

# Hedged Global Thematic Share Fund

Fund Focus - March 2023



## 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	\$9.53m
Number of Holdings	103
Turnover Ratio %	9.500
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

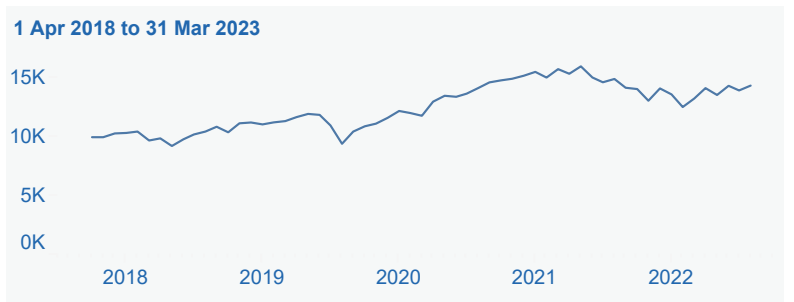
## Fund Performance After Fees\*

	1 Month	3 Months	1 Year	3 Years	5 Years	Since Inception
Distribution	0.00	0.00	0.00	0.00	0.67	8.70
Growth	2.95	5.88	-3.77	15.08	7.42	-0.46
Total	2.95	5.88	-3.77	15.08	8.09	8.24
Benchmark	2.52	7.14	-7.57	15.07	7.59	7.58

## Market Exposure

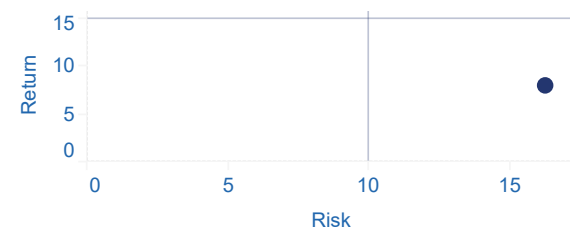


## Investment Growth (\$10,000)

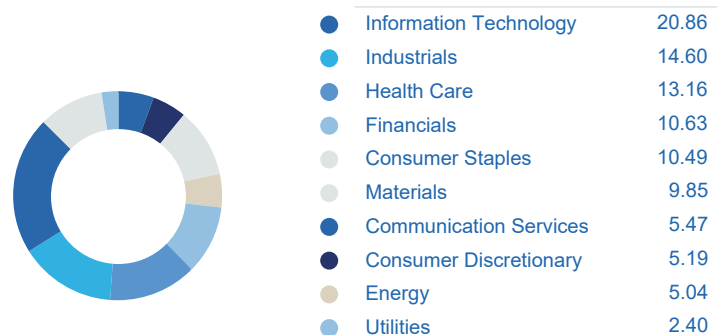


## Risk Reward

1 Apr 2018 to 31 Mar 2023



## Portfolio Equity Sectors (%)



## Top 10 Holdings (%)

	Weight	Benchmark
Microsoft Corp Commo	2.20	3.90
Alphabet Inc Common	1.89	2.27
Bp Plc Common Stock	1.57	0.00
Thermo Fisher Scient	1.41	0.43
Iberdrola Sa Common	1.39	0.15
Boston Scientific Co	1.36	0.14
Unitedhealth Group I	1.32	0.84
Totalenergies Se Com	1.28	0.28
Spdr Gold Shares Etp	1.27	0.00
Waste Management Inc	1.25	0.13

## Risk Statistics

1 Apr 2018 to 31 Mar 2023

Std Dev	16.22
Alpha	0.92
Beta	0.93
Sharpe Ratio (arith)	0.50
Up Capture Ratio	94.64
Down Capture Ratio	90.77
Currency Management %	100

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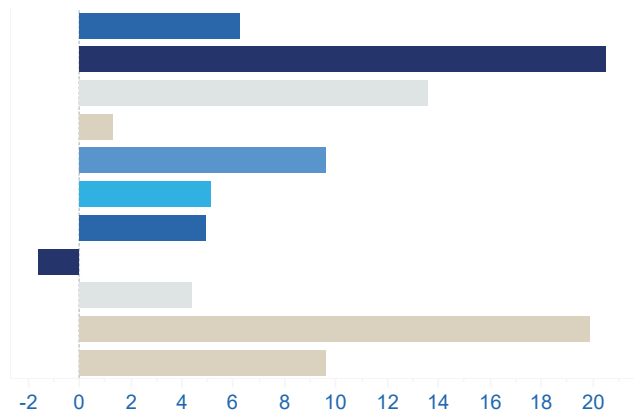


## Theme Weight %



Asset Efficiency	7.50
Bits of Chips	8.40
Data, Networks & Profits	10.10
Digital Runway	6.40
Empowered Consumer	10.10
Enduring Brands	10.00
Energy Transitions	10.10
Extreme Risks	5.70
First World Health	11.30
Software as a Standard	9.30
Sustainable Solutions	9.60

## Contribution by Theme %



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

## Market Commentary

World equity markets rose sharply in the first quarter, as risk appetites waxed and waned amid shifting expectations for the current global rate-hiking cycle. The outlook for interest rates remained the dominant driver of market behaviour during the quarter. After enduring a dismal 2022, global equity markets began the new year on an upbeat note with a strong January rally fuelled by hopes that a severe worldwide economic recession could be avoided, and that slowing inflation will induce major central banks to ease up on their aggressive rate hiking campaigns. Markets turned volatile in the following two months, however, amid a steady flow of data suggesting that global inflation remained stubbornly high, and news in March of two large bank failures in the US, stoking fears that the global financial system was buckling under the weight of monetary tightening. In March, fears of a banking crisis spread to Europe, where shares of beleaguered Swiss bank Credit Suisse tumbled so quickly that Switzerland's government hastily brokered a takeover by domestic rival UBS. Against this backdrop, central banks found themselves walking a tightrope during the period, as they sought to tighten financial conditions in order to combat high inflation while at the same time not exacerbating stress on the financial system so that it tips the global economy into a recession.

## Fund Commentary

The Fund produced a solid absolute return in the March quarter but was unable to keep pace with the strong index return. For the 12 months to 31 March 2023, the Fund is comfortably ahead of the index return. Themes are discussed below in descending order of contribution.

**Software as a Standard:** Software stock holdings broadly rose, thanks to the decline in bond yields and perceived earnings stability. Salesforce rose most on strong quarterly results indicating robust demand and news that management will impose cost controls in a long-awaited move to improve profit margins. Microsoft traded higher on bullish sentiment about its initiatives in artificial intelligence (AI).

**Bits of Chips:** Continued strength in automotive and industrial end markets, anticipation of increased spending from an AI arms race, and signs of a bottom in weaker segments, such as memory, drove a broad rally in semiconductor stocks. Taiwan Semiconductor Manufacturing Company, Applied Materials, and Infineon were the top performers.

**Data, Networks, and Profits:** Wolters Kluwer and RELX rose on accelerating organic growth, driven by new product innovation. Tencent traded higher as results showed a return to growth. Alphabet rose on market rotation and anticipation of new growth opportunities from integrating AI into its product suite.

**Sustainable Solutions:** Rentokil gained on strong quarterly results and reduced concerns over termite litigation in the wake of its merger with Terminix. Ecolab gained on strong pricing trends in its operating results.

**Empowered Consumer:** LVMH and Alibaba gained on expectations that the companies will benefit from the resumption of Chinese discretionary spending in the wake of China's economic re-opening. Shares of Alibaba received another boost on news of its plans to split into six units.

**Enduring Brands:** Pernod Ricard advanced on strong results, with pricing power and low demand elasticity. Beiersdorf and Reckitt Benckiser rose on robust results.

**Energy Transitions:** Integrated energy holding BP rose on results showing high levels of cash generation and buybacks. Linde and Air Liquide gained on strong backlogs.

**Asset Efficiency:** Fanuc gained most on improved robotics margins in results. Schneider and Rockwell advanced on continued strong organic growth in quarterly results. Honeywell declined on management change.

**First World Health:** Medical device holdings, led by Stryker, Siemens Healthineers, and Zoetis, traded higher as medical activity and inflation normalises.

\* 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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