

## CLARITY GLOBAL SHARES FUND

### Monthly Commentary

The Clarity Global Shares Fund delivered a positive return of +0.2% during the month despite global share markets declining as the New Zealand dollar continued to depreciate, supporting NZD returns.

Following the market rally in November driven by expectations of lower taxes and deregulation under the Trump administration, investor sentiment shifted in December. US equities dropped by -2.4% during the month as concerns over inflation resurfaced. The surge in the US 10-year Treasury yield, which rose from 3.7% to 4.6%, highlighted persistent inflationary pressures. This prompted investors to reassess the inflationary implications of Trump's policies, including tariffs, tax cuts, an expanding fiscal deficit, and wage inflation linked to immigration policies. Meanwhile, the Federal Reserve reduced interest rates by 25 basis points as expected, but its tone remained hawkish, signalling ongoing concerns about inflation. The Fed's updated dot plot indicated a revised outlook for 2025, with only two rate cuts expected, down from the previous forecast of four.

Top contributors to Fund returns were largely comprised of Magnificent-7 companies, with Alphabet (+13%), Apple (+6%) and Amazon (+6%) leading the charge. Plans to increase the level of monetary stimulus in 2025 by Chinese authorities saw China Construction Bank (+11%) and PetroChina Co (+11%) rally over the month.

### Performance

As at 31 December 2024	1 Mth	3 Mth	1 Yr	3 Yrs p.a.	5 Yrs p.a.	Since Inception p.a.
Clarity Global Shares Fund*	0.2%	6.2%	27.3%	12.3%	13.3%	12.2%
Benchmark Index**	0.7%	6.7%	26.6%	9.7%	12.4%	12.0%

\*These returns are after deductions for charges and before tax. \*\*Benchmark returns reflects no deduction for charges and tax. The Fund incepted 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>MSCI All Country World Index (net dividends reinvested) in NZ dollars with 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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