

## CLARITY GLOBAL SHARES FUND

### Monthly Commentary

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.

### 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%

\*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 benchmark<sup>1</sup> 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.

<sup>1</sup>the 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](http://www.clarityfunds.co.nz)

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