



For the quarter ended 31 March 2019

This fund update was first made publicly available on on 1 May 2019

CLARITY DIVERSIFIED GROWTH FUND

What is the purpose of this update?

This document tells you how the Clarity Diversified Growth 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

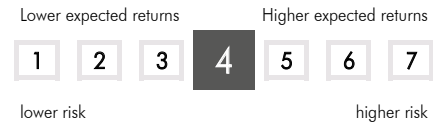
The Fund aims to achieve returns over the medium to long term by investing in a range of growth orientated securities.

The Fund may invest in managed funds (including the Clarity Trans-Tasman and Clarity Global Shares Funds) and directly held shares across global markets. It may also invest in other assets on listed sharemarkets.

Total value of the fund	\$3,248,758
Date the fund started	3 April 2017

What are the risks of investing?

Risk indicator for the Clarity Diversified Growth 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 31 March 2019. 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.

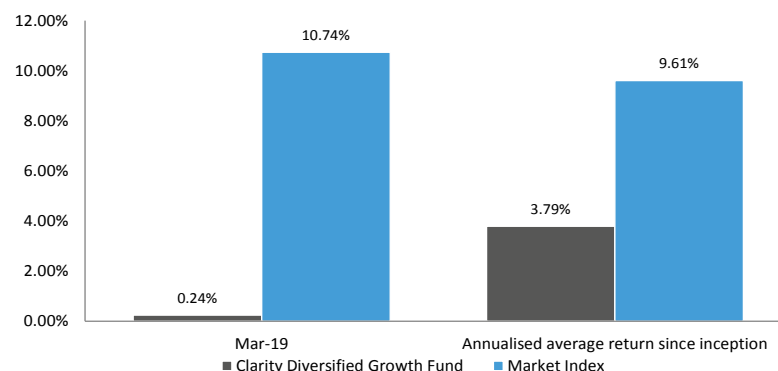
See the Product Disclosure Statement (PDS) for more information about the risks associated with investing in this fund.

How has the fund performed?

	Past Year
Annual Fund Return (after deduction for fund charges and tax)	0.24%
Annual Fund Return (after deduction for fund charges but before tax)	1.08%
Market index annual return (reflects no deduction for charges and tax)	10.74%

We calculate the market index annual return by using 25% of the NZX50 Portfolio Index, 25% of the ASX200 Accumulation Index in NZ dollars and 50% MSCI All Country World ex-Tobacco Index (net dividends reinvested), measured in NZ dollars, 50% hedged to NZ dollars. Additional information about the market index is available on the offer register at www.business.govt.nz/disclose.

Annual return graph



This shows the return after fund charges and tax for each year ending 31 March since the fund started. The last bar shows the average annual return since the fund started, up to 31 March 2019. **Important:** This does not tell you how the fund will perform in the future. Returns in this update are after tax at the highest prescribed investor rate (PIR) of tax for an individual New Zealand resident. Your tax may be lower.

What fees are investors charged?

Investors in the Clarity Diversified Growth Fund are charged fund charges. In the year to 31 March 2019 these were:

	% of Net Asset Value
Total Fund Charges (incl GST)	1.16%
Comprising management and administration charges which are made up of:	
Manager's basic fee	0.76%
Other management and administration charges	0.40%

There are no performance fees charged in relation to the Clarity Diversified Growth Fund. Investors are not 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

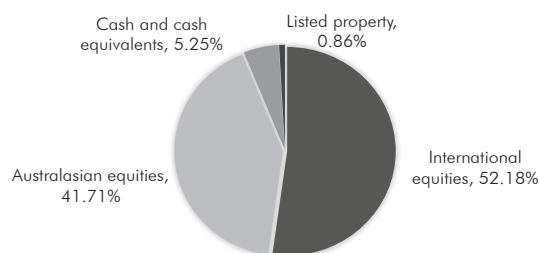
Small differences in fees and charges can have a big impact on your investment over the long term.

Chris had \$10,000 in the Clarity Diversified Growth Fund at the start of the year and did not make any further contributions. At the end of the year, Chris received a return after fund charges were deducted of \$108 (that is 1.08% of his initial \$10,000). Chris does not pay any other charges. This gives Chris a total return after tax of \$24 for the year.

What does the fund invest in?

The chart (below) shows the types of assets that the Clarity Diversified Growth Fund invests in.

Actual investment Mix



As at 31 March 2019, the Fund has 73.72% of assets invested in overseas assets and 45.68% of this exposure is hedged.

Target investment mix

Asset sector	Target Asset Allocation %	Range %
Cash and cash equivalents	6	0 - 25
Australasian equities	47	0 - 70
International equities	47	0 - 70
Listed property	0	0 - 10
Other assets	0	0 - 10
Total asset allocation	100	

Top 10 investments

Asset name	Country	Type	Credit rating (if applicable)	% of fund net assets
NZD Cash at Bank	NZ	Cash and Cash Equivalents		3.09%
Contact Energy Ltd	NZ	Australasian Equities		2.76%
Genesis Energy Ltd	NZ	Australasian Equities		2.46%
BHP Group Ltd	AU	Australasian Equities		2.46%
Sanford Ltd	NZ	Australasian Equities		1.96%
Mainfreight Ltd	NZ	Australasian Equities		1.88%
Seven Group Holdings Ltd	AU	Australasian Equities		1.74%
Metlifecare Ltd	NZ	Australasian Equities		1.71%
Microsoft Corporation	US	International Equities		1.71%
Rio Tinto Ltd	AU	Australasian Equities		1.65%

The top 10 investments make up 21.42% 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	13 years, 9 months	Director, Jarden Morgan Investment Services Limited	4 years, 0 months
Andrew Kelleher	Director, JMI Wealth Limited and Clarity Funds Management Limited	10 years, 11 months	Acting Managing Principal, ASB Securities Limited and Investment Consultant, ASB Limited	3 years, 5 months
Jason Watson	Head of Advice, JMI Wealth Limited	1 years, 11 months	Regional Manager Private Bank, ANZ	5 years, 2 months
Ian Arkle	Investment Executive, JMI Wealth Limited	7 years, 8 months	Investment Manager, NZ Guardian Trust	6 years, 0 months
Jonathan Westoby	Investment Executive, JMI Wealth Limited	13 years, 0 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.

Notes

- 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 31 March 2019, market index returns have been used to 2 April 2017 with actual fund returns used for the balance of the period.