

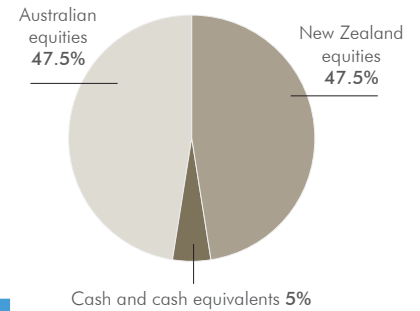
CLARITY TRANS-TASMAN FUND

Over March, the Fund returned +2.9% after fees but before tax compared with the benchmark return of +3.1%, an underperformance of 0.2%. Our New Zealand positions contributed positively to the portfolio while our Australian positions underperformed and contributed a slightly negative return for the month. Electricity companies Genesis Energy, Contact Energy and Meridian Energy contributed positively, each up over 13%. This was due to investors searching for higher-yielding stocks as interest rates set new lows. The underperformance to benchmark was partly due to not holding stocks such as Ryman Healthcare (+11.4%) as well as having an overweight position in Seven Group Holdings (-7.5%). We have been actively reducing tracking error (divergence between the portfolio and benchmark) by selling some of our holdings in smaller companies.

Performance

As at 31 March 2019	1 Mth	3 Mth	1 Yr	3 Yrs p.a.	5 Yrs p.a.	Since Inception p.a.
Clarity Trans-Tasman Fund*	2.87%	8.78%	-1.24%	6.90%	8.83%	9.24%
Benchmark Index**	3.11%	10.57%	14.21%	11.53%	10.81%	4.50%

Target investment mix¹



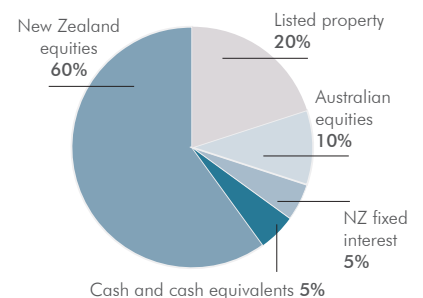
CLARITY DIVIDEND YIELD FUND

Over March, the Fund returned +5.0% after fees but before tax compared with the benchmark return of +4.5% an outperformance of 0.5%. Our overweight positions in electricity companies Genesis Energy, Contact Energy and Meridian Energy as well as listed property stocks like the Goodman Property Trust significantly outperformed other stocks in the portfolio. As investors digest an environment of low (and possibly even lower) interest rates, the drive for yield helped bolster returns in companies that pay attractive and sustainable dividends. Not owning holdings in Sky Network Television and Pushpay Holdings also helped relative performance. Both stocks were down about 4.5% over the month. We continue the search for quality, high yielding stocks and have added a holding in Spark New Zealand. Spark was up +6.4% for the month and has a gross dividend yield of approximately 8.5%.

Performance

As at 31 March 2019	1 Mth	3 Mth	1 Yr	3 Yrs p.a.	5 Yrs p.a.	Since Inception p.a.
Clarity Dividend Yield	4.99%	7.88%	11.25%	10.31%	13.77%	13.81%
Benchmark Index**	4.48%	11.03%	16.93%	10.35%	7.52%	7.18%

Target investment mix¹



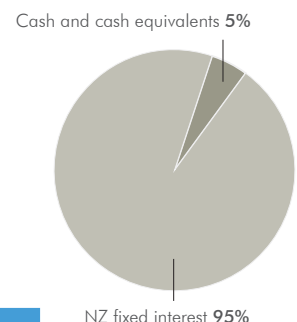
CLARITY FIXED INCOME FUND

Over March, the Fund returned +0.9% after fees but before tax compared with the benchmark return of +0.2%, an outperformance of 0.7%. The Reserve Bank of New Zealand kept rates on hold at 1.75%; however, the devil was in the detail. The RBNZ stated that the more likely direction of the next OCR move is down which was a change from previous positioning and that the risk of a more pronounced global downturn has increased. These dovish remarks sent interest rates tumbling and the likelihood of interest rate increases in the short term is now almost non-existent. Most bank economists are now forecasting approximately 0.5% worth of cuts over the next 12 months.

Performance

As at 31 March 2019	1 Mth	3 Mth	1 Yr	3 Yrs p.a.	5 Yrs p.a.	Since Inception p.a.
Clarity Fixed Income Fund*	0.90%	1.76%	5.18%	4.30%	N/A	5.10%
Benchmark Index**	0.15%	0.49%	1.99%	2.09%	N/A	2.57%

Target investment mix¹



* These returns are after deductions for charges and before tax.

** Benchmark returns reflects no deduction for charges and tax. Details of these are included in the Quarterly Fund Update which is available at <https://clarityfunds.co.nz/quarterly-fund-updates-and-commentaries>.

¹ The current target investment mix is shown, but variations around these targets are likely from time to time.

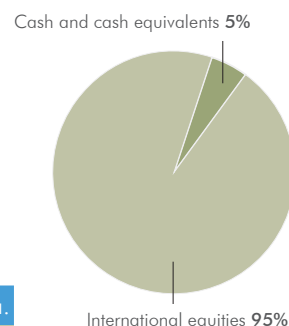
CLARITY GLOBAL SHARES FUND

Over March, the Fund returned -0.6% after fees but before tax compared with the benchmark return of +1.3%, an underperformance of 1.9%. Our positions in technology stocks contributed positively to the portfolio while pharmaceuticals and biotechnology stocks struggled, contributing most to the small negative return. The portfolio's overweight position in Biogen hindered returns as the company announced that it would halt any further clinical developments on aducanumab, an early Alzheimer's disease therapy, due to results showing limited efficacy. Hitachi contributed positively to the portfolio on news that it has made a tender offer to acquire Yungtay Engineering Co. Ltd, a Taiwan-based elevator and escalator company.

Performance

As at 31 March 2019	1 Mth	3 Mth	1 Yr	3 Yrs p.a.	5 Yrs p.a.	Since Inception p.a.
Clarity Global Shares Fund*	-0.56%	9.08%	3.77%	N/A	N/A	6.56%
Benchmark Index**	1.33%	11.11%	7.24%	N/A	N/A	8.72%

Target investment mix¹



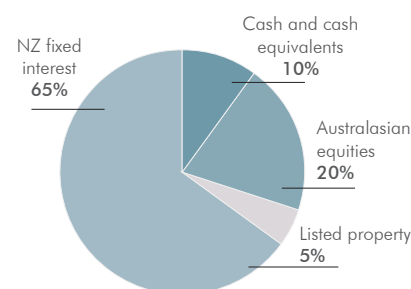
CLARITY DIVERSIFIED INCOME FUND

Over March, the Fund returned +2.0% after fees but before tax compared with the benchmark return of +0.3%, an outperformance of 1.7%. The fund currently invests in the Clarity Fixed Income Fund (approx. 60%) and the Clarity Dividend Yield Fund (approx. 35%), both funds performing well over the month. Lower interest rates helped drive strong performance in the Clarity Fixed Income Fund, while the Clarity Dividend Yield Fund price was supported by its overweight positions in high-yielding stocks.

Performance

As at 31 March 2019	1 Mth	3 Mth	1 Yr	3 Yrs p.a.	5 Yrs p.a.	Since Inception p.a.
Clarity Diversified	2.00%	3.32%	6.23%	N/A	N/A	5.19%
Benchmark Index**	0.28%	0.87%	3.53%	N/A	N/A	3.61%

Target investment mix¹



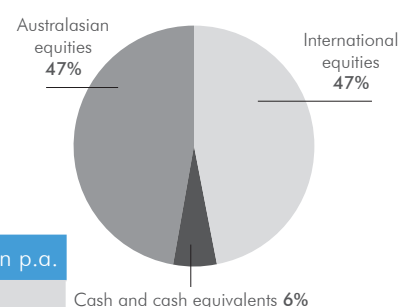
CLARITY DIVERSIFIED GROWTH FUND

Over March, the Fund returned +1.0% after fees but before tax compared with the benchmark return of +2.2% an underperformance of 1.2%. The fund currently invests in the Clarity Trans-Tasman Fund (approx. 42.5%) and the Clarity Global Shares Fund (approx. 52.5%). Electricity stocks in the Trans-Tasman Fund and technology stocks in the Clarity Global Shares Fund contributed positively to returns. However, lack of strong performing stocks like Ryman Healthcare and Fisher & Paykel Healthcare in the Clarity Trans-Tasman Fund and pharmaceuticals and biotechnology stocks in the Clarity Global Shares fund, all contributed to the Fund's relative underperformance.

Performance

As at 31 March 2019	1 Mth	3 Mth	1 Yr	3 Yrs p.a.	5 Yrs p.a.	Since Inception p.a.
Clarity Diversified Growth Fund*	0.98%	8.34%	1.08%	N/A	N/A	4.83%
Benchmark Index**	2.22%	10.86%	10.74%	N/A	N/A	9.61%

Target investment mix¹



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