

CLARITY GLOBAL SHARES FUND

Monthly Commentary

The Clarity Global Shares Fund made further gains in August, continuing its strong performance of the last year. Returns were helped by a declining New Zealand dollar increasing the value of the Fund's unhedged overseas investments (around 50% of the Fund is unhedged). Boston-based portfolio manager MFS continues to hold a cautious market outlook, concerned that the rapid rate of monetary tightening is yet to fully impact the US economy. The US and world share market returns have been propelled upward by the "Magnificent Seven" technology stocks with artificial intelligence continuing to be the driver of investment flows resulting in rising shares prices and price / earnings multiple expansion for these stocks. Information technology remains the largest sector exposure in the portfolio. Consistent with the cautious outlook the portfolio is overweight consumer staples companies and underweight consumer discretionary. Geographical exposure is in line in North America, overweight Europe and underweight emerging markets. The largest portfolio holdings include Microsoft, Alphabet, Apple, Applied Materials, Amazon and Nvidia. The portfolio remains underweight Tesla and Apple. Overweight positions include Alphabet, DBS Group and Booking Holdings.

Performance

As at 31 August 2023	1 Mth	3 Mth	1 Yr	3 Yrs p.a.	5 Yrs p.a.	Since Inception p.a.
Clarity Global Shares Fund*	1.0%	8.2%	17.5%	13.7%	9.2%	10.2%
Benchmark Index**	-0.2%	7.0%	15.0%	9.9%	8.6%	10.0%

*These returns are after deductions for charges and before tax. **Benchmark returns reflects no deduction for charges and tax. The Fund inception on 26 April 2017. Past performance is not necessarily indicative of future performance. The Quarterly Fund Update is available at <https://clarityfunds.co.nz/quarterly-fund-updates-and-commentaries>.

About the Clarity Global Shares Fund

The objective of the Clarity Global Shares Fund is to provide actively managed exposure to international equities and generate a better return than the benchmark¹ over the medium to long term. The Fund is actively managed with a value bias which means its holdings may differ considerably from the benchmark index. Clarity has appointed global investment manager MFS as the investment manager for the Fund. MFS has constructed the portfolio in consultation with Clarity and in accordance with the Fund's objectives. Boston-based MFS, which began in 1924 as Massachusetts Investment Trust, started America's first mutual fund. The strategy uses an actively managed approach and a consistent, disciplined, bottom-up stock selection and investment process that blends proprietary fundamental and quantitative research to build a well-diversified, large-cap core global portfolio.

¹the MSCI All Country World ex-Tobacco Index (net dividends reinvested), measured in NZ dollars, 50% hedged to NZ dollars.

If you have any questions, please contact us on +64 09 308 1450 or visit our website www.clarityfunds.co.nz

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