

## CLARITY GLOBAL SHARES FUND

### Monthly Commentary

The Fund dropped -1.8% in the month albeit less than the benchmark which fell -2.2%. The Fund continues to perform well in a relative sense and is 4.4% ahead of its benchmark over the past year. While the economic data in August was mixed, the Federal Reserve's hawkish message from the Jackson Hole Economic Symposium dampened investor's risk appetite and ended the strong run for equity markets since the June lows. Concerns about the impact of the energy crisis in Europe continued as the key natural gas pipeline was closed off which is likely to further fuel inflation.

Key contributors for the Fund included Australian software company Atlassian (+18%). The company develops products for software developers, project managers and other software development teams. Despite many software companies disappointing earnings expectations recently, Atlassian delivered a strong quarter for its subscription cloud revenue stream and continued to improve margins. Elsewhere, BIM (+19%), a Turkish discount store known for offering a range of basic food items and consumer goods, benefitted from customers trading down and experienced quarterly revenue growth of 5% ahead of inflation. The company's outlook is also positive with high inflation supporting further revenue growth but more importantly forecasting margins remaining stable. Detractors included some of the Fund's key holdings in US tech names such as Alphabet (-7%), Microsoft (-7%) and Applied Materials (-11%), as growth shares weakened on expectations of further upside pressure to interest rates.

### Performance

As at 31 August 2022	1 Mth	3 Mth	1 Yr	3 Yrs p.a.	5 Yrs p.a.	Since Inception p.a.
Clarity Global Shares Fund*	-1.8%	-1.8%	-3.8%	9.5%	8.8%	8.9%
Benchmark Index**	-2.2%	-1.9%	-8.2%	8.6%	9.1%	9.1%

\*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 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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