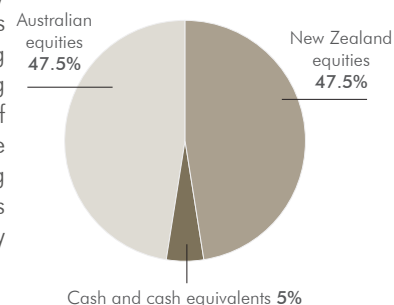


CLARITY TRANS-TASMAN VALUE FUND

After the tumult of March, April was a quieter month for financial markets. The Fund returned 1.2%, in line with the market, reflecting a gentle broad-based rise in portfolio holdings. Fund manager Perpetual (+12%) was the only share held in the Fund to rise by double digits. The lull between company reporting seasons gave us a chance to travel to Australia to meet the management of many of the Australian companies we invest in (currently 52% of the Fund is invested there). Perpetual was one of these companies. CEO Rob Adams gave an upbeat assessment of current performance, citing a few factors: 1) The merger with Pandal, another major Australian fund manager, is progressing well, with key staff and clients retained, and cost savings ahead of expectations, 2) Their range of different fund management brands are performing well and should attract more investment, 3) Large superannuation funds are starting to favour active over passive management again as the investing environment changes and 4) the 'jewel in the crown' Perpetual corporate trust business is as strong as ever. The shares are currently depressed but if these positive trends are maintained, we believe they offer strong upside potential.

In New Zealand, the retirement village sector remained under pressure, with Oceania Healthcare shares falling -6% and Summerset -8%. Although we like the long-term demand profile for the sector, the Fund currently has limited exposure (around 2%), while we wait for the full impact of the residential property market decline to feed through to company earnings and cashflows.

Target investment mix¹



Performance

As at 30 April 2023	1 Mth	3 Mth	1 Yr	3 Yrs p.a.	5 Yrs p.a.	Since Inception p.a.
Clarity Trans-Tasman Value Fund*	1.2%	-2.7%	-3.2%	11.4%	3.8%	8.3%
Benchmark Index**	1.3%	-1.8%	-0.6%	11.0%	8.2%	5.3%

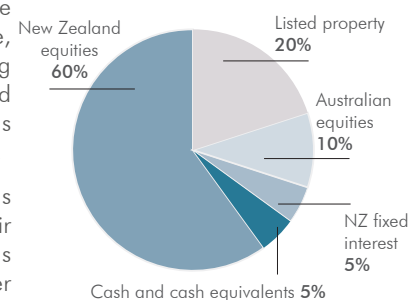
CLARITY DIVIDEND YIELD FUND

The Fund returned 1.6% in April, in line with its benchmark. 25% of the Fund is invested in Australian companies at present. Our recent research trip to Australia re-confirmed our view that the Australian economy and government currently offers a more favourable investment environment than New Zealand. The economy is benefitting from strong commodity prices and a revival of tourism and immigration, while several companies we spoke to highlighted positive government policy in their particular sector. For example, portfolio holding Nine Entertainment, which operates the largest Australian TV channel (Nine) and streaming app (Nine Now), will benefit from new 'prominence' regulation that requires TV manufacturers to pre-load NineNow on TVs, along with Netflix etc. This will ensure local content is as accessible and 'prominent' as international content, which will support Nine's viewership and therefore value proposition for advertisers.

Elsewhere, property company Dexus highlighted the huge government infrastructure spend on arterial roads and underground trains in Sydney that will reduce commuter times and improve the attractiveness of their prime CBD office towers. In contrast, on the day we returned from Australia, Auckland's train network was shut down due to operational issues, and SH1 into Wellington was blocked by protesters demanding better train services!

Having said all that, the New Zealand sharemarket still offers many attractive opportunities for investors looking for stable income from their share investments, including Spark, the largest holding in the Fund at around 9%. Last month Spark shares continued to recover from their modest earnings downgrade in February, rising 3%. Including imputation credits, the shares currently offer a 7% dividend yield.

Target investment mix¹



Performance

As at 30 April 2023	1 Mth	3 Mth	1 Yr	3 Yrs p.a.	5 Yrs p.a.	Since Inception p.a.
Clarity Dividend Yield Fund*	1.6%	-1.3%	-2.5%	9.5%	5.8%	9.8%
Benchmark Index**	1.6%	-0.6%	-0.4%	10.5%	6.9%	6.2%

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

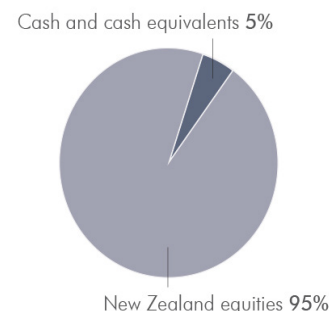
* These returns are after deductions for fees and before tax.

** Benchmark returns reflects no deduction for fees 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>.

CLARITY NEW ZEALAND EQUITY FUND

The Fund returned 0.8% in April, modestly behind the broader market. Companies at the larger end of town were in favour during the month, with Fisher & Paykel Healthcare, Fletcher Building, Meridian Energy and Infratil all up between 3% and 4%. A topical theme in financial markets at present is the potential impact of Artificial Intelligence on companies and the investment management industry itself. This may offer an opportunity (using technology to improve efficiency to drive cost savings or better customer service), or prove to be a threat (some companies are finding that AI is supplanting their services). For investment management, quantitative, computer-driven approaches to portfolio management have been used for many years already, and it's not clear that AI can significantly improve this approach. Nor is AI yet sufficiently developed to have a bespoke conversation with a client or write a meaningful monthly fund commentary! Of the experts we have spoken to about the subject, the consensus is that recent developments in AI will prove over time as much of a technological leap forward as smart phones, but the specific impacts are less clear. What we do know is that growing use of AI will drive a step change in demand for cloud computing capacity, and therefore data centres and the electricity that powers those data centres. So just like the classic advice that during a gold rush you invest in shovel-makers rather than gold miners, we like the idea of investing in companies that will facilitate the growth in AI use. In New Zealand, this leads us to the likes of Infratil (data centres), and Meridian Energy (with a big pipeline of renewable electricity projects).

Target investment mix¹



Performance

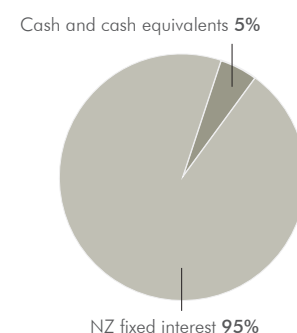
As at 30 April 2023	1 Mth	3 Mth	1 Yr	3 Yrs p.a.	5 Yrs p.a.	Since Inception p.a.
Clarity New Zealand Equity Fund*	0.8%	-0.7%	-0.1%	4.7%	N/A	3.7%
Benchmark Index**	1.1%	0.7%	2.0%	5.2%	N/A	3.6%

CLARITY FIXED INCOME FUND

The Reserve Bank of New Zealand (RBNZ) surprised with a 50-basis point increase in the Official Cash Rate (OCR) to 5.25% in April. This marked an 11th successive rate hike, and the OCR is at its highest since December 2008. Market reaction to the RBNZ's decision was relatively muted after an initial shock. The peak in the OCR is still forecasted to be 5.50% implying one further 25-basis point hike in late May followed by a pause to assess the impacts. There still remains a degree of uncertainty around the length of time interest rates will remain at these 'elevated' levels with the market believing looming economic recessions will see many central banks cut rates in early 2024.

During the month, the Fund participated in a new issue being the 7-year New Zealand Local Government Funding Agency (LGFA) with a yield of 4.76%. This further increases the credit quality of the portfolio, and the bond is classed as a sustainable financing bond. This means LGFA intends to allocate the proceeds to Sustainable Loans (which should incentivise borrowing councils to commit to greater climate change action) within two years of the issue date. The Fund also participated in a 3-year floating rate note issued by Auckland International Airport. This was funded from an existing floating note, so the trade was largely executed with the intention to obtain a slight margin uplift.

Target investment mix¹



Performance

As at 30 April 2023	1 Mth	3 Mth	1 Yr	3 Yrs p.a.	5 Yrs p.a.	Since Inception p.a.
Clarity Fixed Income Fund*	0.6%	0.9%	2.3%	-0.3%	1.9%	3.2%
Benchmark Index**	0.4%	1.1%	3.5%	1.4%	1.6%	2.1%

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

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**Benchmark returns reflects no deduction for fees 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>.

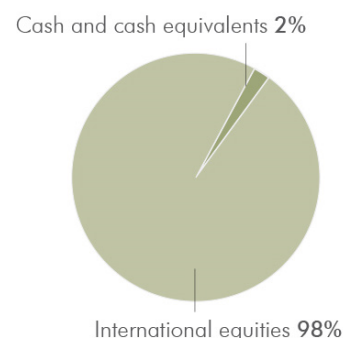
CLARITY GLOBAL SHARES FUND

Economic data showed that April was a positive month for the global economy with growth remaining remarkably resilient in the face of higher interest rates. Meanwhile, falling energy prices helped bring headline inflation down in the major developed economies with the contribution from energy turning negative in the US and the eurozone. The Fund performed well over the month gaining 2.3% ahead of the benchmark.

Sallie Mae is a provider of education funding, originating and servicing both US government and private student loans. Shares were up +21% over the month following the release of its first quarter results which saw lower provisions for credit losses and robust loan originations. Given Sallie Mae's business model involves lending at a higher rate than it obtains funds, the current high interest rate environment is beneficial for net interest margins (NIM) which expanded 41 basis points to 5.70%. Another key contributor for the Fund was US biotechnology company Biogen (+9%). Biogen specialises in the discovery, development, and delivery of therapies for the treatment of neurological diseases. First quarter results topped both analysts' revenue and profit expectations while management also maintained guidance for the full year due to lower operating expenditure expected for the second half despite the current inflationary environment.

US based manufacturer of copper and aluminium for residential, commercial, and industrial wire needs, Encore Wire (-16%), disappointed along with refinery operator Valero Energy (-18%) due to a weaker oil price and growing macroeconomic concerns.

Target investment mix¹



Performance

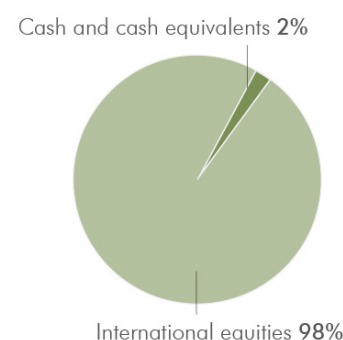
As at 30 April 2023	1 Mth	3 Mth	1 Yr	3 Yrs p.a.	5 Yrs p.a.	Since Inception p.a.
Clarity Global Shares Fund*	2.3%	3.2%	6.7%	13.8%	8.6%	9.1%
Benchmark Index**	2.1%	4.1%	4.3%	11.9%	8.6%	9.2%

CLARITY - CAPITAL GROUP NEW PERSPECTIVE FUND²

The Fund returned 1.3% in April and despite underperforming the benchmark for the month, remains over 2% ahead over the last six months. Key contributors for the Fund included pharmaceutical company Eli Lilly (+15%) after announcing positive results from an early clinical trial for an experimental Alzheimer's drug. Later in the month, investors were buoyed by a major announcement on Eli Lilly's diabetes drug tirzepatide, in which a clinical trial saw users achieve impressive weight loss results. A label expansion from the Federal Drug & Food Administration (FDA) allowing the drug to be prescribed specifically for weight would be a huge positive for the company given the size of the treatment market. Intuitive Surgical (+18%) is a US company which develops, manufactures, and markets robotic products for minimally invasive surgery. The company's key product is the da Vinci robot in which 312 were sold in the first quarter. Intuitive Surgical's profit model is driven by the big-ticket sales of da Vinci Surgical Systems, as well as by recurring revenue streams generated by the sale of services, supplies, instruments, and accessories related to those machines.

Tesla (-21%) detracted from performance as first-quarter earnings missed analyst estimates after a series of aggressive price cuts squeezed profit margins. Analysts remain divided over whether the higher volume and larger fleet strategy would be more beneficial for shareholder value compared to a lower volume, higher margin approach.

Target investment mix¹



Performance

As at 30 April 2023	1 Mth	3 Mth	1 Yr	3 Yrs p.a.	5 Yrs p.a.	Since Inception p.a.
Clarity - Capital Group New Perspective Fund*	1.3%	4.8%	2.6%	10.9%	N/A	8.4%
Benchmark Index**	2.1%	4.1%	4.3%	11.9%	N/A	7.7%

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

² Capital Group and Capital Group New Perspective are trademarks of the Capital Group Companies, Inc.

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

** Benchmark returns reflects no deduction for fees 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>.

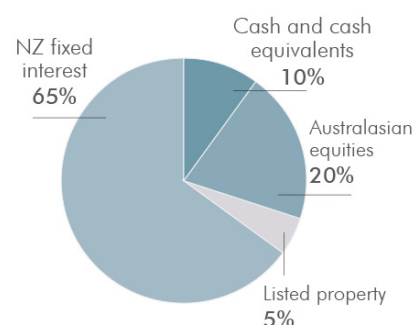
CLARITY DIVERSIFIED INCOME FUND

Market interest rates fell over the month despite an increase in the Official Cash Rate by the Reserve Bank of New Zealand. This supported fixed interest returns with the underlying Clarity Fixed Income Fund again experiencing a positive return and outperforming its benchmark. The underlying fund participated in two new issues in April being a 7-year New Zealand Local Government Funding Agency fixed rate bond and a 3-year floating rate note issued by Auckland International Airport.

The underlying Clarity Dividend Yield Fund performed in line with benchmark benefitting from a position in Australian asset manager Perpetual (+12%) as the company announced further synergies related to its recent acquisition of fellow asset manager Pandal. Performance of Perpetual's funds has also been improving recently and tends to be a strong indicator for future investment flows.

The Investment team continues to monitor the macroeconomic environment closely and is able to quickly shift the Fund's position should attractive opportunities or heightened risks appear.

Target investment mix¹



Performance

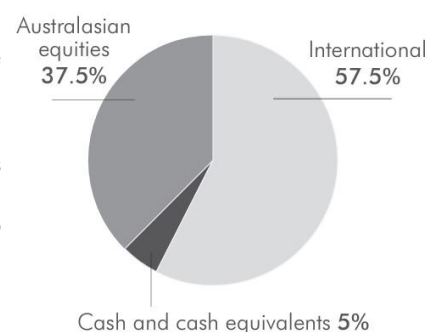
As at 30 April 2023	1 Mth	3 Mth	1 Yr	3 Yrs p.a.	5 Yrs p.a.	Since Inception p.a.
Clarity Diversified Income Fund*	0.8%	0.3%	0.8%	3.2%	3.3%	3.4%
Benchmark Index**	0.5%	1.5%	5.0%	3.0%	3.1%	3.2%

CLARITY DIVERSIFIED GROWTH FUND

The Fund rose 1.9% in April, eking out a small positive gain against the benchmark. The New Zealand sharemarket remains relatively resilient so far this year, rising 1.1% in April with the positive performance generally supported by a broad range of companies. The Australian market was particularly strong with the S&P/ASX 200 Index gaining 1.8%. This was despite the large iron ore miners BHP, Rio Tinto, and Fortescue Metals all pulling back sharply in line with the iron ore price. Global equity markets continued their rally as economic data showed growth remained positive and resilient against the contractionary effects of higher interest rates.

The Fund remains in line with its strategic allocation with a 60/40 split in favour of global equities over Australasian equities which has been beneficial to absolute returns year-to-date. Within global equities, the Fund has a slight overweight to the Clarity Global Shares Fund which was up 2.3% in the month and ahead of its benchmark.

Target investment mix¹



Performance

As at 30 April 2023	1 Mth	3 Mth	1 Yr	3 Yrs p.a.	5 Yrs p.a.	Since Inception p.a.
Clarity Diversified Growth Fund*	1.9%	2.1%	2.0%	11.8%	5.8%	6.7%
Benchmark Index**	1.8%	1.7%	2.5%	11.8%	8.6%	9.0%

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

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