



## Investment Strategy

The Fund generally invests in a broad selection of securities listed on foreign stock exchanges. The Fund will actively hedge up to 40% of the Fund's exposure to international currency back to Australian dollars.

## Fund Facts

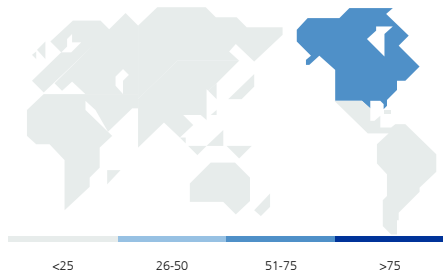
APIR Code	ZUR0061AU
Inception Date	25/07/1997
Total Est. Management Cost % <sup>^</sup>	1.04
Buy/Sell Spread%	0.04
Est. Transactional Op. Cost %	Nil
Distribution Frequency	Semi-Annually
Underlying Fund Manager	Lazard Asset Management Pacific Co

## Portfolio Characteristics

Funds Under Management	\$300.93m
Number Of Holdings	105
Turnover Ratio%	13.65
Latest distribution date	31 Dec 2020
Latest distribution amount	0.0010
Benchmark	MSCI World (ex-Australia) Accumulation Index in \$A (net dividends reinvested)

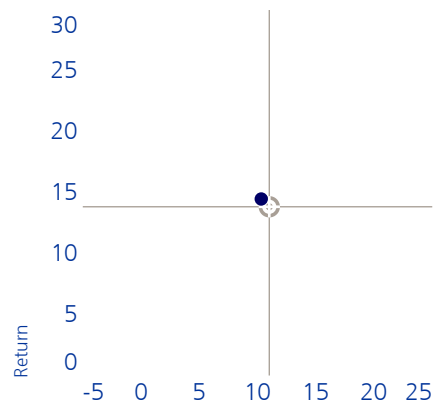
## Market Exposure

Greater Europe    Greater Asia    Americas



## Risk Reward

Time Period: 30/04/2016 to 30/04/2021

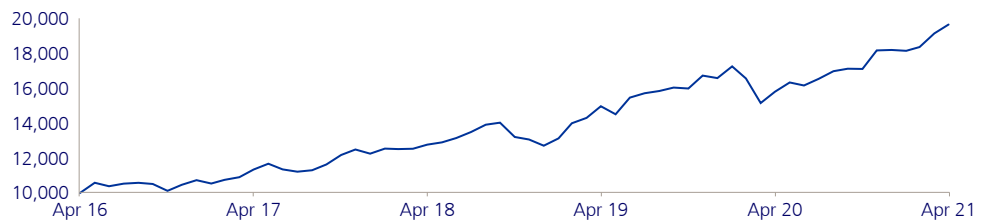


## Fund Performance After Fees\*

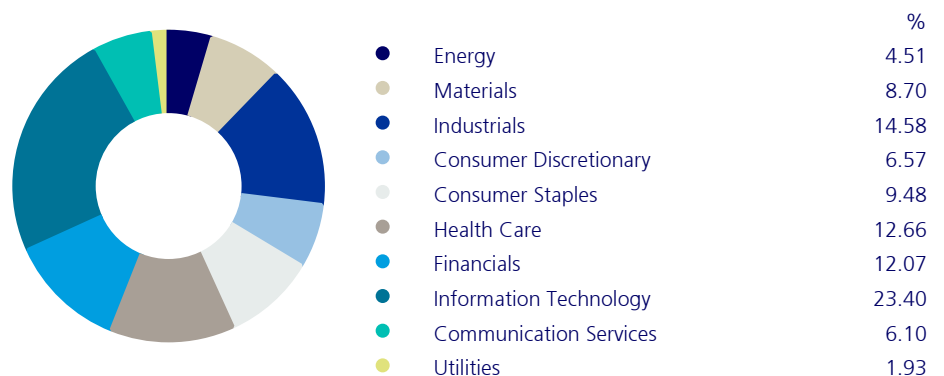
As at 30/04/2021	1 Month %	3 Months %	1 Year % p.a	3 Years % p.a	5 Years % p.a	Since Inception % p.a
Growth	2.67	8.31	21.20	11.18	-4.08	1.34
Distribution	0.00	0.00	3.20	4.29	18.57	5.91
<b>Total</b>	<b>2.67</b>	<b>8.31</b>	<b>24.40</b>	<b>15.47</b>	<b>14.49</b>	<b>7.25</b>
Benchmark	3.18	10.21	23.03	13.32	13.85	6.82

## Investment Growth

30/04/2016 to 30/04/2021



## Portfolio Equity Sectors



## Risk Statistics

Time Period: 30/04/2016 to 30/04/2021

Std Dev	10.32
Alpha	1.68
Beta	0.90
Sharpe Ratio (arith)	1.24
Up Capture Ratio	94.58
Down Capture Ratio	82.41

## Currency Management

Hedging Level as at 30 Apr 2021	0%
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## Top 10 Holdings

Portfolio Date: 30/04/2021	Portfolio Weighting%	Benchmark Weighting%
Alphabet Inc	2.22	2.59
Microsoft Corp	1.84	3.29
IQVIA Holdings Inc	1.36	0.08
Apple Inc	1.35	4.06
Johnson Controls International PLC	1.28	0.08
Laboratory Corp of America Holdings	1.26	0.05
The Walt Disney Co	1.22	0.61
Schneider Electric SE	1.21	0.16
PPG Industries Inc	1.20	0.07
Texas Instruments Inc	1.19	0.30

# Zurich Investments

## Global Thematic Share Fund

### Fund Focus - April 2021



#### Market

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Global equity markets continued to rally in April, as investor confidence about a global economic recovery remained steadfast despite mixed news flow.

Trading was choppy at times during the month as investors mulled over the ramifications of two competing developments: indications that the global economy was strengthening and a fresh wave of coronavirus cases in key regions of the world that could derail an economic recovery. In the US, the economic outlook continued to brighten, thanks to massive monetary and fiscal stimulus, falling coronavirus cases, and increasingly positive domestic economic data. In Europe, investors were cautiously optimistic about the region, due largely to encouraging signs that Europe's economy was on the mend and that the latest wave of coronavirus infections was ebbing. In contrast, an intensifying viral outbreak in Japan led the government there to declare a state of emergency and the imposition of restrictive measures in four major regions, while the pandemic's unchecked spread in India and Brazil threatened to upend the fragile economic recovery in the developing world.

Stocks received a boost when the US Federal Reserve affirmed its intention to maintain an ultra-accommodative monetary policy stance for the foreseeable future. The yield on the benchmark 10-year US Treasury note, which has risen materially since the beginning of the year and thus became a headwind for risk assets, fell in April.

Against this backdrop, global equity markets recorded their best monthly performance thus far in 2021. In the US, the S&P 500 Index significantly outperformed the broader market benchmark, as an exceptionally strong start to the first-quarter earnings season reflected the country's accelerating economic recovery. Across the Atlantic, European equity markets modestly outpaced the broader global index on optimism that an economic recovery was underway. In Japan, the stock market retreated on concerns that the latest wave of coronavirus infections to hit the country will hinder an economic recovery. Meanwhile, in the developing world, China's stock market was a relative laggard on news that the country's factory activity growth had slowed in April. Investors were also concerned by news that China's government was imposing stricter regulations on some of the country's technology giants.

#### Fund

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The Fund produced a solid absolute return in April but was unable to keep pace with the strong index return. For the 12 months to 30 April 2021, the Fund is comfortably ahead of the index return.

Eight themes rose in value, while three declined. Themes are discussed below in descending order of contribution.

**First World Health:** IQVIA and Danaher rose on strong results and expectations for long duration COVID-19 related spending. Boston Scientific, Medtronic, and Stryker also rose on results as US hospital activity showed signs of normalisation. Sysmex declined post new product details and slow progress in Japanese vaccination.

**Data Networks and Profits:** Alphabet rose on strong results showing demand acceleration and cost control. Visa gained on results showing strength in consumer spending. Aon advanced on results demonstrating strong organic growth.

**Software as a Standard:** Microsoft rose on strong results driven by its cloud division. SAP gained as results showed robust licensing demand. PTC declined due to the foreign currency exchange impact to results and after recent performance.

**Extreme risks:** US bank holdings, led by PNC Financial, US Bancorp, and Bank of America, rose with results showing continued normalisation and excess reserves. Gold miners, led by Kirkland Lake and Agnico Eagle, rose with increases in the price of gold.

**Enduring Brands:** Diageo and Pernod Ricard rose on strong results and the anticipation of a resumption of demand for activities related to the consumption of spirits. Nestle rose on strong organic growth. Beiersdorf rose on positive sentiment regarding the change to a new CEO and strong results in its adhesives division. Kao retreated on slow return to Japanese travel. Johnson & Johnson declined on news flow around the blood clotting side effects of its vaccine.

**Empowered Consumer:** LVMH advanced with strong results, driven by China and sales in its digital/e-commerce channels. Amazon and Apple climbed with strong results. Sony fell after announcing additional investment spending as part of its new mid-term plan.

**Distribution Footprints:** PPG was top contributor, with shares making strong gains following results showing price leverage had offset rising raw material prices and volume recovery. Kansai Paint fell on COVID-19 resurgence in India.

**Asset Efficiency:** Safran was a top contributor, with shares making strong gains on better-than-expected results and continued recovery in aviation activity. Fanuc retreated after releasing conservative guidance during its quarterly results announcement.

**Energy Transitions:** Siemens Gamesa declined on slow orders and raw material pressures. Royal Dutch Shell fell on challenging downstream conditions.

**Bits of Chips:** ASML advanced on strong results showing an acceleration in demand for capital equipment. Texas Instruments, TSMC, and Infineon declined on results that fell short of expectations and the current chips shortage, leading investor concerns about a limited upside.

**Digital Runway:** AIA, BCA, and DBS rose on better-than-expected results. HDFC was a top detractor, with the stock price falling on the COVID-19 resurgence in India. Ping An Insurance declined on concerns about slow growth and negative sentiment about the company's purchase of the assets of troubled state-owned conglomerate Founder Group.

#### Recent Activity and Outlook

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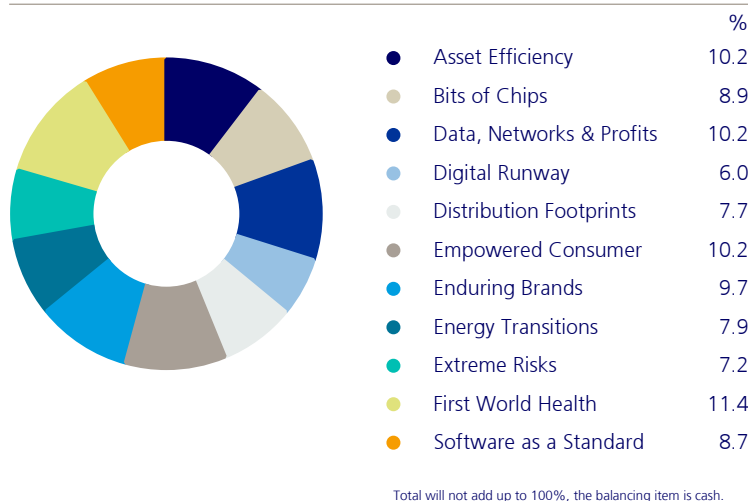
Two new stocks were purchased in April, Reliance Industries (Empowered Consumer) and Total (Energy Transitions).

Reliance Industries (Empowered Consumer) - As an Indian conglomerate driving an omni-channel approach to commerce, Reliance Industries is a good fit for the Empowered Consumer theme. Through its JIO telecom network, a platform of technology applications, and India's largest traditional retailer, Reliance offers a unique combination of services. Its omni-channel strategy has the potential to grow new businesses and take market share through a merger of online and offline worlds. Consumer businesses are anticipated to be a key driver of value creation going forward. The company's Oil-to-Chemical (O2C) division offers growth opportunities through investment in new areas (e.g. hydrogen, alternative energy, plastics recycling, and innovative downstream chemicals), in addition to a cyclical recovery potential from the impact of the COVID-19 pandemic. Spin-off plans for its O2C division may drive upside from simplification. The potential sale of Reliance's ownership stake, investment in decarbonisation technologies, and a commitment to net-zero carbon emissions by 2035 mitigate legacy energy industry risks.

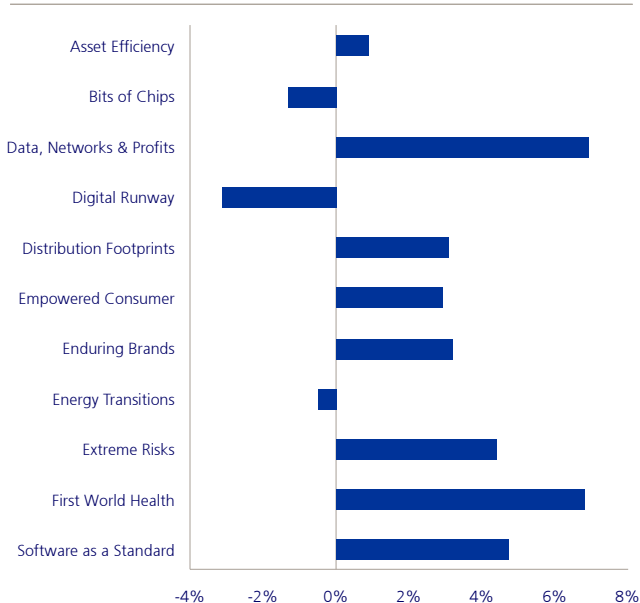
Total (Energy Transitions) - The combination of a clear strategy, a commitment to transition to clean energy, a strong portfolio of renewable energy sources, diversified risk profile across legacy/non-renewable assets, strong free cash flow generation, and a healthy balance sheet make Total a good fit for the Energy Transitions theme. Total occupies a leading position among European majors in energy transition. Its sizeable renewable portfolio represents long duration assets with solid power-purchase agreement coverage and sensible farm-down strategy. Total benefits from a well-diversified upstream portfolio, with liquified natural gas assets poised for growth and solid downstream assets with a skew to petrochemical. The solid free cash flow yield and strong balance sheet suggest good dividend coverage and the potential for further stock buybacks.

Sysmex (First World Health) was sold in April on valuation after realisation of catalysts (turnaround of Chinese business and new product launches).

## Themes



## Contribution By Theme



\* 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 1.04% includes a Management Fee of 0.98%, an Estimated Performance Fee of 0% and Estimated Indirect Costs of 0.06%

### Past performance is not a reliable indicator of future performance.

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