

Managed Growth Fund

Fund Focus - February 2023



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	\$57.70m
Latest Distribution Date	31 December 2022
Latest Distribution Amount	0.1503
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	0.00	0.14	9.85	8.56	10.69	6.60
Growth	-0.83	0.17	-11.17	-4.83	-5.93	0.47
Total	-0.83	0.31	-1.32	3.73	4.76	7.07
Benchmark	-0.55	0.08	1.43	5.23	6.37	7.25

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

Quay Global Investors

Alternative Investments

Insight Investment Management (Global) Limited

Fixed Interest & Cash

Schroder Investment Management Australia

Absolute Return Bond

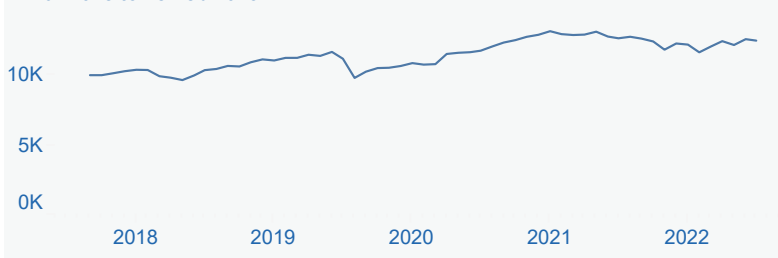
AllianceBernstein Investment Management

Convertible Bonds

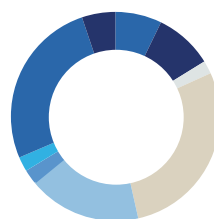
Lazard Asset Management Pacific Co

Investment Growth (\$10,000)

1 Mar 2018 to 28 Feb 2023



Portfolio Equity Sectors (%)



● Absolute Return Bonds	7.18
● Alternatives	9.00
● Australian Property	2.04
● Australian Shares	28.27
● Diversified Fixed Interest	17.62
● Global Property	2.20
● Infrastructure	2.27
● International Shares	26.26
● Liquidity	5.16

Actual Asset Allocation

	Actual Asset Allocation %	Benchmark Weight %	Active Position %
Absolute Return Bonds	7.2	8.0	-0.8
Alternatives	9.0	9.0	0.0
Australian Property	2.0	2.0	0.0
Australian Shares	28.3	29.0	-0.7
Diversified Fixed Interest	17.6	16.0	1.6
Global Property	2.2	2.0	0.2
Infrastructure	2.3	2.0	0.3
International Shares	26.3	28.0	-1.7
Liquidity	5.2	4.0	1.2

Risk Statistics

1 Mar 2018 to 28 Feb 2023

Std Dev	9.68
Sharpe Ratio (arith)	0.49

Market Commentary

The Zurich Investments Managed Growth Fund fell by 0.83% in February.

World equity markets retreated (in local currency terms) in February as investors were forced to re-set their expectations for the current global rate-hiking cycle. Against this backdrop, all eyes were on the US, where the most recent data suggested that the cooler domestic economy was still simmering. Investors cheered the Federal Reserve's (Fed) announcement at the outset of February that it was raising its benchmark interest rate 25 basis points (bps), its smallest such increase since March 2022, and that it was seeing improvements in inflation. Over the course of the month, however, global stock markets struggled to gain traction after a steady flow of US data indicated that the labour market and consumer spending remained robust, and that price growth had re-accelerated in January, according to the Fed's preferred measure of inflation. In light of these developments, investors were forced to raise their forecasts for how high the Fed will lift interest rates and how long it will keep them there.

A similar situation was playing out across the Atlantic, where the European Central Bank (ECB) lifted interest rates by 50 bps and vowed that there would be no let-up in its aggressive efforts to wring high inflation out of the eurozone, thus all but guaranteeing another 50-bp rate hike in March. Elsewhere in Europe, the Bank of England (BoE) also increased interest rates 50 bps as inflation in the UK slowed for a third consecutive month in January, though it remained in double digits. The rate increases by the ECB and BoE pushed their benchmark interest rates to their highest levels since 2008.

Health care stocks lagged as investors took profits from the health care sector. For example, the more defensive health care providers and services stocks lagged in the month after performing best in 2022. More growth-oriented health care equipment and supplies and biotechnology stocks held up better than the broad health care index.

The AREIT market fell in February by 0.36%. The Reserve Bank of Australia (RBA) raised interest rates another 0.25% in February, bringing the official cash rate to 3.35%. The Australian economy showed some signs of resilience during the month with gross domestic product rising for the December quarter. Retail sales bounced in February, though consumer confidence fell. House price declines stabilised for the month, but new home loans fell.

The Small Ordinaries Accumulation Index fell 3.9% over the month. Commodity prices were weaker, driven by USD strength amid higher-than-expected inflation prints. Continued warm weather and lower spot gas prices saw thermal coal fall 23.5% m/m. Iron ore fell 3.8% and precious metals retraced with gold -5.2%. During the month, the Australian 10-year bond yield increased by 30bps, whilst the AUDUSD depreciated by 4.3%. The rise in yields reflected the RBA beginning the month with a more hawkish tone, outlining their intention to lift rates further. Interest rates will go higher, the extent and duration however will depend on how the RBA balances the persistence of inflation with softer domestic activity, modest wages growth and a weaker labour market.

* 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.

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