

CLARITY GLOBAL SHARES FUND

Monthly Commentary

International equity markets recorded their strongest month in three years, with the festive “Santa rally” investors traditionally hope for coming early. The rally was broad-based and driven by the expectation that the Federal Reserve is done raising interest rates and may even start cutting them in the first half of next year. Global markets saw cyclical sectors Real Estate and Financials outperform, while Energy was the only sector in the red over the month as Brent crude oil prices fell for the second consecutive month despite further OPEC+ production cuts.

The Clarity Global Shares Fund returned +4.4% in November. Schneider Electric (+16%), a global energy management and industrial automation firm upgraded their medium-term earnings targets at their investor day during the month. If they can hit their 2027 targets the stock appears to be good value. Broader travel sentiment was weak heading into Expedia’s third quarter earnings and the stock rallied +42% as they delivered a solid result relative to expectations. Outside of a few stand-out individual performers, the rally was broad based so companies with larger allocations such as Microsoft (+12%) and Apple (+11%) drove Fund returns.

Performance

As at 30 November 2023	1 Mth	3 Mth	1 Yr	3 Yrs p.a.	5 Yrs p.a.	Since Inception p.a.
Clarity Global Shares Fund*	4.4%	-0.8%	12.5%	11.9%	10.8%	9.7%
Benchmark Index**	5.3%	-0.4%	12.1%	8.5%	10.2%	9.5%

*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.

¹the 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

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