



For the quarter ended 30 September 2020

This fund update was first made publicly available on 29th October 2020

CLARITY NEW ZEALAND EQUITY FUND

What is the purpose of this update?

This document tells you how the Clarity New Zealand Equity 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.

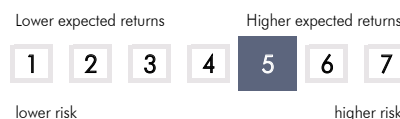
Description of this fund

The Fund will provide actively managed exposure to New Zealand equities. The Fund aims to generate a better return than the benchmark over the medium to long term. We intend for the Fund to make quarterly income distributions.

Total value of the fund	\$6,915,328
Date the fund started	25 October 2019

What are the risks of investing?

Risk indicator for the Clarity New Zealand Equity Fund¹:



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.

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 September 2020. 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 Fund Return (after deduction for fund charges and tax)	N/A
Annual Fund Return (after deduction for fund charges but before tax)	N/A
Market index annual return (reflects no deduction for charges and tax)	8.26%

The market index annual return reflects the return of S&P/NZX 50 Index Gross with Imputation. Additional information about the market index is available on the offer register at www.business.govt.nz/disclose.

What fees are investors charged?

Investors in the Clarity New Zealand Equity Fund are charged fund charges. Based on the PDS dated 25 October 2019, these are expected to be:

	% of Net Asset Value
Total Fund Charges (incl GST)	1.06%
Comprising management and administration charges which are made up of:	
Manager's basic fee	0.66%
Other management and administration charges	0.40%

There are no performance fees charged in relation to the Clarity New Zealand Equity 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 investor³

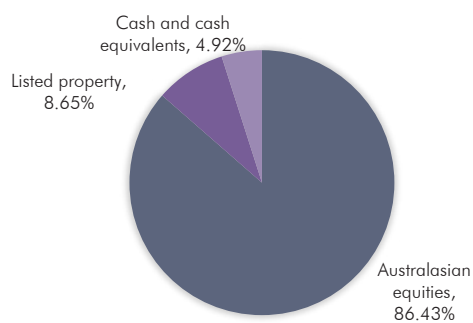
Small differences in fees and charges can have a big impact on your investment over the long term.

Chris had \$10,000 in the Clarity New Zealand Equity Fund at the date the Fund started, 25 October 2019, and did not make any further contributions. At the end of the period ending 30 September 2020, Chris received a return after fund charges were deducted of \$827 (that is 8.27% of his initial \$10,000). Chris does not pay any other charges. This gives Chris a total return after tax of \$776 for the year.

What does the fund invest in?

The chart (below) shows the types of assets that the Clarity New Zealand Equity Fund invests in.

Actual investment mix



As at 30 September 2020, the Fund did not have any assets denominated in foreign currency.

Target investment mix

Asset sector	Target Asset Allocation %	Range %
Cash and cash equivalents	5	0 - 10
Australasian equities	95	80 - 100
Listed Property	0	0 - 20
Total asset allocation	100	

Top 10 investments

Asset name	Country	Type	Credit rating (if applicable)	% of fund net assets
Fisher & Paykel Healthcare Ltd	NZ	Australasian Equities		13.69%
A2 Milk Company Ltd	NZ	Australasian Equities		10.80%
Spark New Zealand Ltd	NZ	Australasian Equities		9.09%
Meridian Energy Limited	NZ	Australasian Equities		5.17%
Contact Energy Ltd	NZ	Australasian Equities		5.15%
Ebos Group Ltd	NZ	Australasian Equities		4.35%
Auckland International Airport Ltd	NZ	Australasian Equities		4.34%
Fletcher Building Ltd	NZ	Australasian Equities		3.47%
Tower Ltd	NZ	Australasian Equities		3.32%
Oceania Healthcare Limited	NZ	Australasian Equities		3.21%

The top 10 investments make up 62.59% 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, JMI Wealth Limited and Clarity Funds Management Limited	15 years, 3 months	Director, Jarden Morgan Investment Services Limited	4 years, 0 months
Andrew Kelleher	Director, JMI Wealth Limited and Clarity Funds Management Limited	12 years, 5 months	Acting Managing Principal, ASB Securities Limited and Investment Consultant, ASB Limited	3 years, 5 months
Josh Wilson	Chief Investment Officer, Clarity Funds Management	1 years, 6 months	Portfolio Manager, NZ Funds	7 years, 10 months
Simon Reichenbach	Senior Investment Executive, JMI Wealth Limited	1 years, 0 months	Senior Research Analyst, Staples Rodway Asset Management	4 years, 11 months
Harry Cunninghame	Investment Analyst, Clarity Funds Management Limited	0 years, 7 months	Investment Performance and Risk Analyst, Milford Asset Management	1 years, 2 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.

Notes

- As the Fund commenced operations on 25 October 2019, 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 September 2020, market index returns have been used to 24 October 2019 with actual fund returns used for the balance of the period.
- 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.
- As the Fund has not existed for a full financial year, this example is based on returns for the period from 25 October 2019 to 30 September 2020.