

# Unhedged Global Growth Share Fund

Fund Focus - February 2023



## Investment Strategy

The Fund invests in securities with high growth potential that are primarily listed on international stock exchanges. The Fund will be fully unhedged at all times, providing investors with exposure to foreign exchange fluctuations as well as underlying share price movements.

## Portfolio Characteristics

Funds Under Management	\$264.10m
Number of Holdings	94
Turnover Ratio %	30.89
Latest Distribution Date	30 June 2022
Latest Distribution Amount	0.1149
Benchmark	MSCI World (ex-Australia) Accumulation Index in \$A (net dividends reinvested)

## Fund Facts

APIR Code	ZUR0581AU
Inception Date	31 August 2009
Total Est. Management Cost %	0.98
Est. Transactional Op. Cost %	0.01
Buy/Sell Spread %	0.03
Distribution Frequency	Semi Annually
Underlying Fund Manager	American Century Investments

## Fund Performance After Fees\*

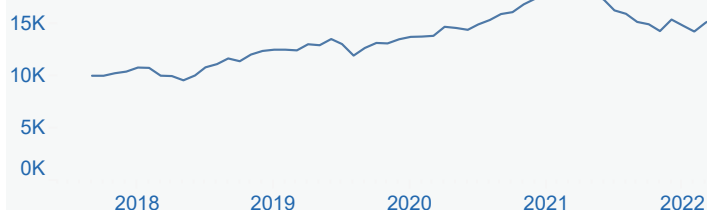
	1 Month	3 Months	1 Year	3 Years	5 Years	Since Inception
Distribution	0.00	0.00	4.10	3.01	5.64	3.72
Growth	0.96	-0.96	-9.27	2.72	4.43	7.76
Total	0.96	-0.96	-5.16	5.73	10.07	11.48
Benchmark	2.09	-0.65	-0.48	8.27	10.06	10.97

## Market Exposure



## Investment Growth (\$10,000)

1 Mar 2018 to 28 Feb 2023

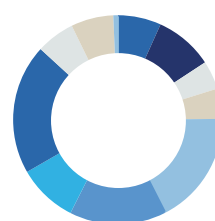


## Risk Reward

1 Mar 2018 to 28 Feb 2023



## Portfolio Equity Sectors (%)



Information Technology	20.01
Financials	17.54
Health Care	14.87
Industrials	9.20
Consumer Discretionary	8.97
Communication Services	6.70
Real Estate	6.52
Materials	5.95
Energy	4.66
Consumer Staples	4.40
Utilities	0.65

## Top 10 Holdings (%)

	Weight	Benchmark
Microsoft Corp Commo	4.31	3.48
Alphabet Inc Common	2.86	1.06
Astrazeneca Plc Comm	2.29	0.00
Equinix Inc Reit Usd	2.17	0.13
Aia Group Ltd Common	2.00	0.25
Nxp Semiconductors N	1.95	0.09
Mastercard Inc Commo	1.95	0.60
Amazon.Com Inc Commo	1.93	1.70
Axa Sa Common Stock	1.87	0.12
Visa Inc Common Stoc	1.81	0.71

## Risk Statistics

1 Mar 2018 to 28 Feb 2023

Std Dev	12.87
Alpha	0.15
Beta	0.99
Sharpe Ratio (arith)	0.78
Up Capture Ratio	101.19
Down Capture Ratio	101.47
Currency Management %	0

## Market Commentary

Global stocks and bonds fell in February as prospects increased that central banks would raise interest rates higher than previously thought, driving markets lower. Stronger-than-expected US economic data dashed hopes that global central banks, led by the US Federal Reserve (Fed), soon might temper their collective fight against inflation.

US stocks fell in February as investors adopted a more pessimistic outlook given the month's strengthening economic data. The month began with a robust US jobs report. Additionally, retail sales figures for January showed the highest monthly growth in two years. The Fed raised its benchmark federal funds rate by 25 bps to a range of 4.5% to 4.75%.

Non-US developed markets stocks (MSCI World ex-U.S. Index) fared slightly better than US stocks. While European equities fell modestly, stocks in the UK rose slightly as the annual UK inflation rate in January fell for the third straight month. Japan's stock market declined and underperformed other developed markets and emerging markets stocks sharply underperformed.

## Fund Commentary

The Fund rose by 0.96% in Australian dollar terms but was unable to outperform the index return.

The key contributors included Stellantis, Catalent and Cheniere Energy.

**Stellantis** – The Netherlands-based automaker announced a record annual profit in February, with notable strength in sales of electric vehicles driving shares upward.

**Catalent** – The contract drugmaker's stock advanced after the company announced an expansion of its manufacturing partnership with COVID-19 vaccine maker, Moderna.

**Cheniere Energy** – The liquefied natural gas provider boosted relative returns after management reported strong revenue growth for the most recent quarter, beating analysts' expectations.

Notable purchases in February included American Water Works and Humana.

**American Water Works** is the largest independent publicly traded water utility in the U.S. Valuation has materially improved. We believe sustainable growth is benefiting from two secular trends, the aging of the U.S. water infrastructure as well as the ongoing consolidation of water utilities.

**Humana** is a leading provider of health insurance in the U.S. We have initiated a position on evidence that the company has started to regain lost market share. Further, uncertainty around government reimbursement for Medicare Advantage have been clarified thus removing an overhanging risk on the stock.

Notable sales included Diageo and Zebra Technologies.

**Diageo** was exited after the company reported very disappointing results. Subsequent conversations with the CFO did not provide any comfort and led lower conviction on the investment.

**Zebra Technologies** was sold on rising uncertainty around end-client demand over the near term. The investment team are seeing indications that retailers are delaying spending on inventory management equipment given rising risk around the economic 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 1.0% an Estimated Performance Fee of 0% and Estimated Indirect Costs of 0.00%.

Past performance is not a reliable indicator of future performance.

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