

## CLARITY GLOBAL SHARES FUND

### Monthly Commentary

The Clarity Global Shares continued to outperform its benchmark and experienced a +5.7% lift in October. The Fund is well diversified with 130+ holdings. This month its exposure to the financial sector served it well. US banks reported quarterly earnings which generally surprised to the upside with stronger net interest margins. The Fund holds Ameriprise Financial, JPMorgan Chase and Bank of America all of which gained more than +16% in the month. Insurance company MetLife, an overweight in the Fund, gained +17% in the month.

The largest individual portfolio contribution came from Apple. Apple reported satisfactory profitability for the quarter which made it a standout against other technology peers. Japanese technology conglomerate Softbank was up +23% in the month despite remaining exposed to China as investors anticipated stock buybacks. This was in contrast to other technology holdings, Amazon, Meta and Tesla all of which fell during the month. Chinese technology companies NetEase and JD.Com also made a negative contribution.

The Fund's managers have also identified Paccar Inc and McKesson Corp as representing strong value and have increased these positions. Paccar is a US manufacturer of medium and heavy trucks (Peterbilt, DAF and Kenworth). Profitability is exceeding expectations and the company is increasing dividends. Paccar was up +12% in October. McKesson is a pharmaceutical distribution and medical supplies company that delivers a third of all pharmaceuticals used in North America. The healthcare sector continues to be resilient and the stock gained +11% in the month.

### Performance

As at 31 October 2022	1 Mth	3 Mth	1 Yr	3 Yrs p.a.	5 Yrs p.a.	Since Inception p.a.
Clarity Global Shares Fund*	5.7%	-0.8%	-2.1%	8.3%	7.6%	8.8%
Benchmark Index**	4.6%	-3.4%	-9.4%	6.9%	7.4%	8.6%

\*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>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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