

Managed Growth Fund

Fund Focus - June 2024



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 Managemem.. | \$55.39m |
| Latest Distribution Date | 31 March 2024 |
| Latest Distribution Amount | 0.4181 |
| 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 | 0.69 | 0.67 | 1.65 | 5.30 | 6.20 | 6.41 |
| Growth | -0.32 | -1.98 | 7.88 | -2.23 | -1.18 | 0.74 |
| Total | 0.37 | -1.30 | 9.53 | 3.07 | 5.02 | 7.15 |
| Benchmark | 1.17 | 0.17 | 11.45 | 5.60 | 6.88 | 7.46 |

Strategic Investment Partners

Australian Shares

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

Fixed Interest and Cash

Schroder Investment Management Australia

Infrastructure

Lazard Asset Management Pacific Co

Alternative Investments

Insight Investment Management (Global)
GAM Investments

Absolute Return Bond

AllianceBernstein Investment Management

Convertible Bonds

Lazard Asset Management Pacific Co

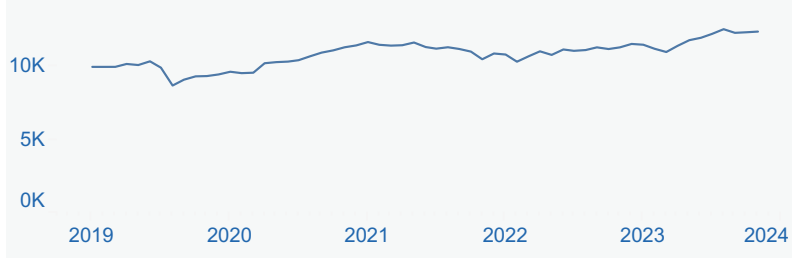
Risk Statistics

1 Jul 2019 to 30 Jun 2024

| | |
|----------------------|------|
| Std Dev | 9.56 |
| Sharpe Ratio (arith) | 0.53 |

Investment Growth (\$10,000)

1 Jul 2019 to 30 Jun 2024



Portfolio Equity Sectors (%)



Actual Asset Allocation

| | Actual Asset Allocation % | Benchmark Weight % | Active Position % |
|----------------------------|---------------------------|--------------------|-------------------|
| Absolute Return Bonds | 9.2 | 8.0 | 1.2 |
| Alternatives | 9.1 | 9.0 | 0.1 |
| Australian Property | 2.0 | 2.0 | 0.0 |
| Australian Shares | 26.1 | 29.0 | -2.9 |
| Diversified Fixed Interest | 9.8 | 10.0 | -0.2 |
| Global Property | 2.1 | 2.0 | 0.1 |
| Growth Fixed Income | 6.1 | 6.0 | 0.1 |
| Infrastructure | 2.0 | 2.0 | 0.0 |
| International Shares | 28.5 | 28.0 | 0.5 |

Market Commentary

The Zurich Investments Managed Growth Fund fell by 1.30% in the June quarter.

Equity markets worldwide gained in the second quarter as investor sentiment shifted from pessimism to cautious optimism regarding the global interest-rate outlook. Concerns about inflation persisted, with a strong focus on the interest rate policies of key central banks. In the US, worse-than-expected early-year inflation data fuelled fears that the Federal Reserve's (Fed) efforts to slow price growth had stalled. Consequently, the Fed held interest rates steady in May and June, maintaining them at their highest level in nearly 23 years. Despite positive inflation data for April and May, the Fed indicated that an interest-rate hike was unlikely but acknowledged slower progress toward its 2% inflation target. This cautious stance led to a rally in global equity markets in the latter part of the quarter, driven by hopes of potential monetary easing by the Fed.

In Europe, the interest-rate outlook was more optimistic. The European Central Bank (ECB) lowered interest rates for the first time in nearly five years with a 25-basis point cut in June, citing improved inflation prospects but warning of persistent price pressures. The Bank of England (BOE) maintained its main interest rate at a 16-year high despite slowing inflation, signaling a hawkish stance until sustainable inflation targets were met. Political developments, such as the rise of far-right parties in the European Parliament elections, pressured European stocks, particularly in France.

In Australia, the S&P/ASX200 index posted a modest gain in June. Progress in getting inflation down stalled in May, raising expectations of a potential rate hike by year end. June also saw the IPO of Guzman Y Gomez, the largest float since APM Human Services hit the ASX in December 2021.

The AREIT market fell in the June quarter, notably in April, following stronger than expected inflation data and a significant softening in rate cut expectations. The Reserve Bank of Australia held the cash rate steady in the June quarter although several economists are now predicting a rate rise in August.

Several AREIT transactions were completed at the end of the quarter which included:

- Mirvac sold - 367 Collins St in Melbourne on a 6.5% cap and 40 Miller St on a 7.1%;
- Mirvac sold - Coolemon Court on a 6.7% cap;
- Dexus sold - 5 Martin Place in Sydney on a 6.0% cap;
- Centuria - sold 555 Coronation Dr on a 7.5% cap;
- Charter Hall Long WALE - sold \$650m of assets at a 6.1% passing yield vs a portfolio cap rate of 5.1%.

* 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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