

CLARITY GLOBAL SHARES FUND

Monthly Commentary

The Clarity Global Shares Fund returned +0.7% during the month.

After a weak start to the month, global share markets rebounded as the US Federal Reserve cut interest rates by 50 basis points. Risks to employment and inflation are now balanced in the eyes of the Fed. The unemployment rate is currently manageable at 4.1% – however forecasts in the peak rate have shifted higher to 4.4%. Looking forward, the market likely turns to the recession, or no recession argument and we are expecting heightened sensitivity to labour market data.

Sectors that benefit from lower interest rates outperformed, with utilities and consumer discretionary stocks at the forefront. The USD also depreciated against most currency pairs throughout the month which presented a headwind to Fund performance for the second month in a row (as the Fund is ~50% currency hedged).

China's stock market also surged by almost a quarter (in US dollar terms), after authorities committed to further monetary and fiscal support towards the end of September. Fund holding Anhui Conch Cement Co is the largest cement manufacturer and seller in mainland China. The stock is a major beneficiary of the stimulus measures and rallied +35%. Closer to home, the diversified miner Rio Tinto increased +11% as iron ore prices increased over 20%

Performance

As at 30 September 2024	1 Mth	3 Mth	1 Yr	3 Yrs p.a.	5 Yrs p.a.	Since Inception p.a.
Clarity Global Shares Fund*	0.7%	1.2%	28.1%	12.9%	13.0%	11.7%
Benchmark Index**	1.3%	3.5%	27.2%	9.9%	11.9%	11.4%

*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 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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