

# Managed Growth Fund

Fund Focus - February 2022



## 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	\$70.35m
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

## Fund Performance After Fees

	1 Month	3 Months	1 Year	3 Years	5 Years	Since Inception
Distribution	0.00	0.41	7.60	9.19	11.20	6.45
Growth	-0.97	-2.45	-0.04	-2.33	-4.11	0.97
Total	-0.97	-2.04	7.56	6.86	7.09	7.42

## 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  
Allspring Global Investments

### 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

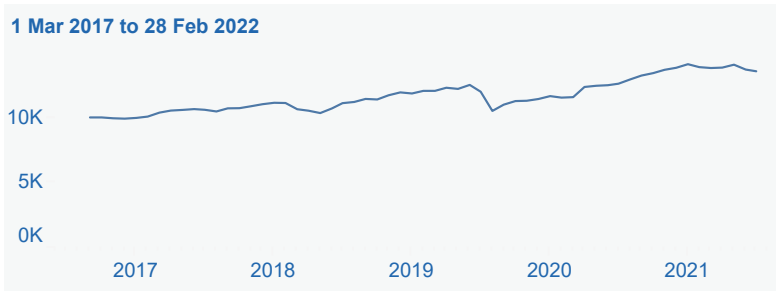
AllianceBernstein Investment Management

## Risk Statistics

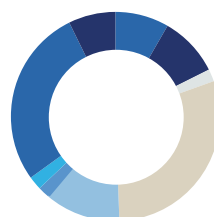
1 Mar 2017 to 28 Feb 2022

Std Dev	8.67
Sharpe Ratio (arith)	0.82

## Investment Growth (\$10,000)



## Portfolio Equity Sectors (%)



● Absolute Return Bonds	8.31
● Alternatives	9.30
● Australian Property	1.91
● Australian Shares	29.88
● Diversified Fixed Interest	11.73
● Global Property	1.81
● Infrastructure	2.09
● International Shares	27.70
● Liquidity	7.26

## Actual Asset Allocation

	Actual Asset Allocation %	Benchmark Weight %	Active Position %
Absolute Return Bonds	8.3	8.0	0.3
Alternatives	9.3	9.0	0.3
Australian Property	1.9	2.0	-0.1
Australian Shares	29.9	29.0	0.9
Diversified Fixed Interest	11.7	16.0	-4.3
Global Property	1.8	2.0	-0.2
Infrastructure	2.1	2.0	0.1
International Shares	27.7	28.0	-0.3
Liquidity	7.3	4.0	3.3

## Market Commentary

The Zurich Investments Managed Growth Fund fell by 0.97% in February.

Global equities generally ended the month lower as higher inflation, rising interest rates and Russia-Ukraine tensions overshadowed positive developments. Russia's invasion of Ukraine fuelled fears about inflation and growth.

In the US, mounting geopolitical tension related to the Russia-Ukraine conflict overshadowed generally positive economic and earnings news. However, earnings growth remained strong and US economic growth surpassed estimates. Inflation remained well above the US Federal Reserve (Fed) 2% target rate, fuelling expectations that the Fed will raise rates by 25 bps in March.

Stocks in Europe fell on worries about the war in Ukraine. The European Union joined other countries in imposing new sanctions on Russia. UK stocks advanced despite surging inflation and UK companies generally posted solid earnings. In Japan, the economic outlook for the current quarter is clouded, as the omicron variant led to new lockdowns in some cities.

The S&P/ASX Small Ordinaries Index performance was flat for the month. February saw investors gripped by Russia's invasion into Ukraine, adding significant risks to the global economy which was already suffering from soaring inflation and a lingering pandemic. While the situation remains fluid, the humanitarian crisis quickly found its way into financial market pricing. In Australia, the Reserve Bank of Australia remains dovish with the cash rate unchanged based on tepid wage growth, reinforced by the uncertainty created from the Ukraine crisis.

The AREIT sector battled against rising bond yields during the month, fell on news of the Russian invasion of the Ukraine and then rebounded to some extent at the end of the month, helped by a quasi-safe haven status relative to Europe in particular. Outperformers for the month included most of the retail names, the better value residential names and most of the office names. Underperformers were generally the more expensive stocks including the fund managers, long WALE stocks and the more expensive residential stocks.

Australian equities outperformed global equity markets in February, on the back of a largely positive reporting season. Global markets struggled during the month as rising geopolitical tensions made for an uncertain outlook. Monetary policy settings remained unchanged during the month as the Reserve Bank of Australia (RBA) maintained the cash rate target at 0.10%. As expected, the bond purchase program has ended, with the final purchases having taken place on 10 February.

Domestic economic data releases in January were mixed. The Australian economy expanded by 3.4% in Q4, exceeding market forecasts of 3.0% and recovering from a 1.9% fall in the previous quarter. Employment rose by 12,900 positions in January, which was above market expectations. The unemployment rate remained unchanged at 4.2%. The NAB Survey of Business Conditions fell 5 points, to +3 index points in January, declining below its long-run average. While business confidence rebounded 15pts in January to +3 index points, confidence rose across all industries outside of mining, and across all states. Retail sales fell 4.4% in December. National CoreLogic dwelling prices saw another consecutive monthly rise in February, ending the month up 0.6%, but marks the lowest monthly growth reading since October 2020.

\* 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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