

# Emerging Markets Equity Fund

Fund Focus - December 2022



## Investment Strategy

The investment team at Allspring Global Investments looks for companies with a sustainable high dividend yield backed by strong company financials and fundamentals, including above-average sales and earnings growth, overall financial strength, competitive advantages, and capable management. The team may sell a holding when it no longer has some or all of these traits. The investment strategy includes both a top-down strategy, which takes account of overall economic and mar..

## Portfolio Characteristics

|                            |   |
|----------------------------|---|
| Funds Under Management     | \$0.42m   |
| Number of Holdings         | 96  |
| Turnover Ratio %           | 95.71   |
| Latest Distribution Date   | 30 June 2022  |
| Latest Distribution Amount | 0.0776  |
| Benchmark                  | MSCI Emerging Markets Index in \$A (net dividends reinvested) |

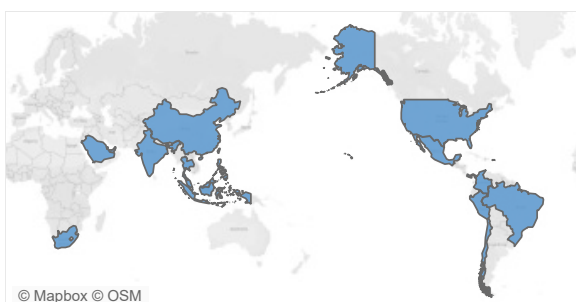
## Fund Facts

|                               |                              |
|-------------------------------|------------------------------|
| APIR Code                     | ZUR0614AU                    |
| Inception Date                | 26 June 2014                 |
| Total Est. Management Cost %  | 1.56                         |
| Est. Transactional Op. Cost % | 0                            |
| Buy/Sell Spread %             | 0.00                         |
| Distribution Frequency        | Annually                     |
| Underlying Fund Manager       | Allspring Global Investments |

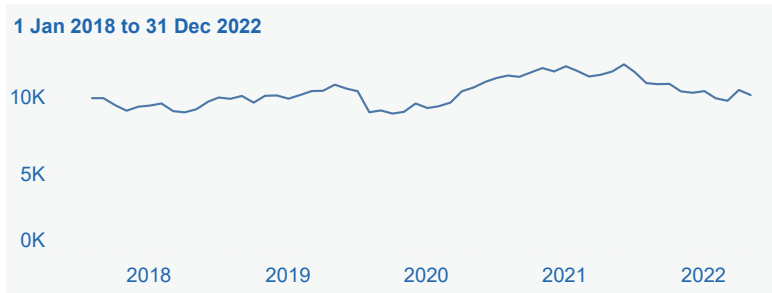
## Fund Performance After Fees\*

|              | 1 Month | 3 Months | 1 Year | 3 Years | 5 Years | Since Inception |
|--------------|---------|----------|--------|---------|---------|-----------------|
| Distribution | 0.00    | 0.00     | 6.25   | 5.65    | 6.05    | 5.07            |
| Growth       | -3.12   | 2.08     | -19.23 | -7.75   | -4.55   | -0.24           |
| Total        | -3.12   | 2.08     | -12.98 | -2.10   | 1.50    | 4.83            |
| Benchmark    | -2.63   | 4.01     | -14.33 | -1.52   | 1.46    | 5.45            |

## Market Exposure

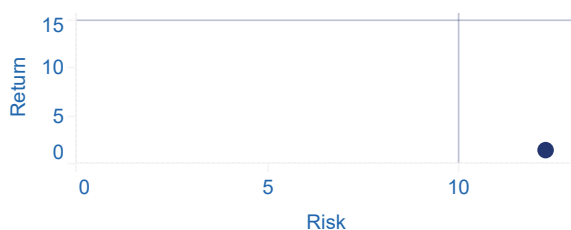


## Investment Growth (\$10,000)

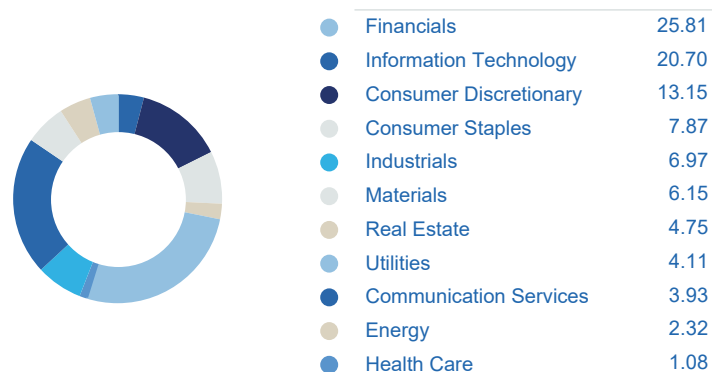


## Risk Reward

1 Jan 2018 to 31 Dec 2022



## Portfolio Equity Sectors (%)



## Top 10 Holdings (%)

|                            | Weight | Benchmark |
|----------------------------|--------|-----------|
| Taiwan Semiconductor M..   | 7.18   | 6.01      |
| Alibaba Group Holding Lt.. | 3.82   | 2.39      |
| Samsung Electronics Co...  | 2.80   | 3.46      |
| Samsung Electronics Co ..  | 2.63   | 0.54      |
| JD.com, Inc. Class A       | 2.18   | 0.93      |
| Infosys Limited Sponsore.. | 2.05   |           |
| China Resources Land Li..  | 2.01   | 0.23      |
| Bank of Baroda             | 1.96   |           |
| LG Chem Ltd Pfd Regist..   | 1.66   | 0.03      |
| Bangkok Bank Public Co..   | 1.64   |           |

## Risk Statistics

1 Jan 2018 to 31 Dec 2022

|                       |       |
|-----------------------|-------|
| Std Dev               | 12.24 |
| Alpha                 | 0.22  |
| Beta                  | 0.93  |
| Sharpe Ratio (arith)  | 0.12  |
| Up Capture Ratio      | 90.61 |
| Down Capture Ratio    | 88.79 |
| Currency Management % | 0     |

## Market Commentary

The MSCI Emerging Markets Index advanced during. At the country level, 20 out of 24 countries generated positive returns, including Turkey, Poland, Hungary, Greece and Egypt, whilst Qatar, Saudi Arabia, Indonesia and the UAE posted negative returns. All sectors generated positive returns during the quarter, led by communication services, health care and industrials. Energy, utilities, and consumer staples underperformed the other sectors.

## Fund Commentary

The Fund produced a solid return of 2.08% in the December quarter but was unable to keep pace with the strong index performance.

At the country level, stock selection in China/Hong Kong and the UAE resulted in negative attribution but was partially offset by positive selection effects in India and Korea. A position in China International Capital Corp. Ltd., a leading equity and fixed income broker/investment bank, partially offset negative attribution in China. Although the company announced lower net profits after tax (NPAT), it significantly outperformed the industry average.

The UAE underperformed the index during the quarter. Fertigllobe, the largest nitrogen fertiliser producer in the Middle East/North Africa and the third largest globally, underperformed the market and was subsequently exited given a delayed recovery in nitrogen fertiliser prices. Weakening gross domestic product (GDP) growth may also result in lower demand.

During the fourth quarter, the investment team added to China given positive developments in the country's approach to COVID-19, property support, monetary policy and fiscal spending. In terms of country positioning, the strategy's largest overweight positions as of the end of the fourth quarter were Peru, China/Hong Kong and Colombia. The biggest underweight positions by country were India, Taiwan and Saudi Arabia. In terms of sector allocations, the strategy is overweight financials, real estate and industrials and underweight consumer discretionary, health care and energy.

Overall, the investment team are positive on emerging market equities and they are encouraged by the end of the zero-COVID-19 policy in China as new variants are deemed less pathogenic and expect re-opening to boost economic activity. New opportunities are being found in all emerging market regions. Relief to margin pressure as input costs fall should see an end to the tightening cycles in emerging markets compared with developed markets. Emerging market valuations are compelling, and stocks should start to outperform developed markets as the US dollar peaks and the relative growth premium of emerging markets expands once again.

\* 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 1.56% includes an Estimated Performance Fee of 0% and Estimated Indirect Costs of 0.16%.

Past performance is not a reliable indicator of future performance.

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