TRUST INVESTMENTS
For Good Investment

The Outlook | Te Tirohanga

Performance Insights + Fund Updates

For the three months to 30 June 2026

A word from our Chief Investment Officer

The Outlook | Te Tirohanga

Matthew Goldsack

Chief Investment Officer

"Ki a koe tēnā kīwai o te kete, ki a au tēnei kīwai"

You take that handle and I will take this handle of the basket.

Tēnā koutou and welcome to this edition of The Outlook, our quarterly update on markets, the Trust Management PIE Funds, what lies ahead, and how we are continuing to put ethical investing into action.

Looking back at the quarter

The three months to 30 June 2026 were a reminder that markets can feel unsettled even when returns are positive. While investors had to navigate geopolitics, inflation, interest rates, currencies and corporate earnings, the broader lesson was a familiar one: short-term headlines can be uncomfortable, but they should not distract boards and investment committees from a disciplined long-term approach.

Our focus - diversification, quality assets and good governance

For us, periods like this reinforce the basics: diversified portfolios, quality assets, disciplined manager selection and strong investment governance. Diversification is not always exciting, but it remains one of the most reliable ways to build resilience.

We also support boards and investment committees with market context, investment fundamentals and governance disciplines. If your board would value a refresher, a discussion on current conditions, or support thinking through portfolio settings, we would be very happy to help.

Ethical investing themes to watch

In this edition we also include an article on some of the themes and trends shaping ethical and responsible investing. A number of areas continue to mature quickly.

Ngā mihi

Finally, a reminder of who we are and why we do this work.

We operate as a charitable trust, staffed by some very capable and experienced markets professionals. We are grateful for the continued support of our clients, and for the trust you place in us to manage capital in a way that is ethical, disciplined and focused on long-term outcomes.

If you know another trust, foundation, iwi, church or charitable organisation that may benefit from our approach, we would welcome you spreading the word.

And as always, if you would like to discuss your portfolio, markets, ethical investing or investment governance, please feel free to book time with me or reach out to our team – we are always happy to kōrero.

Nāku iti nei, nā

Matthew

Matthew Goldsack
Chief Investment Officer

The ESG themes shaping responsible investing in 2026

The Outlook | Te Tirohanga

The Responsible Investment Association Australasia (RIAA) conference provided a snapshot of where responsible investing is heading in Australia and New Zealand.

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TRUST MANAGEMENT
Standing with you for Good

This year's conference held in Melbourne in May, showed that several emerging trends are now firmly in the mainstream. Here are five themes that stood out and what they may mean for long-term investors.

Nature is moving centre stage

Alongside climate change, investors are paying much more attention to nature and biodiversity. Issues such as water security, deforestation and ecosystem health are increasingly recognised as factors that can affect investment outcomes. The message was clear: climate and nature are closely connected and need to be considered together.

Share of global GDP moderately or highly dependent on nature

Source: World Economic Forum

Greater focus on stewardship

There was strong discussion about the role investors can play in influencing company behaviour through engagement and voting. Rather than simply avoiding higher-emitting companies, investors are increasingly looking at how they can encourage real-world change and support better long-term outcomes.

Higher expectations around sustainability claims

Regulators and industry bodies are raising the bar on what can be described as "ethical" or "sustainable". Greater transparency and stronger disclosure requirements are helping investors better understand how products align with their values and reducing the risk of greenwashing.

AI enters the responsible investing conversation

Artificial intelligence was a major topic for the first time. While AI can help investors analyse large amounts of information more efficiently, speakers also stressed the importance of good governance, oversight and human judgement.

More attention on people and communities

Human rights, modern slavery and Indigenous rights featured prominently. These issues are increasingly being viewed not only as ethical concerns but also as important long-term risks that investors need to understand and manage.

What this means for investors

The common theme across the conference was that responsible investing is becoming more rigorous, measurable and evidence-based. For investors and trustees, that is a positive development, helping ensure that ethical investment approaches are both meaningful and accountable.

For further information, please see our website

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ESG Balanced Fund

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The Balanced Fund gained +5.0% for the three months to 30 June 2026, with the 12 month return also strong at +8.5%.

The Trust Management ESG Balanced Fund ("Balanced Fund") invests in five single asset class funds. It has a medium level of risk and spreads its investments across bonds (30%), shares (38%), and property (32%). The Fund focuses on providing steady income while managing risk.

The Balanced Fund gained 5.0% (gross of fees) for the three months to 30 June 2026. The positive result reflected gains across all major asset categories, with global and Australasian shares rebounding, bonds benefiting from lower yields, and directly held commercial property delivering solid income-led returns.

The Fund's 12-month return was also strong at +8.5% (gross of fees), highlighting the benefit of diversification through changing market conditions.

Market conditions improved over the June quarter as investor confidence recovered, energy prices eased and corporate earnings remained resilient. International shares were the strongest contributor, while New Zealand shares also benefited from lower long-term bond yields and signs of improving domestic economic momentum.

Bonds contributed positively to performance as inflation concerns eased and yields fell towards the end of the quarter. The Balanced Fund's commercial property exposure also supported returns; the underlying fund benefiting from stable income emanating from high occupancy, rental growth and improving demand for quality industrial and large format retail assets.

Overall, the Fund's diversified structure supported performance during a very volatile period for asset markets while continuing to provide balance through exposure to income-generating property and high-quality fixed interest. Our focus remains on maintaining a disciplined, ethically aligned and diversified portfolio designed to provide resilience, sustainable income and long-term growth through different market environments.

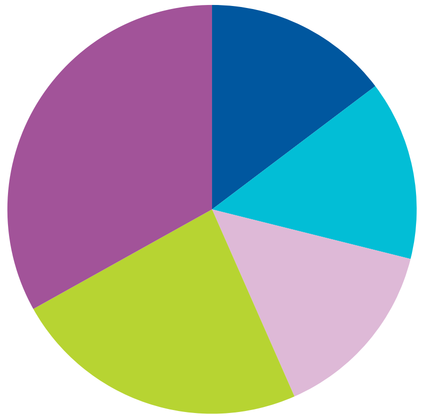
Performance to 30 June 2026

	Balanced Fund
3 months	5.0%
1 year	8.5%
3 years pa	7.5%
5 years pa	4.2%
10 years pa	7.0%
Inception pa	7.2%

Returns are before fees, expenses and tax, and annualised for periods longer than one year. Inception date: 01 June 2006. Refer to notes on Page 10.

There is no representative market Benchmark Index for the Trust Management ESG Balanced Fund (refer to Notes on Page 10). The Fund is managed by the internal team at Trust Management.

Asset Allocation
As at 30 June 2026



- New Zealand Bonds - 14.7%
- International Bonds - 14.2%
- Australasian Shares - 14.5%
- International Shares - 23.5%
- Property - 33.1%
- Cash - 0.1%

Please refer to Notes on Page 10.

Property Fund

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Buyers are returning to the market, but remain focused on quality assets, resilient income streams, and realistic pricing.

The New Zealand commercial property market continued to stabilise through the second quarter. Conditions improved gradually, although confidence remains mixed. Tenant demand remained steady, supporting high occupancy levels and reliable rental income across most sectors.

Industrial property and large format retail continued to lead the market, supported by strong tenant demand, limited new supply, and resilient occupier profiles. Office demand remained more selective, with businesses continuing to favour higher-quality buildings, while retail conditions showed early signs of improvement, albeit with outcomes varying by location and asset type.

Recent trends point to gradually improving sentiment and transaction activity, particularly toward quarter end as interest rate pressures eased. Buyers are returning to the market, but remain focused on quality assets, resilient income streams, and realistic pricing.

Looking ahead, conditions are expected to continue improving gradually, with transaction activity likely to build as confidence returns. Rental growth is expected to remain more measured in the near term, reflecting the uneven pace of the broader economic recovery.

The Trust Management Property Fund ("Property Fund") generated a strong quarterly return, up 2.2% for the three months to June 2026 (gross of fees), and 8.7% for the year.

The Property Fund remains well positioned, with a diversified portfolio of 18 assets focused on high-quality industrial and large format retail properties, while retaining flexibility to pursue future growth opportunities. As at 30 June 2026, the portfolio's contract income yield was 5.6%, the market income yield was 6.5%, and the Weighted Average Lease Term (WALT) was 4.9 years.

Performance to 30 June 2026

	Property Fund
3 months	2.2%
1 year	8.7%
3 years pa	4.0%
5 years pa	3.6%
10 years pa	6.9%
Inception pa	8.6%

Returns are before fees, expenses and tax and annualised for periods longer than one year. Inception date: 08 January 2001. Refer to notes on page 10.

There is no representative market Benchmark Index for the Trust Management Property Fund (refer to Notes on Page 10). The Fund is actively managed by the internal team at Trust Management.

Sector Allocation
As at 30 June 2026

- Large format retail - 35.6%
- Industrial - 51.6%
- Office 3.2%
- Specialty retail - 9.6%

Please refer to Notes on Page 10.

ESG Australasian Share Fund

The Outlook | Te Tirohanga

Business confidence improved in May, with firms becoming more optimistic about both the broader economic outlook

New Zealand shares, as measured by the S&P/NZX 50 Portfolio Index, gained +5.2% for the three months to months to 30 June 2026. The Trust Management ESG Australasian Share Fund ("Australasian Share Fund") performed similarly to the market benchmark index for the quarterly period, gaining +4.9% (gross of fees).

Business confidence improved in May, with firms becoming more optimistic about both the broader economic outlook and their own businesses, while continuing to scale back pricing intentions. Easing geopolitical tensions in the Middle East also supported market sentiment for local shares.

Domestic shares rebounded strongly following the March quarter sell-off.Within the local market, Infratil and Vista Group were among the strongest performers, rising +32.5% and +39.1%, respectively, with share performance supported by continued demand for AI-related infrastructure and digital technology, and improving sentiment towards growth software companies and stronger earnings expectations.

A review of the strategy of the Australasian Share Fund was undertaken during the quarter. As a result of this review, we are pleased to advise that we have appointed Devon Funds Management (Devon) as the new investment manager of the ESG Australasian Share Fund, effective 7 July 2026.

Led by Chief Investment Officer Mark Brown, Devon's experienced team applies a disciplined bottom-up approach to identify quality businesses trading below intrinsic value. Devon brings a strong long-term performance track record for managing this asset class, organisational stability, and an integrated approach to ESG research, stewardship, and engagement.

Following a comprehensive review and due diligence process, we are confident Devon is well positioned to support the Fund's long-term objectives and deliver sustainable outcomes for Trust Investment clients.

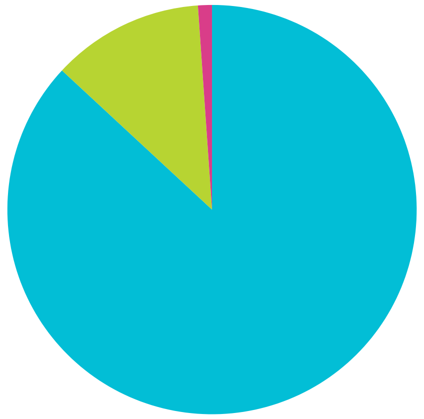
Performance to 30 June 2026

	Australasian Share Fund	Benchmark
3 months	4.9%	5.2%
1 year	-3.0%	7.4%
3 years pa	2.0%	3.7%
5 years pa	-0.6%	0.9%
10 years pa	8.2%	7.1%
Inception pa	9.7%	7.7%

Returns are before fees, expenses and tax and annualised for periods longer than one year. Inception date: 01 December 2002. Refer to Notes on Page 10.

The Fund is currently actively managed by Devonr Funds Management. The Fund's benchmark is the S&P/NZX 50 Portfolio Index.

Regional Allocation
As at 30 June 2026



- New Zealand shares - 86.9%
- Australian shares - 12.0%
- Cash - 1.1%

Please refer to Notes on Page 10.

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ESG International Share Fund

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The latest US company earnings reporting season remained resilient, with S&P 500 companies delivering aggregate earnings growth well above expectations.

Global equities, as measured by the MSCI World Index (local currency), gained +14.1%, and +15% in unhedged NZD terms for the three months to 30 June 2026, recording the strongest quarterly return since March 2024. Investor sentiment rebounded from the previous quarter, supported by easing geopolitical tensions and solid corporate earnings.

The latest US company earnings reporting season remained resilient, with S&P 500 companies delivering aggregate earnings growth well above expectations. Consumer Discretionary, Energy and Communication Services recorded the strongest earnings surprises, underpinning investor confidence in corporate fundamentals and looking through the ongoing macroeconomic uncertainties.

Across the major regions, Japanese equities led global markets, returning +37.2% as technology and semiconductor stocks benefited from continued AI enthusiasm.

US and European equities also delivered strong returns, gaining +14.9% and +13.6%, respectively, while UK equities lagged, gaining a modest +3.2%. The NZD depreciated 1.2% against the US dollar over the quarter, providing an additional tailwind to returns for unhedged investors.

The Trust Management ESG International Share Fund ("International Share Fund") is 50% hedged to the New Zealand dollar and is invested via an index-tracking strategy managed by State Street Investment Management. The Fund seeks to track the MSCI World ex-Australia Index, subject to defined sustainability and climate-related objectives.

Relative to the benchmark index, the International Share Fund modestly underperformed over the quarter, primarily reflecting differences in portfolio holdings and sector allocations.

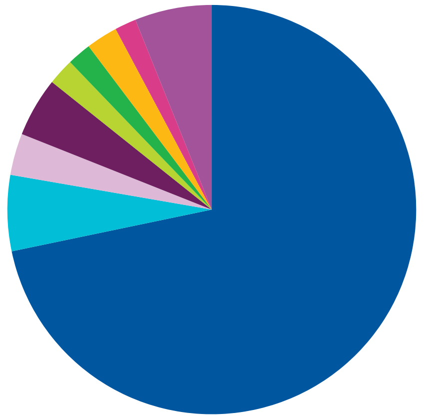
Performance to 30 June 2026

	International Share Fund	Benchmark
3 months	13.6%	13.9%
1 year	23.2%	25.6%
3 years pa	19.8%	20.7%
5 years pa	13.0%	14.0%
10 years pa	14.5%	14.9%
Inception pa	9.8%	10.3%

Returns are before fees, expenses and tax and annualised for periods longer than one year. Inception date: 01 December 2005. Refer to Notes on Page 10.

The Fund currently invests in the State Street Climate ESG International Equity Fund, an Australian domiciled unit trust managed by State Street Investment Management. The Fund's benchmark index is the MSCI World ex Australia Index (50% hedged to NZD). The Fund follows an index investment style. Performance can deviate from the index due to the Fund's ethical investing criteria and currency hedging costs.

Regional Allocation
As at 30 June 2026



United States - 71.8%
Japan - 6.0%
France - 3.3%
Canada - 4.7%
Germany - 2.1%
United Kingdom- 1.9%
Switzerland - 2.5%
Netherlands - 1.7%
Other - 6.1%

Please refer to Notes on Page 10.

ESG NZ Bond Fund

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The Fund remains focused on high quality issuers and is positioned to benefit if longer-dated bond yields fall.

New Zealand bonds returned +2.8% for the June 2026 quarter as easing inflation expectations resulted in a fall in long dated government bond yields.

Official Cash Rate (OCR) hike expectations moderated as oil prices retreated following the reopening of the Strait of Hormuz to commercial shipping alongside an easing in geopolitical tensions. By quarter end, the market was pricing two OCR hikes by year end, down from the expectation of 3-4 hikes that markets had been anticipating back in April/May.

Although oil prices have retraced much of their conflict-driven increase, uncertainty remains as a permanent agreement between the US and Iran has yet to be reached. While lower oil prices have reduced near-term inflation pressures, damage to regional energy infrastructure and ongoing geopolitical risks suggest oil prices are unlikely to return to pre-conflict levels in the near term.

The Trust Management ESG NZ Bond Fund ("NZ Bond Fund") outperformed the market benchmark return over the quarter, reflecting underlying manager, Amova Asset Management, maintaining a longer duration bias relative to the market. The manager's view is that longer-dated, high-quality bonds continue to offer attractive yields, with investors being well compensated for interest rate (duration) and maturity (term) risk. The Fund remains focused on maintaining exposure to high-quality issuers while positioning to benefit should longer-dated bond yields fall.

As at 30 June 2026, approximately 33% of the Fund was invested in fixed interest securities with an Environmental, Social or Governance (ESG) objective, consistent with the Fund's mandate and long-term responsible investment objectives.

Performance to 30 June 2026

	NZ Bond Fund	Benchmark
3 months	3.5%	2.8%
1 year	6.1%	5.2%
3 years pa	6.8%	5.8%
5 years pa	2.5%	1.7%
10 years pa	3.0%	2.4%
Inception pa	4.8%	4.4%

Returns are before fees, expenses and tax, and annualised for periods longer than one year. Inception date: 09 September 2005. Refer to Notes in Page 10.

The Fund is currently actively managed by Amova Asset Management. The Fund's benchmark index is the Bloomberg NZBond Composite 0+ Index.

Sector Allocation
As at 30 June 2026

- Registered Banks - 16.1%
- Corporates - 30.1%
- Local Authorities - 10.4%
- NZ Government - 39.4%
- Supranationals & Sovereigns - 3.4%

Please refer to Notes on Page 10.

ESG International Bond Fund

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The Fund delivered a result broadly in line with global bond markets over the June quarter.

Global fixed income markets recovered from the March quarter sell-off as geopolitical tensions eased and investor sentiment improved. Corporate bonds outperformed government bonds, underpinned by resilient corporate earnings and some credit spread tightening. The Bloomberg Global Aggregate Bond Index (NZD hedged) returned +1.0% for the June 2026 quarter.

Global bond markets were shaped by diverging central bank activity over the quarter, as policymakers balanced still-elevated inflation, resilient labour markets and softer growth signals. While some central banks remained cautious about cutting rates, others moved closer to easing as inflation pressures moderated. This changing policy outlook helped support bond returns, particularly in markets where yields fell, although volatility remained as investors reassessed the timing and scale of future rate cuts.

The Trust Management ESG International Bond Fund ("International Bond Fund"), managed by Nuveen, delivered a result broadly in line with global bond markets over the June quarter. The Fund's emphasis on credit quality and diversification helped performance during a volatile period.

The International Bond Fund continues to invest across global fixed income markets with a strong sustainability lens, targeting issuers that demonstrate environmental, social and governance leadership or provide measurable social and environmental impact.

As at May, over 47% of the portfolio was allocated to securities qualifying under Nuveen's direct and measurable impact framework, including exposure to renewable energy, affordable housing and community development.

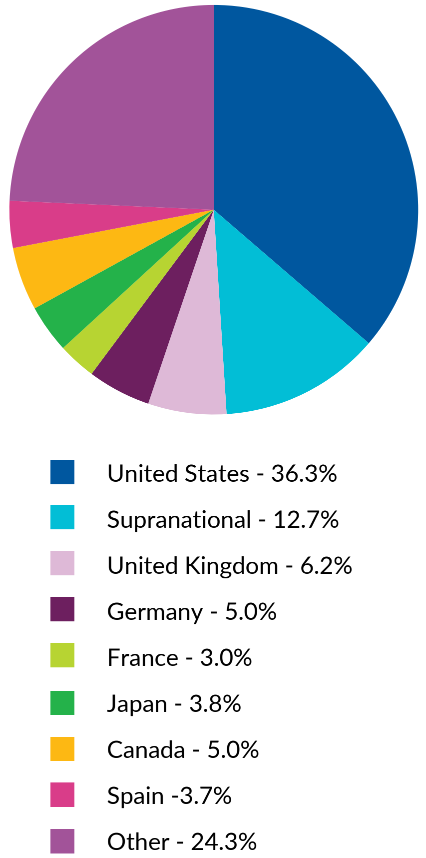
Performance to 30 June 2026

	International Bond Fund	Benchmark
3 months	1.1%	1.0%
1 year	2.5%	1.7%
3 years pa	3.8%	3.6%
5 years pa	0.2%	0.2%
10 years pa	1.4%	1.6%
Inception pa	4.4%	4.7%

Returns are before fees, expenses and tax, and annualised for periods longer than one year. Inception date: 08 September 2005. Refer to Notes on page 10.

The Fund is actively managed by Nuveen via the Nuveen Global Sustainable Bond Fund. The Fund's benchmark is the Bloomberg Global Aggregate (NZD Hedged) Index.

Regional Allocation
As at 31 May 2026



Please refer to Notes on Page 10.

Notes

- As the Funds have only been operating since 1 April 2020, the returns shown have been calculated using the returns for the Trust Investments Group Investment Funds for the period from the relevant inception date to 31 March 2020, and the Trust Management PIE Funds Scheme from 1 April 2020 to the date of this report. On 1 April 2020 the Trust Management PIE Funds Scheme acquired all of the assets of the Trust Investments Group Investment Funds under a scheme restructure. Past performance is not indicative of future performance and is not guaranteed by FundRock NZ Limited, Trust Investments Management Limited, the Supervisor, or the underlying Investment Managers. Returns are gross of total annual fund charges and before the deduction of any PIE tax. Returns are annualised for periods longer than one year.

- **Benchmark return for the ESG Balanced Fund and the Property Fund.**

  For the purposes of the disclosure requirements of the Financial Markets Conduct Act 2013, it has been determined that there is no appropriate market index or suitable peer group index for the Property Fund that reflects the assets of the Fund that would be helpful to investors for assessing movements in the market in relation to the returns of the Fund. Accordingly, the Manager is relying on the exemption in the Financial Markets Conduct (Market Index) Exemption Notice 2024 in relation to the Property Fund.

  For the Balanced Fund, it has been determined that, even though the Balanced Fund invests in Funds (other than the Property Fund) with assets that have an appropriate market index, due to the size of the Balanced Fund's target allocation to and holding in the Property Fund (for which there is no appropriate market index), there is no appropriate market index or suitable peer group index for the Balanced Fund that would be helpful to investors for assessing movements in the market in relation to the returns of the Fund. Accordingly, the Manager is relying on the exemption in the Financial Markets Conduct (Market Index) Exemption Notice 2024 in relation to the Balanced Fund.

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