

# Managed Growth Fund

Fund Focus - September 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	\$56.96m
Latest Distribution Date	30 September 2022
Latest Distribution Amount	0.0046
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 %	0.94
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	0.42	0.43	9.20	8.42	10.75	6.69
Growth	-4.95	-2.02	-19.27	-7.26	-6.39	0.21
Total	-4.53	-1.60	-10.07	1.17	4.37	6.90
Benchmark	-3.48	-0.18	-6.90	2.95	5.81	7.07

## 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 Investors

### 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

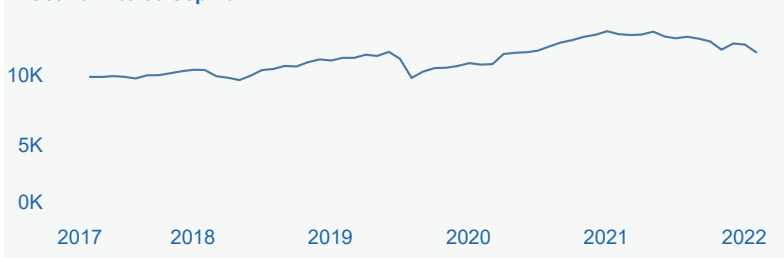
## Risk Statistics

### 1 Oct 2017 to 30 Sep 2022

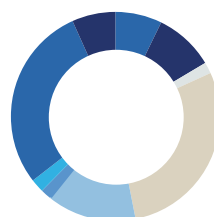
Std Dev	9.40
Sharpe Ratio (arith)	0.46

## Investment Growth (\$10,000)

### 1 Oct 2017 to 30 Sep 2022



## Portfolio Equity Sectors (%)



● Absolute Return Bonds	7.22
● Alternatives	9.23
● Australian Property	1.73
● Australian Shares	28.74
● Diversified Fixed Interest	13.84
● Global Property	1.66
● Infrastructure	2.10
● International Shares	28.78
● Liquidity	6.71

## Actual Asset Allocation

	Actual Asset Allocation %	Benchmark Weight %	Active Position %
Absolute Return Bonds	7.2	8.0	-0.8
Alternatives	9.2	9.0	0.2
Australian Property	1.7	2.0	-0.3
Australian Shares	28.7	29.0	-0.3
Diversified Fixed Interest	13.8	16.0	-2.2
Global Property	1.7	2.0	-0.3
Infrastructure	2.1	2.0	0.1
International Shares	28.8	28.0	0.8
Liquidity	6.7	4.0	2.7

## Market Commentary

The Zurich Investments Managed Growth Fund fell by 1.60% in the September quarter.

Inflation, recession and energy uncertainty weighed on equities. Central banks globally continued to tighten monetary policy, while data confirmed that rising interest rates were beginning to slow economic and earnings growth. Concerns about the war in Ukraine and potential disruptions to fuel supplies added to pressures on European equity markets.

Persistent supply chain disruptions, steep energy prices, high interest rates and rising inflation continued to fuel investors' fears of a meaningful growth slowdown. In this environment, traditionally growth-oriented names with more long-duration earnings outlooks underperformed.

The MSCI Emerging Markets Index declined during the September quarter. Weak index returns were driven in part by currency moves whereby all emerging market currencies depreciated versus the US dollar. At the country level, 6 out of 24 countries generated positive returns, including Turkey, Brazil and Indonesia, whilst Poland, China/Hong Kong and the Czech Republic underperformed. All sectors generated negative returns during the quarter, including real estate, communication services, consumer discretionary and information technology (IT), each of which declined more than 15%. Energy, utilities and consumer staples outperformed other sectors.

Healthcare performance was mixed with the MSCI World Health Care index registering a slight decline in Australian currency and modestly underperforming the broader MSCI World Index. Healthcare performance was dragged down by healthcare technology, pharmaceuticals and healthcare equipment and supplies stocks. Biotechnology performance was strong which reflects the industry's tremendous innovation and more durable earnings growth. For example, Biogen and its Japanese partner, Eisai, announced a significant breakthrough in Alzheimer's treatment.

The AREIT market fell 6.89% in the September quarter. The decline was driven by further sharp increases in Central Bank cash rates, statements from the US Federal Reserve regarding ongoing rate hikes and the subsequent surge in global bond yields.

The Australian economy saw mixed economic results. On the positive side, second quarter gross domestic product (GDP) rose more than expected driven by a booming consumer and retail sales again surprising to the upside. Consumer sentiment also rose along with business confidence and business conditions. On the negative side, house prices continued to fall in Sydney and Melbourne and home loans fell 8.5%.

\* 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 0.94% includes an Estimated Performance Fee of 0% and Estimated Indirect Costs of 0.07%.

Past performance is not a reliable indicator of future performance.

This report is issued by Zurich Investment Management Limited ABN: 56 063 278 400, AFSL: 232511, GIIN: FVHHKJ.00012.ME.036 : . The information in the report has been derived from sources reasonably believed to be reliable and accurate and is to be used for research purposes only. Subject to law, none of the companies of the Zurich Financial Services Australia Limited Group, nor their directors or employees, gives any representation or warranty as to the reliability, accuracy or completeness of the information, nor accepts any responsibility arising in any way (including by reason of negligence) from errors in or omissions from, the information provided. A Product Disclosure Statement (PDS) for the Fund is available and can be obtained by calling Zurich Investments on 131 551. The PDS should be considered in deciding whether to acquire, or to continue to hold, an investment in the fund. This information is of a general nature only and does not take into account the investment objectives, financial situation or particular needs of any investor and should not be taken as a securities or stock recommendation. These factors should be considered before any investment decision is made in relation to the fund. Furthermore, this product has been designed to meet certain objectives, financial situations and needs, which are described in our Target Market Determination available at [zurich.com.au/tmd](http://zurich.com.au/tmd)

PIRD-019250-2022