

Emerging Markets Equity Fund

Fund Focus - May 2024



Investment Strategy

The investment team at Allspring Global Investments looks for companies with a sustainable high dividend yield backed by strong company financials and fundamentals, including above-average sales and earnings growth, overall financial strength, competitive advantages, and capable management.

Portfolio Characteristics

Funds Under Managemem..	\$0.45m
Number of Holdings	96
Turnover Ratio %	104.0^
Latest Distribution Date	30 June 2023
Latest Distribution Amount	0.0565
Benchmark	MSCI Emerging Markets Index in \$A (net dividends reinvested)

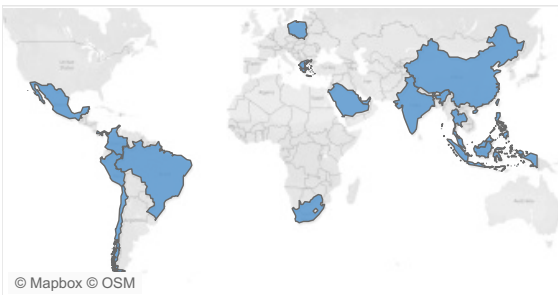
Fund Facts

APIR Code	ZUR0614AU
Inception Date	26 June 2014
Total Est. Management Cost %	1.56
Est. Transactional Op. Cost %	0
Buy/Sell Spread %	0.00
Distribution Frequency	Annually
Underlying Fund Manager	Allspring Global Investments

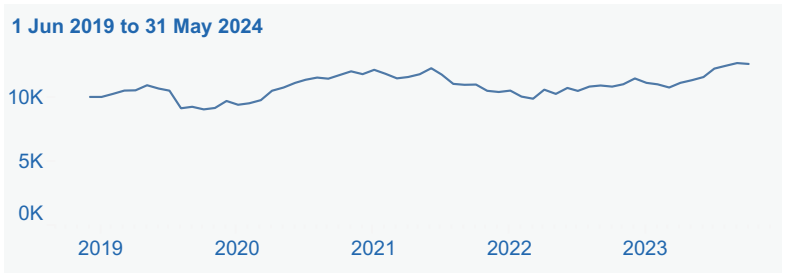
Fund Performance After Fees*

	1 Month	3 Months	1 Year	3 Years	5 Years	Since Inception
Distribution	0.00	0.00	6.24	5.61	6.35	5.00
Growth	-0.54	2.96	10.03	-3.24	-1.14	1.31
Total	-0.54	2.96	16.27	2.37	5.21	6.31
Benchmark	-0.86	2.34	10.42	-1.04	4.60	6.31

Market Exposure

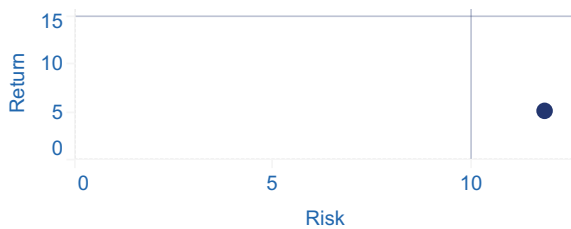


Investment Growth (\$10,000)

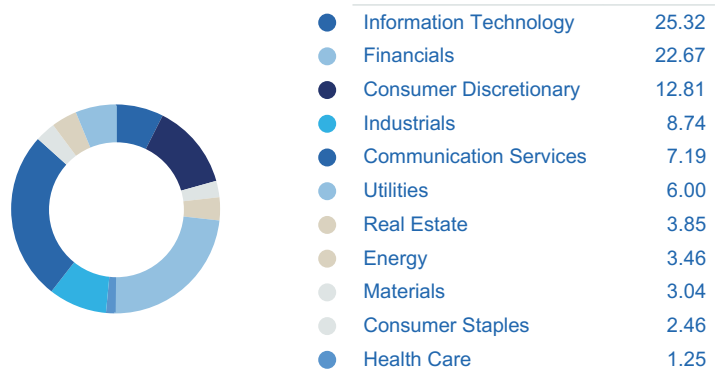


Risk Reward

1 Jun 2019 to 31 May 2024



Portfolio Equity Sectors (%)



Top 10 Holdings (%)

	Weight	Benchmark
Taiwan Semiconductor M..	8.99	8.28
Tencent Holdings Ltd.	4.88	4.07
Samsung Electronics Co ..	3.29	0.54
Samsung Electronics Co...	3.13	3.71
Alibaba Group Holding Li..	2.29	2.14
Power Grid Corporation o..	2.16	0.23
Midea Group Co. Ltd. Cla..	1.86	0.03
Power Finance Corporati..	1.81	0.11
Infosys Limited Sponsore..	1.76	0.00
GAIL (India) Limited	1.72	0.08

Risk Statistics

1 Jun 2019 to 31 May 2024

Std Dev	11.85
Alpha	0.99
Beta	0.93
Sharpe Ratio (arith)	0.44
Up Capture Ratio	92.86
Down Capture Ratio	85.52
Currency Management %	0

Market Commentary

Emerging markets advanced in May in US dollar terms. Six out of eleven sectors generated positive returns during the month including utilities, information technology, industrials, real estate, consumer discretionary, and communication services. Financials, energy, consumer staples, materials, and health care lagged the index. At the country level, thirteen out of twenty-four countries advanced led by Egypt, Czech Republic, Columbia, and Turkey while the Philippines, Indonesia, and Saudi Arabia underperformed.

Fund Commentary

The Fund fell with the market in May although it was ahead of the index return by 0.54%. Calendar year-to-date, the Fund is significantly ahead of the index return.

The Asian region outperformed the broader index in May. Taiwan outperformed due to improving monthly sales momentum on artificial intelligence (AI) projects. China's supportive policies and the easing of housing purchase restrictions improved market sentiment in May. However, consumer sentiment remained sluggish as the increase in April retail sales was below expectations. India CPI was stable in April and remains within the target range of 2%-6%. Korea retreated in April and May after a strong March due to weakened corporate 'Value-up' program sentiment after the opposition party won the congressional election. Positively, May exports grew in line with expectations, due to strong memory and auto demand.

Latin America underperformed the index in May. Brazil reduced its pace of rate cuts to 25 bps in the May session. The cost of flood relief and repairs in the South is adding to fiscal pressures. In Mexico, the ruling party candidate, Sheinbaum, won the election by a landslide and the Morena coalition is on track to gain majority control of the legislative body. In Columbia, President Petro and Ecopetrol's CEO were indicted for violation of campaign finance laws.

The Emerging Europe, Middle East, and Africa (EMEA) region also underperformed the index in May. Saudi Arabia was under pressure given the large number of deals and the sharp correction in Brent crude oil. South Africa's recent poll data suggests a formation of the centrist government coalition which would be a friendly outcome for the May national elections. Greece posted a central government primary surplus which was significantly above estimates, due to higher-than-expected tax collections. Turkey maintained its policy rate at 50% with several macroprudential measures announced by the central bank aimed at maintaining a tight monetary stance. In Poland, inflation continued to surprise to the downside, with May flash CPI coming in below consensus estimates.

Emerging market equities lagged gains in developed markets as US inflation concerns start to fade. Some profit taking is expected in China following the strong rebound. Nevertheless, Chinese equities remain attractive given consistent fiscal and monetary support. Additional real estate measures are expected to be introduced in China to address excess property supply. Despite rhetoric around US elections, the re-engagement between US and China is encouraging at both diplomatic and corporate levels. On balance, risk reward remains compelling for China domestic and offshore equity markets. The semiconductor supply/demand outlook and the rise of machine learning and AI should drive new product cycles. AI is a multi-year growth story, which bodes well for technology heavy markets including Taiwan and Korea. South and Southeast Asia are attractive as supply chain alternatives to North Asia and have distinct domestic stories. India continues to deliver superior growth, and premium valuations are justified by high structural growth and a multi-year capex cycle. Indonesia is attractive for green energy transition and Malaysia should benefit from rising foreign direct investment in the technology supply chain.

Latin America's resource advantage is attractive, moreover, Chile and Brazil lead in interest rate cuts with more to come. Central banks are signaling a more hawkish stance though; consequently, a deceleration in easing is anticipated. Mexico should benefit from US exceptionalism and the advantages of near-shoring are clear. Mexico would like to join its Latin American peers in reducing rates although it is deterred by inflationary pressures and US Federal Reserve on hold. The ANDEAN region provides access to favored commodities and shows signs of economic improvement amidst volatility from political noise. The investment team remains cautious on the Middle East with unresolved conflict in Gaza. Supply curbs by OPEC+ members are supportive of the oil price in the near/medium term which warrants some exposure to energy-related areas. South Africa, offers attractive materials exposure and reasonable valuations although the ANC loss of a parliamentary majority is larger than expected, bringing uncertainties to coalition prospects.

*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 1.56% includes an Estimated Performance Fee of 0% and Estimated Indirect Costs of 0.16%.

[^]12 month turnover ratio as at 31 March 2024.

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. Furthermore, this product has been designed to meet certain objectives, financial situations and needs, which are described in our Target Market Determination available at zurich.com.au/tmd.

PIRD-022016-2024