

# Managed Growth Fund

Fund Focus - August 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	\$56.01m
Latest Distribution Date	30 June 2023
Latest Distribution Amount	0.0162
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 %	0.10
Distribution Frequency	Quarterly

## Fund Performance After Fees

	1 Month	3 Months	1 Year	3 Years	5 Years	Since Inception
Distribution	0.00	1.45	2.34	7.11	8.07	6.54
Growth	-0.47	1.18	3.85	-1.09	-3.57	0.54
Total	-0.47	2.63	6.19	6.02	4.50	7.08
Benchmark	0.23	3.41	10.01	7.25	6.35	7.35

## 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

### Infrastructure

Lazard Asset Management Pacific Co

### Fixed Interest and Cash

Schroder Investment Management Australia

### Alternative Investments

Insight Investment Management (Global) Limited

### Absolute Return Bond

AllianceBernstein Investment Management

### Convertible Bonds

Lazard Asset Management Pacific Co

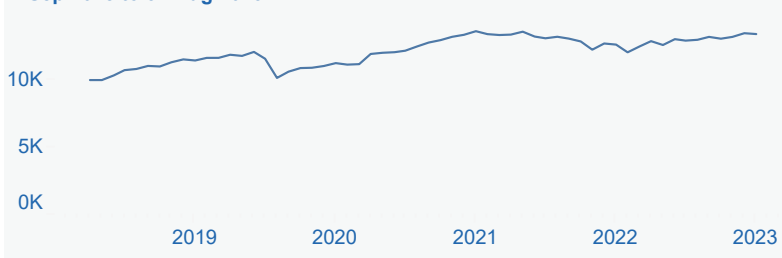
## Risk Statistics

### 1 Sep 2018 to 31 Aug 2023

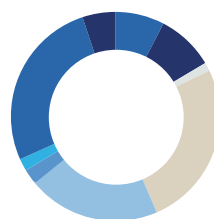
Std Dev	9.67
Sharpe Ratio (arith)	0.47

## Investment Growth (\$10,000)

### 1 Sep 2018 to 31 Aug 2023



## Portfolio Equity Sectors (%)



Absolute Return Bonds	7.59
Alternatives	8.88
Australian Property	1.31
Australian Shares	25.75
Diversified Fixed Interest	20.67
Global Property	2.19
Infrastructure	1.90
International Shares	26.62
Liquidity	5.09

## Actual Asset Allocation

	Actual Asset Allocation %	Benchmark Weight %	Active Position %
Absolute Return Bonds	7.6	8.0	-0.4
Alternatives	8.9	9.0	-0.1
Australian Property	1.3	2.0	-0.7
Australian Shares	25.7	29.0	-3.3
Diversified Fixed Interest	20.7	16.0	4.7
Global Property	2.2	2.0	0.2
Infrastructure	1.9	2.0	-0.1
International Shares	26.6	28.0	-1.4
Liquidity	5.1	4.0	1.1

## Market Commentary

The Zurich Investments Managed Growth Fund fell in August by 0.47%.

Stock markets worldwide were under significant pressure during the month, thanks to a rapid rise in bond yields globally that undercut the appeal of risk assets. The bond market pressure was fuelled by lingering uncertainty about the interest-rate policy paths of key central banks, especially the US Federal Reserve (Fed). Investors entered August hopeful that the Fed's rate-hiking cycle was near an end, but this optimism faded after a string of stronger-than-expected reports on the US economy stoked anxiety that upward price pressure remained, potentially forcing the Fed to adopt a "higher for longer" interest rate policy stance. However, global equity markets regained some of their earlier losses after the Fed reiterated that it would maintain a neutral, data-driven approach toward any future actions, and that it would "proceed carefully" in its decisions about future rate hikes. Against this backdrop, equity markets in both the developed and developing worlds retreated in August. In the US, the S&P 500 Index recorded its first monthly loss since February. In Europe, the market was weighed down by elevated bond yields and a worsening economic outlook for the Europe and China, the common currency bloc's top export market. In China, the Hong Kong-based Hang Seng Index tumbled on bearish sentiment about China's deteriorating economic outlook.

Emerging markets declined in August with the MSCI Emerging Markets index down 6.16%, taking the year-to-date return to 4.55%. All eleven sectors generated negative returns during the month including consumer discretionary, communication services, and utilities. The energy, IT, and consumer staples sectors outperformed. At the country level, twenty-one out of twenty-four countries posted negative returns including Colombia, South Africa, and Poland whereas Egypt, Turkey, and Hungary advanced.

Despite a rally later in the month, Australian equities were weak in August. Mining stocks led the decline with a heavy fall in Chinese equities also proving to be a headwind. The Reserve Bank of Australia kept its cash rate unchanged, extending the rate pause for the second successive month and defying the market consensus of a 25bps rate hike. The Board acknowledged the reduction in cost pressures within the country but expressed its concern that inflation was still excessively high.

The AREIT market rose over the month outperforming the broader equity market. Interestingly, the main driver of the outperformance for the sector was the strong share price performance of Goodman Group which benefitted from an announcement that the company is moving into developing data centres.

\* 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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