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.

Fund Facts

- APIR Code: ZUR0059AU
- Inception Date: 2/04/1997
- Total Est. Management Cost %: 0.99
- Buy/Sell Spread %: 0.12
- Est. Transactional Op. Cost %: 0.01
- Distribution Frequency: Quarterly
- Funds Under Management: $76.11m
- Latest distribution date: 30 Jun 2021
- Latest distribution amount: 0.0687
- Benchmark: CPI+2.5% pa over rolling five year periods before fees and taxes.

Fund Performance After Fees*

<table>
<thead>
<tr>
<th>Time Period: 31/07/2016 to 31/07/2021</th>
<th>1 Month</th>
<th>3 Months</th>
<th>1 Year</th>
<th>3 Years</th>
<th>5 Years</th>
<th>Since Inception</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth</td>
<td>1.14</td>
<td>-0.72</td>
<td>13.35</td>
<td>-1.09</td>
<td>-2.83</td>
<td>1.16</td>
</tr>
<tr>
<td>Distribution</td>
<td>0.00</td>
<td>5.23</td>
<td>7.64</td>
<td>8.93</td>
<td>11.06</td>
<td>6.55</td>
</tr>
<tr>
<td>Total</td>
<td>1.14</td>
<td>4.51</td>
<td>20.99</td>
<td>7.84</td>
<td>8.23</td>
<td>7.71</td>
</tr>
</tbody>
</table>

Investment Growth

Asset Allocation

- Australian Equity
- International Equity
- AREIT
- GREIT
- Fixed Interest
- Cash
- Alternative Investments
- Infrastructure Assets
- Absolute Return Bonds

Risk Statistics

- Time Period: 31/07/2016 to 31/07/2021
  - Std Dev: 8.64
  - Sharpe Ratio (arith): 0.82

Actual Asset Allocation

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Actual Asset Allocation%</th>
<th>Benchmark Weight%</th>
<th>Active Position%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian Equity</td>
<td>29.35</td>
<td>29.00</td>
<td>0.35</td>
</tr>
<tr>
<td>International Equity</td>
<td>30.29</td>
<td>28.00</td>
<td>2.29</td>
</tr>
<tr>
<td>AREIT</td>
<td>1.93</td>
<td>2.00</td>
<td>-0.07</td>
</tr>
<tr>
<td>GREIT</td>
<td>2.17</td>
<td>2.00</td>
<td>0.17</td>
</tr>
<tr>
<td>Fixed Interest</td>
<td>16.19</td>
<td>16.00</td>
<td>0.19</td>
</tr>
<tr>
<td>Cash</td>
<td>1.40</td>
<td>4.00</td>
<td>-2.60</td>
</tr>
<tr>
<td>Alternative Investments</td>
<td>8.82</td>
<td>9.00</td>
<td>-0.18</td>
</tr>
<tr>
<td>Infrastructure Assets</td>
<td>2.09</td>
<td>2.00</td>
<td>0.09</td>
</tr>
<tr>
<td>Absolute Return Bonds</td>
<td>7.75</td>
<td>8.00</td>
<td>-0.25</td>
</tr>
<tr>
<td>Total</td>
<td>100.00</td>
<td>100.00</td>
<td></td>
</tr>
</tbody>
</table>
Market

The Zurich Investments Managed Growth Fund rose in July by 1.14%.

Global equity markets recorded their sixth consecutive month of gains in July, as investor enthusiasm about corporate earnings was enough to overcome worries about downside risks.

During the month, investors found themselves in the familiar position of having to navigate through crosscurrent market dynamics. The emergence of a rapidly spreading coronavirus variant led to anxiety that this highly transmissible, more dangerous strain could weaken economies around the world. Events in China were also a source of concern, as regulators there continued to crack down on the Chinese technology, property, and education sectors in an effort to rein in anti-competitive practices, data security issues, and fast-growing companies that do not necessarily align with the country’s development goals or pose potential financial risks. The imposition of tough measures, on top of data suggesting that China’s economy—the world’s second largest—was slowing led to a sharp sell-off in the Chinese stock market in July. Notably, although the spectre of higher inflation remained a top concern, the risk abated during the month, with the yield on the benchmark 10-year US Treasury note ending up lower for the month.

Despite these stiff headwinds, world equity markets found ample support from an exceptionally strong start to the second-quarter corporate earnings season, which saw 72% of global large and mid-cap companies reporting positive earnings surprises, according to Refinitiv data. In the US, 88% of the companies in the S&P 500 Index that reported results as of 31 July topped consensus estimates, which was above the five-year average of 75%. Across the Atlantic over the same period, 67% of the companies in the pan-European STOXX 600 index reported better-than-expected earnings, well above the average of 51%. Both the US and European equity markets outperformed the broader market global index in July.

Emerging markets declined in July, the largest monthly decline since March 2020 when the COVID-19 pandemic sell-off accelerated. Ten out of eleven sectors posted losses in July including real estate, consumer discretionary, and communication services. The materials sector was the only sector that advanced during the month. At the country level, 12 out of 27 countries generated positive returns including Egypt, Turkey, and Argentina while China/Hong Kong, the Philippines, and Peru declined.

The AREIT market was marginally in positive territory in July, rising by 0.3%. The main driver of performance for the AREIT market for the month was rapidly growing global COVID-19 cases, lockdowns in Australia and economic growth concerns driven by ongoing COVID-19 cases and falling bond yields.

Australian economic data continues to be robust although recent data does not reflect the full impact of the East Coast lockdowns. Dwelling values grew in July driven again by Sydney and Brisbane, but building approvals fell for the month, albeit they are still up 53% for the year. Employment grew 29,000 and unemployment fell to 4.9%.

The main AREIT news for the month was the impact of growing daily COVID-19 cases and the ensuing lockdowns. Due to COVID-19 uncertainty, GPT decided to withdraw its guidance for 2021 and this is likely to be similar for a number of other AREITs. The other news was predominantly revaluations and capital transactions.

The Australian Small Companies Index rose in July by 0.68%. The Reserve Bank of Australia (RBA) retained the existing policy setting in July noting that the economic recovery in Australia had been stronger than expected, balance sheets were generally in good shape, and that the local experience had been one where the economy bounced back quickly once COVID-19 outbreaks were contained and restrictions were eased.

Past performance is not a reliable indicator of future performance.

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