Zurich Investments

Hedged Global Thematic Share Fund

Fund Focus - February 2021

Investment Strategy

The Fund generally invests in a broad selection of securities listed on foreign stock exchanges. The Fund aims to be fully hedged at all times providing investors with exposure to underlying share price movements but minimising the effect of foreign exchange movements.

Fund Facts

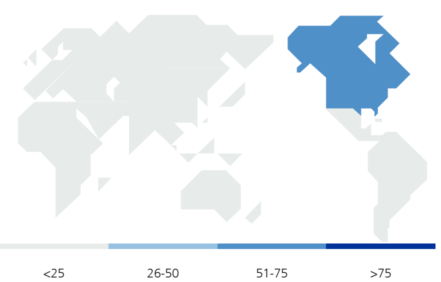
APIR Code	ZUR0517AU
Inception Date	14/10/2005
Total Est. Management Cost %^	1.03
Buy/Sell Spread%	0.04
Est. Transactional Op. Cost %	0.11
Distribution Frequency	Semi-Annually
Underlying Fund Manager	Lazard Asset Management Pacific Co

Portfolio Characteristics

Funds Under Management	$11.22m
Number Of Holdings	102
Turnover Ratio%	33.16
Latest distribution date	31 Dec 2018
Latest distribution amount	0.0009
Benchmark	MSCI World (ex-Australia) Accumulation Index (fully hedged into $A) (net dividends reinvested)

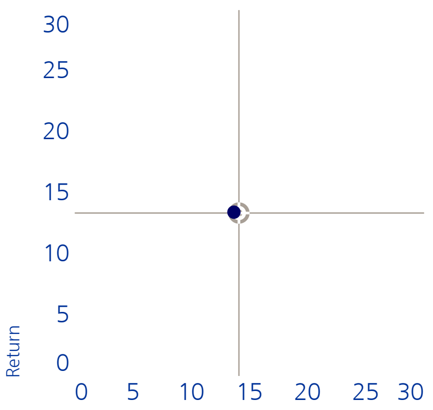
Market Exposure

Greater Europe	Greater Asia	Americas



Risk Reward

Time Period: 28/02/2016 to 28/02/2021



Risk Statistics

Time Period: 28/02/2016 to 28/02/2021

Std Dev	13.67
Alpha	0.72
Beta	0.94
Sharpe Ratio (arith)	0.89
Up Capture Ratio	95.02
Down Capture Ratio	89.86

Currency Management

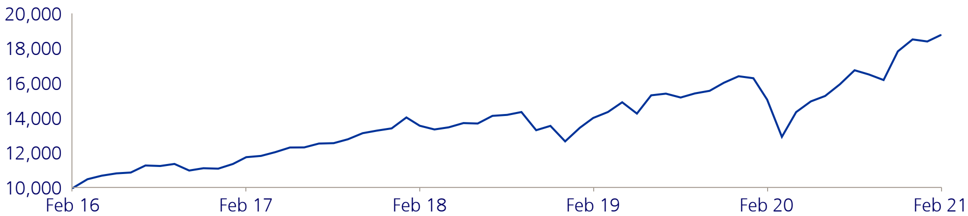
Hedging Level as at 28 Feb 2021	100%

Fund Performance After Fees*

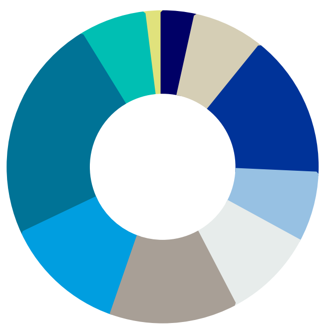
As at 28/02/2021	1 Month %	3 Months %	1 Year % p.a	3 Years % p.a	5 Years % p.a	Since Inception % p.a
Growth	1.98	5.23	24.57	10.28	-0.76	-0.84
Distribution	0.00	0.00	0.00	1.14	14.19	9.90
Total	**1.98**	**5.23**	**24.57**	**11.42**	**13.43**	**9.06**
Benchmark	2.65	5.32	23.46	9.67	13.36	8.18

Investment Growth

28/02/2016 to 28/02/2021



Portfolio Equity Sectors



	%
Energy	3.43
Materials	8.47
Industrials	14.68
Consumer Discretionary	7.13
Consumer Staples	9.30
Health Care	12.82
Financials	12.49
Information Technology	22.96
Communication Services	6.75
Utilities	1.96

Top 10 Holdings

Portfolio Date: 28/02/2021	Portfolio Weighting%	Benchmark Weighting%
Alphabet Inc	2.01	2.39
Microsoft Corp	1.74	3.28
Tencent Holdings Ltd	1.31	0.00
Apple Inc	1.28	4.07
The Walt Disney Co	1.28	0.67
Schneider Electric SE	1.21	0.16
HDFC Bank Ltd ADR	1.19	0.00
Johnson Controls International PLC	1.18	0.08
Texas Instruments Inc	1.17	0.31
Sony Corp	1.16	0.26

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Market

World equity markets advanced in February, as investors mulled over the ramifications of an improving global economic outlook.

The month was marked by a spike in global government bond yields, with the yield on the benchmark 10-year US Treasury note recording its largest one-month rise since November 2016. The sharp rise in bond yields reflected investor optimism that an economic recovery was on track, as well as expectations of higher inflation because of it. The current ultra-low interest rate environment created by key central banks in response to the coronavirus pandemic drove bond rates to historic lows that offered scant rewards and steered investors chasing higher returns to stock markets. With the spike in yields, bonds now offered attractive, steady income, which slowed some of the momentum behind the upswing in global equity markets, as investors rotated out of low-performing or low-dividend-paying stocks.

Despite the change in market dynamics, stock markets in both the developed and developing world gained in February, although to varying degrees. In the US, improved deployment of coronavirus vaccines, expectations of additional fiscal relief measures, and surprisingly strong fourth-quarter corporate earnings led the S&P 500 Index—the bellwether of the US equity market—to outperform the broader market index.

Across the Atlantic, European stock markets also outpaced the index, as better-than-expected corporate results bolstered investor optimism about a quicker earnings recovery this year. In Asia, Japan's stock market climbed on solid corporate earnings and encouraging domestic data that suggested that the country's economy was on track to return to pre-pandemic levels by next year. Meanwhile, equity markets in the developing world came under pressure but eked out a modest gain, as risk appetites softened amid the sharp increase in US Treasury bond yields.

Fund

The Fund rose by 1.98% in February but was unable to keep pace with the strong index performance.

Five themes rose in value while six declined. Themes are discussed below in descending order of contribution.

Bits of Chips: Applied Materials and ASML rose on chip shortages and political pressure to add capacity. Aptiv and Infineon rose on automotive chip shortages.

Digital Runway: Prudential gained on rising US bond yields. HDFC and ICICI advanced, thanks to India's ongoing economic recovery.

Data Networks and Profits: Aon rose on strong organic growth in results. Mastercard, Fidelity, and Visa advanced on rising expectations for a return of cross-border travel. Alphabet rose on strong results.

Empowered Consumer: Disney rose on optimism about a reopening of the company's theme parks and strong subscriber numbers for its streaming service. Essilor, Inditex, and LVMH climbed on prospects for a return to retail. Apple declined on market rotation away from perceived COVID-19 beneficiaries.

Asset Efficiency: Deere rose on strong results. Johnson Controls advanced on results and the launch of their new Internet of Things platform.

Software as a Standard: Intuit rose on encouraging tax season data. SAP fell on guidance that was below consensus expectations.

First World Health: Medical technology names Stryker and Boston Scientific rose on prospects for a return to normal hospital procedures. Thermo Fisher declined on market rotation away from perceived COVID-19 beneficiaries.

Extreme Risks: Strong performance from bank stocks on yield curve steepening, led by US lenders Bank of America and PNC, as higher Treasury yields allow banks to charge more profitable interest rates on loans. Gold miner stocks declined with the gold price, led by Agnico Eagle, which reported disappointing quarterly results due largely to higher capital expenditures and costs.

Distribution Footprint: Nutrien rose on strong soft commodity prices. Kansai Paint fell after strong performance price appreciation for raw materials.

Energy Transitions: Oil holdings rose with the oil price, led by BP, Chevron, Equinor, and Royal Dutch Shell. Vestas and Siemens Gamesa declined on margins and warranties in results, and after strong January performance.

Enduring Brands: Alcoholic beverage makers Remy Cointreau and Pernod Ricard rose on improving prospects for more travel and consumption. Unilever, Beiersdorf, and Kao all declined on results, with higher costs for digital accelerations.

Portfolio Transactions

United Healthcare was added to the First World Health theme in February. The company is the leading player in value-based healthcare delivery (Optum) and government health insurance program, making it a strong fit for the portfolio's First World Health Theme.

As the scale player in health insurance (ranked first in Medicare Advantage and Medicaid, second in Commercial), local market share leads to competitive advantages and drives a virtuous circle of data and value between Optum and the managed care organisations. United Healthcare is also the leading player in the secular growth program Medicare Advantage, a government program with aligned incentives for people over 65, from which the company benefits from both demographics and share gains.

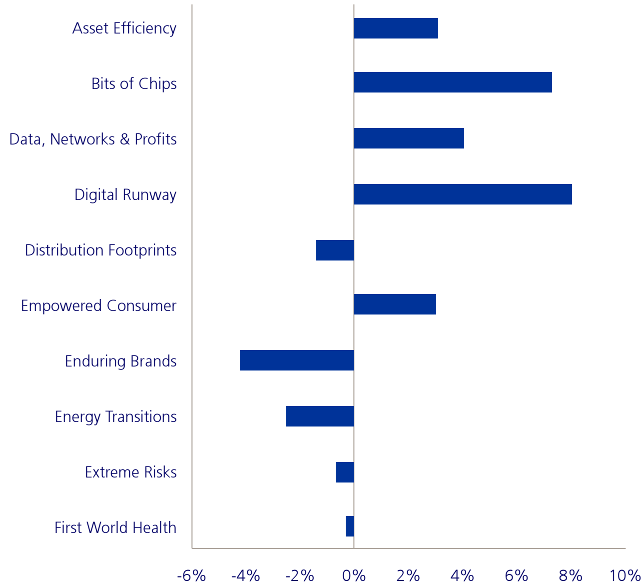
United healthcare's other main business Optum, which provides risk-bearing care delivery, pharmacy benefits manager, healthcare information technology, and data assets, has significant growth potential given its alignment with healthcare efficiency gains. The roughly 50,0000 doctors on OptumCare's platform gives it a significant competitive advantage. Ongoing regulatory risk is offset by scale incumbency and ability to drive down costs. The risks of a national single-payer program (know euphemistically as “Medicare for all”) have abated under a sceptical Biden administration.

Themes

	%
Asset Efficiency	9.4
Bits of Chips	9.2
Data, Networks & Profits	10.1
Digital Runway	6.7
Distribution Footprints	7.4
Empowered Consumer	10.7
Enduring Brands	9.7
Energy Transitions	7.6
Extreme Risks	7.0
First World Health	11.7
Software as a Standard	8.7

Total will not add up to 100%, the balancing item is cash.

Contribution By Theme



* 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 1.03% includes a Management Fee of 0.98%, an Estimated Performance Fee of 0% and Estimated Indirect Costs of 0.05%

Past performance is not a reliable indicator of future performance.

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