

# Concentrated Global Growth Fund

Fund Focus - September 2023



## Investment Strategy

The fund invests in a concentrated portfolio of 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 movements.

## Portfolio Characteristics

Funds Under Managemem..	\$115.59m
Number of Holdings	37
Turnover Ratio %	78.20
Latest Distribution Date	30 June 2023
Latest Distribution Amount	0.0095
Benchmark	MSCI World (ex Australia) Accumulation Index in \$A (net dividend reinvested)

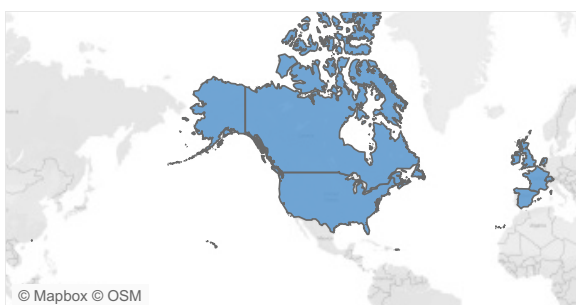
## Fund Facts

APIR Code	ZUR0617AU
Inception Date	19 October 2015
Total Est. Management Cost %	1.10
Est. Transactional Op. Cost %	0
Buy/Sell Spread %	0.02
Distribution Frequency	Semi Annually
Underlying Fund Manager	American Century Investments

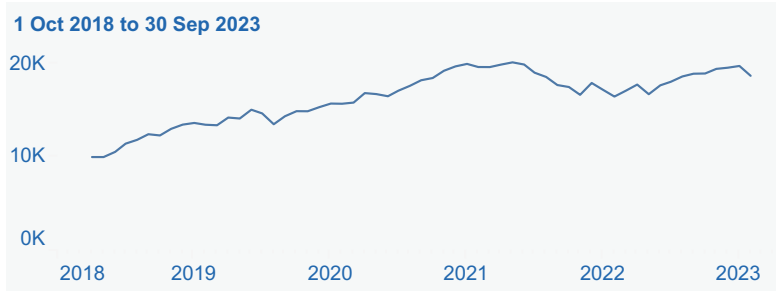
## Fund Performance After Fees\*

	1 Month	3 Months	1 Year	3 Years	5 Years	Since Inception
Distribution	0.00	0.00	0.59	2.77	5.29	3.44
Growth	-5.32	-3.80	12.87	3.20	5.78	7.53
Total	-5.32	-3.80	13.46	5.97	11.07	10.96
Benchmark	-4.01	-0.43	21.64	11.93	9.80	9.92

## Market Exposure



## Investment Growth (\$10,000)

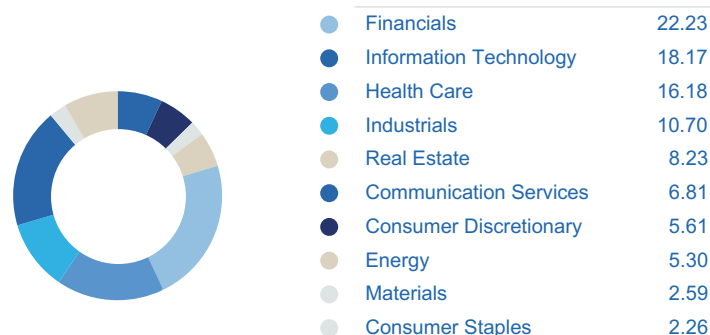


## Risk Reward

1 Oct 2018 to 30 Sep 2023



## Portfolio Equity Sectors (%)



## Top 10 Holdings (%)

	Weight	Benchmark
Microsoft Corp Commo	6.72	4.18
Alphabet Inc Common	4.50	1.46
Nvidia Corp Common S	4.08	2.01
Amazon.Com Inc Commo	3.03	2.20
Novo Nordisk A/s Adr	2.96	0.00
Astrazeneca Plc Comm	2.84	0.00
Progressive Corp/the	2.75	0.15
Cheniere Energy Inc	2.74	0.08
Axa Sa Common Stock	2.71	0.10
Danaher Corp Common	2.68	0.33

## Risk Statistics

1 Oct 2018 to 30 Sep 2023

Std Dev	12.97
Alpha	1.84
Beta	0.94
Sharpe Ratio (arith)	0.85
Up Capture Ratio	99.92
Down Capture Ratio	90.98
Currency Management %	0

## Market Commentary

Global stocks fell during the quarter. Stronger-than-expected growth in the US raised expectations that the US Federal Reserve (Fed) would maintain restrictive monetary policies for an extended period. Second-quarter US gross domestic product exceeded expectations, but manufacturing contracted in the third quarter. Meanwhile, retail sales continued to advance in July and August despite high inflation and borrowing costs. The Fed raised its benchmark interest rate once this quarter, and the consensus expectation is for at least one more rate hike by year-end. Despite weak growth across Europe, the European Central Bank (ECB) continued raising rates as inflation remained high. In China, the anticipated economic tailwind from reopening has not been as robust as expected.

## Fund Commentary

The Fund fell with the market in the September quarter and was unable to outperform the index return.

The key positive contributors to performance included Novo Nordisk and Pioneer Natural Resources.

**Novo Nordisk** - The Danish pharmaceutical company's popular treatments for diabetes and obesity continued to boost total revenues and, in turn, elevated the stock.

**Pioneer Natural Resources** - While the independent oil and gas company posted revenues that fell short of analysts' expectations, quarterly earnings surpassed, with oil production close to the top end of management's estimated range.

The key detractors from performance included B3, AIA Group and Pernod Ricard.

**B3** - The securities and commodities exchange operator reported earnings where growth improved but investors remained concerned about the outlook on trading volumes. The long-term outlook for the stock is constructive and valuation remains attractive relative to its peers.

**AIA Group** - Shares of this Hong Kong-based insurer remain depressed. The company has been reporting improvement in the value of new business booked, yet its stock continues to underperform. The overall bearishness around emerging markets stocks appears to be weighing on AIA shares as well.

**Pernod Ricard** - Shares of the spirits distributor of such brands as Mumm champagne and Absolut vodka moved lower on a mixed fiscal year report. While sales in China and the US are expected to decline, profits rose, and the dividend increased.

Notable purchases in the September quarter included Alphabet and NVIDIA while notable sales included Stellantis and AIA Group.

**Alphabet** - Organic revenue growth for Google's parent company is reaccelerating, driven by an inflection in digital advertising and cloud revenues, and the company has improved its margins via cost-cutting.

**NVIDIA** - The stock was purchased after the company reported strong results boosted by demand for its market-leading graphics processing unit chips. The company's products are a clear beneficiary of the rising trend of commercialising the burgeoning growth of generative artificial intelligence.

**Stellantis** - The position was fully exited following strong relative performance of the stock, recognising that the original investment thesis had run its course as the automaker's advantage over its peers may narrow, as competitors are rapidly building inventory in categories like pickup trucks.

**AIA Group** - The position was fully exited as the expected demand recovery due to the pandemic has been slower than expected. Sluggish consumer confidence in China has negatively impacted the velocity of new business bookings.

\* 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 1.1% includes 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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