

Emerging Markets Equity Fund

Fund Focus - November 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	\$0.43m
Number of Holdings	96
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)

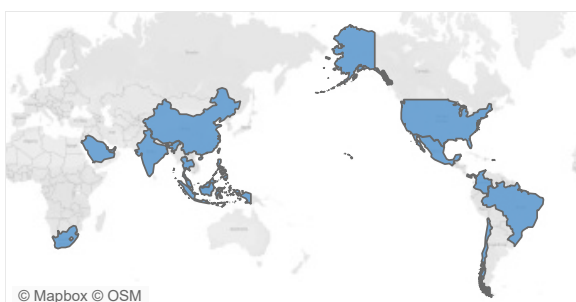
Fund Facts

APIR Code	ZUR0614AU
Inception Date	26 June 2014
Total Est. Management Cost %	1.56
Est. Transactional Op. Cost %	0
Buy/Sell Spread %	0.00
Distribution Frequency	Annually
Underlying Fund Manager	Allspring Global Investments

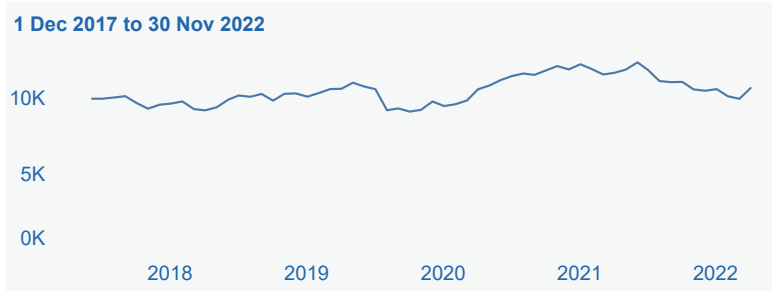
Fund Performance After Fees*

	1 Month	3 Months	1 Year	3 Years	5 Years	Since Inception
Distribution	0.00	0.00	6.57	5.78	6.11	5.14
Growth	7.12	0.70	-15.08	-5.62	-3.74	0.13
Total	7.12	0.70	-8.50	0.16	2.36	5.27
Benchmark	9.64	0.55	-12.58	0.47	2.11	5.84

Market Exposure

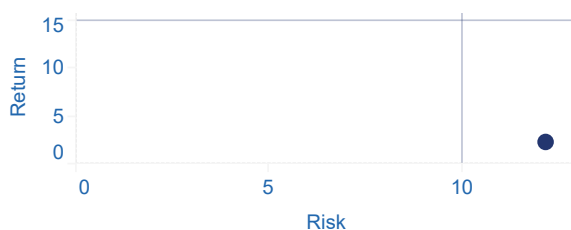


Investment Growth (\$10,000)

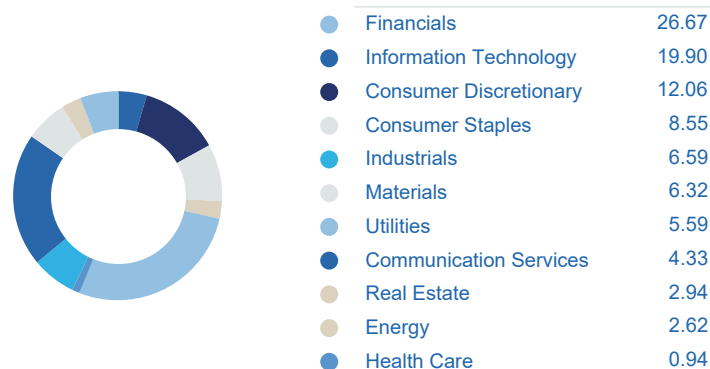


Risk Reward

1 Dec 2017 to 30 Nov 2022



Portfolio Equity Sectors (%)



Top 10 Holdings (%)

	Weight	Benchmark
Taiwan Semiconductor M..	5.98	5.36
Alibaba Group Holding Lt..	2.87	2.14
Samsung Electronics Co...	2.79	3.58
Samsung Electronics Co ..	2.61	0.55
Infosys Limited Sponsore..	2.12	
Bank of Baroda	1.93	
Lenovo Group Limited	1.80	0.10
Bangkok Bank Public Co..	1.73	
JD.com, Inc. Class A	1.62	0.72
LIC Housing Finance Ltd	1.59	

Risk Statistics

1 Dec 2017 to 30 Nov 2022

Std Dev	12.15
Alpha	0.47
Beta	0.93
Sharpe Ratio (arith)	0.19
Up Capture Ratio	91.26
Down Capture Ratio	87.72
Currency Management %	

Market Commentary

Emerging markets advanced in November with all eleven sectors generating positive returns during the month. At the country level, the majority (twenty-one out of twenty-four) posted positive returns including China/Hong Kong, Turkey, and Taiwan while Saudi Arabia, Qatar, and Brazil were negative.

Fund Commentary

The Fund produced a solid return of 7.12% in November but was unable to keep pace with the stellar index performance.

The Asian region outperformed the broader index in November on the back of China/Hong Kong, which released new measures to modify its COVID policy and support the property market. President Xi and President Biden met on the sidelines of the G20 summit in Bali helping to build a floor under the countries' relationship, which has deteriorated over the past several years. A deadly apartment fire resulted in protests in multiple cities towards the end of the month as citizens claimed COVID controls hampered rescue efforts. Taiwan held local elections in which the opposing Kuomintang party won 13 of 22 races, which may help to ease cross strait tensions. The Philippines, Thailand, Malaysia, and Indonesia all reported an acceleration in year-over-year gross domestic product (GDP) growth. India underperformed as investors booked profits as the Sensex reached new highs while inflation remained above the central bank's forecasts, portending another hike to the policy rate in December.

Latin America underperformed the index in November. Brazil underperformed given uncertainties surrounding the President's cabinet and fiscal concerns, as Lula pushes for a constitutional amendment to exclude social spending from the spending cap law. Mexico hiked its policy rate to 10.0% with the Bank of Mexico board noting that headline inflation likely peaked in the third quarter, indicating that the hiking cycle could be nearing its end. Peru, Chile, and Colombia outperformed the region in November.

The Emerging Europe, Middle East, and Africa (EMEA) region underperformed the emerging markets index in November. Performance was weak among the Gulf Cooperation Council countries with Kuwait, the UAE, Qatar and Saudi Arabia underperforming the broad index as Brent declined during the month. Turkey was the best performing country in the region as the central bank cut rates again, in line with President Erdogan's goal of reaching a single digit policy rate by year end. Egypt, Poland, Hungary, Greece, and the Czech Republic advanced during the period.

China is expected to gradually reopen through 2023 as new COVID variants are deemed less pathogenic. The administration is likely to continue to introduce policies on all fronts (fiscal, monetary, property specific, regulatory relaxation) to help stabilise the economy for a stronger recovery next year. Common prosperity remains a top priority. Following a conciliatory tone at G20, there should be some thawing of icy US-China relations. Similarly, there is the prospect of an improvement in cross strait tensions with the Kuomintang (KMT) win in mayoral elections in Taiwan, and particularly in the major cities including Taipei. As such, the investment team are turning more constructive on North Asia. South and Southeast Asia are attractive as supply chain alternatives to North Asia; however, valuations are less compelling, and inflation and rate hikes are still a focus. India remains attractive due to its high growth potential and lower geopolitical risk versus China, but near-term volatility is expected given high valuations after recent strength.

Overall, the investment team has a positive outlook on emerging market equities as margin pressures are expected to lessen as input costs fall. There also appears to be an end in sight with regards to tightening cycles in emerging markets compared to developed markets. Emerging market valuations are currently compelling and offer a substantial discount to developed markets. Emerging markets are expected to outperform developed markets through 2023 as the US dollar peaks and the relative growth premium of emerging markets versus developed markets expands once again.

*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.
**12 month turnover over to 30 September 2022.

^ The Estimated Total Management Cost of 1.56% includes an Estimated Performance Fee of 0% and and Estimated Indirect Costs of 0.16%.

Past performance is not a reliable indicator of future performance.

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