portfolio held 29 companies and a carbon fund at quarter end, with 38.3% in New Zealand shares, 55.9% in Australian shares and 5.7% in cash. Funds under management stood at \$28.3 million.

NGĀ NEKENEKE MATUA · KEY MOVERS

INGENIA COMMUNITIES GROUP INA **32.5%**

Ingenia received a series of takeover proposals from US private equity firm Warburg Pincus during September, rising from A\$4.75 to A\$5.05 and then A\$5.25 cash per security. The board had not recommended any proposal at month end and continued to support its planned combination with Peet, so the shares traded below the offer price. The Peet combination is Ingenia's agreed takeover of Peet Limited (ASX: PPC), a residential land developer. They signed a binding scheme agreement on 26 August 2026.

RELIANCE WORLDWIDE CORP LTD RWC **13.2%**

In September Reliance Worldwide signed a binding Scheme Implementation Deed for Brookfield to acquire the company for US\$3.38 cash per share, about A\$4.75 and a 31.5% premium to the undisturbed share price. The board unanimously recommends the scheme, subject to an independent expert's report and no superior proposal.

SEEK LTD SEK **-16.8%**

SEEK fell to its lowest level in about a decade as weak job advertising volumes, a flatter FY27 revenue outlook and concern about AI-driven recruitment tools weighed on sentiment. Analysts downgraded the stock from Buy to Hold, and rising interest rates added to pressure on the shares.

XERO LTD XRO **-31.5%**

Xero fell to a seven-year low in September without any company-specific bad news. The fall reflected a broad sell-off in software shares on fears that AI could automate bookkeeping, together with rising global bond yields and a Reserve Bank of Australia rate rise on 29 September, which lowered the value placed on long-term growth companies.

Returns shown above are for the month of September 2026. Movements over the full quarter are discussed in the performance commentary.

II. TE AO HOKOHOKO · MARKET ANALYSIS

Global markets made modest progress in the September quarter after a very strong June quarter. The S&P 500 gained about 2%, holding close to record highs for much of the period on continued demand for AI infrastructure, while emerging markets were roughly flat. The quarter's defining shift was in interest rates. Inflation proved stubborn, oil traded above US\$100 a barrel for much of September as shipping through the Strait of Hormuz recovered only slowly, and central banks turned to tightening. The US Federal Reserve raised rates for the first time since 2023, and the US 10-year Treasury yield rose above 5.3%, its highest level since 2002.

Closer to home, the S&P/NZX 50 rose 1.4% over the quarter but slipped 0.4% in September. Fonterra was a standout after lifting its milk price forecast, while retirement village operators fell. In Australia the S&P/ASX 200 finished the quarter roughly flat after falling more than 2% in September, as higher rates weighed on banks, property and consumer companies and energy shares gained from higher oil prices.

The Reserve Bank of New Zealand lifted the Official Cash Rate twice, to 2.50% in July and to 2.75% on 2 September, as annual inflation reached 4.1% on higher fuel prices. The Reserve Bank of Australia followed on 29 September with a 25 basis point increase to 4.60%. The New Zealand dollar weakened in September, which lifted the value of offshore assets for New Zealand investors. The Reserve Bank of New Zealand next reviews the Official Cash Rate on 28 October. Rising rates ask more of the companies we hold, and we remain with businesses whose earnings do not depend on cheap money.

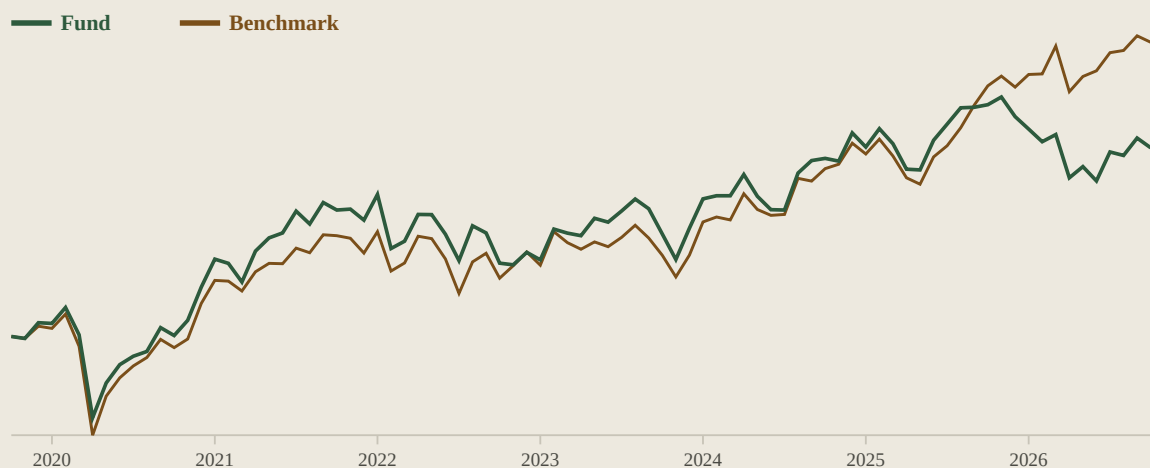
The full Shaw and Partners market review for the period is available here: [Resilience amid rising interest rates](#)

This quarter closed in Mahuru (September), the season when Papatūānuku (the earth mother) stirs after winter and new growth returns. It was also the month of **Te Wiki o te Reo Māori** (Māori Language Week), held from 14 to 20 September under the theme Ake, Ake, Ake: A Forever Language, with towns and communities across the motu (country) making te reo Māori seen, heard and used in everyday places.

A forever language is a fitting idea for investors. Te reo Māori was carried through generations when the pressure to let it go was great, by whānau (families) who understood that what is handed on matters more than what is held for a season. Its revival is the work of decades, built word by word in homes and kura (schools), long before the results could be seen.

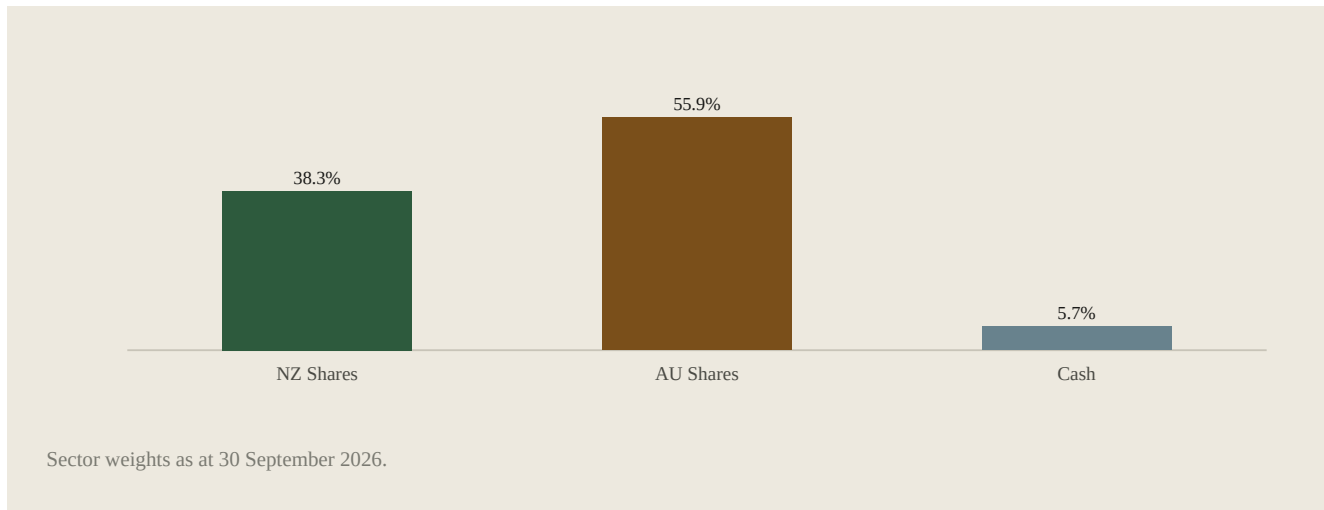
That is the horizon we invest to. Through whakapapa (genealogy, our lines of descent) we understand ourselves as one link between those who came before and those who follow, and we hold Papatūānuku and Ranginui (the sky father) as tūpuna (ancestors) to whom obligation is owed. A quarter in which oil producers led the market tests that horizon. Like the language, the companies worth holding are those that will still be standing, and still giving back, for the generations after ours.

III. TE ARA ROA · PERFORMANCE SINCE INCEPTION



Growth of \$100 invested at inception (8 Oketopa 2019), fund versus blended benchmark, to 30 September 2026. Source: TAHITO, from Clarity Funds Management returns and S&P/NZX and S&P/ASX index returns.

PORTFOLIO WEIGHTS



NGĀ ĀHUATANGA MOTUHAKE O TE TAHUA · KEY FEATURES

Positive ethical screening

Low carbon footprint

Holistic sustainability measures

High ESG quality

Active management

Experienced team

Environmental and social impact

Competitive fees

TOP 5 INVESTMENT HOLDINGS

HOLDING	SECTOR	T- SCORE	V- SCORE	MKT CAP \$NZBN	WEIGHT
Meridian Energy (MEL)	Utilities	5.8	5.0	14.5	8.0%
Spark New Zealand (SPK)	Communication Services	5.2	6.2	3.7	6.6%
Brambles (BXB)	Industrials	6.4	5.3	31.3	5.2%
Commonwealth Bank of Australia (CBA)	Financials	6.3	1.9	313.5	5.1%
Sims Limited (SGM)	Materials	5.5	4.6	5.7	5.0%

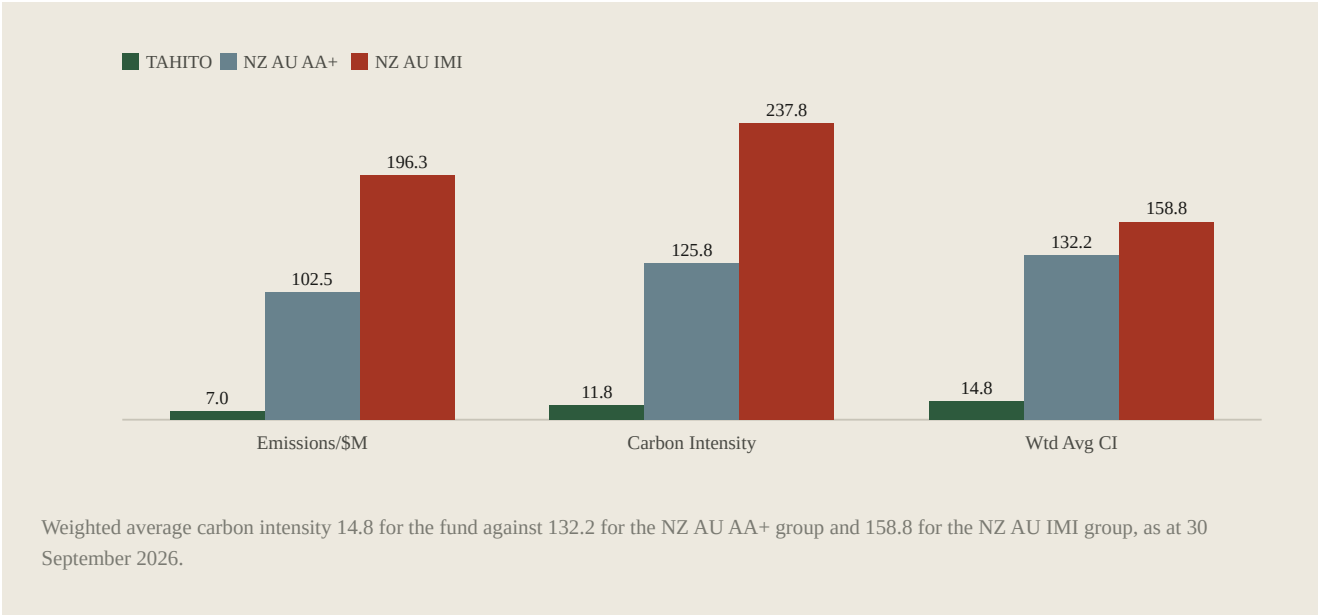
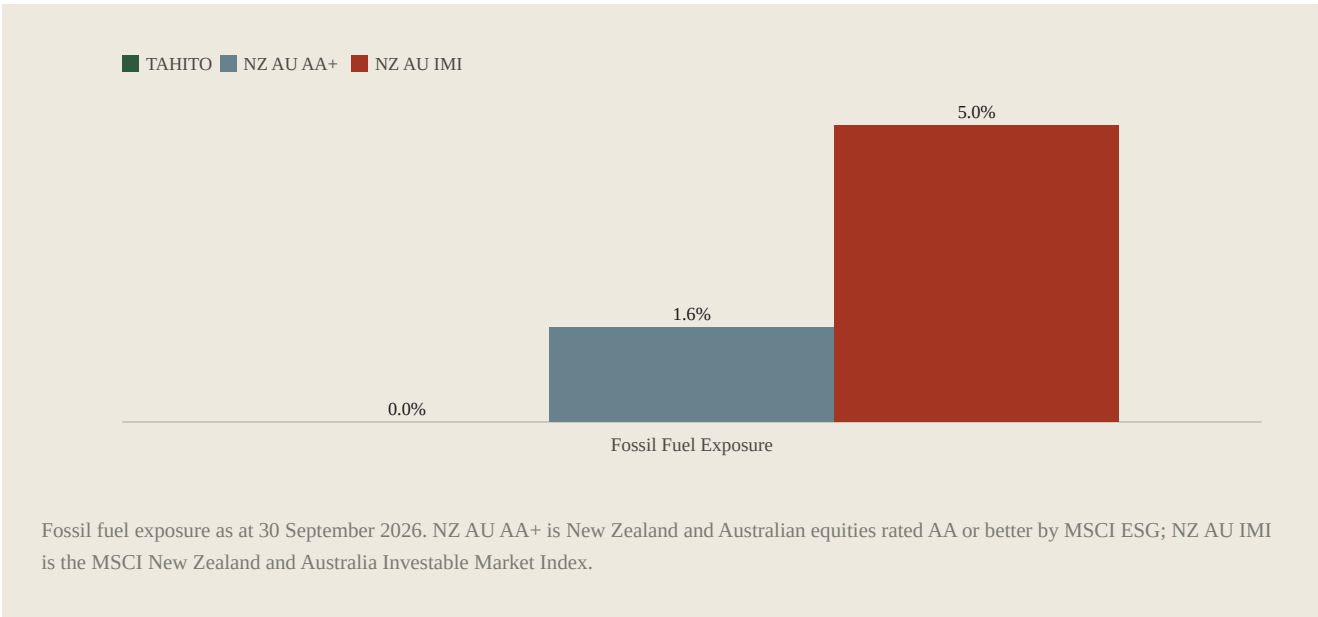
T-Score and V-Score are shown on a 1 to 10 scale.

TE WHAKAATURANGA TAHUA · FUND DESCRIPTION

Putting environment and people before profit: the TAHITO Ethical Sustainable Fund - Toitū me te Tika is a values-led ethical and sustainable Australasian equities fund for investors who want competitive market returns and equally want their capital applied to a high ethical standard, in investments making a positive social and environmental impact.

The fund provides holistic accountability on wellbeing using ethical and sustainable screens derived from Māori indigenous values. This thinking descends from the ancestral Māori worldview: a holistic socio-ecological system centred on the connection and interrelationship of all things, in which people and te taiao are kin within one whakapapa, not manager and resource. The selection process is Te Kōwhiringa Tapu, Careful Selection. It integrates ESG on a values basis and applies a positive scoring system measuring Aroha Connection: the stronger the aroha, the better the mauri. We measure behaviour change, the transition of companies from substantive, internally focused, self-absorbed behaviours toward relational, externally connected, collective behaviours. This requires ethically strong, committed governance with a clear drive toward long-term sustainability to enhance financial returns.

V. TE POHO O PAPATŪĀNUKU · CARBON AND FOSSIL FUELS



MEASURE	TAHITO	BENCHMARK	DIFFERENCE
Total Risk	16.5	17.2	-0.8
Estimated Tracking Error	6.3		
Beta	0.89	1.00	-0.11
Number of Stocks	29	250	-221
Active Share	73.3%		
Dividend Yield	4.2%	3.5%	0.8%
Earnings Yield	5.5%	5.1%	0.4%
High Quality	39.4%	35.1%	4.3%
ROE	8.1%	7.8%	0.3%

High Quality is the proportion of the portfolio invested in companies classified as high quality under a composite measure from UBS Quant Answers, which blends several underlying quality indicators into a single classification. It reads as a share of the portfolio, not a raw score. Estimated tracking error is a forward looking estimate, not a realised figure.

MSCI ESG · FUND METRICS DISTRIBUTION



During the quarter TAHITO submitted proxy votes for: Goodman New Zealand Limited, ALS Limited, Fisher & Paykel Healthcare Corporation Limited, Xero Limited, Suncorp Group Limited. No engagement letters were sent in the September quarter. The full voting record and rationale are set out in our Proxy Votes and Engagement report at www.tahito.co.nz.

Kiwi return to Rangatauanui after decades of iwi-led restoration. A young kiwi, thought to be seven to nine months old, has been seen at Lakes Reserve near Ohakune, the first kiwi known at Rangatauanui. Ngāti Rangi has led restoration of the area since 1995 and received 40 kiwi over a 14-month translocation with Sanctuary Mountain Maungatautari and Ngāti Koroki Kahukura. The iwi, the Department of Conservation and Save the Kiwi celebrated the sighting as a long-held aspiration realised: kin of Tāne Mahuta (atua of the forest) returned to the whenua (land) by the people who belong to it.

The northern Great Barrier Reef gained ground. The Australian Institute of Marine Science's annual survey, released on 11 August, found coral cover on the northern reef rose from 30.0% to 35.1%, with the central and southern reefs broadly steady. Late-summer monsoon cloud cooled the water and likely limited bleaching. Scientists caution that the gains are fragile, but the reef, part of the realm of Tangaroa (atua of the sea), is showing it can recover when given the chance.

Trains return to Drury and Paerātā after more than 50 years. Two new railway stations opened in South Auckland on 1 August, bringing passenger services back to both communities for the first time since 1972, with trains every 10 minutes at weekday peaks. It is a practical link between fast-growing communities and their work, schools and whānau.

Muaūpoko welcome recognised in Horowhenua. Horowhenua's Welcoming Communities programme, a partnership between Muaūpoko Tribal Authority, Horowhenua District Council, community groups and former refugee families from Colombia and Venezuela, received a Highly Commended award at the 2026 Taituarā Local Government Excellence Awards. It is manaakitanga (care and hospitality toward others) in practice: tangata whenua (people of the land) welcoming new arrivals to the place they now call home.

Suncorp Group Limited: Portfolio Company Profile

SUN · ASX · PROPERTY AND CASUALTY INSURANCE · TIER 3 CATALYST HOLDING

TE WHAKARĀPOPOTO: SUMMARY

Suncorp Group is a general insurer across Australia and Aotearoa New Zealand. In FY2026 it paid \$10.14 billion in claims, \$2 billion of it after 18 declared natural hazard events. Through Te Kōwhiringa Tapu, our sacred selection framework, we hold Suncorp as a **Tier 3 Catalyst Holding**.

The assessment found a well-governed company that stands with its customers at the worst moment, and then prices them at the next renewal. Its governance is clean and its ethics are enforced, including one decision given up at real cost. What decides the reading is the frame: Suncorp holds households as risks at an address, and its community return sits below one per cent of profit.

COMPANY DATA: TE UTU PĀNGA MEASURES

MEASURE (FY2026)	SUNCORP
Insurance revenue	\$15,247 million
Net profit after tax	\$1,027 million
Employees	11,512
Women on the board	4 of 11 directors
Women in the executive team	3 of 8
Indigenous directors or executives	None disclosed
Chief executive pay to median full-time wage	About 67 to 1
Gender pay gap (Suncorp measure)	14.4%
Community investment	\$9.58 million, 0.93% of profit
Scope 1 emissions	1,566 tCO ₂ e, up 21.8%
Scope 2 emissions	Zero market-based; 4,019 tCO ₂ e location-based
Financed emissions	326,678 tCO ₂ e, up 1.3%
Waste to landfill	161 tonnes; 46% diverted
Employee engagement	8.5 out of 10
MSCI ESG rating	AAA
T-Score (published 1 to 10 scale)	5.6
Utu Pānga (published 1 to 10 scale)	5.2

Pay ratio measured on statutory pay against the Australian median full-time wage of A\$90,532 (ABS, August 2025).

NGĀ WHANONGA PONO: THE NINE VALUES

Te Kōwhiringa Tapu reads every company against nine values, held with equal weight. Two stood out for Suncorp. The other seven are held by the way it frames its customers and the living world.

WHERE SUNCORP IS STRONGEST

Mahitahi, co-operation and ethics in practice. Suncorp's ethics are measured and enforced. Code of Conduct completion is 99.8%, 144 breaches were carried through to formal consequences, whistleblower reports are published by number, and MSCI records no controversies. Suncorp has also given something up for its principles. It will not underwrite or directly invest in companies above its coal, oil and gas thresholds, and it reports those exclusions

were met in FY2026: premium and return foregone. The one caution is that a new Climate Assessment Framework, in place from 1 July 2025, opens the way to invest in fossil fuel companies that pass a transition test.

Hūmārie, shared understanding. Suncorp is plain where plainness costs something. The chief executive's full-year pay is disclosed in full rather than spread across his period of leave, and the accounts record that Suncorp itself disclosed non-compliance matters to seven regulators. The next step is to publish what those matters produced: how many there were, what was put right, and how each was resolved.

WHERE THE FRAME HOLDS THE READING

Whanaungatanga, relationship. The customer relationship is real when disaster strikes: 120,000 natural hazard claims, and Mobile Hubs in 45 communities. Then the price is set on the expected loss at each risk address, and the home book moved toward lower-risk homes. Suncorp's own value diagram treats people, customers and community as inputs that add up to shareholder value. The taiao, the natural world and the relatives within it, appears as peril, scenario and opportunity, but never as a party Suncorp owes anything to.

Whakapapa, standing through relationships. In Australia, Suncorp delivered its third Reconciliation Action Plan in full and supports the Living Knowledge Network to revitalise traditional knowledge, including cultural burning. In Aotearoa, where Suncorp New Zealand wrote NZ\$2,756 million of premium, there is not yet a relationship with iwi or hapū (tribes and sub-tribes). From FY2027 Suncorp will report Māori as Indigenous to Aotearoa, an opening worth building on.

Whakarongo, listening to the whole. Suncorp hears from those affected: 165,000 people engaged in high-risk regions, community forums after storms, and advocacy that reached planning reform. Its climate sensing is among the best in the region, but it is pointed mainly at the cost of claims.

Whakatau, shared decision making. Governance is in good order: one vote per share, ten of eleven directors independent, and no holder above 8.14%. The Board chose to put the chief executive's long-term grant to shareholders when the rules did not require it, but said in advance that if shareholders voted it down an equivalent award would be paid in cash. The exchange was invited; the outcome was already settled.

Honotahi, sharing wealth. Some of the wealth reaches the people who create it. 9,424 employees each received \$725 of shares, 99.7% of Australian staff are on collective agreements, and 98% of small business invoices are paid within 30 days. Against that sit a 14.4% gender pay gap, no profit-sharing, and \$1.114 billion returned to shareholders through dividends and a buyback. Chief executive pay is about 67 times the median full-time wage, above the 30 to 1 level at which TAHITO votes against pay resolutions.

Utu, returning benefit. Community investment of \$9.58 million is 0.93% of profit, below one per cent on every basis. The direction is right: 42% of the community fund goes to natural hazard resilience, grants support 17 locally led rural recoveries, and State Emergency Service crews in three states are equipped. But the return does not yet match what is taken from the same places through address-level pricing.

Kawa, the long horizon. Some commitments run past the business cycle: the chief executive's award is tested over four years and releases to 2032, direct investment in oil and gas exploration ends by 2040, and a five-year reinsurance cover protects the natural hazard book. Against that, \$1.114 billion went to present shareholders in the year, more than reported profit, and a further buyback and special dividend were announced in a year when natural hazard costs ran \$254 million over allowance.

NGĀ ARONGA UTU PĀNGA: THE SIX IMPACT TARGETS

Te Pae o Ranginui: Horizon of Sky Father, zero carbon. Suncorp describes climate in its own words as a risk to its business, with more severe weather driving higher claims and reinsurance costs. Ranginui and Tāwhirimātea are tūpuna (ancestors), senior relatives to whom obligation is owed directly, not risks to be priced. Scope 1 emissions rose 21.8%. Market-based Scope 2 reached zero through purchased certificates and on-site solar, and financed emissions rose 1.3%. Suncorp targets net zero Scope 1 and 2 by the end of FY2030.

Te Poho o Papatūānuku: Breast of Earth Mother, zero waste. Suncorp's own office footprint is small, and landfill still rose to 161 tonnes while diversion fell to 46%. The larger flow is the repair and rebuilding behind more than 120,000 natural hazard claims, which is not measured for waste or reuse. Papatūānuku is tūpuna, not a resource base. Measuring what Suncorp's claims set in motion would be the first act of that obligation.

Te Mana Taurite: Equality. Gender is the strength: women hold 51.2% of senior leadership roles and four of eleven board seats. The gender pay gap is 14.4%. No director or executive is disclosed as indigenous. First Nations people are 2.4% of Suncorp's Australian workforce; in Aotearoa, Māori and Pasifika staff are counted together at 4.7%, with a Māori baseline of 11.6% named for FY2027.

Te Hapori Whānui: Wider community. TAHITO's aspiration is a community return of ten per cent of profit; Suncorp's is 0.93%. The return is directed where the weather lands, through resilience grants, rural recovery and Mobile Hubs. The same communities also carry the cost through premiums set at each risk address.

Te Ngākau Aroha: Compassionate heart. The hardest conditions of the year were the weather: \$2 billion of natural hazard claims and costs \$254 million over allowance. The harder decision was pricing through a cost-of-living squeeze, with growth weighted toward lower-risk homes. In

the same cycle executive incentives paid at 83% to 88% of target. Care was present; the decision resolved toward the financial result.

Mauri Ohoho: Awakening life force. This is Suncorp's strongest target. Engagement scores 8.5 out of 10, above the global top quarter for insurers. Staff turnover fell from 18.5% to 15.8%, the lost time injury rate fell to 1.0, there were no fatalities, and frontline claims teams are supported through a framework for cumulative trauma. The next step is to show an outcome that changed because staff were heard.

TE ARA WHAKAMUA: THE WAY FORWARD

Three priorities follow from the assessment, in the order it gives them:

- **Pricing and protection.** How Suncorp uses its address-level climate data to keep exposed households insured, not only priced.
- **Aotearoa.** A relationship with iwi, alongside the FY2027 change in how Suncorp counts Māori.
- **The community return.** A stated proportion of profit, broken down by cash, in-kind and time.

At Suncorp's annual meeting on 24 September 2026, TAHITO voted against the remuneration report and the chief executive's long-term grant, because chief executive pay sits above 30 times the median wage. We also voted against the re-election of Elmer Funke Kupper under our gender equity standard. We voted for the appointment of Ernst & Young as auditor and the election of Yen Saw as a director.

Ngā mihi nui.

Ko te pae tawhiti, whāia kia tata; ko te pae tata, whakamaua kia tina

Seek out the distant horizon and bring it near; hold fast to the horizon at hand: 'Pursue the long-term goal, and secure what is within reach'

TAHITO

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