Zurich Investments

Emerging Markets Equity Fund

Fund Focus - August 2022

Investment Strategy

The investment team at Allspring Global Investments looks for companies with a sustainable high dividend yield backed by strong company financials and fundamentals, including above-average sales and earnings growth, overall financial strength, competitive advantages, and capable management. The team may sell a holding when it no longer has some or all of these traits. The investment strategy includes both a top-down strategy, which takes account of overall economic and mar..

Portfolio Characteristics

Funds Under Management	$0.47m
Number of Holdings	94
Turnover Ratio %	95.71
Latest Distribution Date	30 June 2022
Latest Distribution Amount	0.0776
Benchmark	MSCI Emerging Markets Index in $A (net dividends reinvested)

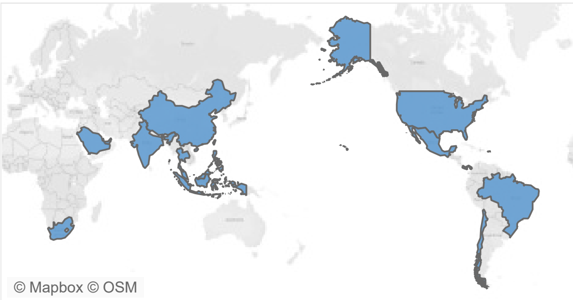
Fund Facts

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

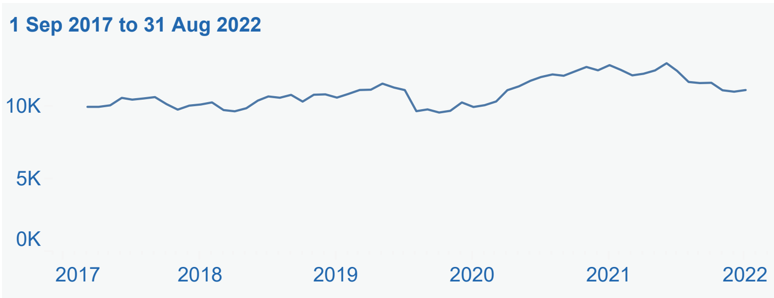
Fund Performance After Fees*

	1 Month	3 Months	1 Year	3 Years	5 Years	Since Inception
Distribution	0.00	6.88	6.23	5.87	6.17	5.31
Growth	1.04	-11.16	-19.55	-4.26	-2.77	0.05
Total	1.04	-4.28	-13.32	1.61	3.40	5.36
Benchmark	2.21	-2.15	-16.64	2.14	3.57	5.95

Market Exposure

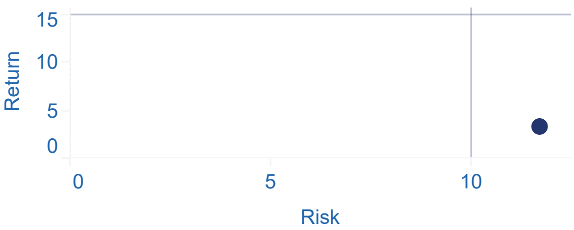


Investment Growth ($10,000)



Risk Reward

1 Sep 2017 to 31 Aug 2022



Portfolio Equity Sectors (%)

Financials	24.88
Information Technology	19.88
Consumer Discretionary	12.47
Communication Services	8.63
Consumer Staples	6.96
Industrials	6.91
Materials	6.06
Utilities	5.10
Real Estate	2.76
Energy	1.54
Health Care	1.05

Top 10 Holdings (%)

	Weight	Benchmark
Taiwan Semiconductor M..	7.49	6.47
Samsung Electronics Co...	2.82	3.49
Alibaba Group Holding Lt..	2.71	2.78
Samsung Electronics Co ..	2.49	0.56
Tencent Holdings Ltd.	2.45	3.77
Midea Group Co. Ltd. Cla..	1.96	0.00
Infosys Limited Sponsore..	1.70	0.00
China Construction Bank ..	1.67	0.95
China Resources Land Li..	1.56	0.21
Baidu, Inc. Class A	1.50	0.58

Risk Statistics

1 Sep 2017 to 31 Aug 2022

Std Dev	11.71
Alpha	0.07
Beta	0.96
Sharpe Ratio (arith)	0.29
Up Capture Ratio	91.74
Down Capture Ratio	89.81
Currency Management %	

Zurich Investments

Emerging Markets Equity Fund

Fund Focus - August 2022

Market Commentary

Emerging markets advanced in May in US dollar terms after four consecutive months of declines. Five out of eleven sectors generated positive returns during the month including information technology, energy, and industrials while real estate, health care, and financials declined. At the country level, 13 out of 24 countries generated positive returns including Chile, Colombia, Brazil, and Mexico whereas Hungary, the UAE, Egypt, and Saudi Arabia declined.

Fund Commentary

The Fund edged ahead in local currency terms and was ahead of the index return by 0.67%. Calendar year-to-date, the Fund is outperforming the index return by 3.76%.

The Asian region performed in line with the broader index in May. Taiwan was excluded from the 13-member Indo-Pacific Economic Framework (IPEF) given certain members concerns of retribution from China. However, the US and Taiwan are expected to announce plans to deepen economic ties with a focus on enhancing economic cooperation and supply chain resiliency. South Korea increased its policy rate as inflation exceeded consensus expectations. On the fiscal side, the National Assembly approved a $49.5 billion supplementary budget to support businesses negatively impacted by COVID-related restrictions. The Philippines reported a faster than expected increase in gross domestic product (GDP) in the first quarter, fuelling calls for the central bank to raise its policy rate as inflation also exceeded expectations. Sentiment in China/Hong Kong improved as the People’s Bank of China cut the 5-year loan prime rate by 15 bps. The State Council announced 33 incremental measures to stabilise the economy from a broadening of tax rebates to relaxation of automobile purchases. The COVID outbreak in Shanghai continued to improve with expectations for Beijing to follow a similar pattern. President Biden also stated that he was considering removing some tariffs on Chinese imports.

Latin America was the best performing region in the index in May. Chile led the region as it completed the draft of a new constitution which left out more radical proposals including expropriation of all mining activities, although it still implies a bigger role for the state. The draft constitution has now moved to the harmonisation stage which is expected to result in a streamlined draft before a vote in September where rejection appears increasingly likely. Colombia also outperformed as the first-round presidential election provided more clarity to the market with left wing candidate, Gustavo Petro, and independent candidate, Rodolfo Hernandez, moving to the second round. Brazil hiked its policy rate by 100 bps and the government announced a 10% reduction in taxes for 87% of imported goods to quell inflation.

The Emerging Europe, Middle East, and Africa (EMEA) region underperformed in May The UAE, Saudi Arabia, Qatar and Kuwait all declined as investors took profits on lofty valuations relative to other emerging markets as growth concerns outweighed a strong increase in brent. Hungary was the worst performing market in the index as it introduced a windfall profit tax targeting the bank and energy industries. South Africa outperformed in May following a weak April as the government extended relief on fuel prices, helping to contain inflation.

Investor sentiment remains cautious on the extended war in Ukraine, the China lockdown spreading from Shanghai to Beijing, and the expedited rate hike by the US Federal Reserve (Fed). China, refusing to deviate from its zero COVID policy, will have to introduce more policies to support the economy, including further monetary easing, larger fiscal stimulus, additional tax relief. With oil prices well above $100 per barrel, countries such as Saudi Arabia, Qatar, and the UAE stand to benefit. Within the EMEA, South Africa offers alternatives to Russia for gold and palladium while Latin America enjoys distance from the epicenter of the war, and exporters also get a boost from current oil and food prices. Higher commodity prices and aggressive rate hikes in general have been supportive of Latin American currencies. Higher oil prices will be a headwind for Asia, where the risk-off trade favors Indonesia and Malaysia over Korea, India, Thailand, and the Philippines. South and Southeast Asia are well positioned as supply chain alternatives with better reopening than North Asia. Taiwan and Korea are expected to continue to be impacted by volatility in the technology sector from rising rates and slower demand.

*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% includes an Estimated Performance Fee of 0% and and Estimated Indirect Costs of 0.38%.