

## CLARITY GLOBAL SHARES FUND

### Monthly Commentary

The Clarity Global Shares Fund returned +2.1% during the month, modestly underperforming the benchmark.

In July, global equities rose, but there were notable shifts within the market. Investors moved away from high-growth companies and favoured those with lower valuations. Small caps also outperformed larger companies.

The Federal Reserve held interest rates steady at 5.25%-5.50% but hinted at a possible cut in September due to softer inflation readings. Later in the month, the consumer price index showed annual inflation at 3.0% in June, down from 3.3% in May and below expectations, while the personal consumption expenditures index dropped to 2.5% from 2.6%.

Top-performing sectors included real estate, utilities, and financials, with smaller companies benefiting from anticipated rate cuts. This benefitted Fund holdings Jones Lang Lasalle (JLL) which returned 23%, Builders Firstsource (+21%) and Masco, the home improvement and building product manufacturer (+17%). In contrast, the information technology and communication services sectors declined, partly due to concerns about the returns on investments in artificial intelligence. This impacted Fund holdings Nvidia (-5%), Microsoft (-7%), ASML Holdings (-12%), Meta (-6%) and Hon Hai Precision Industry (-5%).

### Performance

As at 31 July 2024	1 Mth	3 Mth	1 Yr	3 Yrs p.a.	5 Yrs p.a.	Since Inception p.a.
Clarity Global Shares Fund*	2.1%	8.4%	25.7%	12.8%	13.9%	12.2%
Benchmark Index**	2.8%	7.7%	20.7%	9.3%	12.3%	11.6%

\*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>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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