

CLARITY GLOBAL SHARES FUND

Monthly Commentary

The Clarity Global Shares Fund returned +3.1% in June, ahead of benchmark.

Global equity markets saw continued gains in June with the S&P 500 up +3.6%, the MSCI All Country World Index up +2.3% and the tech-heavy NASDAQ returning +6.3%.

Halfway through the year large-cap, market-weighted indices (such as the S&P 500) have outperformed. The market-weighted S&P 500 has returned +15% year-to-date, +10% above the equal-weighted S&P 500. The key driver of this outperformance continues to be the magnificent 7, with NVIDIA up +150%. This trend continued in June with NVIDIA (+13%) leading the contribution to Fund performance. During the month softer than expected US CPI data saw bond yields fall as investors increased the amount of easing by the Federal Reserve this year. Expectations of lower rates are supportive for longer duration equities i.e. companies who stand to generate a larger portion of their earnings in the future. This includes the AI/GLP-1 exposed names with expectations of significant earnings growth.

Within the US share market, materials, industrials, utilities and energy sectors lagged. This was also the case within the Fund, with weakness across names such as Builders Firstsource (-14%), Fortescue (-14%), Rio Tinto (-5%), Suncor Energy (-5%) and PG&E (-6%).

Performance

As at 30 June 2024	1 Mth	3 Mth	1 Yr	3 Yrs p.a.	5 Yrs p.a.	Since Inception p.a.
Clarity Global Shares Fund*	3.1%	3.5%	25.5%	12.4%	13.7%	12.0%
Benchmark Index**	2.8%	2.2%	20.5%	8.6%	12.0%	11.3%

*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.

¹MSCI 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

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