

# Hedged Global Thematic Share Fund

Fund Focus - April 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	\$9.54m
Number of Holdings	103
Turnover Ratio %	9.560
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

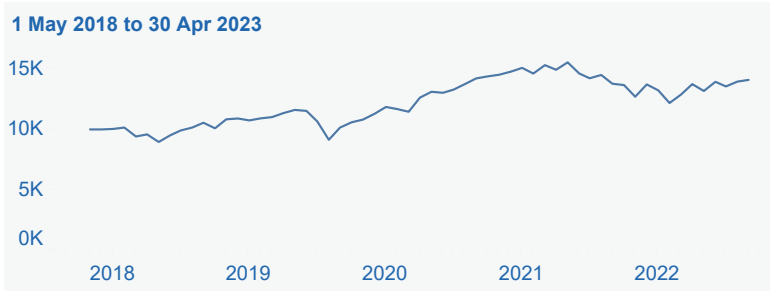
## Fund Performance After Fees\*

	1 Month	3 Months	1 Year	3 Years	5 Years	Since Inception
Distribution	0.00	0.00	0.00	0.00	0.67	8.66
Growth	1.01	1.13	2.31	11.52	7.44	-0.40
Total	1.01	1.13	2.31	11.52	8.11	8.26
Benchmark	1.61	2.47	1.47	12.06	7.51	7.64

## Market Exposure

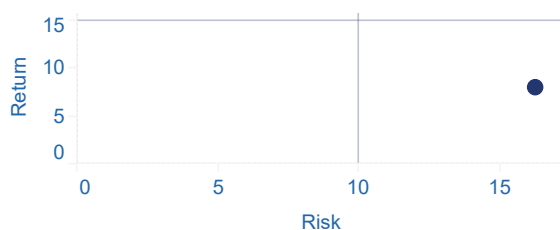


## Investment Growth (\$10,000)

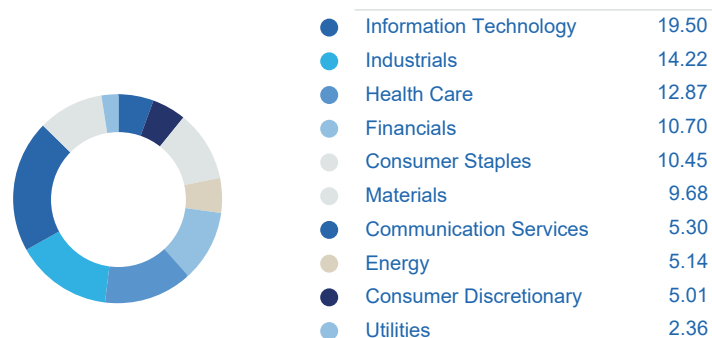


## Risk Reward

1 May 2018 to 30 Apr 2023



## Portfolio Equity Sectors (%)



## Top 10 Holdings (%)

	Weight	Benchmark
Microsoft Corp Commo	2.25	4.10
Alphabet Inc Common	1.88	2.32
Bp Plc Common Stock	1.60	0.00
Iberdrola Sa Common	1.39	0.15
Boston Scientific Co	1.36	0.14
Totalenergies Se Com	1.33	0.30
Unitedhealth Group I	1.32	0.87
Thermo Fisher Scient	1.30	0.41
Spdr Gold Shares Etp	1.23	0.00
Stryker Corp Common	1.23	0.19

## Risk Statistics

1 May 2018 to 30 Apr 2023

Std Dev	16.22
Alpha	1.00
Beta	0.93
Sharpe Ratio (arith)	0.50
Up Capture Ratio	94.93
Down Capture Ratio	90.77
Currency Management %	100

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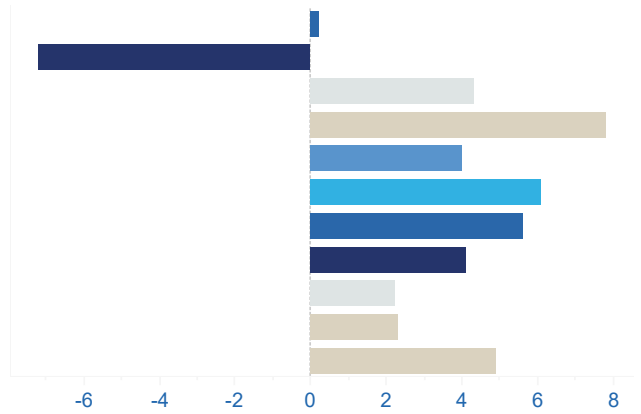


## Theme Weight %



Asset Efficiency	7.30
Bits of Chips	7.50
Data, Networks & Profits	10.10
Digital Runway	6.70
Empowered Consumer	10.10
Enduring Brands	10.20
Energy Transitions	10.40
Extreme Risks	5.70
First World Health	11.10
Software as a Standard	9.20
Sustainable Solutions	9.70

## Contribution by Theme %



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

## Market Commentary

Investors adopted a relatively cautious posture in April amid growing uncertainty about the global economic outlook. With the start of a new corporate earnings season and inflationary pressures continuing to exert themselves, the focus during the month was squarely on the two levers that set stock prices, interest rates and company profits. All eyes were on the US, where the Federal Reserve (Fed) is in the midst of its most aggressive rate-hiking campaign in over 40 years, raising its benchmark interest rate to its highest level since 2007 from its record low. Key domestic data released during the month suggested that the US economy had slowed in the first quarter, but inflation remained stubbornly high, leading to market expectations that the Fed would lift interest rates for a tenth consecutive time in May. The situation was equally challenging in Europe where data suggested that the economy grew only marginally in the first quarter, as high inflation led to stagnant consumer spending. In Japan, the TOPIX advanced but was a relative laggard, as the positive impact of a weak yen was partially offset by worries about how the country's export-reliant economy would be affected by a possible global economic recession. Meanwhile, in emerging Asia, China's stock market fell sharply on waning optimism of a further rebound in the Chinese economy amid signs that the country's policymakers will not be providing additional stimulus measures.

## Fund Commentary

The Fund produced a solid return in April though was marginally behind the strong index return. For the 12 months to 30 April 2023, the Fund is ahead of the index return by 0.85%. Themes are discussed below in order of contribution.

**Enduring Brands:** Consumer staples holdings, led by Beiersdorf, Unilever, Nestle, and Colgate-Palmolive, rose on strong volume and pricing data, along with the easing of raw materials cost inflation.

**Energy Transitions:** Integrated energy holdings Total and BP gained after OPEC announced it would cut production by 1.1 million barrels per day, more than the market expected.

**Digital Runway:** Pan-Asian insurer Prudential rose, thanks to a sales recovery in Hong Kong and mainland China. Indonesian lenders Bank Central Asia and Bank Rakyat advanced on declining credit costs.

**Sustainable Solutions:** AZEK rose on expectations for cyclical recovery in the wake of channel destocking of decking inventory and easing of raw materials inflation.

**Data, Networks & Profits:** Marsh & McLennan rose on strength in its Risk and Insurance Services division and higher fiduciary income helped by a rise in short-term rates. Market rotation and the potential of artificial intelligence were tailwinds for the theme, benefiting holdings Wolters Kluwer, RELX, and S&P Global.

**Empowered Consumer:** EssilorLuxottica advanced on broad-based strength in operating results across all geographical regions as customers continue to show no signs of trading down. Electronic Arts climbed on strength in its FIFA franchise.

**First World Health:** Medical device companies Siemens Healthineers, Stryker, and Boston Scientific traded higher on expectations for easing cost pressures and a demand recovery for elective procedures.

**Extreme Risks:** Agnico Eagle climbed on re-affirmed production guidance and lower-than-expected operating cost.

**Software as a Standard:** Microsoft rose on better-than-expected quarterly results in its cloud division, as new workloads are starting to offset cost optimization. SAP appreciated on progress in its cloud transition and margin improvement. Autodesk traded lower on expectations for macroeconomic impact to subscriber growth and contract renewal.

**Asset Efficiency:** Schneider and Honeywell advanced on strength in its energy management and aerospace businesses respectively and on higher revenue visibility from elevated backlogs.

**Bits of Chips:** Profit-taking pressure and cyclical concerns for semiconductor demand and capex spending contributed to broad-based weakness within the theme with Infineon, Keysight, and Texas Instruments declining most.

\* 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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