

Emerging Markets Equity Fund

Fund Focus - March 2022



Investment Strategy

This Fund is suitable for investors seeking long term capital growth from shares listed in global emerging markets.

Portfolio Characteristics

Funds Under Management	\$0.59m
Number of Holdings	104
Turnover Ratio %	95.71*
Latest Distribution Date	30 June 2021
Latest Distribution Amount	0.0497
Benchmark	MSCI Emerging Markets Index in \$A (net dividends reinvested)

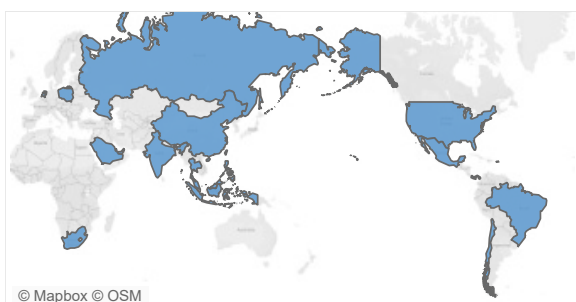
Fund Facts

APIR Code	ZUR0614AU
Inception Date	26 June 2014
Total Est. Management Cost %	1.78
Est. Transactional Op. Cost %	0
Buy/Sell Spread %	0.00
Distribution Frequency	Annually
Underlying Fund Manager	Allspring Global Investments

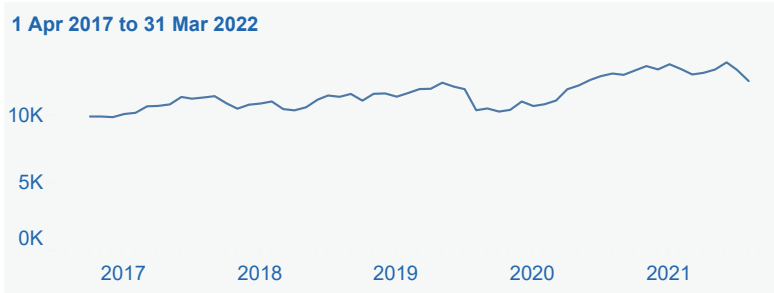
Fund Performance After Fees*

	1 Month	3 Months	1 Year	3 Years	5 Years	Since Inception
Distribution	0.00	0.00	3.70	6.07	5.83	4.67
Growth	-6.14	-6.36	-7.94	-2.77	-0.65	1.66
Total	-6.14	-6.36	-4.24	3.30	5.19	6.33
Benchmark	-5.55	-9.94	-10.10	3.01	6.31	6.68

Market Exposure

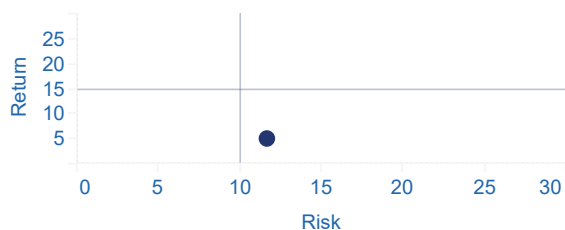


Investment Growth (\$10,000)

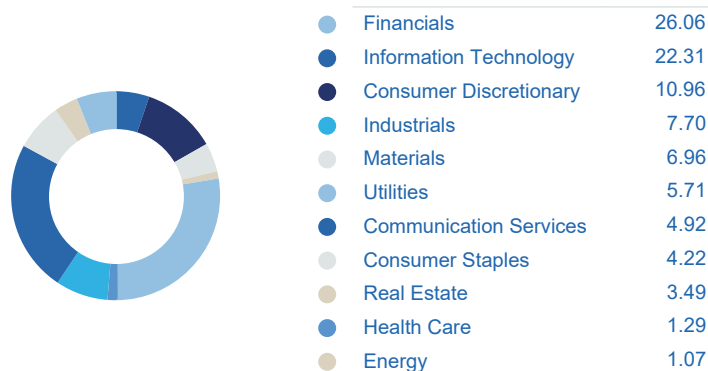


Risk Reward

1 Apr 2017 to 31 Mar 2022



Portfolio Equity Sectors (%)



Top 10 Holdings (%)

	Weight	Benchmark
Taiwan Semiconductor M..	8.14	7.10
Samsung Electronics Co...	3.00	3.83
Samsung Electronics Co ..	2.61	0.60
Midea Group Co. Ltd. Cla..	1.77	
Tingyi (Cayman Islands) ..	1.74	0.06
Power Grid Corporation o..	1.66	0.12
Postal Savings Bank of C..	1.64	0.09
China Construction Bank ..	1.64	0.96
China Resources Land Li..	1.48	0.21
Ping An Insurance (Grou..	1.47	0.65
Infocys Limited Sponsore	1.47	

Risk Statistics

1 Apr 2017 to 31 Mar 2022

Std Dev	11.62
Alpha	-0.58
Beta	0.93
Sharpe Ratio (arith)	0.45
Up Capture Ratio	87.07
Down Capture Ratio	88.28
Currency Management %	

Market Commentary

Emerging markets fell in March with nine out of eleven sectors generating negative returns including energy, consumer discretionary, and communication services while financials and materials experienced gains. At the country level, 17 out of 25 countries generated positive returns including Brazil, Colombia, Chile, Kuwait, and Peru. Egypt, China/Hong Kong, and Greece lagged and Russia was removed from the index.

Fund Commentary

The Fund fell in the March quarter by 6.36% but outperformed the index return by 3.58%.

The Asian region underperformed the broader index in March. China/Hong Kong was the leading detractor in the region given concerns surrounding the country's relationship with Russia. Additionally, a surge in COVID-19 cases resulted in the largest lockdowns since the onset of the pandemic in cities including Shenzhen and Shanghai. Taiwan was negatively impacted by foreign outflows as investors drew parallels between Russia's invasion of Ukraine and the risk of Chinese military action against Taiwan. South Korea was flat in March as the country elected a new president in Yoon Suk-yeol, widely viewed as the pro-market candidate, ending uncertainties from a tight race with Lee Jae-myung. India was the best performing market in the region in March as the BJP party won four of five states in assembly elections suggesting policy continuity. Indonesia and Malaysia also recorded gains in March.

Latin America was the best performing region in March. Brazil saw its currency appreciate to a two-year high and the central bank also signalled an end to its rate hiking cycle. Mexico raised its policy rate as inflation remained stubbornly high although economic indicators, including industrial production and retail sales, were positive and reversed recent declines. Colombia, Chile, and Peru also raised rates in March.

The Emerging Europe, Middle East, and Africa (EMEA) region was the worst performing region in March primarily due to MSCI's decision to reclassify Russia from emerging markets to standalone status, at a price of effectively zero. Gulf countries including Kuwait, the UAE, Qatar, and Saudi Arabia, outperformed on the continued strength of Brent oil. Turkey, the Czech Republic, Poland, and Hungary also advanced in March.

Investor sentiment towards emerging market equities remained weak in the March quarter with no sign of de-escalation of the war in Ukraine. Cost push inflation from supply disruptions due to the Ukraine/Russia war will hurt demand and global economic growth. In addition, the omicron surge in China is expected to lead to rolling lockdowns and halts to domestic activity. Stagflation has moved up from a tail risk to a very credible concern and investors should expect more downward revisions to gross domestic product and earnings forecasts. With oil prices above \$100 per barrel, countries such as Saudi Arabia, Qatar, and the UAE stand to benefit while South Africa offers alternatives to Russia for gold and palladium. Latin America enjoys distance from the epicenter of the war and higher commodity prices. Aggressive rate hikes in general have been supportive of Latin American currencies, although interest rates in Brazil and Chile may be peaking soon while political/election risks and fiscal deterioration remain a concern in the region. High oil tends to be a headwind for Asia, where the risk-off trade is in favour of Indonesia and Malaysia over Korea, India, Thailand, and the Philippines. Taiwan and Korea are also impacted by volatility in the technology sector from rising rates and slower demand. Chinese equities have been especially weak on COVID-19 concerns, regulatory uncertainties, including more imminent ADR delisting risks, and observers drawing similarities between China and Russia. China is not expected to provide military aid nor help Russia evade sanctions. Valuations of onshore and offshore Chinese equities have dropped to very interesting levels and the Chinese economy and markets may get a boost from fiscal support, monetary easing, and relaxation of property restrictions.

* Performance returns quoted are compound rates of return calculated on exit prices and assume reinvestment of distributions. Returns are calculated net of all ongoing fees and any taxes payable by the fund. Total return includes both growth and distribution returns. Growth return is the change in exit price over the relevant period. The benchmark return shown is a gross return. Please note that figures shown are rounded to one decimal place, therefore some rounding errors may occur.

^ The Estimated Total Management Cost of 1.78% an Estimated Performance Fee of 0% and Estimated Indirect Costs of 0.38%.

Past performance is not a reliable indicator of future performance.*12 month turnover to 31 March 2022.

This report is issued by Zurich Investment Management Limited ABN: 56 063 278 400, AFSL: 232511, GIIN: FVHHKJ.00012.ME.036 : . The information in the report has been derived from sources reasonably believed to be reliable and accurate and is to be used for research purposes only. Subject to law, none of the companies of the Zurich Financial Services Australia Limited Group, nor their directors or employees, gives any representation or warranty as to the reliability, accuracy or completeness of the information, nor accepts any responsibility arising in any way (including by reason of negligence) from errors in or omissions from, the information provided. A Product Disclosure Statement (PDS) for the Fund is available and can be obtained by calling Zurich Investments on 131 551. The PDS should be considered in deciding whether to acquire, or to continue to hold, an investment in the fund. This information is of a general nature only and does not take into account the investment objectives, financial situation or particular needs of any investor and should not be taken as a securities or stock recommendation. These factors should be considered before any investment decision is made in relation to the fund. Furthermore, this product has been designed to meet certain objectives, financial situations and needs, which are described in our Target Market Determination available at zurich.com.au/tmd PIRD-018509-2022