

Portfolio Change Alert

Weinberg | International Shares Review

1 January 2022

Funds	Change	Rating	APIR Code
Antipodes Global Fund	OUT	Highly Recommended	IOF0045AU
L1 Capital International Fund – Z Class	IN	Recommended	ETL7165AU
Fisher Investments Australasia Global Small Cap Equity Fund - Z Class	IN	Recommended	ETL7001AU
GQG Partners Emerging Markets Equity Fund - Z Class	IN	Highly Recommended	ETL4581AU
Robeco Emerging Conservative Equity Fund (AUD)	OUT	Recommended	ETL0381AU
Orbis Global Equity Fund (Australia Registered) - Retail Class	OUT	Recommended	ETL0463AU

Applicable to 'Balanced', 'Growth' and 'High Growth' portfolios

Rationale for change

Global Quality

We believe the return profile of the International Shares portfolio can be improved by switching to a quality-orientated long-only manager. Pleasingly, L1's 'quality' bias has historically provided attractive downside protection whilst fully participating in rising markets.

Zenith has a high regard for the investment team, believing that the investors are of a high calibre. In addition, we view the investment process adopted by L1 as robust and comprehensive, which places the Fund in a strong position to deliver upon their investment objectives.

Global Small Caps

We're proposing that you remove your Orbis exposure and use the proceeds to introduce a dedicated Global Small Caps allocation and modestly upweight Emerging Markets. We see greater return prospects for Emerging Markets and Global Small Caps, with the case for allocating to them further supported by the ability of active managers to outperform strongly in these inefficient markets.

The introduction of a Global Small Caps allocation will also improve your portfolio's diversification whilst accessing an additional avenue to generate excess returns. Fisher's intuitive blend of macroeconomic and fundamental research will provide a differentiated exposure to Global Small

Caps. Pleasingly, the manager has demonstrated attractive long-term outperformance through the underlying strategy's strong track record offshore.

Emerging Markets

We are proposing that you replace Robeco with GQG as the Zenith Research Team have greater conviction levels in GQG's ability generate attractive, risk-adjusted returns across varying market conditions.

Pleasingly, since the Fund's inception we have observed the Manager preserve client capital during bouts of share market volatility, which we view as important when investing in emerging markets. Notably, during the COVID-19 drawdown, the Fund generated significant outperformance which provides comfort in the Manager's risk-management practices and strong emphasis on volatility minimisation. The Fund has similarly delivered strong outperformance in rising markets too.

Pleasingly, Weinberg Private investors will gain access to lower fee unit classes of L1, Fisher and GQG. The ability to invest in funds at a lower cost is a key benefit of managed portfolios. Owing to the lower fund costs, the changes will result in a reduction in the overall cost of the portfolios.

The change will be effective as of 1 January 2022.

L1 Capital International Fund – Z Class

The Fund, managed by Sydney-based L1 Capital International (L1 CI), offers investors a concentrated, benchmark unaware international equities exposure. Although the Fund and business remains in the early stages of development, Zenith has a high regard for the investment team, believing that the underlying investors are of a high calibre. In addition, we believe the investment process adopted by L1 CI is robust and comprehensive, which places the Fund in a strong position to deliver upon investment objectives.

Fisher Investments Australasia Global Small Cap Equity Fund - Z Class

The Fund, managed by Fisher Investments (FI), offers investors an active, relatively diversified, style-neutral international smaller companies exposure. Zenith believes the Fund is well-managed by an experienced investment team that adopts a highly differentiated investment approach combining macroeconomic and fundamental analysis. Despite the Fund's limited performance history, we draw confidence from the underlying strategy's strong track record, which dates back to February 2013.

GQG Partners Emerging Markets Equity Fund - Z Class

The Fund, managed by GQG Partners LLC (GQG), offers investors a benchmark unaware and currency unhedged exposure to emerging market equities. Zenith's high level of conviction in the Fund is underpinned by the portfolio manager's experience and unique investment process that has delivered an impressive long-term track record. Zenith holds GQG's investment capabilities in high regard and believes the Fund is well positioned to deliver strong absolute returns over the long term.

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