

Zurich Investments
Global Growth Fund
 Fund Focus - May 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.

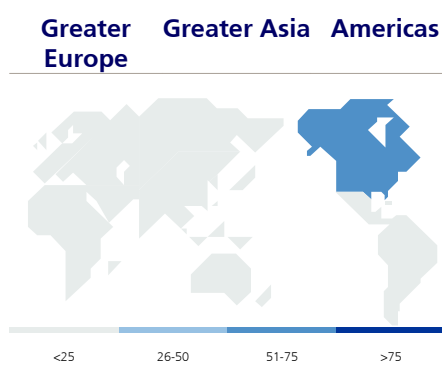
Fund Facts

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	\$286.68m
Number Of Holdings	104
Turnover Ratio%	34.57
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

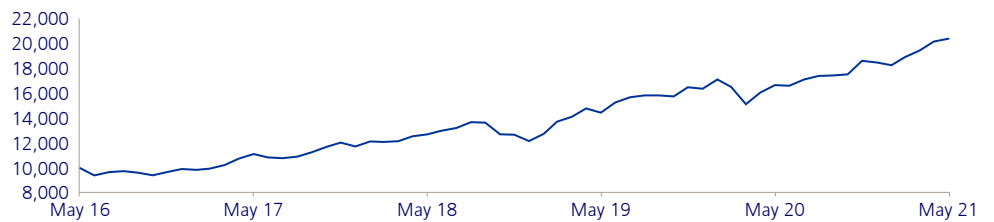


Fund Performance After Fees*

As at 31/05/2021	1 Month %	3 Months %	1 Year % p.a	3 Years % p.a	5 Years % p.a	Since Inception % p.a
Growth	1.14	7.87	18.13	4.36	2.77	7.32
Distribution	0.00	0.00	4.24	12.72	12.55	6.51
Total	1.14	7.87	22.37	17.08	15.32	13.83
Benchmark	1.19	9.73	20.41	13.63	12.79	12.04

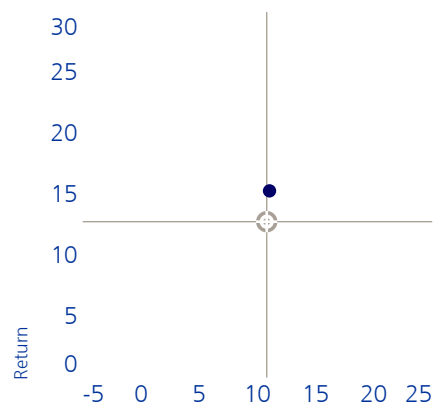
Investment Growth

31/05/2016 to 31/05/2021

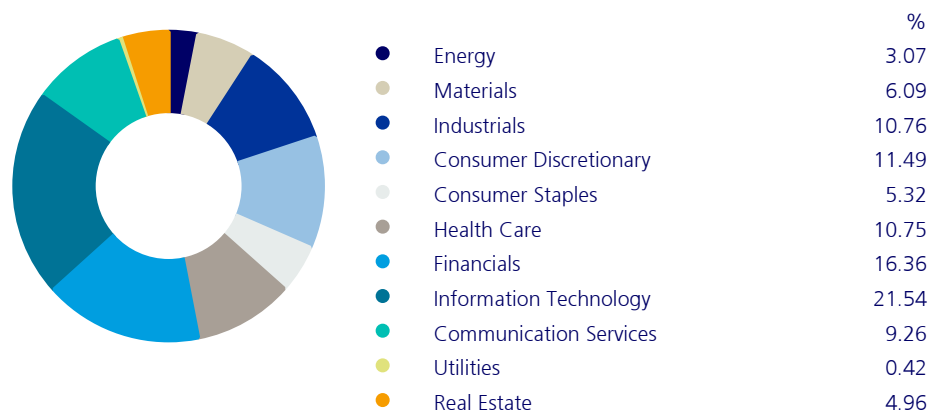


Risk Reward

Time Period: 31/05/2016 to 31/05/2021



Portfolio Equity Sectors



Risk Statistics

Time Period: 31/05/2016 to 31/05/2021

Std Dev	11.03
Alpha	2.81
Beta	0.95
Sharpe Ratio (arith)	1.24
Up Capture Ratio	104.39
Down Capture Ratio	87.62

Currency Management

Hedging Level as at 31 May 2021	0%
---------------------------------	----

Top 10 Holdings

Portfolio Date: 31/05/2021	Portfolio Weighting%	Benchmark Weighting%
Alphabet Inc	4.70	2.54
Amazon.com Inc	3.48	2.47
Texas Instruments Inc	2.23	0.31
Charles Schwab Corp	2.16	0.19
Visa Inc Class A	2.10	0.69
NXP Semiconductors NV	2.09	0.10
American Express Co	1.98	0.20
IQVIA Holdings Inc	1.78	0.08
AIA Group Ltd	1.75	0.28
Equinix Inc	1.72	0.12

Market

Global markets advanced in May amid the widespread easing of coronavirus restrictions. Although US stocks gained marginally for the month, they underperformed non-US stocks. Emerging markets stocks also rose but underperformed developed markets equities.

After touching a record high in early May, US stocks pulled back on inflation worries and the potential for rising interest rates. Although economic activity increased, the recovery appeared uneven. Initial jobless claims fell to a pandemic-period low but remain elevated on a historic basis. New home sales fell in April, while retail sales were flat.

Stocks in Europe rose on positive economic and earnings news and improved vaccine availability. Optimism around vaccines also fuelled stock gains in the UK, where COVID-19 restrictions eased. Japan's equity market also advanced despite near-term economic uncertainty. Japan has lagged other developed markets in vaccine distribution.

Fund

The Fund produced a solid absolute return of in May although it was marginally behind the index return for the month. For the 12 months to 31 May 2021, the Fund is comfortably ahead of the index return.

The key contributors to performance included Stellantis and NXP Semiconductors.

- Stellantis – The car manufacturer recently reported strong first-quarter results, including a notable jump in revenue and total vehicle shipments. Stellantis has proven adept at navigating the global shortage of semiconductor chips used in automobiles.
- NXP Semiconductors – Increased demand for cars, a major end market for semiconductors, has driven global chip shortages for several months. NXP's stock has benefited from the nearly crisis-level shortage.

Detractors from performance included Etsy, ServiceNow and Amazon.

- ETSY – The stock of online specialty retailer Etsy dropped for the month as markets reevaluated the prospects of companies that benefited from stay-at-home orders and rotated into more cyclical names.
- ServiceNow – Software company ServiceNow saw its stock decline as its outlook for second- and third-quarter billings was lower than expected. Management's acquisition and divestiture announcements did not help buoy investor sentiment.
- Amazon – Amazon stock dipped, detracting from relative results. The retail and streaming giant faced concern that its business model would suffer as consumers venture out post-pandemic. In addition, its deal to acquire Metro-Goldwyn-Mayer was met with a lukewarm response from the market.

Portfolio Positioning

Two stocks were sold in May, RenaissanceRe Holdings and MarketAxess Holdings.

- RenaissanceRe Holdings - While the company still benefits from improved pricing, it has disappointed with losses driven by investments and a lower-than-expected reserve release. Management also indicated delays for more profitable businesses to impact earnings.
- MarketAxess Holdings – The position was fully exited on evidence that earnings growth and overall activity in the bond market are showing signs of fading. Further, there has been indications that competitors like Tradeweb are starting to gain market share. Valuation has improved but remains high relative to the stock's history.

Portfolio Positioning

The portfolio continues to invest in companies where business fundamentals are improving and there is high conviction that 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, COVID-19 beneficiaries saw growth trends accelerate past a more natural progression. As the tailwind from COVID-19 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 Fund's bottom-up process, which is focused on identifying inflection points and investing in sustainable growers with reasonable risk/reward trade-off, should 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.

This report is issued by Zurich Investment Management Limited ABN: 56 063 278 400, AFSL: 232511, GIIN: FVHHKJ.00012.ME.036 : . The information in the report has been derived from sources reasonably believed to be reliable and accurate and is to be used for research purposes only. Subject to law, none of the companies of the Zurich Financial Services Australia Limited Group, nor their directors or employees, gives any representation or warranty as to the reliability, accuracy or completeness of the information, nor accepts any responsibility arising in any way (including by reason of negligence) from errors in or omissions from, the information provided. A Product Disclosure Statement (PDS) for the Fund is available and can be obtained by calling Zurich Investments on 131 551. The PDS should be considered in deciding whether to acquire, or to continue to hold, an investment in the fund. This information is of a general nature only and does not take into account the investment objectives, financial situation or particular needs of any investor and should not be taken as a securities or stock recommendation. These factors should be considered before any investment decision is made in relation to the fund.

© 2020 Morningstar, Inc. All rights reserved. Neither Morningstar, its affiliates, nor the content providers guarantee the data or content contained herein to be accurate, complete or timely nor will they have any liability for its use or distribution. Any general advice or 'class service' have been prepared by Morningstar Australasia Pty Ltd (ABN: 95 090 665 544, AFSL: 240892) and/or Morningstar Research Ltd, subsidiaries of Morningstar, Inc, without reference to your objectives, financial situation or needs. Refer to our Financial Services Guide (FSG) for more information at www.morningstar.com.au/s/fsg.pdf. You should consider the advice in light of these matters and if applicable, the relevant Product Disclosure Statement before making any decision to invest. Our publications, ratings and products should be viewed as an additional investment resource, not as your sole source of information. Past performance does not necessarily indicate a financial product's future performance. To obtain advice tailored to your situation, contact a professional financial adviser.