

# Global Growth Share Fund

Fund Focus - May 2022



## Investment Strategy

The Fund invests in securities with high growth potential that are primarily listed on international stock exchanges. In addition, the Fund employs an active currency management strategy whereby up to 40% of the Fund's exposure to international currency can be hedged back to Australian dollars.

## Portfolio Characteristics

Funds Under Management	\$256.18m
Number of Holdings	97
Turnover Ratio %	36.80
Latest Distribution Date	30 June 2021
Latest Distribution Amount	0.0433
Benchmark	MSCI World (ex-Australia) Accumulation Index in \$A (net dividends reinvested)

## Fund Facts

APIR Code	ZUR0580AU
Inception Date	31 August 2009
Total Est. Management Cost %	0.99
Est. Transactional Op. Cost %	0
Buy/Sell Spread %	0.03
Distribution Frequency	Semi Annually
Underlying Fund Manager	American Century Investments

## Fund Performance After Fees\*

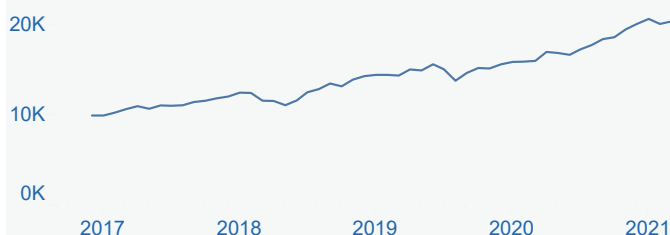
	1 Month	3 Months	1 Year	3 Years	5 Years	Since Inception
Distribution	0.00	0.00	1.68	3.30	12.36	6.06
Growth	-1.51	-8.15	-8.78	6.14	-1.14	5.96
Total	-1.51	-8.15	-7.11	9.44	11.22	12.02
Benchmark	-0.83	-4.82	2.64	11.43	10.57	11.26

## Market Exposure



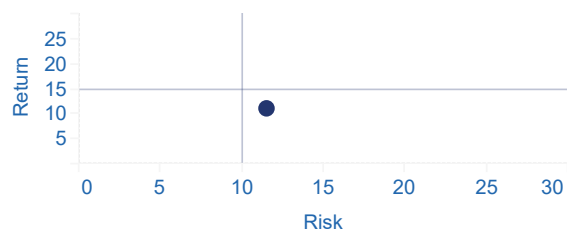
## Investment Growth (\$10,000)

1 Jun 2017 to 31 May 2022

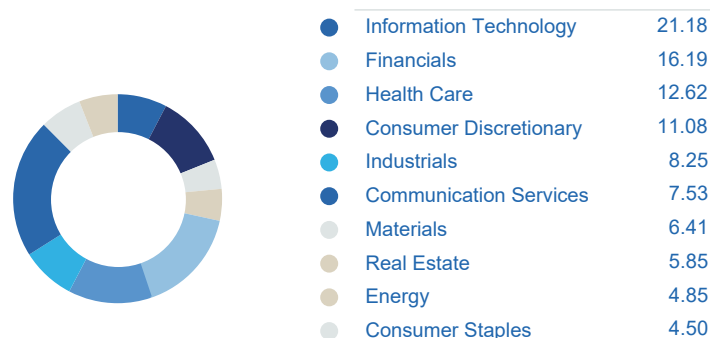


## Risk Reward

1 Jun 2017 to 31 May 2022



## Portfolio Equity Sectors (%)



## Top 10 Holdings (%)

	Weight	Benchmark
Microsoft Corp	5.07	3.68
Alphabet A	4.30	1.30
Amazon.Com	3.51	2.09
Astrazeneca	2.33	0.39
Cheniere Energy	2.16	0.06
Nxp Semiconductors (Us)	1.95	0.09
Equinix	1.90	0.12
Mastercard A	1.83	0.59
Pioneer Natural Res	1.75	0.12
Visa A	1.64	0.67

## Risk Statistics

1 Jun 2017 to 31 May 2022

Std Dev	11.47
Alpha	0.96
Beta	0.97
Sharpe Ratio (arith)	0.98
Up Capture Ratio	100.75
Down Capture Ratio	95.94
Currency Management %	0

## Market Commentary

Despite continued heightened volatility, major global stock markets ended May with slight gains in US dollar terms, reversing recent monthly performance trends. Investors awaited clarity on how persistent inflation, higher interest rates and more restrictive central bank policy may impact global economic growth.

US markets declined early in the month, ahead of the US Federal Reserve's (Fed) decision to raise interest rates by 50 basis points. Stocks regained ground later in May, however, as signs of moderating growth raised hopes that the Fed may slow the pace of future rate hikes.

Stocks in Europe gained on signs of easing supply chain bottlenecks and inflation pressures. Markets were volatile, however, amid the Ukraine crisis, higher energy costs and slowing growth. UK stocks rose despite headline inflation reaching a 40-year high. Japan's market also advanced, as the country's economic outlook improved.

## Fund Commentary

The Fund fell by 1.51% in May in Australian dollar terms and was unable to outperform the index return.

Pioneer Natural Resources was a top contributor to performance as the oil and gas company posted positive returns after beating quarterly earnings estimates. Pioneer's free cash flow has been strong, and its variable dividend payouts have also boosted the stock.

Key detractors from performance included Workday, Wolfspeed and Cognex.

**Workday** – The enterprise software maker lost ground after falling short of first-quarter earnings estimates. The company cited the delay of several deals, which were pushed back to the second quarter. However, quarterly subscription growth grew and fiscal 2023 guidance was slightly increased.

**Wolfspeed** - The semiconductor maker reported quarterly revenue below consensus estimates. The company attributed its disappointing results to COVID-19-related shutdowns at some of its subcontractors in China.

**Cognex** – The machine vision company fell after management issued lower second-quarter revenue guidance and projected slower growth momentum amid delays in customer automation projects due to supply chain issues. A key end market for Cognex is the automotive industry, which continued to suffer from components shortages.

Notable purchases in May included Verisign and Alcon.

Verisign was purchased after its disappointing quarterly reporting drove a sell-off. The firm's lower yearly domain name volume assumptions came amid slowing incremental demand and macroeconomic related risks. Shares have derated but revenue is expected to accelerate as the company benefits from pricing over the next 24 months.

Alcon has a large addressable market in vision care and demographics support long-term demand. The resumption of surgical procedures delayed during the pandemic, combined with the addition of premium contact lens products and better manufacturing, should result in sustainable growth and margin improvement.

Notable sales included Lyft, which was sold as the recovery thesis has not played out as expected. In addition, forward guidance continues to move lower on increasing costs.

\* 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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