

# Unhedged Global Thematic Share Fund

Fund Focus - March 2024



## 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.

## Portfolio Characteristics

Funds Under Managemem..	\$3.15m
Number of Holdings	104
Turnover Ratio %	12.86
Latest Distribution Date	31 December 2023
Latest Distribution Amount	0.0011
Benchmark	MSCI World (ex-Australia) Accumulation Index in \$A (net dividends reinvested)

## Fund Facts

APIR Code	ZUR0518AU
Inception Date	14 October 2005
Total Est. Management Cost %	0.99
Est. Transactional Op. Cost %	0.01
Buy/Sell Spread %	0.04
Distribution Frequency	Semi Annually
Underlying Fund Manager	Lazard Asset Management Pacific Co

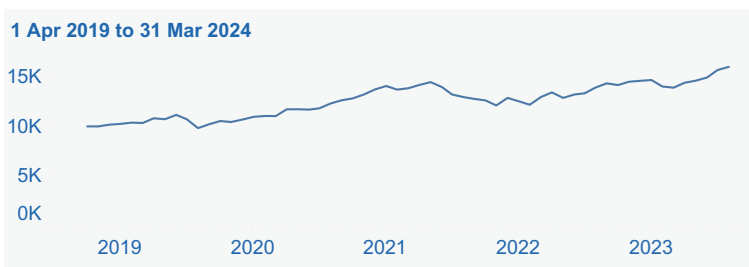
## Fund Performance After Fees\*

	1 Month	3 Months	1 Year	3 Years	5 Years	Since Inception
Distribution	0.00	0.00	8.25	10.76	8.80	9.45
Growth	2.05	9.56	6.64	-1.61	2.82	-1.12
Total	2.05	9.56	14.89	9.15	11.62	8.34
Benchmark	3.02	14.06	28.72	14.42	14.08	8.75

## Market Exposure

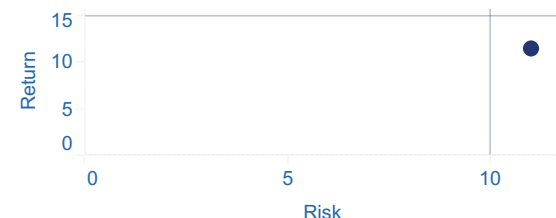


## Investment Growth (\$10,000)

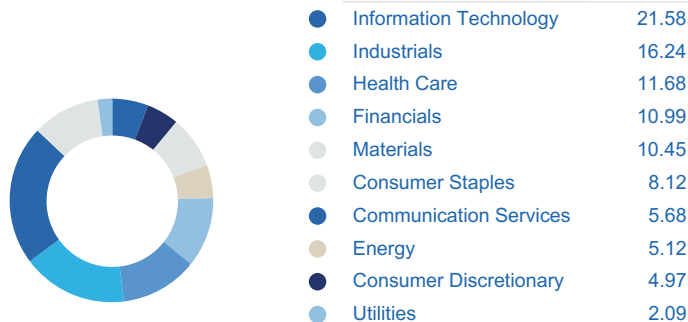


## Risk Reward

1 Apr 2019 to 31 Mar 2024



## Portfolio Equity Sectors (%)



## Top 10 Holdings (%)

	Weight	Benchmark
Microsoft Corp Commo	2.85	4.66
Alphabet Inc Common	2.52	2.63
Amazon.Com Inc Commo	1.79	2.63
Taiwan Semiconductor	1.52	0.00
Bp Plc Common Stock	1.42	0.00
Salesforce Inc Commo	1.41	0.46
Boston Scientific Co	1.40	0.16
Applied Materials In	1.39	0.27
Totalenergies Se Com	1.36	0.23
Iberdrola Sa Common	1.32	0.12

## Risk Statistics

1 Apr 2019 to 31 Mar 2024

Std Dev	10.99
Alpha	-0.65
Beta	0.88
Sharpe Ratio (arith)	1.06
Up Capture Ratio	85.45
Down Capture Ratio	88.04
Currency Management %	0

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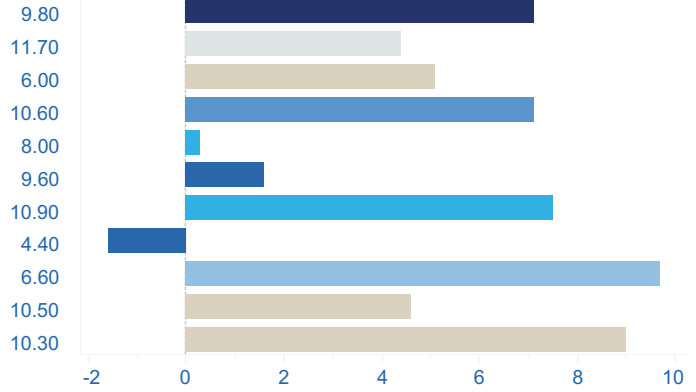


## Theme Weight %



- Bits of Chips
- Data & AI
- Digital Runway
- Empowered Consumer
- Enduring Brands
- Energy Transitions
- Future of Health
- Scarce Commodities
- Smart Capex
- Software as a Standard
- Sustainable Solutions

## Contribution by Theme %



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

## Market Commentary

Equity markets worldwide rose sharply in the first quarter, as enthusiasm for technology stocks and optimism about the global outlook for interest rates fuelled the sustained rally. The period was marked by investors growing increasingly confident that the aggressive efforts of major central banks to rein in inflation had made enough progress to allow monetary policymakers to finally pivot to a more dovish policy stance in the near term.

## Fund Commentary

In the March quarter, the Fund achieved a strong absolute return, although it was unable to keep pace with the impressive performance of the index. The top performing themes are discussed below in descending order of contribution.

**Sustainable Solutions:** Waste Management climbed on positive pricing data and ongoing execution of cost control programs. Jacobs advanced on strong order growth in infrastructure-linked end markets and announcement of new cost reduction program. AZEK rose on recovery in US housing, increasing penetration of high-margin product lines with recycled materials, and market share gains. Avery Dennison gained on expectations of an end to channel destocking and recovery in its intelligent labels business. Testing, inspection, and certification service providers Bureau Veritas and Intertek climbed on expectations for demand recovery led by sustainability linked offerings and stronger macroeconomic environment than 2023.

**Data and AI:** Bullish sentiment about AI provided a broad tailwind for holdings in this theme, with Mastercard, RELX, Alphabet, and Wolters Kluwer rising most. Alphabet gained on news that it was in negotiations with Apple to license Gemini AI for Apple devices. Mastercard advanced after reporting solid quarterly results showing strength in consumer spending and cross-border payments.

**Future Health:** Boston Scientific advanced on news that the US Food and Drug administration approved the company's highly anticipated Farapulse pulse field ablation system for treatment of atrial fibrillation (irregular heartbeats). Stryker rose on strength in its Orthopaedic, MedSurg, and Neurotechnology businesses. GE Healthcare gained on robust order growth, expectations for recovery in hospital capex, continued margin progression in its ultrasound business. IQVIA traded higher on recovery in its technological and analytical solutions (TAS) business and acceleration in FDA approval rates of new molecules. Danaher climbed on easing of biotech funding concerns.

**Software as a Standard:** Ongoing acceleration in demand related to AI was a broad tailwind for this theme, with SAP, Salesforce, Autodesk, and Microsoft rising most. SAP and Microsoft both posted robust operating results showing acceleration in cloud revenue. Salesforce also demonstrated strength in large-size deals, subscription revenue growth, and commencement of its first ever quarterly dividend.

**Empowered Consumer:** Amazon climbed after the company reported an acceleration in its AWS business and ongoing improvement in its retail margins. Disney appreciated on strength in direct-to-consumer (DTC) and international parks businesses, aggressive cutting of operating, marketing, and content-related expenses, and the announcement of a strategic relationship with Epic Games. Reliance Industries advanced on strength in its upstream and oil to chemical businesses. EssilorLuxottica rose on robust topline growth, DTC sales, and excitement around its latest product innovation within myopia management and hearing aid. Nike retreated on disappointing 2024 revenue growth outlook. Sony declined on disappointing margins in its gaming business.

Purchases in the quarter included IMCD (Sustainable Solutions). As a specialty chemical distributor with capabilities to address regulatory and consumer push for sustainability/clean formulation, IMCD is a good fit for Sustainable Solutions theme. Regulatory and demand shift towards clean formulation drives consumer and chemical companies towards reformulation of their products. Smaller scale players with less in-house expertise and know-how increasingly turn to distribution partners with regulatory expertise such as IMCD. High value per tonnage and low demand elasticity nature of formulation accelerates topline growth and margin expansion. IMCD's asset-light model including outsourced logistics adds to operating leverage. IMCD operates in a globally fragmented industry. A disciplined approach to mergers and acquisitions provides additional growth optionality as adding supplier relationships can leverage scale and exploit network effects.

\* 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 0.99% includes 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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