

# Concentrated Global Growth Fund

Fund Focus - January 2022



## 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 Management	\$123.20m
Number of Holdings	33
Turnover Ratio %	32.94
Latest Distribution Date	30 June 2021
Latest Distribution Amount	0.0226
Benchmark	MSCI World (ex Australia) Accumulation Index in \$A (net dividend reinvested)

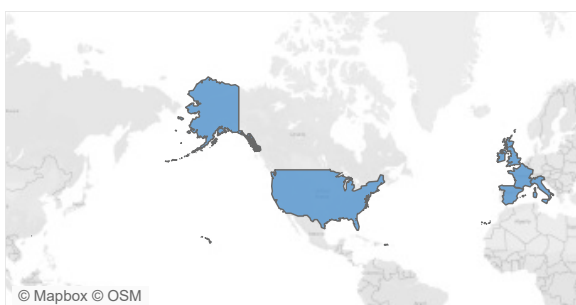
## Fund Facts

APIR Code	ZUR0617AU
Inception Date	19 October 2015
Total Est. Management Cost %	1.10
Est. Transactional Op. Cost %	0.01
Buy/Sell Spread %	0.02
Distribution Frequency	Semi Annually
Underlying Fund Manager	American Century Investments

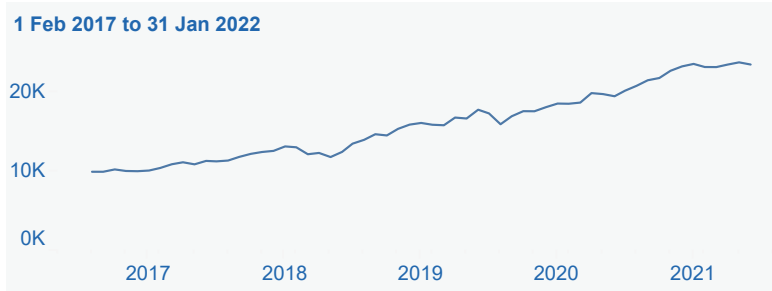
## Fund Performance After Fees\*

	1 Month	3 Months	1 Year	3 Years	5 Years	Since Inception
Distribution	0.00	0.00	1.38	6.99	4.18	3.29
Growth	-1.15	1.39	19.14	16.50	16.59	11.95
Total	-1.15	1.39	20.52	23.49	20.77	15.24
Benchmark	-2.20	3.13	27.30	18.09	15.11	11.90

## Market Exposure

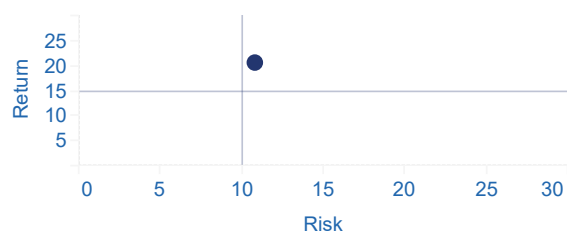


## Investment Growth (\$10,000)

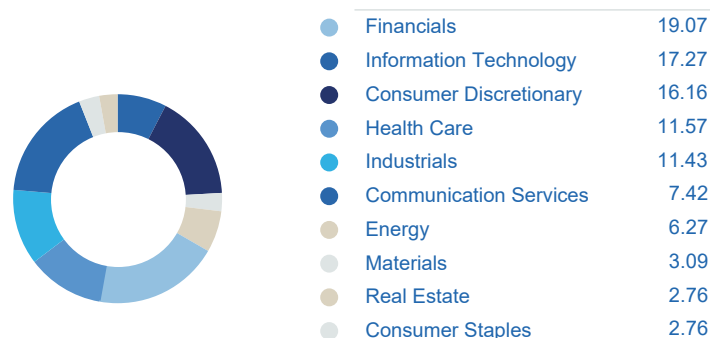


## Risk Reward

1 Feb 2017 to 31 Jan 2022



## Portfolio Equity Sectors (%)



## Top 10 Holdings (%)

	Weight	Benchmark
Alphabet Inc Common	5.01	2.76
Amazon.Com Inc Commo	4.52	2.35
Mastercard Inc Commo	3.43	0.59
Cheniere Energy Inc	3.33	0.05
Lowe's Cos Inc Commo	3.16	0.28
Ametek Inc Common St	3.11	0.05
Booking Holdings Inc	3.11	0.17
Astrazeneca Plc Comm	3.11	0.00
Nxp Semiconductors N	3.09	0.09
Crh Plc Common Stock	3.09	0.07

## Risk Statistics

1 Feb 2017 to 31 Jan 2022

Std Dev	10.76
Alpha	6.50
Beta	0.90
Sharpe Ratio (arith)	1.93
Up Capture Ratio	107.40
Down Capture Ratio	65.94
Currency Management %	0

## Market Commentary

Global equities declined in January amid geopolitical uncertainty, soaring inflation and the prospect of less accommodative monetary policy. Expectations for more aggressive tightening by the US Federal Reserve fuelled volatility in US stocks, which underperformed non-US global equities. Emerging markets equities also declined but outpaced developed markets stocks. Surging omicron cases in Japan led to renewed lockdowns in some cities, raising concerns about the strength of the fragile economic recovery. The Bank of Japan signalled it would maintain accommodative monetary policy despite more hawkish signals from other major world central banks.

## Fund Commentary

The Fund fell by 1.15% in January but was ahead of the index return by 1.04%.

The key positive contributors to performance included B3 and Pioneer Natural Resources.

- B3 – Investors are finding good value in Brazilian stocks that were hit hard in 2021. Although political concerns still loom, the investment team believes the capital markets company will benefit from the influx of capital and will continue to monitor the situation.
- Pioneer Natural Resources – Higher crude oil prices and increased output continued to bode well for Pioneer Natural Resources, one of the largest explorers and producers in the US market. The company's free cash flow has supported growing dividends, signalling strong future growth.

The key detractors from performance included Cellnex Telecom and Aptiv.

- Cellnex Telecom – UK regulators expressed concerns that the Spain-based telecommunications infrastructure firm's proposed acquisition of a UK tower company could hamper competition. Longer term, Cellnex should benefit from the rising trend of consolidating cellular tower assets in Europe.
- Aptiv – Shares of Aptiv declined following its bid to acquire software company Wind River Systems. The investment team believes the stock's decline is a result of investors digesting the news of the \$4.3 billion transaction.

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

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.

The COVID-19 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 and remain attractive.

The US investment plan should benefit select companies exposed to improving physical infrastructure assets, such as roads, bridges, ports and airports, as well as the electric grid.

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.

\* 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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