

# Global Thematic Share Fund

Fund Focus - November 2021



## 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.

## Portfolio Characteristics

Funds Under Management	\$303.31m
Number of Holdings	103
Turnover Ratio %	14.59
Latest Distribution Date	30 June 2021
Latest Distribution Amount	0.0120
Benchmark	MSCI World (ex Australia) Accumulation Index in \$A (net dividend reinvested)

## Fund Facts

APIR Code	ZUR0061AU
Inception Date	25 July 1997
Total Est. Management Cost %	0.99
Est. Transactional Op. Cost %	Nil
Buy/Sell Spread %	0.04
Distribution Frequency	Semi Annually
Underlying Fund Manager	Lazard Asset Management Pacific Co

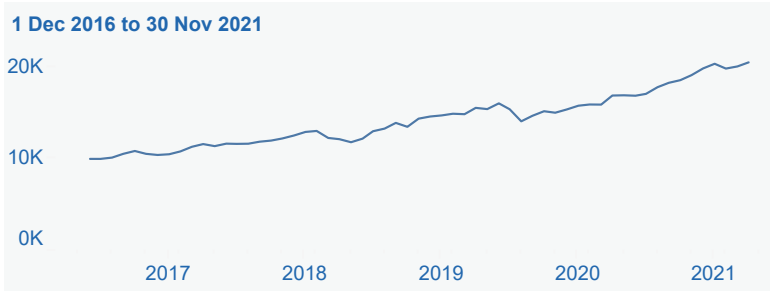
## Fund Performance After Fees\*

	1 Month	3 Months	1 Year	3 Years	5 Years	Since Inception
Distribution	0.00	0.00	1.11	2.05	14.88	5.82
Growth	2.21	0.76	20.25	17.03	1.19	1.75
Total	2.21	0.76	21.36	19.08	16.06	7.57
Benchmark	3.70	2.21	26.81	18.17	15.69	7.30

## Market Exposure

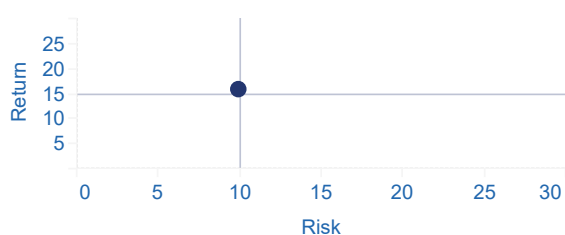


## Investment Growth (\$10,000)

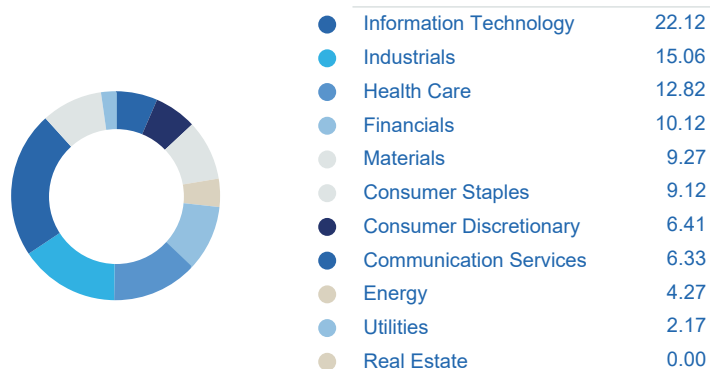


## Risk Reward

1 Dec 2016 to 30 Nov 2021



## Portfolio Equity Sectors (%)



## Top 10 Holdings (%)

	Weight	Benchmark
Alphabet Inc Common	2.41	2.85
Microsoft Corp Commo	2.38	4.02
Danaher Corp Common	1.47	0.35
Thermo Fisher Scient	1.46	0.42
Keysight Technologie	1.36	0.06
Adobe Inc Common Sto	1.35	0.54
Schneider Electric S	1.34	0.16
Siemens Healthineers	1.31	0.03
Laboratory Corp Of	1.29	0.00
Analog Devices Inc C	1.26	0.16

## Risk Statistics

1 Dec 2016 to 30 Nov 2021

Std Dev	9.86
Alpha	1.88
Beta	0.89
Sharpe Ratio (arith)	1.63
Up Capture Ratio	93.60
Down Capture Ratio	80.46
Currency Management %	0

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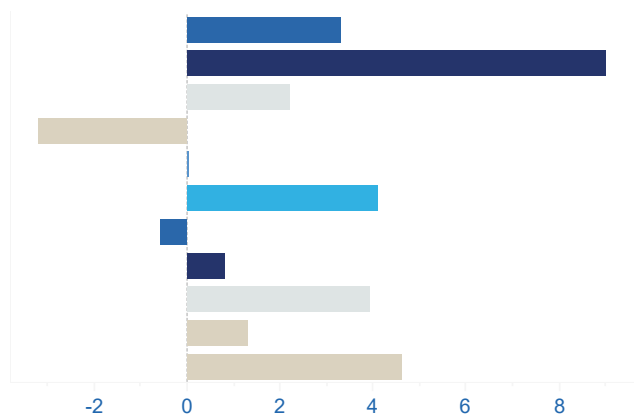


## Theme Weight %



Asset Efficiency	9.20
Bits of Chips	8.70
Data, Networks & Profits	9.20
Digital Runway	6.10
Empowered Consumer	9.80
Enduring Brands	9.60
Energy Transitions	9.30
Extreme Risks	6.20
First World Health	11.90
Software as a Standard	9.80
Sustainable Solutions	8.20

## Contribution by Theme %



Note: Total will not add up to 100%, the balancing item is cash

## Market Commentary

Global equity markets retreated in November in local currency terms, as a confluence of discouraging developments created new uncertainty and curbed risk appetites. After receding to the background in the past few months as investors shifted their focus to rising global inflation, the coronavirus pandemic was once again thrust to the forefront of risk factors. The discovery in southern Africa of a rapidly spreading strain of the virus with the potential ability to evade vaccines sent jitters through world financial markets. Traders were fearful that the emergence of this potentially more contagious variant, called Omicron, would hinder an uneven global economic recovery. As a result, stock prices wobbled in the days after this variant's emergence in late November, as investors assessed—and then reassessed—their worst-case scenarios.

Global stock markets came under additional pressure on the last day of November when the US Federal Reserve announced it would consider expediting the tapering of its monthly purchase of government-backed bonds in order to contain stubbornly high inflation. Investors were rattled by the news because it opened the door for the world's de facto central bank to retreat from its ultra-low interest rate policy, which has provided significant support for risk assets. The announcement came on top of news that the European Central Bank, arguably the world's second most influential bank, planned to end its bond purchases in March despite the threat of the new variant.

## Fund Commentary

The Fund produced a positive return in Australian dollar terms but was unable to outperform the index return. Themes discussed below are in descending order of contribution.

**Bits of Chips:** Aptiv rose despite cuts to near-term guidance on expectations for volume recovery in coming years. Infineon gain on long-term growth expectations at their Capital Markets day. Texas Instruments declined on conservative guidance.

**First World Health:** Siemens Healthineers and Danaher both traded higher on strong results, new long-term guidance, and the expectations for increased coronavirus testing revenues due to variants. Medtronic, Boston Scientific and Styker fell on anticipated pandemic disruption to new procedures.

**Enduring Brands:** Remy Cointreau advanced on very strong results showing strong cognac demand. Kao receded on competition in domestic markets.

**Sustainable Solutions:** Rentokil and Waste Management climbed, thanks to ongoing strong demand for pest and recycling. Kerry retreated on worries that coronavirus risk will adversely impact food service companies.

**Asset Efficiency:** Rockwell rose on strong organic growth guidance, driven by automation of automotive manufacturing. Schneider advanced on policy support for green buildings. Aveva faltered on mixed quarterly results, driven by business model evolutions.

**Data Network and Profits:** Wolters Kluwer rose on strong results. Visa and Mastercard retreated on Buy Now Pay Later disruption risk. Software as a Standard: Microsoft, Adobe, and Intuit all gained on continued demand for digital transformation. Autodesk and PTC traded lower on concerns about coronavirus risk and supply chain disruptions related to weakness in end markets.

**Extreme Risks:** Gold and gold mining holdings rose with the resurgence of coronavirus risk, as investors fled to safe-haven assets amid heightened uncertainty. US bank holdings declined, as resurgent anxiety about coronavirus risk led investors to bid up the price of long-term US Treasury bonds, thus putting downward pressure on their yields. The interest rates US banks charge are based on these yields.

**Empowered Consumer:** Sony rose on strong quarterly results, driven by gaming and electronic products. Live Nation advanced on quarterly results showing strong attendance and higher profitability from digital initiatives. Alibaba declined on weak quarterly results and concerns about regulatory risk. Activision Blizzard traded lower after an article in the Wall Street Journal detailed further workplace issues.

**Energy Transitions:** NextEra Energy advanced on continued renewable energy growth. BP and Total faltered as oil prices fell.

\* 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 0.99% includes an Estimated Performance Fee of 0% and Estimated Indirect Costs of 0.01%.

Past performance is not a reliable indicator of future performance.

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