Zurich Investments

Global Growth Fund

Fund Focus - April 2021

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.

Fund Facts

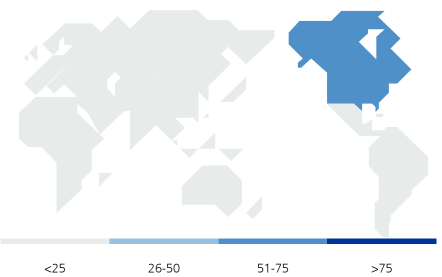
APIR Code	ZUR0580AU
Inception Date	31/08/2009
Total Est. Management Cost %^	1
Buy/Sell Spread%	0.03
Est. Transactional Op. Cost %	Nil
Distribution Frequency	Semi-Annually
Underlying Fund Manager	American Century Investments

Portfolio Characteristics

Funds Under Management	$276.09m
Number Of Holdings	107
Turnover Ratio%	36.32
Latest distribution date	30 Jun 2020
Latest distribution amount	0.0671
Benchmark	MSCI World (ex-Australia) Accumulation Index in $A (net dividends reinvested)

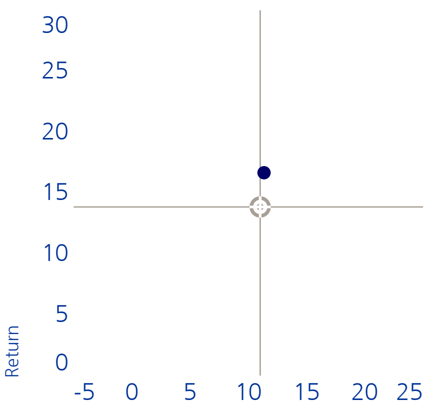
Market Exposure

Greater Europe	Greater Asia	Americas



Risk Reward

Time Period: 30/04/2016 to 30/04/2021



Risk Statistics

Time Period: 30/04/2016 to 30/04/2021

Std Dev	11.34
Alpha	2.97
Beta	0.96
Sharpe Ratio (arith)	1.31
Up Capture Ratio	105.19
Down Capture Ratio	87.62

Currency Management

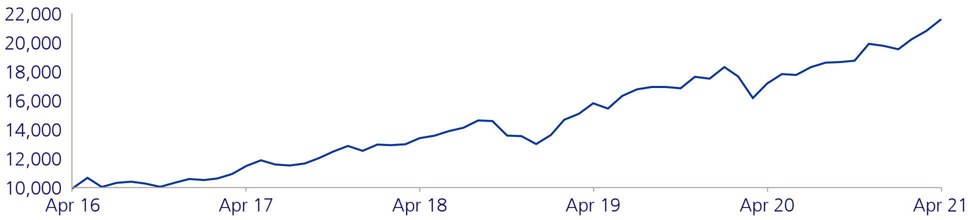
Hedging Level as at 30 Apr 2021	0%

Fund Performance After Fees*

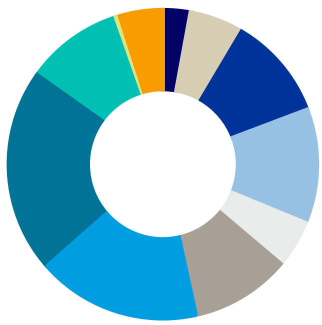
As at 30/04/2021	1 Month %	3 Months %	1 Year % p.a	3 Years % p.a	5 Years % p.a	Since Inception % p.a
Growth	3.71	10.41	21.18	4.40	3.97	7.27
Distribution	0.00	0.00	4.36	12.72	12.69	6.56
Total	**3.71**	**10.41**	**25.54**	**17.12**	**16.66**	**13.83**
Benchmark	3.18	10.21	23.03	13.32	13.85	12.02

Investment Growth

30/04/2016 to 30/04/2021



Portfolio Equity Sectors



	%
Energy	2.87
Materials	5.66
Industrials	10.71
Consumer Discretionary	11.81
Consumer Staples	5.30
Health Care	10.75
Financials	16.93
Information Technology	21.31
Communication Services	9.29
Utilities	0.43
Real Estate	4.93

Top 10 Holdings

Portfolio Date: 30/04/2021	Portfolio Weighting%	Benchmark Weighting%
Alphabet Inc	4.70	2.59
Amazon.com Inc	3.83	2.69
Charles Schwab Corp	2.11	0.20
Visa Inc Class A	2.10	0.72
American Express Co	1.94	0.19
Texas Instruments Inc	1.92	0.30
NXP Semiconductors NV	1.85	0.10
AIA Group Ltd	1.78	0.28
IQVIA Holdings Inc	1.78	0.08
Equinix Inc	1.72	0.12

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Market

Global stocks delivered strong gains in April, supported by an improved economic outlook and stronger-than-expected corporate earnings growth. Progress on vaccine distributions also raised hopes for a return to normal despite elevated COVID-19 rates in some regions.

Reduced virus fears, improved job growth and additional measures implemented as part of the American Rescue Plan drove US stock gains. Meanwhile, close to a record number of US companies posted better-than-expected earnings results. Stocks in Europe and the UK also rose as the vaccine rollout accelerated and countries eased lockdowns.

Stocks in Japan declined, as disappointing earnings reports and virus concerns weighed on sentiment. Nevertheless, Japan's manufacturing sector grew at the strongest pace in three years. Elsewhere, emerging markets stocks underperformed developed markets equities, as COVID-19 continued to challenge several regions.

Fund

The Fund produced a solid absolute return in April which was ahead of the index return. For the 12 months to 30 April 2021, the Fund is comfortably ahead of the index return.

The key contributors to performance included IQVIA Holdings, Alphabet and Wells Fargo & Co.

- IQVIA Holdings – The life sciences analytics and technology company beat quarterly revenue and earnings expectations and revised full-year estimates upward, lifting its stock.
- Alphabet – The continued acceleration of internet usage in the COVID-19 and post-COVID-19 world benefited Google parent Alphabet in April.
- Wells Fargo & Co. – The bank beat analysts' earnings estimates in its quarterly reporting, with higher revenues from fees driving gains.

Detractors from performance included HDFC Bank, NXP Semiconductors and Texas Instruments.

- HDFC Bank – The Indian bank's shares fell on concerns about the second COVID-19 wave. Detraction was driven by reports that net nonperforming assets numbers were higher as a percentage of net advances than one year ago. The investment team believes HDFC will weather this storm and continue to benefit from the growing Indian economy.
- NXP Semiconductors – Despite reporting quarterly earnings that exceeded analysts' estimates, the chipmaker's stock underperformed in April. The investment team is confident NXP will remain a key beneficiary of secular trends such as autonomous driving, the rising proliferation of the Internet of Things and general mobile computing.
- Texas Instruments – Concerns about the current global semiconductor shortage and inventories weighed on the chipmaker. Nonetheless, we expect the firm to materially benefit as the end markets it serves, such as industrial and automotive, continue to stabilize and improve.

Portfolio Positioning

Two stocks were sold in April, Abbott Laboratories and Genpact.

- Abbott Laboratories was sold as earnings growth is poised to slow. The company has benefited greatly from COVID-19 testing and there is potential risk that testing volumes may fall as vaccine deployment ramps up.
- Genpact was sold as conviction on the sustainability of growth is low.

Portfolio Positioning

The portfolio continues to invest in companies where business fundamentals are believed to be improving and there is high conviction that the improvement is sustainable.

Maintaining fundamental investment process. The Fund remains balanced across economic reopening beneficiaries and secular growers. Opportunities are being sought in stocks where fundamentals are in the early stages of inflecting higher, helped by economic normalisation. Top-line growth for many of these companies is expected to reaccelerate and potentially revert to pre-COVID-19 levels. In certain cases, earnings will also be boosted given that many of these companies have also improved their cost structures during the pandemic. The Fund's exposure has been increased in certain businesses levered to travel, leisure activity and cyclical economic expansion.

Secular growers remain well represented. The health crisis reinforced the sustainability of many secular trends, such as digitisation, cloud computing, 5G network rollout and data centre expansion. Other opportunities, such as the trend toward vehicle electrification and autonomous driving, continue to gain momentum. Many of these investment opportunities remain highly attractive.

Impact of rising rates and inflation expectations potentially positive. The Fund has exposure to businesses within the financials sector that would benefit from higher interest rates. The impact of higher rates on other aspects of the Fund, such as REITs and housing, should be able to offset inflationary headwinds via sustained revenue and earnings growth.

Tougher comparisons for some. The impact of the COVID-19 health crisis provided an unanticipated boost for many businesses. In some cases, beneficiaries saw growth trends accelerate past a more natural progression. As the tailwind from the virus fades, growth comparisons will become tougher for some of these businesses over the next few quarters. The investment team will look to trim those exposures to reflect potential slowing trends and negative earnings revisions.

Critical time to be selective. The investment team believes the Fund's bottom-up process, focused on identifying inflection points and investing in sustainable growers with reasonable risk/reward trade-off, will help dampen portfolio volatility at this critical point in the market cycle.

* 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 1% includes a Management Fee of 0.98%, an Estimated Performance Fee of 0% and Estimated Indirect Costs of 0.02%

Past performance is not a reliable indicator of future performance.

PIRD-016887-2021