

Managed Growth Fund

Fund Focus - December 2021



Investment Strategy

The Fund invests in a mix of Australian and international shares, fixed interest securities, listed property securities and cash. The Fund is designed to reduce investment risk by diversifying across asset classes.

Portfolio Characteristics

Funds Under Management	\$73.43m
Latest Distribution Date	31 December 2021
Latest Distribution Amount	0.5503
Benchmark	CPI+2.5% pa over rolling five year periods before fees and taxes.

Fund Facts

APIR Code	ZUR0059AU
Inception Date	2 April 1997
Total Est. Management Cost %	0.96
Est. Transactional Op. Cost %	0
Buy/Sell Spread %	0.12
Distribution Frequency	Quarterly
Underlying Fund Manager	Australian Shares Antares Capital Partners..

Fund Performance After Fees

	1 Month	3 Months	1 Year	3 Years	5 Years	Since Inception
Distribution	0.42	0.42	7.99	9.52	11.30	6.51
Growth	1.19	0.93	5.02	1.24	-3.25	1.12
Total	1.62	1.35	13.01	10.77	8.05	7.63
Benchmark	1.36	2.65	13.32	11.75	8.83	7.72

Strategic Investment Partners

Australian Shares

Antares Capital Partners
Celeste Funds Management Pty Limited
DWS International
Schroder Investment Management Australia
Tyndall Asset Management

International Shares

American Century Investment Management, Inc
Epoch Investment Partners, Inc
Lazard Asset Management Pacific Co
Realindex Investments Pty Limited
Wells Capital Management, Inc

Australian Property Securities

Renaissance Property Securities Pty Ltd

Global Property Securities

Presima Inc

Fixed Interest and Cash

Schroder Investment Management Australia

Infrastructure

Lazard Asset Management Pacific Co

Alternative Investments

Insight Investment Management (Global)
Robeco Hong Kong Ltd

Absolute Return Bond

AllianceBernstein Investment Management

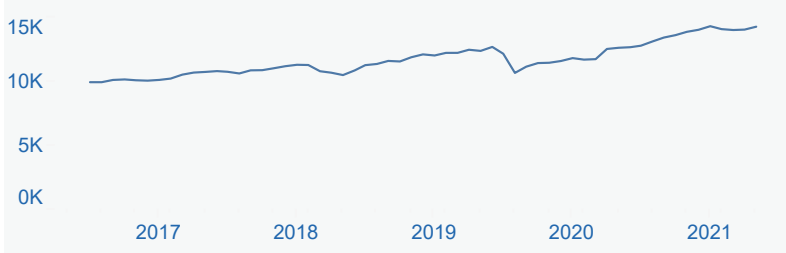
Risk Statistics

1 Jan 2017 to 31 Dec 2021

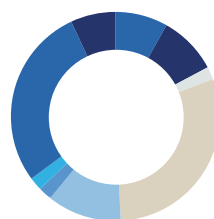
Std Dev	8.54
Sharpe Ratio (arith)	0.94

Investment Growth (\$10,000)

1 Jan 2017 to 31 Dec 2021



Portfolio Equity Sectors (%)



● Absolute Return Bonds	8.11
● Alternatives	9.10
● Australian Property	1.98
● Australian Shares	30.00
● Diversified Fixed Interest	11.76
● Global Property	1.85
● Infrastructure	2.05
● International Shares	28.21
● Liquidity	6.94

Actual Asset Allocation

	Actual Asset Allocation %	Benchmark Weight %	Active Position %
Absolute Return Bonds	8.1	8.0	0.1
Alternatives	9.1	9.0	0.1
Australian Property	2.0	2.0	0.0
Australian Shares	30.0	29.0	1.0
Diversified Fixed Interest	11.8	16.0	-4.2
Global Property	1.8	2.0	-0.2
Infrastructure	2.1	2.0	0.1
International Shares	28.2	28.0	0.2
Liquidity	6.9	4.0	2.9

Market Commentary

The Zurich Investments Managed Growth Fund rose by 1.35% in the December quarter.

Stock markets in the developed world advanced in the quarter, while those in the developing world retreated. In the US, the S&P 500 Index outperformed the broader market index by a wide margin, as bullish sentiment about corporate earnings and the country's improving economic outlook drove the stock market there higher. In Europe, the STOXX 600 index gained but underperformed the broader market index, as solid corporate earnings were overshadowed by anxiety about another wave of coronavirus infections that swept across the Continent. Meanwhile, in the developing world, China's stock market remained under pressure due to the country's economic slowdown and news that a coronavirus outbreak in one of the country's manufacturing hubs led several companies there to suspend operations.

Health care stocks performed well as companies in the sector benefited from attractive earnings growth and valuations relative to the broader market. In addition, many investors favoured more defensive stocks late in the period, such as real estate, consumer staples and health care. Defensive industries outperformed as the market rotated from high-growth stocks toward more defensive industries. For example, health care technology stocks declined outright and biotechnology stocks posted a slight gain, while the more defensive health care providers and services and pharmaceuticals stocks produced sizable gains.

The AREIT market rallied in the December quarter, posting an impressive return of 10.07% and outperforming the broader equities market. Global Omicron cases grew enormously at the back end of the quarter with various European countries re-introducing restrictions. Locally, the spike in Omicron cases led to the re-introduction of work-from-home recommendations and mask wearing.

Australian economic data releases in December reflected the effects of Covid lockdowns followed by re-openings. Gross domestic product for the third quarter fell less than consensus with the decline driven mainly by lower household consumption. Employment rose by a massive 366,000 jobs in November as NSW and Victorian lockdowns ended. House price growth slowed again in December but finished up 22.1% for the year. The Reserve Bank of Australia maintained its current monetary policy stance and pace of quantitative easing (QE) purchases but noted it will re-evaluate QE purchases in February.

In the December quarter, the S&P/ASX Small Ordinaries Accumulation Index increased by 2.03%. Global supply chains remained disrupted in the quarter, driven by labour shortages, parts availability, an energy squeeze and logistical issues such as lockdowns at manufacturers and delays at ports. These supply issues have been amplified by ongoing buoyant global demand pushing prices higher. Central banks have shifted to more hawkish commentary with many flagging a quicker tapering of quantitative easing measures.

* 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 0.96% includes an Estimated Performance Fee of 0% and Estimated Indirect Costs of 0.09%.

Past performance is not a reliable indicator of future performance.

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