

Hedged Global Thematic Share Fund

Fund Focus - December 2022



Investment Strategy

The Fund generally invests in a broad selection of securities listed on foreign stock exchanges. The Fund aims to be fully hedged at all times providing investors with exposure to underlying share price movements but minimising the effect of foreign exchange movements.

Portfolio Characteristics

Funds Under Management	\$9.14m
Number of Holdings	103
Turnover Ratio %	15.96
Latest Distribution Date	31 December 2018
Latest Distribution Amount	0.0009
Benchmark	MSCI World (ex-Australia) Accumulation Index (fully hedged into\$A) (net dividends reinvested)

Fund Facts

APIR Code	ZUR0517AU
Inception Date	14 October 2005
Total Est. Management Cost %	0.99
Est. Transactional Op. Cost %	0.11
Buy/Sell Spread %	0.04
Distribution Frequency	Semi Annually
Underlying Fund Manager	Lazard Asset Management Pacific Co

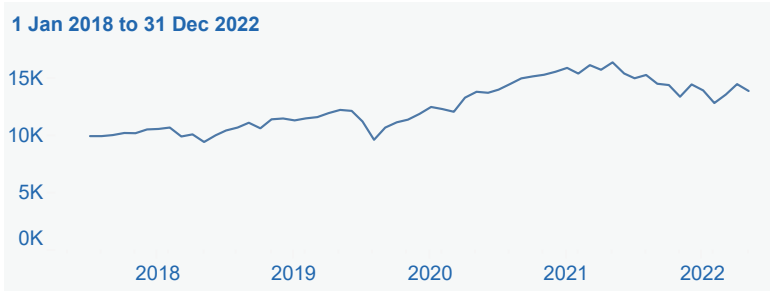
Fund Performance After Fees*

	1 Month	3 Months	1 Year	3 Years	5 Years	Since Inception
Distribution	0.00	0.00	0.00	0.00	0.66	8.80
Growth	-4.12	8.15	-15.20	4.29	6.11	-0.80
Total	-4.12	8.15	-15.20	4.29	6.76	8.00
Benchmark	-5.19	7.17	-18.06	3.92	5.63	7.26

Market Exposure

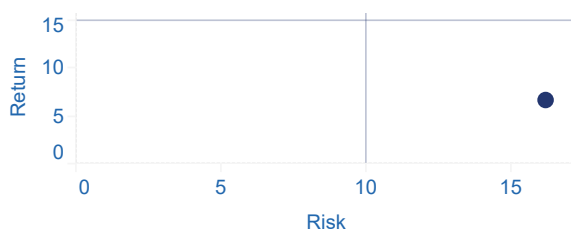


Investment Growth (\$10,000)

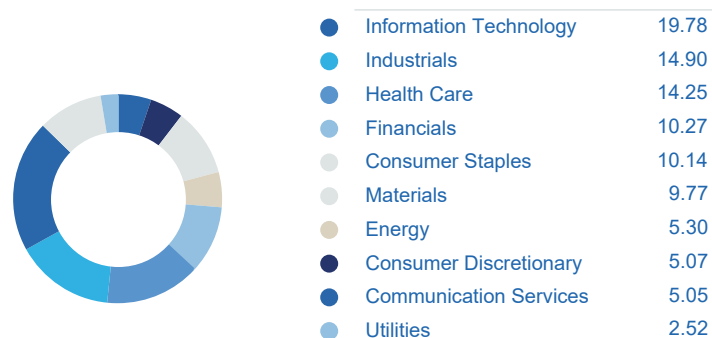


Risk Reward

1 Jan 2018 to 31 Dec 2022



Portfolio Equity Sectors (%)



Top 10 Holdings (%)

	Weight	Benchmark
Microsoft Corp Commo	1.94	3.48
Alphabet Inc Common	1.70	2.09
Unitedhealth Group I	1.57	1.02
Bp Plc Common Stock	1.50	0.00
Totalenergies Se Com	1.44	0.32
Thermo Fisher Scient	1.43	0.44
Danaher Corp Common	1.37	0.38
Iberdrola Sa Common	1.35	0.14
Boston Scientific Co	1.33	0.14
Analog Devices Inc C	1.29	0.17

Risk Statistics

1 Jan 2018 to 31 Dec 2022

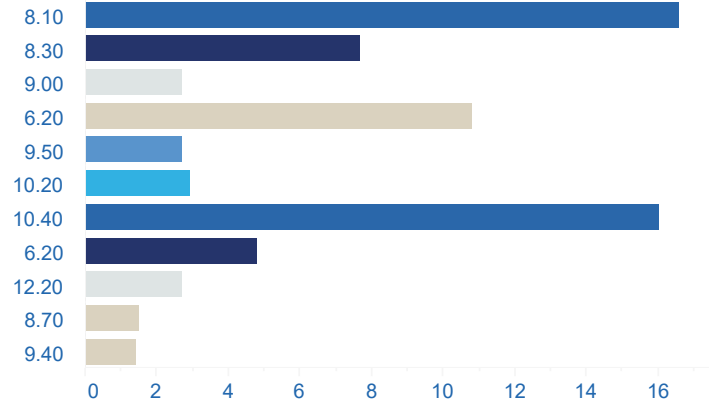
Std Dev	16.19
Alpha	1.41
Beta	0.93
Sharpe Ratio (arith)	0.42
Up Capture Ratio	95.08
Down Capture Ratio	89.13
Currency Management %	100

Theme Weight %



- Asset Efficiency
- Bits of Chips
- Data, Networks & Profits
- Digital Runway
- Empowered Consumer
- Enduring Brands
- Energy Transitions
- Extreme Risks
- First World Health
- Software as a Standard
- Sustainable Solutions

Contribution by Theme %



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

Market Commentary

Global equities rose solidly overall in the fourth quarter, belying a turbulent period that saw risk appetites wax and wane amid shifting market dynamics. Data suggesting that worldwide inflation may finally have peaked sparked a two-month rally starting in October on hopes that central banks would soon tap the brakes on their rate-hiking campaigns. However, despite the US Federal Reserve downshifting to a 50-bp hike in December, it signalled that it expected to raise rates higher than previously anticipated to manage domestic inflation that remains elevated. Key central banks in the UK and Europe quickly followed suit. The warning from these major central banks that they were committed to crushing stubbornly high inflation at a time when economies were already slowing, or in recession, dampened investor sentiment and drove global stock markets downward in December. Investors were also monitoring developments in China where President Xi secured an unprecedented third term, leading to a sell-off in the Chinese equity market as investors weighed up the implications for the Chinese economy. However, Chinese equities rallied in November and December after the government indicated they would be rolling back the strict 'zero COVID' policy in response to nationwide protests.

Fund Commentary

The Fund produced a strong return in the December quarter and was ahead of the solid index return. Calendar year-to-date, the fund is comfortably ahead of the index return.

For the fourth quarter of 2022, all themes rose in value. Themes are discussed in descending order of contribution below:

Energy Transitions: Vestas traded higher on strong order intake, particularly for offshore wind. Integrated energy holdings, BP and Total, advanced despite near-term oil price volatility on demand prospects from China's re-opening and confidence in longer-term cashflows.

Asset Efficiency: Caterpillar, Honeywell, and John Deere all rose on quarterly results showing robust demand in commodities, aerospace, and agriculture end markets respectively. Johnson Controls gained on quarterly results showing resilient demand for building automation.

Bits of Chips: Infineon rose on strong quarterly results and raised mid-term guidance on strong demand for automotive power semiconductors. Analog Devices gained on continued strength in demand from industrial and automotive markets.

Digital Runway: Asian insurers AIA, Prudential, and Ping An all rose on news that the Chinese government was loosening China's COVID restrictions and the re-opening of the HK-China border. Indian banks HDFC and ICICI rose on strong credit growth in India.

First World Health: Boston Scientific rose after re-affirming its 2026 margin targets with its quarterly results. Stryker advanced with normalisation in elective procedures and improvement in the supply chain for their robotic surgery platform Mako.

Extreme Risks: Gold miners, led by Agnico Eagle, gained in sympathy with the rise in the price of gold, thanks to a weakened US dollar and reduced input costs. US bank Truist lagged on mixed quarterly reported results.

Enduring Brands: Coca-Cola advanced on robust operating results, showing pricing power and market share gains across most markets. Colgate rose on news that activist investor Third Point has taken a stake in the company.

Empowered Consumer: Nike rose on strong quarterly results and an improvement in its inventory position. Chinese-related stocks rose on prospects for China's re-opening, led by Alibaba, Estée Lauder, and LVMH.

Data Networks and Profits: Visa and Mastercard gained on a recovery in cross-border travel and strong transaction data. Tencent rose on China's re-opening and signs of reduced regulatory headwinds. Clarivate receded on slower organic growth.

Software as a Standard: SAP rose on strong growth in its cloud division and prospects for raising midterm cashflow guidance. Adobe traded higher on robust quarterly results.

Sustainable Solutions: Azek advanced as results showed progress in working through inventory challenges and long-term growth potential. Rentokil climbed on the completion of its acquisition of Terminix.

* 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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