Zurich Investments

Concentrated Global Growth Fund

Fund Focus - February 2021

ZURICH

Investment Strategy

The fund invests in a concentrated portfolio of securities with high growth potential that are primarily listed on international stock exchanges. The fund will be fully unhedged at all times, providing investors with exposure to foreign exchange fluctuations as well as underlying share movements.

Fund Facts

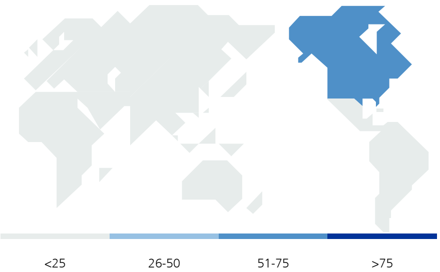
APIR Code	ZUR0617AU
Inception Date	19/10/2015
Total Est. Management Cost %^	1.11
Buy/Sell Spread%	0.02
Est. Transactional Op. Cost %	Nil
Distribution Frequency	Semi-Annually
Underlying Fund Manager	American Century Investments

Portfolio Characteristics

Funds Under Management	$62.96m
Number Of Holdings	35
Turnover Ratio%	44.79
Latest distribution date	30 Jun 2020
Latest distribution amount	0.0667
Benchmark	MSCI World (ex-Australia) Accumulation Index in $A (net dividend reinvested)

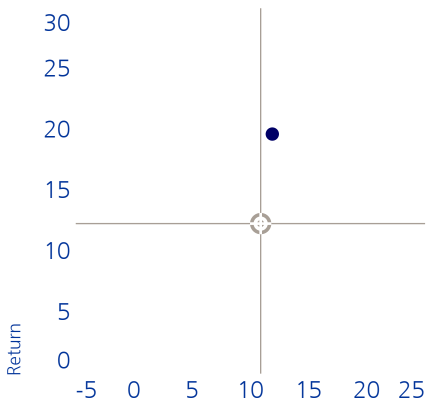
Market Exposure

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

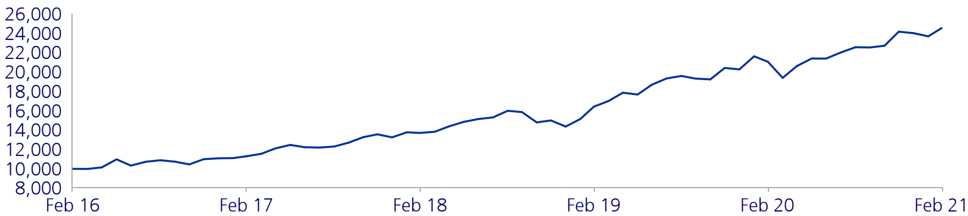
Std Dev	11.88
Alpha	6.72
Beta	0.98
Sharpe Ratio (arith)	1.47
Up Capture Ratio	117.10
Down Capture Ratio	74.37

Fund Performance After Fees*

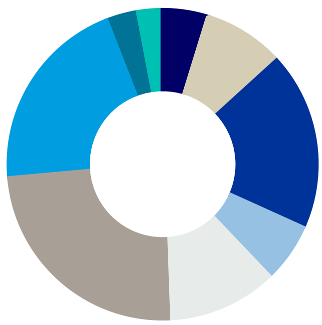
As at 28/02/2021	1 Month %	3 Months %	1 Year % p.a	3 Years % p.a	5 Years % p.a	Since Inception % p.a
Growth	3.59	1.52	11.68	14.94	15.67	11.18
Distribution	0.00	0.00	4.86	6.49	4.00	3.60
Total	**3.59**	**1.52**	**16.54**	**21.43**	**19.67**	**14.78**
Benchmark	1.64	0.68	7.79	11.11	12.32	9.39

Investment Growth

28/02/2016 to 28/02/2021



Portfolio Equity Sectors



	%
Energy	4.76
Industrials	8.50
Consumer Discretionary	18.48
Consumer Staples	6.13
Health Care	11.56
Financials	24.12
Information Technology	20.50
Communication Services	2.95
Real Estate	2.99

Top 10 Holdings

Portfolio Date: 28/02/2021	Portfolio Weighting%	Benchmark Weighting%
Amazon.com Inc	4.04	2.59
Charles Schwab Corp	3.27	0.19
Booking Holdings Inc	3.25	0.19
Stellantis NV	3.22	0.07
Ping An Insurance (Group) Co. of China Ltd Class H	3.18	0.00
American Express Co	3.16	0.18
Shiseido Co Ltd	3.05	0.06
Visa Inc Class A	3.03	0.70
HDFC Bank Ltd ADR	3.02	0.00
London Stock Exchange Group PLC	2.99	0.08

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Market

Global stocks advanced in February as progress in distributing COVID-19 vaccines fuelled optimism about a return to normal activity and an acceleration in global economic growth.

US stocks rose and outperformed non-US stocks, aided by the prospect of $1.9 trillion in additional fiscal aid. Corporate earnings reports also were better than expected. Stocks gave up some gains at month-end on concerns of rising Treasury yields. US economic data released were generally positive, with personal incomes jumping 10% (month over month), contributing to a surge in retail sales. January job growth was weaker than expected, but weekly unemployment insurance claims in February indicated an improving employment picture.

Improvement in manufacturing activity indicated economic resilience in Europe and the UK. Manufacturing activity in Japan also ticked higher. Emerging markets stocks gained but underperformed developed markets stocks, as rising global interest rate yields weighed on investor sentiment.

Fund

The Fund produced an impressive return of 3.59% which was comfortably ahead of the index return.

The key positive contributors to performance included The Charles Schwab Corp and Booking Holdings.

- The Charles Schwab Corp – The asset manager and financial services firm rose following the GameStop-Robinhood fiasco. While regulators may ban payment for order flow, investors believe Charles Schwab could internalise that flow and gain market share from its peers.
- Booking Holdings – A decline in coronavirus cases, an uptick in travel bookings and an improving outlook for the travel industry continued to support stock gains for the online reservations company. The company also recently reported quarterly financial results that exceeded consensus estimates.

Detractors from performance included Equinix, B3 and Danaher.

- Equinix – Despite strong quarterly earnings growth driven by higher interconnection revenues, Equinix followed other real estate stocks lower. Given its higher sensitivity to interest rates, Equinix declined as interest rates climbed. Nonetheless, the outlook for Equinix remains upbeat.
- B3 – The Brazilian stock exchange saw its stock dip as fears of inflation in more developed markets drove investor sell-offs, impacting world markets as well.
- Danaher – The professional, medical and industrial products company reported strong quarterly results and reiterated a positive outlook for 2021. However, shares were weaker in February as investors weighed the sustainability of the tailwind generated by increased COVID-19 testing.

Portfolio Transactions

A new position was initiated in February in AMETEK, a leading global manufacturer of electronic instruments and electromechanical devices. A position was initiated as earnings are expected to benefit from recovering demand from a key end market. Margins should also continue to expand as the company pursues operating efficiencies.

FMC was fully exited in February following a disappointing earnings result that was driven by logistical issues in North America. The company also announced it was exiting certain businesses where generic competition has made margins uneconomical.

Portfolio Positioning

The portfolio continues to invest in companies where business fundamentals are improving and there is high conviction that improvement is sustainable.

Maintaining fundamental investment process. The investment team remains focused on identifying companies with sustainable growth drivers and the financial strength to navigate the current environment. Opportunities are being sought in stocks where fundamentals are in the early stages of inflecting higher, helped by economic normalisation. In many instances, these opportunities are being made available at attractive risk/reward levels.

The spring is uncoiling. The investment team is also focused on identifying companies where earnings are expected to positively inflect strongly as economies reopen. Some of these businesses, which currently sport low multiples, have the potential to generate higher returns as the economic cycle turns, demand recovers and earnings reaccelerate from a very low base. Exposure has been selectively added in certain businesses levered to travel, leisure activity and cyclical economic expansion.

Secular growers remain attractive. The recent health crisis reinforced the sustainability of secular trends such as digitisation, cloud computing, the 5G network rollout and data centre expansion. Meanwhile, other opportunities continue to gain momentum, including the trends toward vehicle electrification and autonomous driving. Many of these investment opportunities remain highly attractive.

Tougher comparisons for some. The impact of the COVID-19 health crisis provided an unanticipated boost for many businesses. In some cases, beneficiaries saw growth trends accelerate past a more natural progression. As the tailwind from the virus fades, growth comparisons will become tougher for some of these businesses over the next few quarters. The investment team will look to trim those exposures to reflect potential slowing trends and negative earnings revisions.

* 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 1.11% includes a Management Fee of 1.1%, an Estimated Performance Fee of 0% and Estimated Indirect Costs of 0.01%

Past performance is not a reliable indicator of future performance.

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