

# Managed Growth Fund

Fund Focus - January 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..	\$55.62m
Latest Distribution Date	31 December 2023
Latest Distribution Amount	0.0031
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	0.28	2.28	6.77	8.09	6.47
Growth	1.41	8.58	4.89	-1.77	-1.90	0.66
Total	1.41	8.86	7.17	5.00	6.19	7.13
Benchmark	1.48	8.77	10.21	6.97	7.95	7.41

## 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

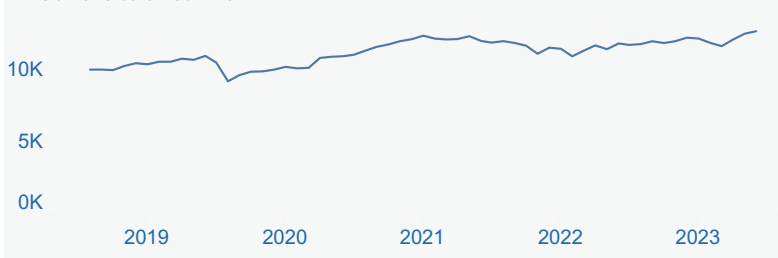
## Risk Statistics

1 Feb 2019 to 31 Jan 2024

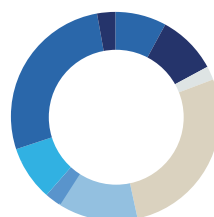
Std Dev	9.62
Sharpe Ratio (arith)	0.64

## Investment Growth (\$10,000)

1 Feb 2019 to 31 Jan 2024



## Portfolio Equity Sectors (%)



● Absolute Return Bonds	7.91
● Alternatives	9.22
● Australian Property	2.11
● Australian Shares	27.37
● Diversified Fixed Interest	12.47
● Global Property	2.37
● Growth Fixed Income	6.38
● Infrastructure	2.11
● International Shares	27.24
● Liquidity	2.81

## Actual Asset Allocation

	Actual Asset Allocation %	Benchmark Weight %	Active Position %
Absolute Return Bonds	7.9	8.0	-0.1
Alternatives	9.2	9.0	0.2
Australian Property	2.1	2.0	0.1
Australian Shares	27.4	29.0	-1.6
Diversified Fixed Interest	12.5	10.0	2.5
Global Property	2.4	2.0	0.4
Growth Fixed Income	6.4	6.0	0.4
Infrastructure	2.1	2.0	0.1
International Shares	27.2	28.0	-0.8

## Market Commentary

The Zurich Investments Managed Growth Fund rose by 1.41% in January.

Global equity markets recorded their third consecutive month of gains in January amid growing speculation about when major central banks will begin retreating from their current interest rate-policy stances. Stock markets found themselves in the middle of a tug of war during the month—while being pulled in one direction by rising investor optimism about the global outlook for interest rates, they were also being pulled in the opposite direction by key central banks seeking to rein in expectations. Against this backdrop, all eyes were on the US Federal Reserve (Fed), which last month hinted that its rate-hiking campaign had reached its conclusion and forecast that it could lower interest rates three times in 2024. With preliminary data for the fourth quarter suggesting that the US economy grew at healthy pace while domestic inflation continued to slow, stocks rose on hopes that the world's most influential central bank would begin reducing rates in March. As expected, the Fed held borrowing costs steady in January for a fourth consecutive time, leaving them at their highest level since 2001. However, the US central bank's warning that it would not lower interest rates until inflation was "moving sustainably" toward its 2% target and that a rate cut in March was unlikely sapped some of the momentum from the market rally.

The AREIT market rose by 1.21% in January. The Australian economy showed greater signs of slowing during the month as December retail sales fell, quarterly CPI slowed, employment contracted, and consumer confidence dipped. On the other hand, business confidence rose though business conditions fell. House prices rose again in January, albeit at a slowing rate.

During the month the market witnessed the emergence of some M&A activity which included:

- Bunnings bid \$1.39 for Newmark, a 43% premium to last and a 17% discount to NTA.
- Aspen bid for Eureka at market circa \$0.45.

Outperformers in January included convenience retail, residential development and office. Convenience retail (HomeCo and Charter Hall Retail) outperformed on their defensive characteristics in a slowing economy. Residential developers (Mirvac and Stockland) outperformed on the weaker CPI and expectations around a falling cash rate being very positive for the housing sector. Office names, Growthpoint and Dexus, outperformed potentially supported by the outlook for bond yields.

Underperformers included the long WALE names (Arena and Charter Hall Long WALE), Bunnings and the fund managers (Centuria, Charter Hall and HMC Capital). The long WALE names underperformed after very strong run up in December as did the fund managers.

\* 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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