

Unhedged 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 will be fully unhedged at all times, providing investors with exposure to foreign exchange fluctuations as well as underlying share price movements.

Fund Facts

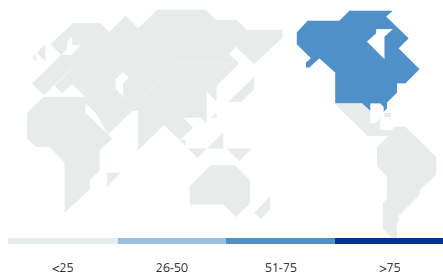
APIR Code	ZUR0518AU
Inception Date	14/10/2005
Total Est. Management Cost % [^]	1.03
Buy/Sell Spread%	0.04
Est. Transactional Op. Cost %	0
Distribution Frequency	Semi-Annually
Underlying Fund Manager	Lazard Asset Management Pacific Co

Portfolio Characteristics

Funds Under Management	\$4.04m
Number Of Holdings	102
Turnover Ratio%	33.16
Latest distribution date	31 Dec 2020
Latest distribution amount	0.0000
Benchmark	MSCI World (ex-Australia) Accumulation Index in \$A (net dividends reinvested)

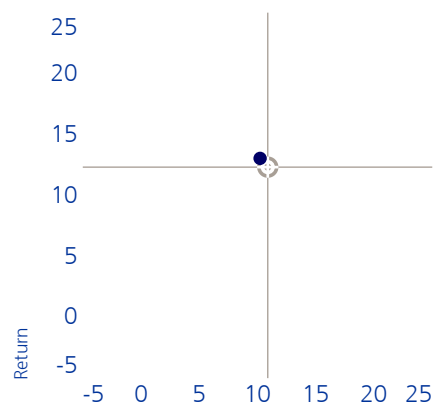
Market Exposure

Greater Europe Greater Asia Americas



Risk Reward

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

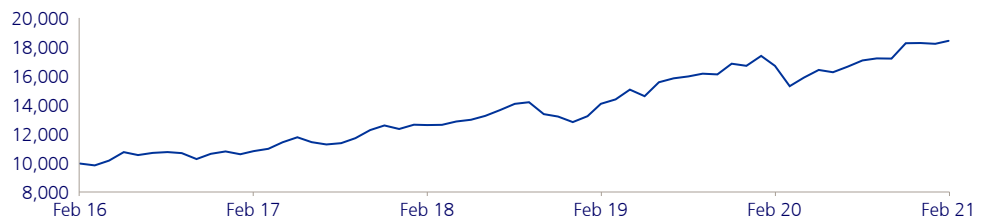


Fund Performance After Fees*

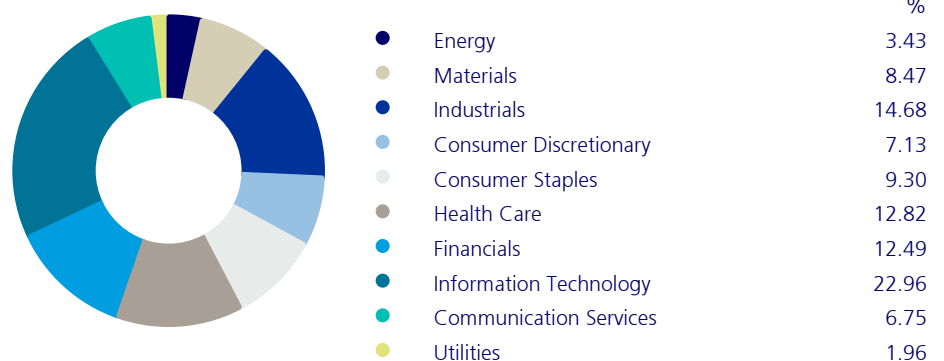
As at 28/02/2021	1 Month %	3 Months %	1 Year % p.a	3 Years % p.a	5 Years % p.a	Since Inception % p.a
Growth	1.13	0.90	5.20	-2.29	-10.69	-1.29
Distribution	0.00	0.00	5.10	15.70	23.73	9.23
Total	1.13	0.90	10.30	13.41	13.04	7.94
Benchmark	1.64	0.68	7.79	11.11	12.32	7.38

Investment Growth

28/02/2016 to 28/02/2021



Portfolio Equity Sectors



Risk Statistics

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

Std Dev	10.22
Alpha	1.64
Beta	0.90
Sharpe Ratio (arith)	1.12
Up Capture Ratio	95.18
Down Capture Ratio	83.85

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

Zurich Investments

Unhedged Global Thematic Share Fund



Fund Focus - February 2021

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 1.13% 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.

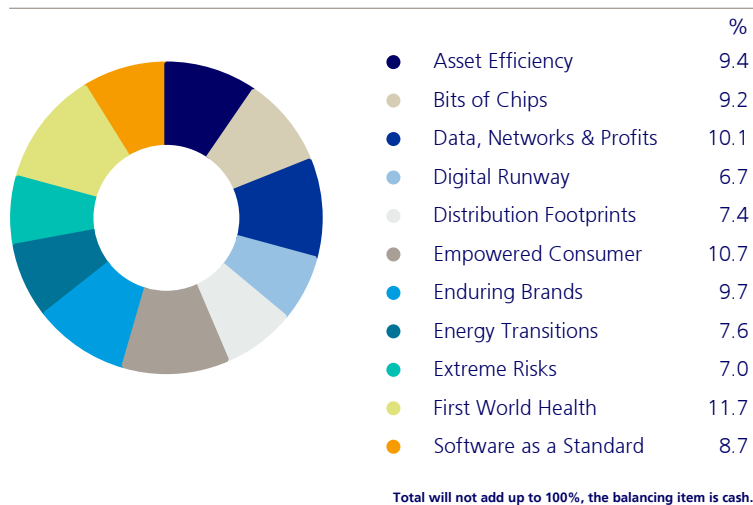
Portfolio Transactions

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.

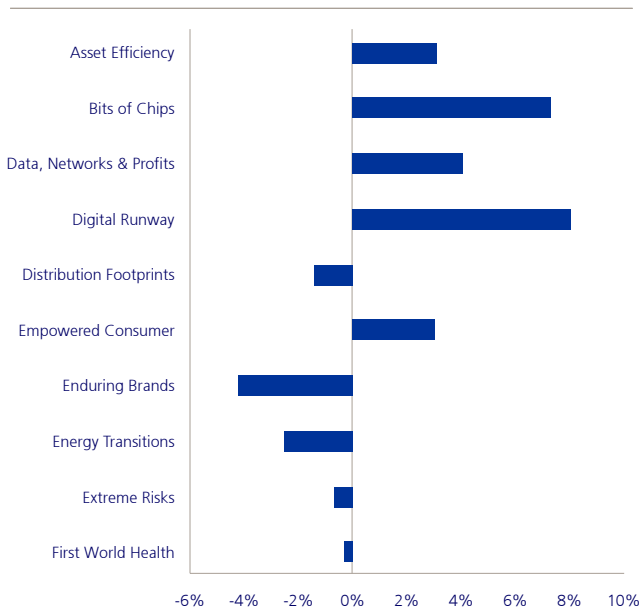
As the scale player in health insurance (ranked first in Medicare Advantage and Medicaid, second in Commercial), local market share leads to competitive advantages and drives a virtuous circle of data and value between Optum and the managed care organisations. United Healthcare is also the leading player 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 50,000 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



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.

This report is issued by Zurich Investment Management Limited ABN: 56 063 278 400, AFSL: 232511, GIIN: FVHHKJ.00012.ME.036 : . The information in the report has been derived from sources reasonably believed to be reliable and accurate and is to be used for research purposes only. Subject to law, none of the companies of the Zurich Financial Services Australia Limited Group, nor their directors or employees, gives any representation or warranty as to the reliability, accuracy or completeness of the information, nor accepts any responsibility arising in any way (including by reason of negligence) from errors in or omissions from, the information provided. A Product Disclosure Statement (PDS) for the Fund is available and can be obtained by calling Zurich Investments on 131 551. The PDS should be considered in deciding whether to acquire, or to continue to hold, an investment in the fund. This information is of a general nature only and does not take into account the investment objectives, financial situation or particular needs of any investor and should not be taken as a securities or stock recommendation. These factors should be considered before any investment decision is made in relation to the fund.

© 2020 Morningstar, Inc. All rights reserved. Neither Morningstar, its affiliates, nor the content providers guarantee the data or content contained herein to be accurate, complete or timely nor will they have any liability for its use or distribution. Any general advice or 'class service' have been prepared by Morningstar Australasia Pty Ltd (ABN: 95 090 665 544, AFSL: 240892) and/or Morningstar Research Ltd, subsidiaries of Morningstar, Inc, without reference to your objectives, financial situation or needs. Refer to our Financial Services Guide (FSG) for more information at www.morningstar.com.au/s/fsg.pdf. You should consider the advice in light of these matters and if applicable, the relevant Product Disclosure Statement before making any decision to invest. Our publications, ratings and products should be viewed as an additional investment resource, not as your sole source of information. Past performance does not necessarily indicate a financial product's future performance. To obtain advice tailored to your situation, contact a professional financial adviser.