

# Global Thematic Share Fund

Fund Focus - March 2022



## 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	\$267.89m
Number of Holdings	104
Turnover Ratio %	19.23
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

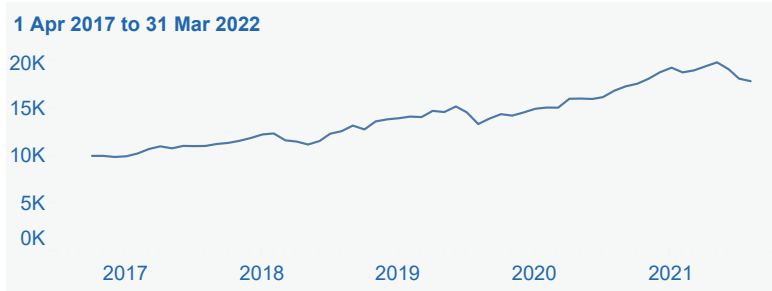
## Fund Performance After Fees\*

	1 Month	3 Months	1 Year	3 Years	5 Years	Since Inception
Distribution	0.00	0.00	0.89	1.88	14.45	5.72
Growth	-1.45	-9.98	5.02	10.46	-1.25	1.38
Total	-1.45	-9.98	5.91	12.34	13.20	7.10
Benchmark	-0.89	-8.42	11.60	12.91	12.87	6.89

## Market Exposure

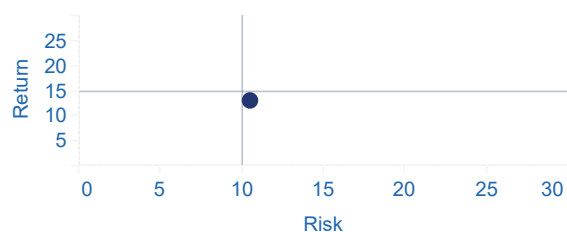


## Investment Growth (\$10,000)

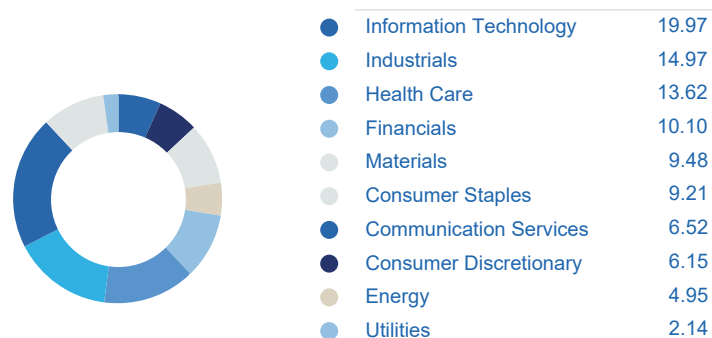


## Risk Reward

1 Apr 2017 to 31 Mar 2022



## Portfolio Equity Sectors (%)



## Top 10 Holdings (%)

	Weight	Benchmark
Alphabet Inc Common	2.35	2.84
Microsoft Corp Commo	2.20	3.82
Thermo Fisher Scient	1.35	0.40
Danaher Corp Common	1.34	0.33
Unitedhealth Group I	1.33	0.83
Laboratory Corp Of	1.19	0.00
Texas Instruments In	1.19	0.29
Spdr Gold Shares Etp	1.17	0.00
Reliance Industries	1.16	0.00
Relx Plc Common Stoc	1.15	0.11

## Risk Statistics

1 Apr 2017 to 31 Mar 2022

Std Dev	10.46
Alpha	1.25
Beta	0.92
Sharpe Ratio (arith)	1.26
Up Capture Ratio	95.21
Down Capture Ratio	87.14
Currency Management %	0

# Global Thematic Share Fund

Fund Focus - March 2022

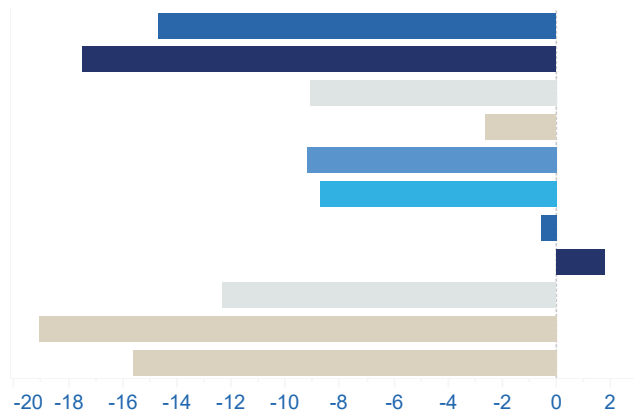


## Theme Weight %



Asset Efficiency	8.10
Bits of Chips	8.70
Data, Networks & Profits	10.00
Digital Runway	5.80
Empowered Consumer	10.10
Enduring Brands	9.50
Energy Transitions	9.10
Extreme Risks	6.00
First World Health	12.70
Software as a Standard	8.50
Sustainable Solutions	9.40

## Contribution by Theme %



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

## Market Commentary

Global stock prices fell in the first quarter as risk assets came under intense selling pressure due to treacherous market conditions. Equities were vulnerable due to a confluence of risk factors, and as investors grappled with their ramifications on the global economy. Anxiety about soaring inflation continued to hang over markets and grew worse after the US and its Western allies imposed harsh economic sanctions on Russia in response to its invasion of Ukraine. The punitive measures roiled commodity markets, drove energy prices sharply higher, and further snarled supply chains, all factors that increased inflationary pressure. At the same time, investors were worried that global economic growth could slow if a protracted conflict hurts consumer and business confidence. Investors de-risked into safe-haven assets such as US Treasuries, German bunds, and gold.

Given the increased inflationary pressure, all eyes were on the US Federal Reserve (Fed) and its interest rate policy path. The Fed's announcement mid-March that it would raise its interest rate for the first time since 2018 ignited a relief rally in global equity markets as investors took it as an encouraging sign that the world's most influential central bank was committed to tackling surging consumer prices. Other key central banks also acted during the quarter to combat spiralling inflation.

## Fund Commentary

The Fund fell in the March quarter and trailed the index performance. All themes declined in value except for Extreme Risks. Themes are discussed below in descending order of contribution.

**Extreme Risks:** Gold miners Agnico Eagle, Newmont, and Barrick Gold all rose in sympathy with the sharp rise in the price of gold, as investors fled to safe-haven assets on worries about escalating geopolitical risk.

**Energy Transitions:** Oil and gas producers Equinor, BP, Shell and Total, all advanced in sympathy with the sharp increases in oil and gas prices due to the fallout from the Russia-Ukraine conflict.

**Digital Runway:** Bank Central Asia, Bank Rakyat and DBS, all traded higher thanks to improving pandemic-related conditions in Southeast Asia and higher commodity prices. AIA rose on robust quarterly results.

**Enduring Brands:** Coca-Cola rose on data points highlighting the company's pricing power. Johnson & Johnson gained on resolution of litigation and market rotation.

**Data, Networks, and Profits:** Tencent declined due to concerns about ongoing Chinese regulation of the country's technology sector. Clarivate retreated after issuing a profit warning.

**Empowered Consumer:** Activision rose on news that it was an acquisition target of Microsoft. Reliance gained on energy market exposure. Amazon outperformed on strong quarterly results and stock buybacks.

**Asset Efficiency:** Deere climbed in sympathy with the increase in agricultural prices and on positive news flow about fully automated tractors. All other holdings declined on fears of cyclical weakness.

**Sustainable Solutions:** Nutrien traded higher with the rise in agricultural and fertiliser prices due to sanctions imposed on Russia. Ecolab, PPG, Kansai Paint, and Rentokil all faltered on market rotation and concerns about margin pressure due to high raw materials prices.

**First World Health:** Medtronic, and Boston Scientific rose on improved healthcare activity as pandemic restrictions eased in the US. Other holdings fell on market rotation.

**Bits of Chips:** All holdings declined on fears of cyclical weakness and supply chain disruption.

**Software as a Standard:** All holdings declined on higher bond yields which negatively impacted the long-duration future cash flows of technology companies.

\* 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.

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](http://zurich.com.au/tmd) PIRD-018509-2022