

General Market Commentary

May continued the pattern set in April as geopolitical uncertainty in the Middle East remained a dominant theme. Equity markets largely ignored the geopolitical noise, instead focusing on strong earnings and the ongoing AI boom, with technology leading global gains. Volatility remained surprisingly contained despite elevated geopolitical risk.

Interest rate markets remained on a knife edge as investors attempted to digest the future direction of monetary policy. Inflation expectations remained elevated while economic growth forecasts softened, keeping central banks cautious and several positioned for rate hikes. Mid-month saw a sharp surge in global bond yields, and although yields eased toward month-end, the episode highlighted how sensitive markets remain to fiscal signals and inflation dynamics.

Gold prices have stagnated around USD \$4,500 an ounce despite the uncertain environment. Oil prices remained elevated but ended below the key USD \$100 a barrel level as hopes grew for a ceasefire and a reopening of the Strait of Hormuz.

In the US, a new Federal Reserve governor stepped in at a pivotal moment. Both the Personal Consumption Expenditures Index (the Fed's preferred inflation gauge) and the Consumer Price Index printed above target at 3.8%. Against this backdrop, consumer sentiment moved lower. The cost of the ongoing conflict continues to weigh on the US fiscal position, with investors increasingly focused on rising government debt levels.

In the UK, local elections saw Labour (led by Keir Starmer) experience significant losses, increasing political uncertainty and pressure on Starmer's leadership. Economic data was mixed, with inflation easing to 2.8% while growth surprised to the upside. Energy vulnerabilities remained a key headwind to the outlook.

Back here at home in New Zealand two announcements late in the month of May were the focus of people's attention. Firstly, the Reserve Bank of New Zealand's (RBNZ) Monetary Policy Statement resulted in the OCR being held at 2.25% but delivered hawkish commentary following a split vote. Secondly the Budget showed spending restraint in an election year, with a focus on rebuilding fiscal buffers after several years of elevated deficits. New Zealand's return to surplus is now forecast a year earlier, though this remains contingent on lower energy prices and a stabilisation in global demand. Export performance and tourism flows will be key to achieving this fiscal trajectory.

Equity markets showed resilience to advance in the face of elevated yields and geopolitical risk. The US S&P 500 rose 5.2%, while the NASDAQ gained 8.4%. The NZX 50 followed with a 2.6% rise, and the UK FTSE 100 returned 0.3%.

Australia's ASX 200 also moved higher, up 0.8%, as investors looked through another early month rate hike from the Reserve Bank of Australia. Inflation remains above 4% and continues to challenge policymakers, yet steady labour market conditions and resilient corporate earnings helped underpin equity performance.

GBP and AUD / NZD exchange rate change from 30 April 2026 to 31 May 2026:

1 Month to 31/05/2026			
	30/04/2026	31/05/2026	% change over month
GBP / NZD	\$2.30	\$2.25	-2.3%
AUD / NZD	\$1.22	\$1.20	-1.6%

GBP and AUD / NZD exchange rate change from 31 May 2025 to 31 May 2026:

1 Year to 31/05/2026			
	31/05/2025	31/05/2026	% change over year
GBP / NZD	\$2.26	\$2.25	-0.4%
AUD / NZD	\$1.08	\$1.20	11.2%

The exchange rates are sourced from Reuters (<https://www.reuters.com/markets/currencies/>)

Lifetime Asset Management Limited

Level 5, 139 The Terrace, Wellington 6011, New Zealand
 PO Box 10760, Wellington 6140, New Zealand
 T: +64 (0) 4 472 7902
 E: super@garrisonbridge.co.nz

About Garrison Bridge

Garrison Bridge Superannuation Scheme ('Scheme', 'Garrison Bridge') is a New Zealand Superannuation Scheme, regulated by the Financial Markets Authority and offered in Australia under the Mutual Recognition Scheme. The Scheme is a managed superannuation scheme that offers eight investment options in NZD, AUD & GBP and has QROPS registration for foreign superannuation transfers.

Garrison Bridge is managed by Lifetime Asset Management Limited.

Ralph Stewart – Managing Director, Lifetime Asset Management Limited



Ralph Stewart was CEO of AXA Insurance New Zealand for 9 years and more recently the CEO of ACC. He has thirty years of experience in New Zealand's financial services sector, including 8 years as General Manager of Marketing & Strategy at TOWER Insurance. Ralph holds a Masters in Business Administration from Manchester University in England.

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Fund Summary

For the month ending 31 May 2026

NZD Growth Fund

Description of this Fund

New Zealand Dollar denominated fund employing an active asset allocation strategy and a passive investment management strategy invested 16% in income assets (New Zealand and international fixed interest), with 84% exposure to growth assets (Australasian and international equities). Seeks to track composite indices (before annual fund charge and tax), comprising: 8% Bloomberg NZ Bond Govt 0+ Yr Index; 8% Bloomberg Global Aggregate Index, 100% hedged to NZD; 30% Morningstar New Zealand (total return) Index, including imputation credits; and 54% MSCI World ex Australia, Screened Index, 50% hedged to NZD.

Risk indicator for the NZD Growth Fund

← Potentially lower returns

Potentially higher returns →



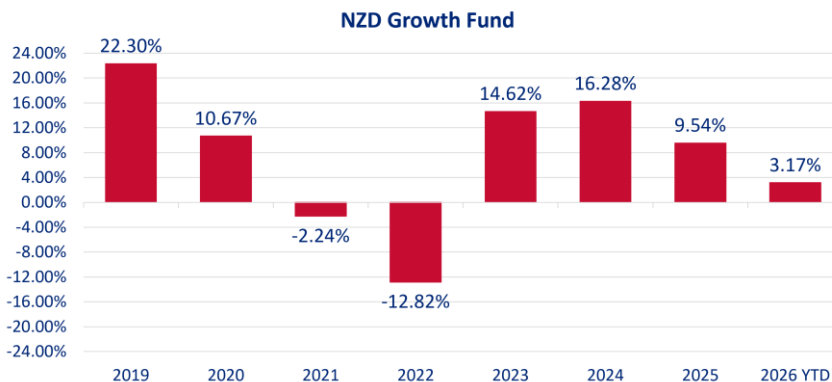
← Lower risk

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. For further information on how the risk indicator is calculated, please see the Passively Managed Fund Options Product Disclosure Statement.

Investment performance

The chart below shows the fund return after fund charges and tax (at 28%) for each full calendar year the fund has been in existence. The last bar shows the performance of the current calendar year to date (1 January 2026 to 31 May 2026).



See the below performance figures for the NZD Growth Fund as at 31 May 2026. The returns are after fees and after taxes:

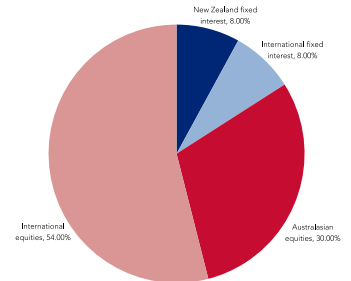
PIR Tax Rate	Month	Quarter	12-months	3-year	5-year	Inception
28%	3.51%	3.10%	14.83%	11.12%	6.54%	7.75%
0%	3.67%	3.25%	15.82%	12.14%	7.32%	8.47%

Returns for periods longer than one year are annualised

Lifetime Asset Management Limited

Level 5, 139 The Terrace, Wellington 6011, New Zealand
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T: +64 (0) 4 472 7902
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Target asset allocation



Underlying Fund Managers

Simplicity NZ Limited is a leading investment manager located in NZ, with over NZ\$9 billion under management.

Smartshares Limited is New Zealand's only issuer of ETFs listed on the NZX Main Board, with over NZ\$15 billion of funds under management.

Key facts

Inception date:
24 December 2018

Underlying Investment Managers:
Simplicity NZ Limited and Smartshares Limited.

Supervisor:
Public Trust

Fund type:
Multi-rate Portfolio Investment Entity

Licensed Manager:
Lifetime Asset Management Limited

Estimated annual fund charge: 1.09%

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Fund Summary

For the month ending 31 May 2026

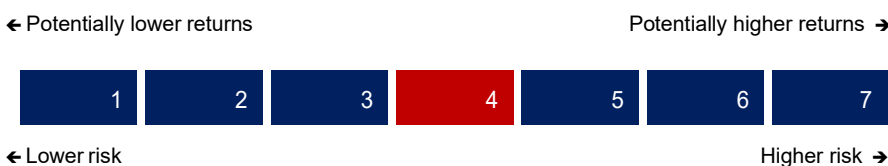
AUD Balanced Fund



Description of this Fund

Australian Dollar denominated fund employing an active asset allocation strategy and a passive investment management strategy invested 40% in income assets (international fixed interest), with 60% exposure to growth assets (Australasian and international equities). Seeks to track composite indices (before annual fund charge and tax), comprising: 20% Bloomberg Aus Bond Credit 0+ Yr Index; 20% Bloomberg Global Treasury Scaled Index, 100% hedged to AUD; 20% FTSE Australia 300 Choice Index; and 40% MSCI World ex Australia Custom ESG Leaders Index, 100% hedged to AUD.

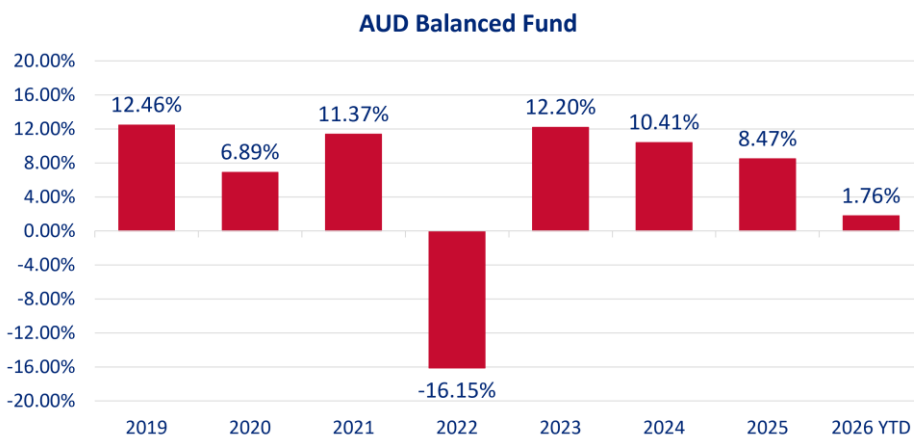
Risk indicator for the AUD Balanced Fund



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. For further information on how the risk indicator is calculated, please see the Passively Managed Fund Options Product Disclosure Statement.

Investment performance

The chart below shows the fund return after fund charges and tax (at 28%) for each full calendar year the fund has been in existence. The last bar shows the performance of the current calendar year to date (1 January 2026 to 31 May 2026).



See the below performance figures for the AUD Balanced Fund as at 31 May 2026. The returns are after fees and after taxes:

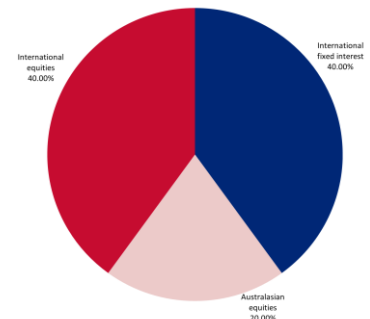
PIR Tax Rate	Month	Quarter	12-months	3-year	5-year	Inception
28%	2.36%	0.53%	8.12%	8.99%	3.96%	5.93%
0%	2.45%	0.81%	9.33%	10.20%	5.10%	7.09%

Returns for periods longer than one year are annualised

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Target asset allocation



Underlying Fund Managers

Vanguard Investments Australia Limited.

The Vanguard Group, Inc is the world's second largest investment manager with over US\$10 trillion under management.

BlackRock Investment Management (Australia) Limited. BlackRock, Inc is the world's largest global investment manager with over US\$12 trillion in assets under management.

Key facts

Inception date:
24 December 2018

Underlying Investment Managers:
Vanguard Investments Australia Limited,
BlackRock Investment Management (Australia) Limited

Supervisor:
Public Trust

Fund type:
Multi-rate Portfolio Investment Entity

Licensed Manager:
Lifetime Asset Management Limited

Estimated annual fund charge: 1.19%

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Fund Summary

For the month ending 31 May 2026

NZD Cash Fund



Description of this Fund

New Zealand Dollar denominated fund invested 100% in income assets (cash and cash equivalents). The Fund is expected to experience low volatility. The fund seeks to track the S&P/NZX Bank Bills 90-Day Index (before annual fund charge and tax).

Risk indicator for the NZD Cash Fund

← Potentially lower returns

Potentially higher returns →



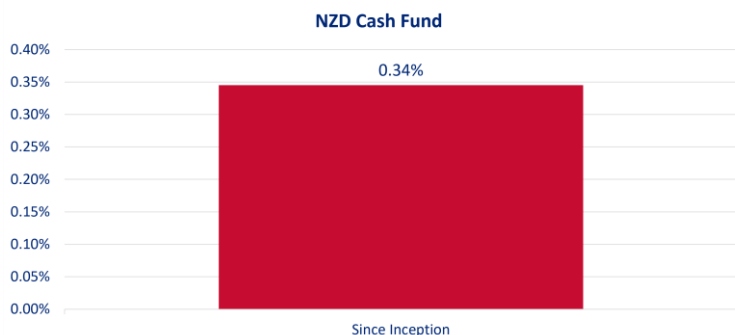
← Lower risk

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. For further information on how the risk indicator is calculated, please see the Passively Managed Fund Options Product Disclosure Statement.

Investment performance

The chart below shows the fund return after fund charges and tax (at 28%) since inception (9 February 2026 to 31 May 2026).



See the below performance figures for the NZD Cash Fund as at 31 May 2026. The returns are after fees and after taxes:

PIR Tax Rate	Month	Quarter	12-months	3-year	5-year	Inception
28%	0.09%	0.29%	-	-	-	0.34%
0%	0.13%	0.40%	-	-	-	0.48%

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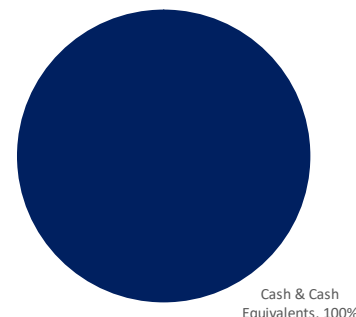
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PO Box 10760, Wellington 6140, New Zealand

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E: super@garrisonbridge.co.nz

Target asset allocation



Key facts

Inception date:
9 February 2026

Underlying Investment:
Cash at Bank

Supervisor:
Public Trust

Fund type:
Multi-rate Portfolio Investment Entity

Licensed Manager:
Lifetime Asset Management Limited

Estimated annual fund charge: 0.73%

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