

## CLARITY GLOBAL SHARES FUND

### What is the purpose of this update?

This document tells you how the Clarity Global Shares 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 achieve returns over the long term by investing in a portfolio of well-diversified global securities listed on sharemarkets around the world. These assets may include listed equities, exchange traded funds and cash.

Total value of the fund	\$ 37,689,754.57
The date the fund started	3 April 2017

### What are the risks of investing?

Risk indicator for the Clarity Global Shares Fund<sup>1</sup>:

Lower expected returns Higher expected returns



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](http://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 2017. 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?

	Past year
Annual return (after deductions for charges and tax)	Not applicable
Annual return (after deductions for charges but before tax)	Not applicable
Market index annual return (reflects no deductions for charges and tax)	16.73%

The market index annual return reflects the return for the MSCI All Country World ex-Tobacco Index (net dividends reinvested), measured in NZ dollars, 50% hedged to NZ dollars benchmark index. Additional information about the market index is available on the offer register at [www.business.govt.nz/disclose](http://www.business.govt.nz/disclose).

## What fees are investors charged?

Investors in the Clarity Global Shares Fund are charged fund charges.

	% of net asset value
<b>Estimated Total Fund Charges<sup>2</sup></b>	<b>1.00%</b>
Comprising management and administration charges which are made up of:	
Manager's basic fee	0.65%
Other management and administration charges	0.35%

There are no performance fees charged in relation to the Clarity Global Shares Fund.

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<sup>3</sup>

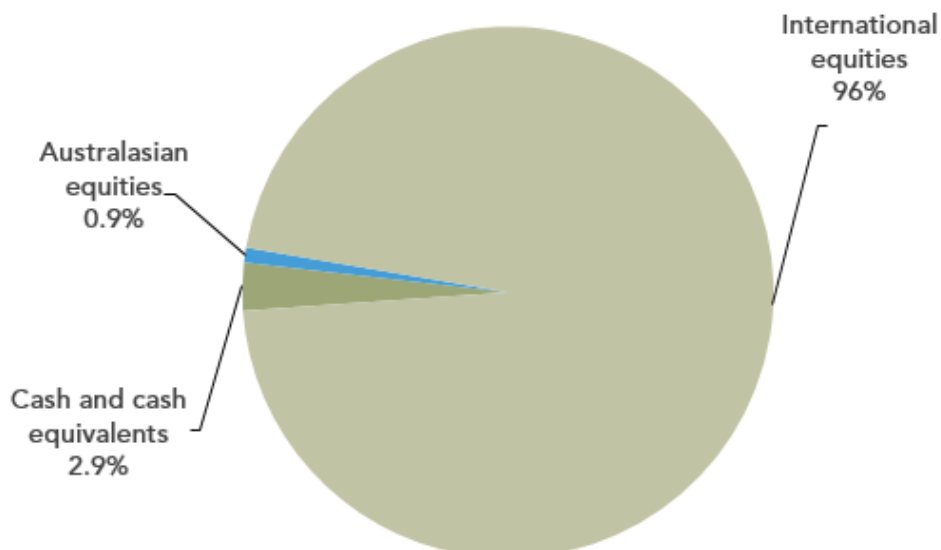
Small differences in fees and charges can have a big impact on your investment over the long term.

Sarah had \$100,000 in the Clarity Global Shares Fund on the date the fund started, 3 April 2017 and did not make any further contributions. At the end of the period ending 30 June 2017, Sarah received a loss after fund charges were deducted of \$1,630 (that is -1.63% of her initial \$100,000). Sarah does not pay any other charges. This gives Sarah a total loss after tax of \$2,430 for the year.

## What does the fund invest in?

This shows the types of assets that the Clarity Global Shares Fund invests in

### Actual investment mix<sup>4</sup>



## Target investment mix<sup>5</sup>

Asset sector	Target asset % allocation	Range %
Cash and cash equivalents	3	0 - 20
Australasian equities	0	0 - 20
International equities	97	0 - 100
Listed property	0	0 -10
Other assets	0	0 -5
Total asset allocation	100	

## Top 10 investments

	Name	Country	Type	Credit rating (if applicable)	% of net asset value
1	Alphabet Inc	United States of America	International equities		2.00%
2	USD Cash at Bank	United States of America	Cash and cash equivalents		1.94%
3	Samsung Electronics Co	Korea (the Republic of)	International equities		1.88%
4	Taiwan Semiconductor Manufacturing Co	Taiwan	International equities		1.81%
5	Bayer Ag	Germany	International equities		1.63%
6	Merck & Co Inc	United States of America	International equities		1.58%
7	Eli Lilly and Co	United States of America	International equities		1.57%
8	Charter Communications Inc	United States of America	International equities		1.57%
9	BNP Paribas SA	France	International equities		1.56%
10	Owens Corning	United States of America	International equities		1.48%

The top 10 investments make up 17.03% 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 JMIS Limited and Subsidiaries	12 years, 0 months	Director, Jarden Morgan Investment Services Limited	4 years, 0 months
Andrew Kelleher	Director JMIS Limited and Subsidiaries	9 years, 2 months	Acting Managing Principal, ASB Securities Limited and Investment Consultant, ASB Limited	3 years, 5 months
Ross Jewell	Director JMIS Limited and Senior Executive Clarity Funds Management Limited	12 years, 0 months	Director, Jarden Morgan Investment Services Limited	15 years, 11 months
Ian Arkle	Investment Executive JMIS Limited	5 years, 11 months	Investment Manager, NZ Guardian Trust	6 years, 0 months
Jonathan Westoby	Investment Executive JMIS Limited	11 years, 3 months	Stockbroker Macquarie Group	12 years, 8 months

## Further information

You can also obtain this information, the PDS for the Clarity Funds, and some additional information from the offer register at [www.business.govt.nz/disclose](http://www.business.govt.nz/disclose).

## Notes

1. As the Fund commenced operations on 3 April 2017, a combination of actual fund returns and market index returns were used to determine the risk indicator. Therefore, it may provide a less reliable indicator of potential future volatility. For the five-year period ending 30 June 2017, market index returns have been used to 2 April 2017 with actual fund returns used for the balance of the period.
2. As the Fund has not been in existence for more than one financial year the total fund charges are estimated as disclosed in the PDS. Please refer to the PDS for further information.
3. As the Fund has not existed for a full financial year, this example is based on returns for the period 3 April 2017 to 30 June 2017.
4. As at 30 June 2017, the Fund has 97.1% of assets invested in International equities. Of this exposure, we have 54.1% of these overseas dollar denominated assets hedged.
5. The target Investment mix shown is as at 30 June 2017. Subsequently the SIPO has been updated with minor changes to the target asset allocation. See the new Clarity SIPO dated 24 July 2017 for further information.

If you have any questions please contact us on +64 09 308 1450  
or visit our website [www.clarityfunds.co.nz](http://www.clarityfunds.co.nz)