

Emerging Markets Equity Fund

Fund Focus - March 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 Managemen..	\$0.44m
Number of Holdings	96
Turnover Ratio %	104.00^
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

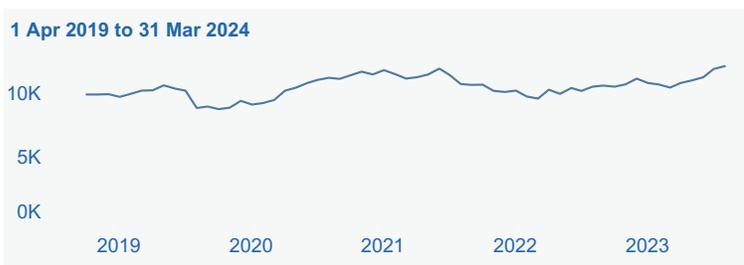
Fund Performance After Fees*

	1 Month	3 Months	1 Year	3 Years	5 Years	Since Inception
Distribution	0.00	0.00	6.17	5.62	6.31	5.08
Growth	1.82	9.91	8.79	-3.03	-1.86	1.22
Total	1.82	9.91	14.96	2.59	4.45	6.30
Benchmark	2.28	7.07	11.03	-0.02	3.97	6.42

Market Exposure

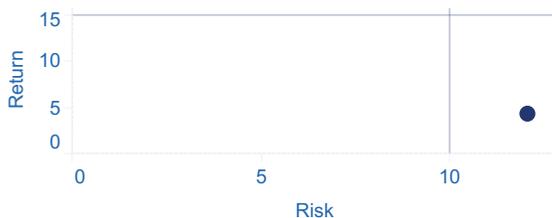


Investment Growth (\$10,000)



Risk Reward

1 Apr 2019 to 31 Mar 2024



Portfolio Equity Sectors (%)



Top 10 Holdings (%)

	Weight	Benchmark
Taiwan Semiconductor M..	8.50	7.63
Tencent Holdings Ltd.	3.85	3.35
Samsung Electronics Co ..	3.47	0.56
Samsung Electronics Co...	3.20	3.73
Infosys Limited Sponsore..	2.61	0.00
Embassy Office Parks R..	2.01	0.00
China Construction Bank ..	1.84	0.85
Power Grid Corporation o..	1.78	0.22
Alibaba Group Holding Li..	1.78	2.15
Midea Group Co. Ltd. Cla..	1.75	0.00

Risk Statistics

1 Apr 2019 to 31 Mar 2024

Std Dev	12.04
Alpha	0.86
Beta	0.91
Sharpe Ratio (arith)	0.37
Up Capture Ratio	90.97
Down Capture Ratio	84.85
Currency Management %	0

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Market Commentary

The MSCI Emerging Markets Index advanced during the first quarter.

The Asian region outperformed the index during the period. Taiwan outperformed the index given market expectations for an acceleration in artificial intelligence (AI) server projects in the next three to six months as Taiwan Semiconductor Manufacturing Company's (TSMC) advanced packaging capacity accelerates. NVIDIA's positive comments on AI demand outlook at the annual GPU Technology Conference also boosted sentiment for Taiwan AI supply chain stocks.

Latin America underperformed the index. In Mexico, President AMLO proposed twenty constitutional reforms, including one that would mandate minimum wage hikes at least on par with inflation and a further pension reform that would target pension income.

The Emerging Europe, Middle East, and Africa (EMEA) region was the best-performing region in the index. The central bank in Turkey hiked rates by 500 basis points, showing a strong response to speculative foreign exchange demand from locals' pre-election, whilst also leaving the door open for more hikes.

Fund Commentary

The Fund produced a robust return of 9.91% in the March quarter, which was comfortably ahead of the impressive index return. For the 12 months to 31 March 2024, the Fund is significantly ahead of the strong index return.

At the country level, stock selection in India, Taiwan and Indonesia contributed positively to relative returns. Taiwan Semiconductor Manufacturing Company (TSMC), the largest global foundry with over 60% market share, was the leading relative contributor in Taiwan after management provided strong revenue growth guidance, driven by AI and semiconductor content growth for smartphone and PC products. TSMC estimates that the AI business could reach 'high teens' in terms of revenue contribution in 2027.

Stock selection within utilities, consumer discretionary and materials drove relative returns. NHPC, the largest hydropower developer and operator in India, was the leading relative contributor in the utilities sector and the Fund. The stock benefitted from the Indian government's increased focus on ensuring power availability, improved execution, and strong pipeline of projects.

Positioning within financials was positive overall although Bangkok Bank Public Company, one the largest commercial banks in Thailand, was a leading detractor after management reported fourth quarter results that missed expectations due to higher-than-expected operating expenses, offsetting higher net interest margins, and improving credit costs.

During the quarter, the investment team added to Taiwan and information technology (IT) following strong progress in AI, including performance improvement and accelerated adoption. Exposure to Latin America was reduced as central banks in the region pivoted to a more hawkish stance, leading to moderate forecasts for rate cuts.

In terms of country positioning, the Fund's largest overweight positions at quarter end included Peru, Mexico, and Greece. The biggest underweight positions by country were China/Hong Kong, Taiwan, and India. In terms of sector allocations, the Fund is overweight utilities, IT and real estate and underweight materials, consumer staples and communication services.

Emerging markets remain attractive on various fronts, including equity pricing, economic momentum, political visibility, and disinflation/rate cycle. The investment team continues to find opportunities in all emerging market regions and valuations remain compelling with emerging market stocks trading at a steep discount to developed markets. Emerging markets should continue to perform strongly going forward as the relative growth premium of emerging markets versus developed markets expands once again.

*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.

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