IMAP PORTFOLIO MANAGEMENT CONFERENCE 2021

Portfolio Management in the New Normal

#IMAPPMC2021

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IMAP 2021 Events

Specialist Webinar Series

15th, 17th &19th March – The Tools we Use for Portfolio Management

19th, 21st & 23rd April – Building a Base of Wholesale and NFP Clients

7th, 9th & 11th June – Asset Allocation

Adviser Roadshow

11th May – Brisbane

13th May – Sydney

18th May – Melbourne

Managed Account Awards

25th August

Institute of Managed Account Professionals

Alan Logan
Marcona Partners

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International Shares

Charles Stodart, Zurich

Francyne Mu, Franklin Templeton

Monik Kotecha, InSync

Moderated by Amanda Munro CFA, IMAP

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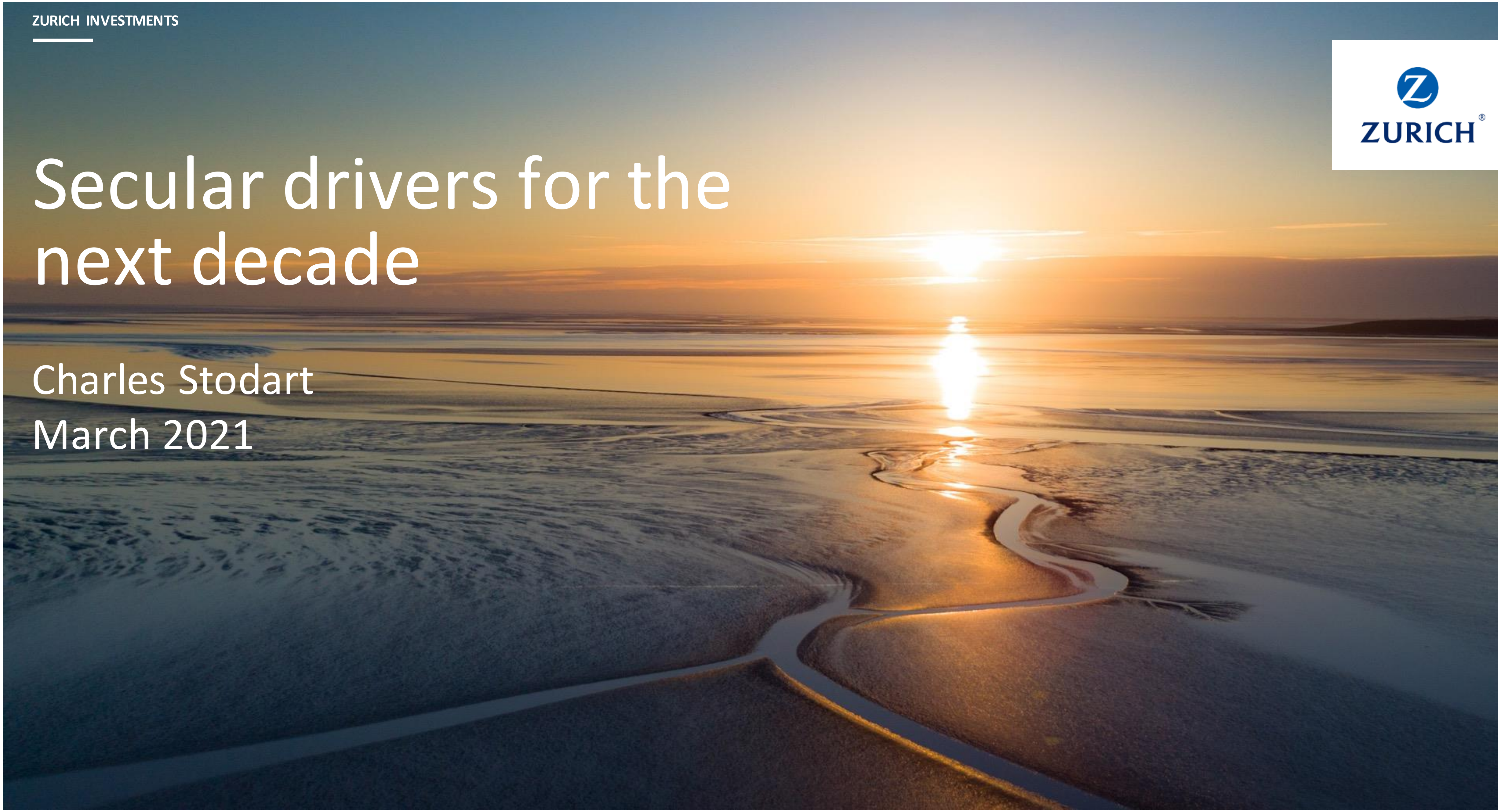


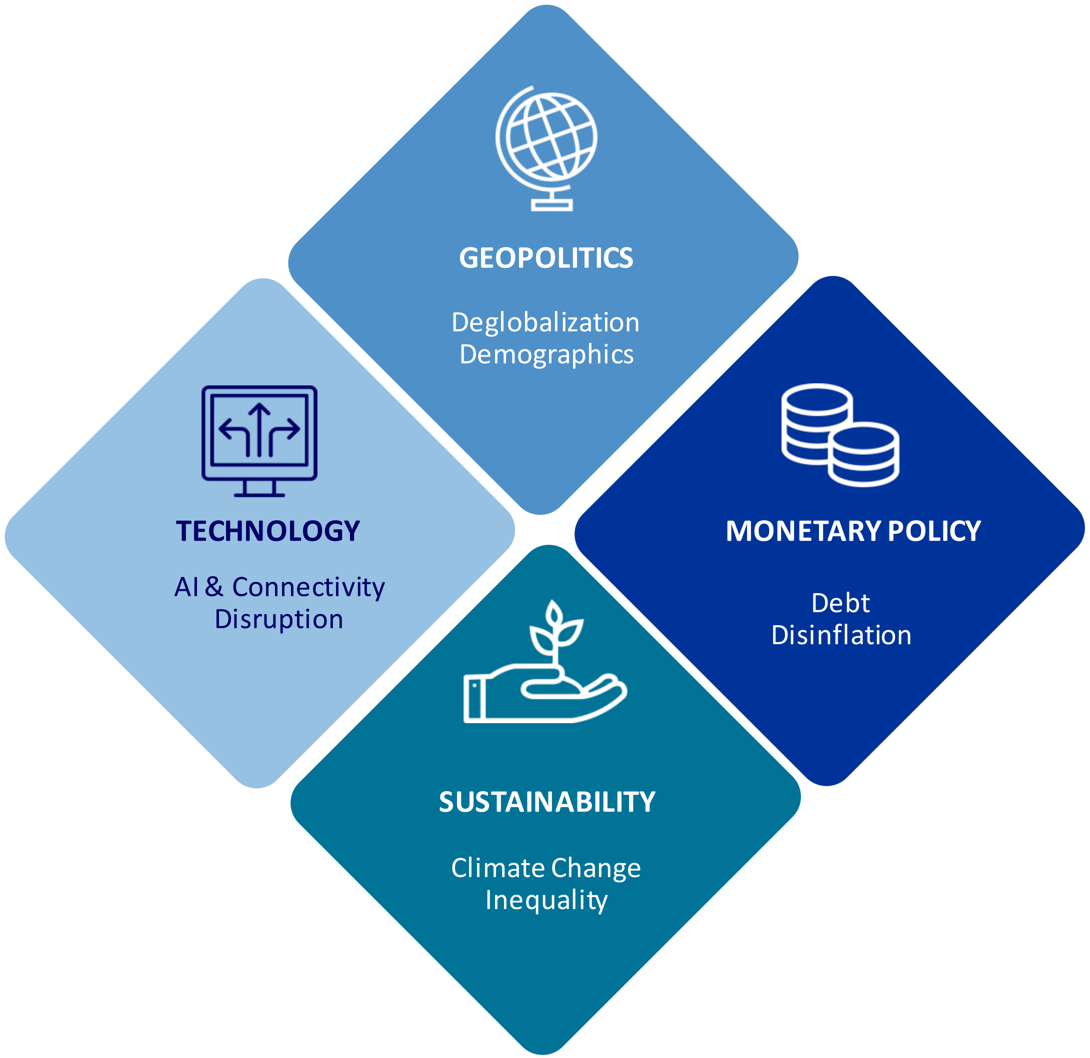
ZURICH INVESTMENTS

Secular drivers for the next decade

Charles Stodart

March 2021

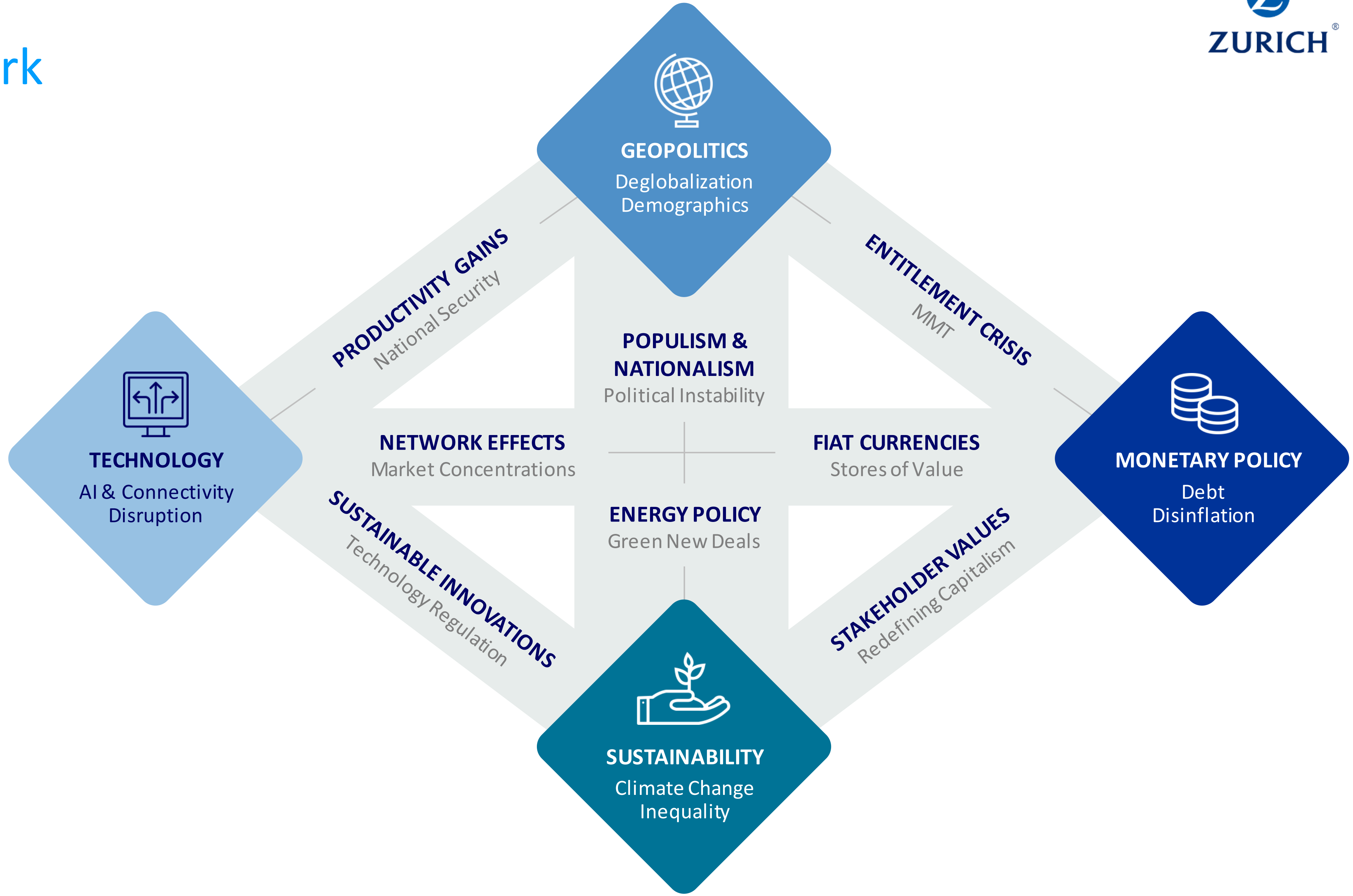
Key Secular Drivers



Source: Lazard Asset Management

A Global Framework

Disruptions, interactions and policies are set to **define the next decade.**



Source: Lazard Asset Management

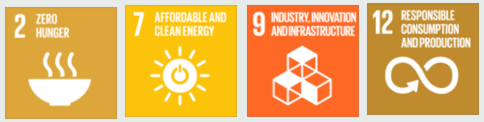
Asset Efficiency

Increasingly discounted

Structural change 10

INTERNET OF THINGS → AUTOMATED EFFICIENCIES → INDUSTRIAL OPERATING SYSTEMS

SDG MAP



SUMMARY

Harvesting efficiency gains from the Internet of Things

- IoT as a concept is well recognized. Business models which evolve around service agreements and recurring revenues, rather than growth in unit sales, represent potential long-term winners.
- The next step is that physical assets will automatically share efficiency best practice with each other.
- The platforms enabling this are very long cycle and represent semi-permanent industrial operating systems

STOCKS

Assa Abloy	Locks
Deere	Agriculture
Fanuc	Robotics
Hexagon	Measurement
Honeywell	Automation / Aerospace
Johnson Controls	Buildings
Rockwell Automation	Factories
Safran	Aerospace
Schneider	Buildings

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Thank you
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IMAP PORTFOLIO MANAGEMENT CONFERENCE: INTERNATIONAL SHARES PANEL DISCUSSION

Francyne Mu, CFA
VP/Portfolio Manager - Franklin Equity Group

2 March 2021

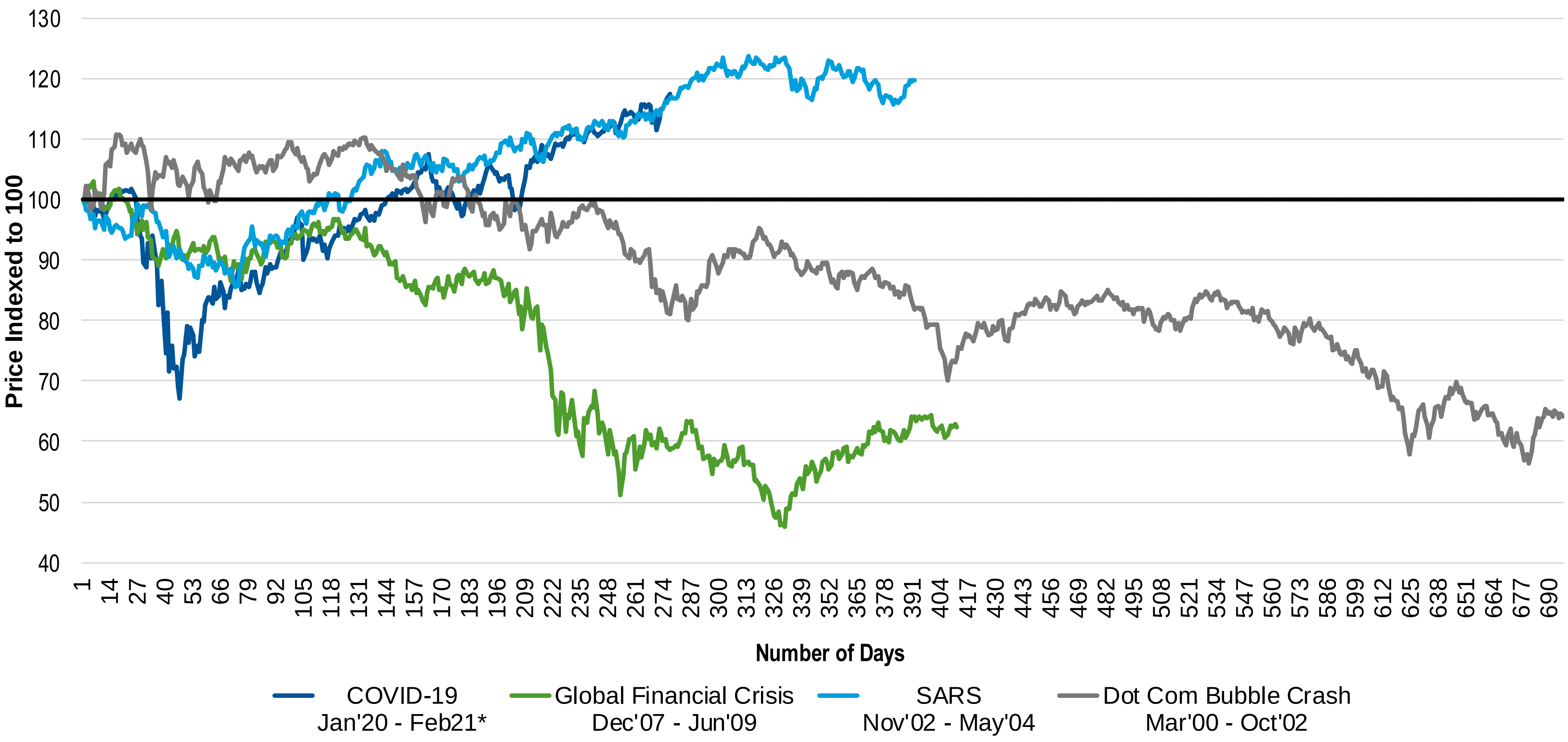
Franklin Global Growth Fund: Investment Strategy

FRANKLIN TEMPLETON

Research-Driven Portfolio	• Concentrated portfolio of approximately 35-40 holdings • Benchmark indifferent
Long-Term Investment Horizon	• Investment horizon of 3 to 5 years • Typical holding period of 4+ years
Seek to Manage Risk by Limiting Economic Overlap Among Holdings[1]	• Select companies whose earning streams are not highly correlated • Has typically resulted in a diversified portfolio across MSCI Global Industry Classification Standard (GICS) sectors and industries
Global Opportunity Set	• Search without borders • Average allocation to emerging markets of less than 10%

How Market Fared During Crisis Time

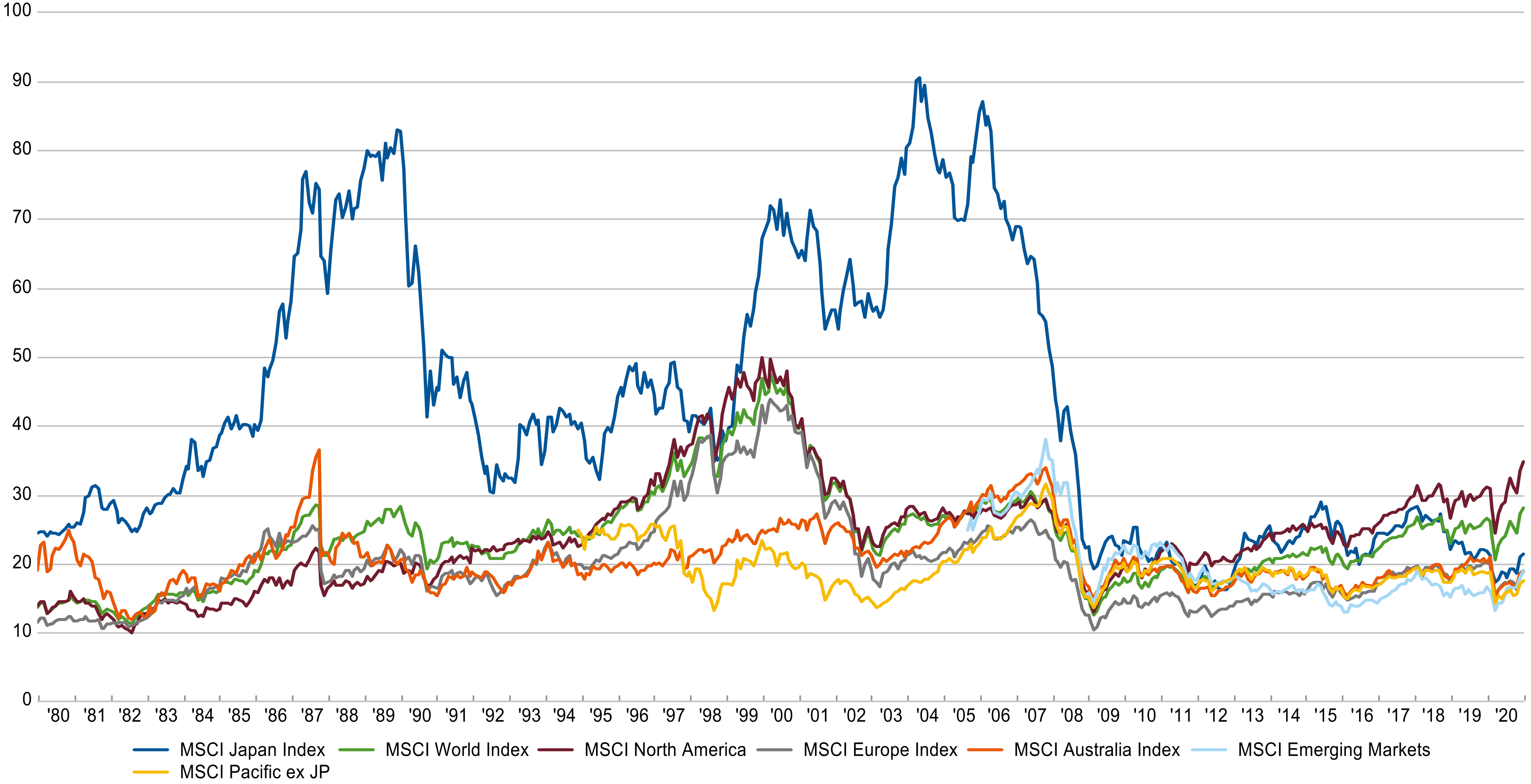
S&P 500 Performance: Previous Crises vs COVID-19



*As of 2 August 2021. Source: Factset, S&P and Dow Jones Indices, World Health Organization, NBER.org.

Cyclically Adjusted P/E

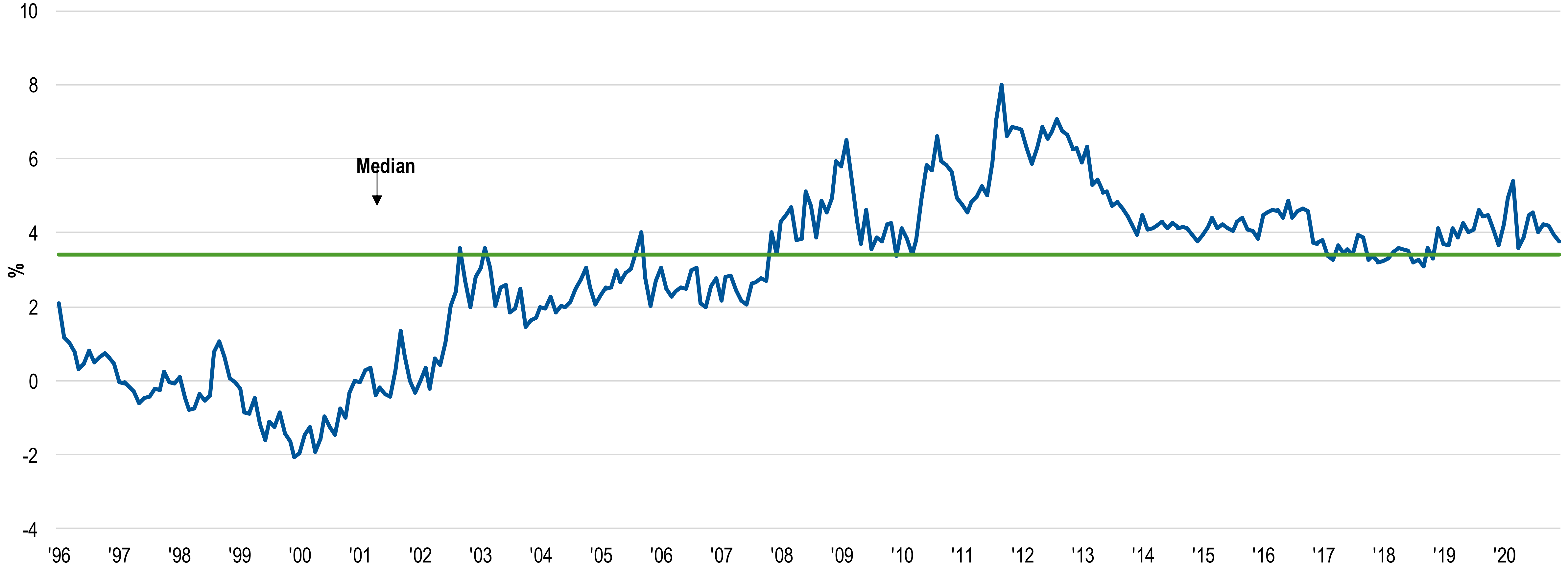
December 1979 – December 2020



Source: Franklin Templeton. Not inflation adjusted, in local currency. Calculations by Franklin Templeton's Global Research Library with data sourced from FactSet, MSCI. Important data provider notices and terms available at www.franklintempletondatasources.com

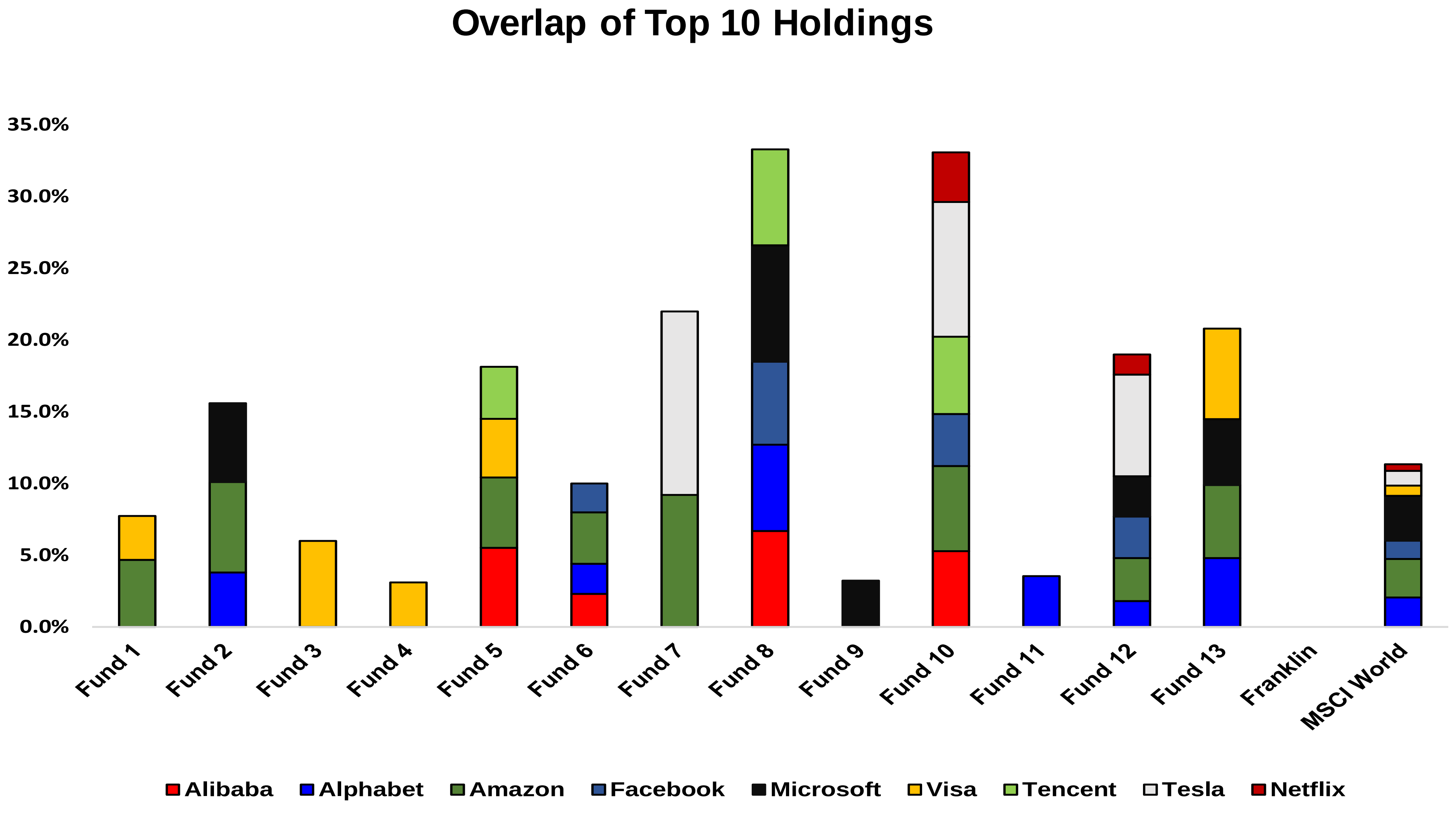
Spread of S&P 500 Forward Earnings Yield to U.S. 10-Year Real Benchmark Bond Yield

Spread of S&P 500 Forward Earnings Yield to U.S. 10-Year Real Benchmark Bond Yield*
31/01/1996 to 31/12/2020



* Note: Real yield is calculated by subtracting monthly percent change in the U.S. inflation from the U.S. 10-year Benchmark Bond Yield. Source: Factset, S&P and Dow Jones Indices, Tullett Prebon Information, US Department of Labor, FactSet Market Aggregates.

Concentration Risk? Bottom Up Strategies for Diversification

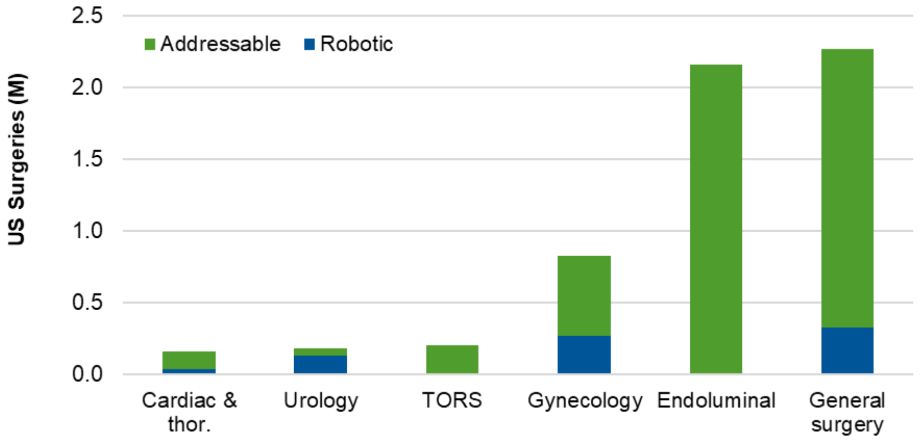


Source: Franklin Templeton and Morningstar Direct, data as at 31 December 2021. Funds within Morningstar Large Cap Growth category.

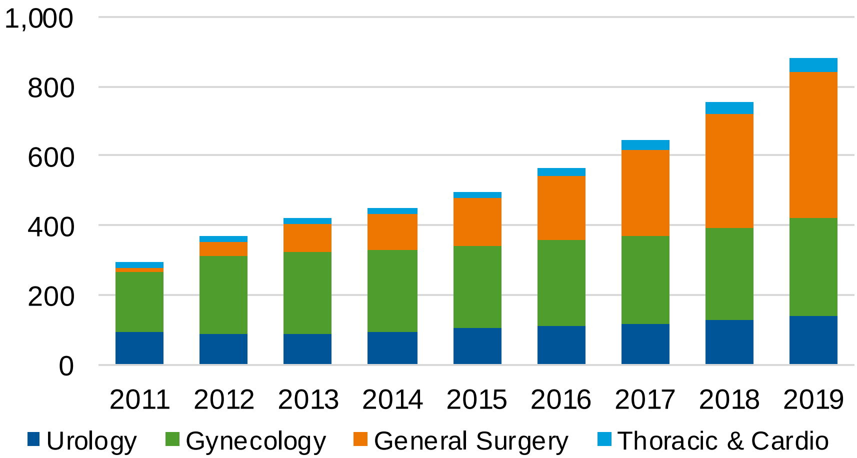
Key Stock Stories: Intuitive

Da Vinci Xi Robotic Surgical Platform

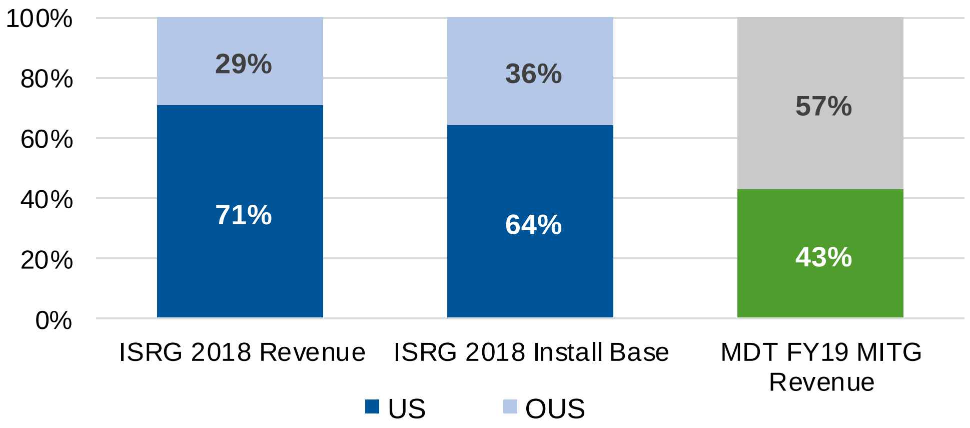
Significant Opportunity for Robotic Surgery Penetration Ahead



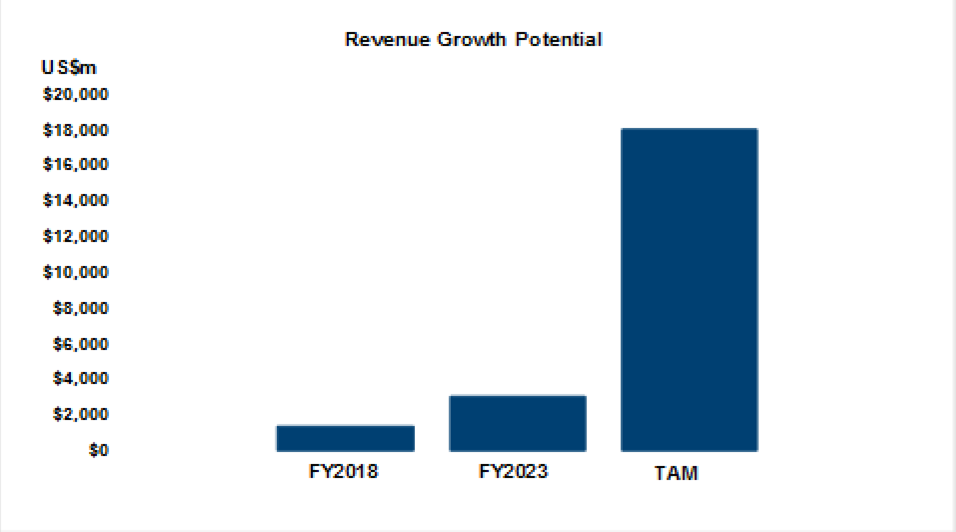
US Surgical Procedures on Intuitive's da Vinci Robotic Platform

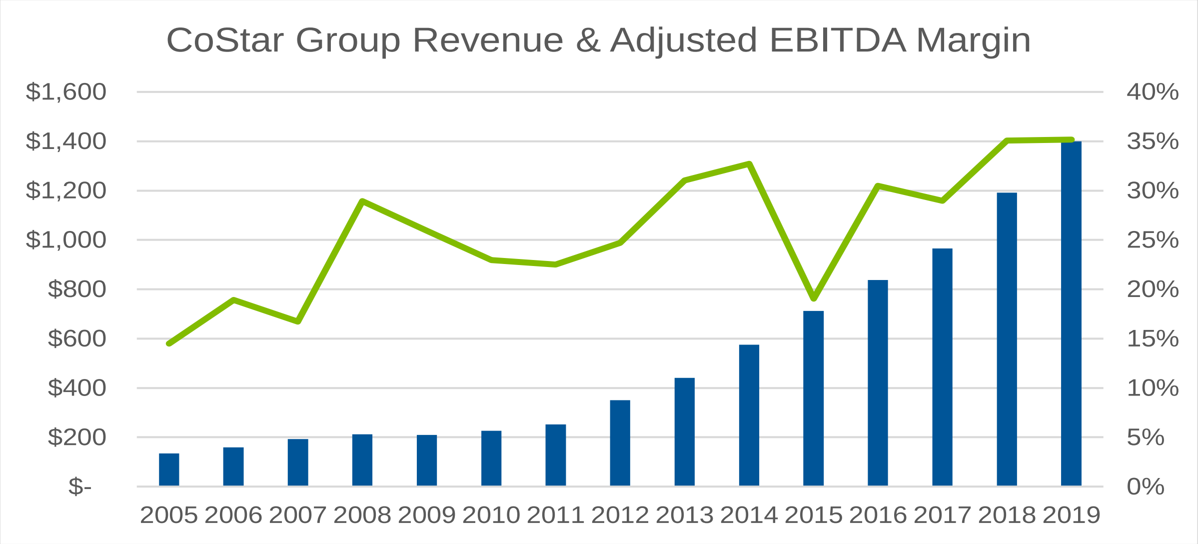


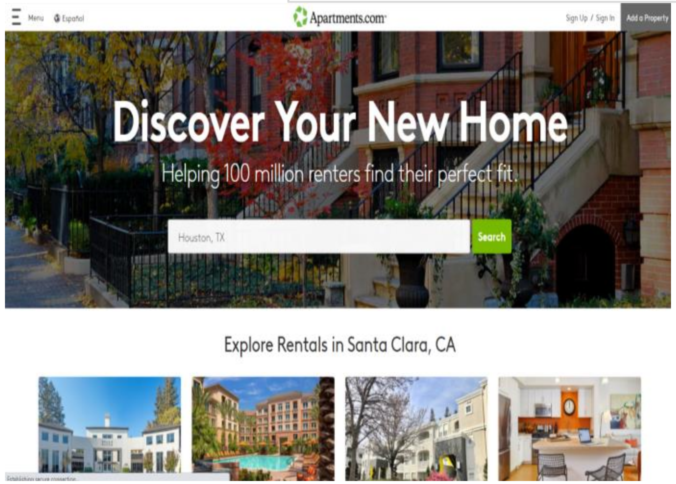
International An Opportunity As Evidenced by Mature Peers' Mix

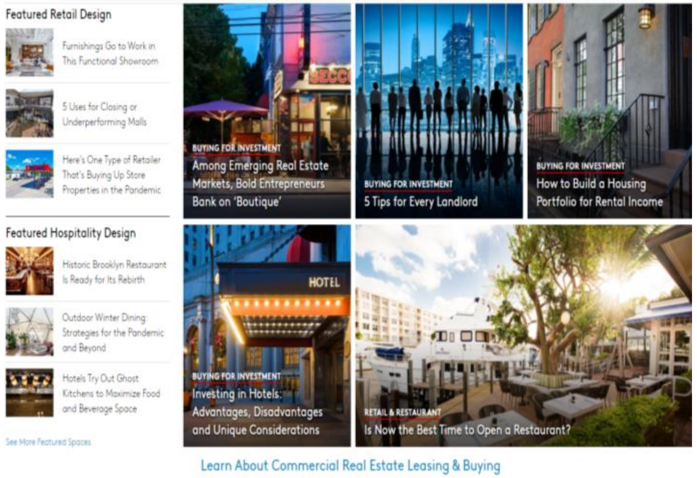


Key Stock Stories: CoStar Group









The information provided should not be considered a recommendation to purchase or sell any particular security. It should not be assumed that any of the security transactions discussed here were, or will prove to be, profitable.

Duration investing – The answer to rising uncertainty?

Monik Kotecha - Insync Funds Management

MONEY MANAGEMENT
FUND MANAGER OF THE YEAR 2020
AUSTRALIA'S FIRST INDEPENDENT AND WHOLE OF MARKET AWARDS
WINNER
Emerging Manager

Superior
SQM RESEARCH

insync fund managers

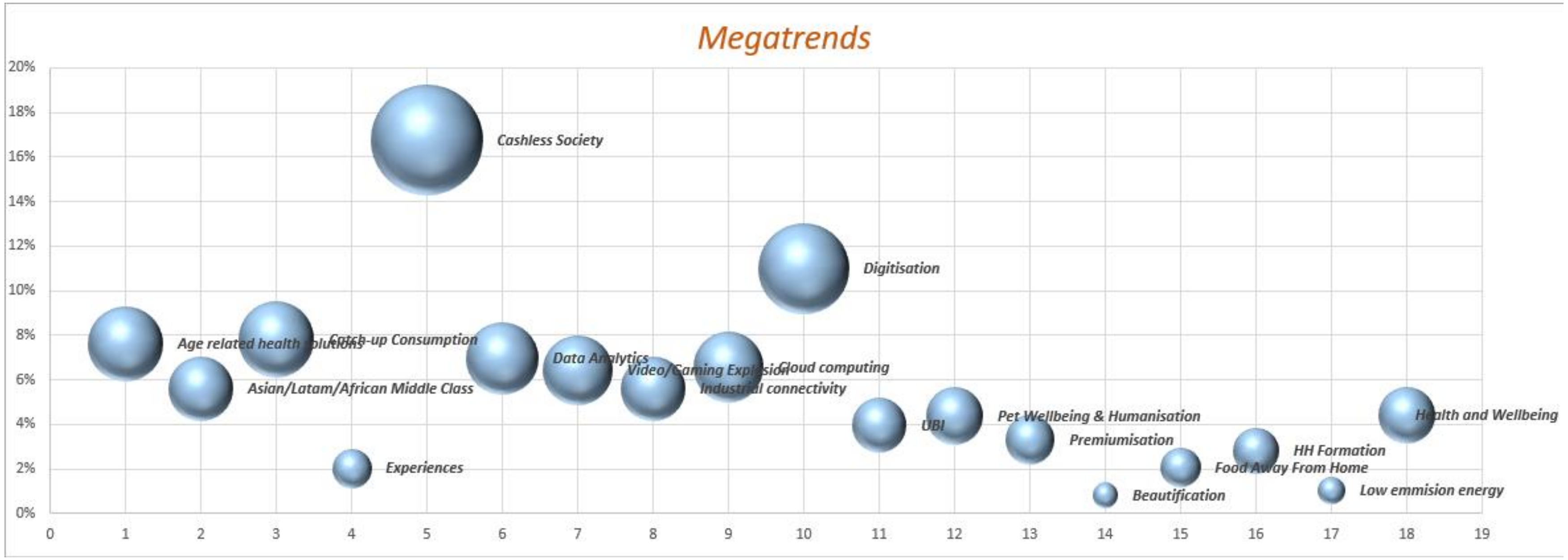
Megatrends underpin long term growth

No intended bias to markets, geography or style

Some companies are represented in multiple megatrends

Diversified industries - No excessive bias to tech stocks

Those firms within each megatrend that are reinvesting/innovating and taking advantage of disruption are delivering sustainable growth



18 global megatrends

1. Age related health solutions
2. Asian/LatAm/African middle class
3. Catch up consumption
4. Experiences
5. Cashless society
6. Data Analytics
7. Video/Gaming explosion
8. Industrial Connectivity
9. Cloud computing
10. Digitisation
11. UBI
12. Pet wellbeing & humanisation
13. Premiumisation
14. Beautification
15. Food away from home
16. Household formation
17. Low emission energy
18. Health and wellbeing

Duration investing – a recipe for sustainable growth

Why duration investing ?

- Outperformance through cycles
- Currency agnostic
- Future proofing
- Long runways of growth
- Style, industry and market agnostic
- Implicit ESG advantage
- Uncorrelated outperformance

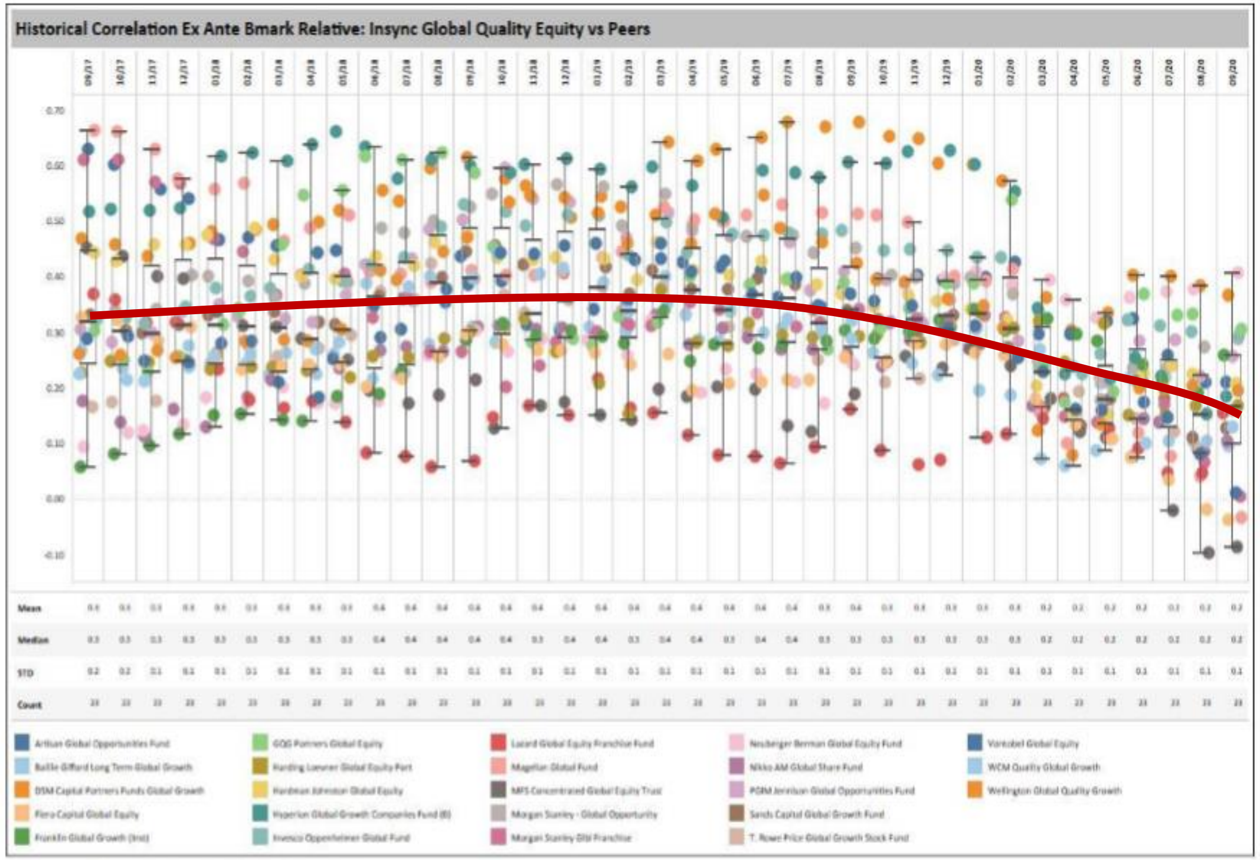
Megatrend focus produces very low correlation with peers

insync fund managers

The portfolio enjoys idiosyncratic contribution to outperformance as opposed to market and sector allocation/timing, with minimal correlation to peers

What is the (Ex-ante) Excess Return Correlation of Insync against its peer group?

- Average correlation of excess returns is very low (0.2)
- Maximum current manager correlation in this group is only 0.4
- The data shows that Insync's alpha stream is unique with average excess return correlation of just 0.2 with the peer group presented here.



Source: Foresight Analytics - Data source: Morningstar and Style Analytics

Measurement Period	Statistics	Fund	Counter Fund
09/17 to 09/20	Correlation Ex Ante Bmark Relative	Insync Global Quality Equity	All

Foresight Analytics

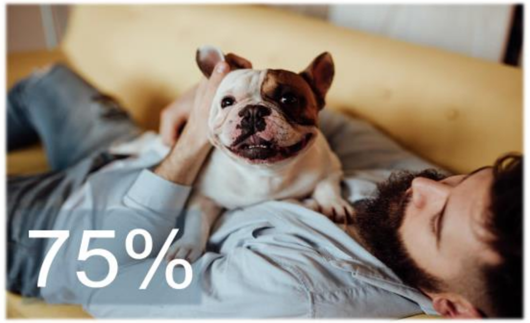
Phone : +612 8883 1369 | Email: info@foresight-analytics.com | Website: www.foresight-analytics.com

Case Study – Pet Wellbeing/Humanisation Megatrend

- **Spending on pets peaks at 55-64**
- **Millennials conditioned to see pets as more human**
- **Pets gaining status**
- **Human need for connection and nurturing**
- **Tailwinds for spending:**
  - **Single people**
  - **Covid-19**
  - **Urbanisation**
  - **Population growth**
  - **Rising middle class**

Pet Owners Feel Even Closer to Their Pets and Prioritize Their Health

Agreed that their pet has given them great comfort during the COVID-19 pandemic



Agreed that taking care of their pet's health is as important to them as taking care of their own health

Source: Based on responses of 8 -10 on 10-point scale of agreement; IDEXX U.S. Pet Owner Research Study fielded July, 2020, n = 600 pet owners.

Millennial and Gen Z Pet Owners Plan to Seek More Preventive Care for Their Pets and Expect to Spend More in 2021

Percentage of Pet Owners Agreeing:	Gen Z (Up to 23 years)	Millennials (24 years to 39 years)	Baby Boomers (56 years to 74 years)
*"I plan to take my pet to the **veterinarian more often** for regular **preventive care** check-ups from now on than I did before 2020."*	49%	36%	15%
*"I **expect to spend more** on my pet(s) in 2021 than I did in 2019."*	52%	44%	27%

Source: Based on responses of 8 -10 on 10-point scale of agreement; IDEXX U.S. Pet Owner Research Study fielded July, 2020, n = 600 pet owners.

We've owned Zoetis for 5yrs

- ✓ Global leader in animal health
- ✓ Very high profitability
- ✓ > 100 Countries
- ✓ > 300 products
- ✓ $6 bn revenues
- ✓ Innovator
- ✓ 13% pa outperformance to benchmark
- ✓ Added 0.6% pa outperformance to fund

Questions

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The role of real assets and infrastructure in a portfolio

Stephen Hayes, First Sentier

Jan De Vos, Resolution

Moderated by Greg Pease, Evidentia

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Global Property Securities

Stephen Hayes – Head of Property Securities

For adviser use only

First Sentier Investors

Foundational strengths

Responsible investing

- Responsible Investment has been deeply ingrained in our team culture and investment process for over a decade
- ESG risks are directly embedded into our investment process, which favours ethically managed, sustainable and socially conscious property landlords

Globally-led, experienced senior investment talent

- Top-heavy team of experienced industry experts located across the world's major property markets

Extensive 'on the ground' research

- Asset inspections and company visits are a key part of our investment process. We perform 500+ company visits per year

Rigorous investment process; high active share

- Strategy is managed in a benchmark unaware manner underpinned by bottom-up research and stock selection
- Overarching focus is on security fundamentals, valuation, absolute and relative risk

Strong downside capture

- Seeking to deliver 'through the cycle' returns and preserving client capital in all market conditions is a key objective of our strategy

Lower finance risk

- Our investment process places a strong emphasis on balance sheet strength

Investment team

First Sentier Investors

Experienced industry experts located across the world's major property markets

Stephen Hayes	Stuart Axelrod	Daniela Lungu	Tuan Pham	Peter Cashmore	Dennis Maloney	Ivan Introna	Neil Stuart – Findlay	Andrew Schaffer	Archena Alagappan	Greg Burke
Head of Global Property Securities	**Senior Portfolio Manager**	**Senior Portfolio Manager**	**Senior Portfolio Manager**	Portfolio Manager	Portfolio Manager	Portfolio Manager	Senior Investment Analyst	Investment Analyst	Investment Analyst	Investment Specialist Analyst
25 / 8*	**27 / 11**	**25 / 8**	**25 / 8**	27 / 4	24 / 4	11 / 2	21 / 1	10 / 1	8 / 4	2 / 2
Sydney	**New York**	**London**	**Sydney**	Sydney	New York	London	Sydney	New York	New York	Sydney

Senior team continuity of more than 8 years

Average industry experience of more than 18 years

*Years in industry/ with First Sentier Investors as at 31 January 2021.

Responsible Investment

Global Property Securities

First Sentier Investors

Longstanding commitment to ESG

Responsible Investment has been deeply ingrained in our team culture and investment process for over a decade.

Our duty as investors

We firmly believe it is our responsibility to influence environmental, social and governance (ESG) outcomes where possible in our activities.

Enhancing investors outcomes

We believe that investing responsibly not only helps effectuate positive change for society; it also enhances long term risk-adjusted returns for investors.

ESG considerations

Global Property Securities

Environmental

- Energy efficiency
- Recycling and waste management
- Use of renewable energy
- Carbon footprint
- Sustainability initiatives

Social

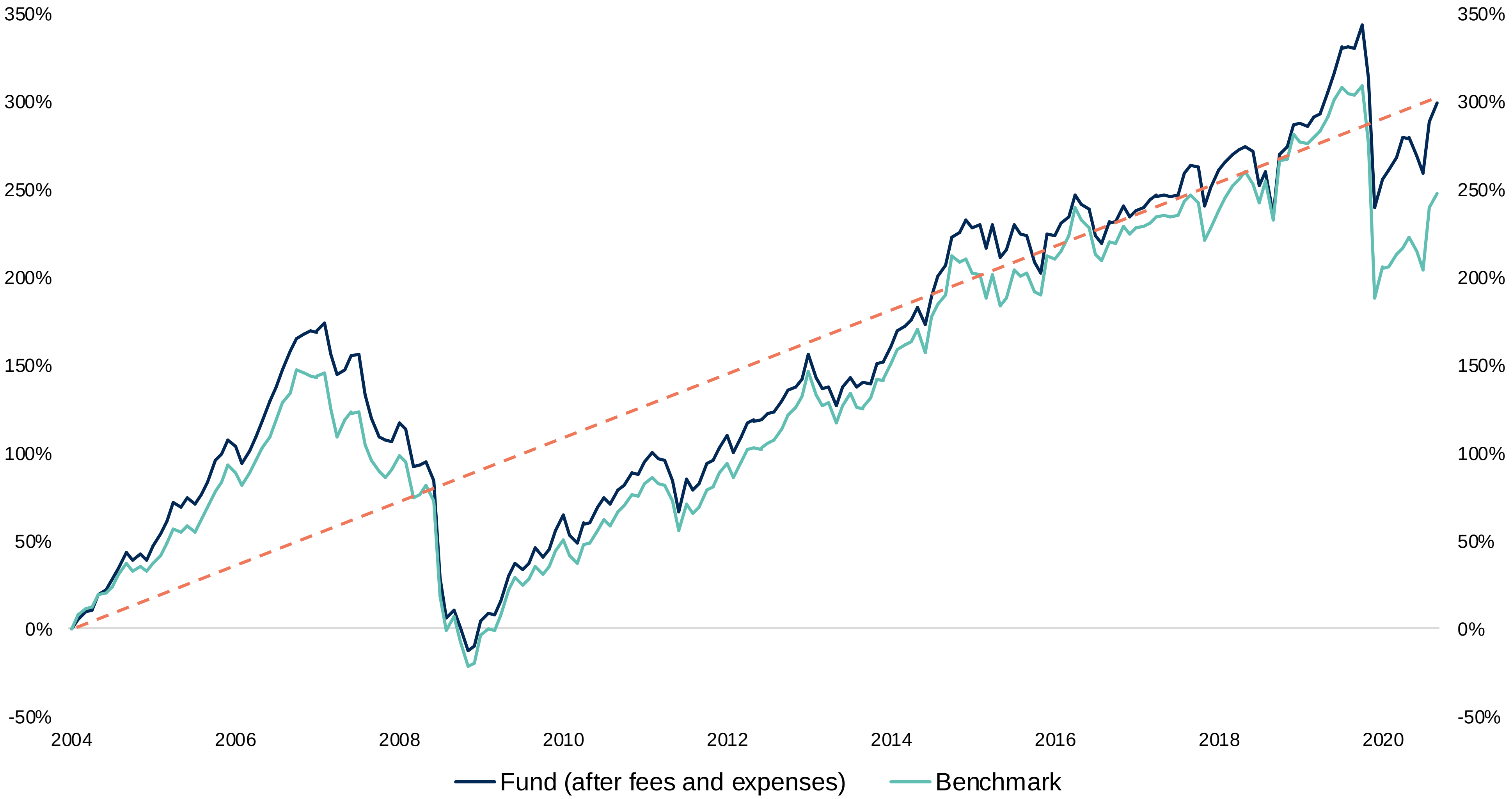
- Community initiatives
- Health and safety
- Inclusion and diversity
- Equal opportunity
- Human rights
- Occupational Health and Safety

Governance

- Board experience and composition
- Alignment of interest
- Accountability
- Disclosure
- Risk management
- Shareholder rights

Cumulative performance since inception

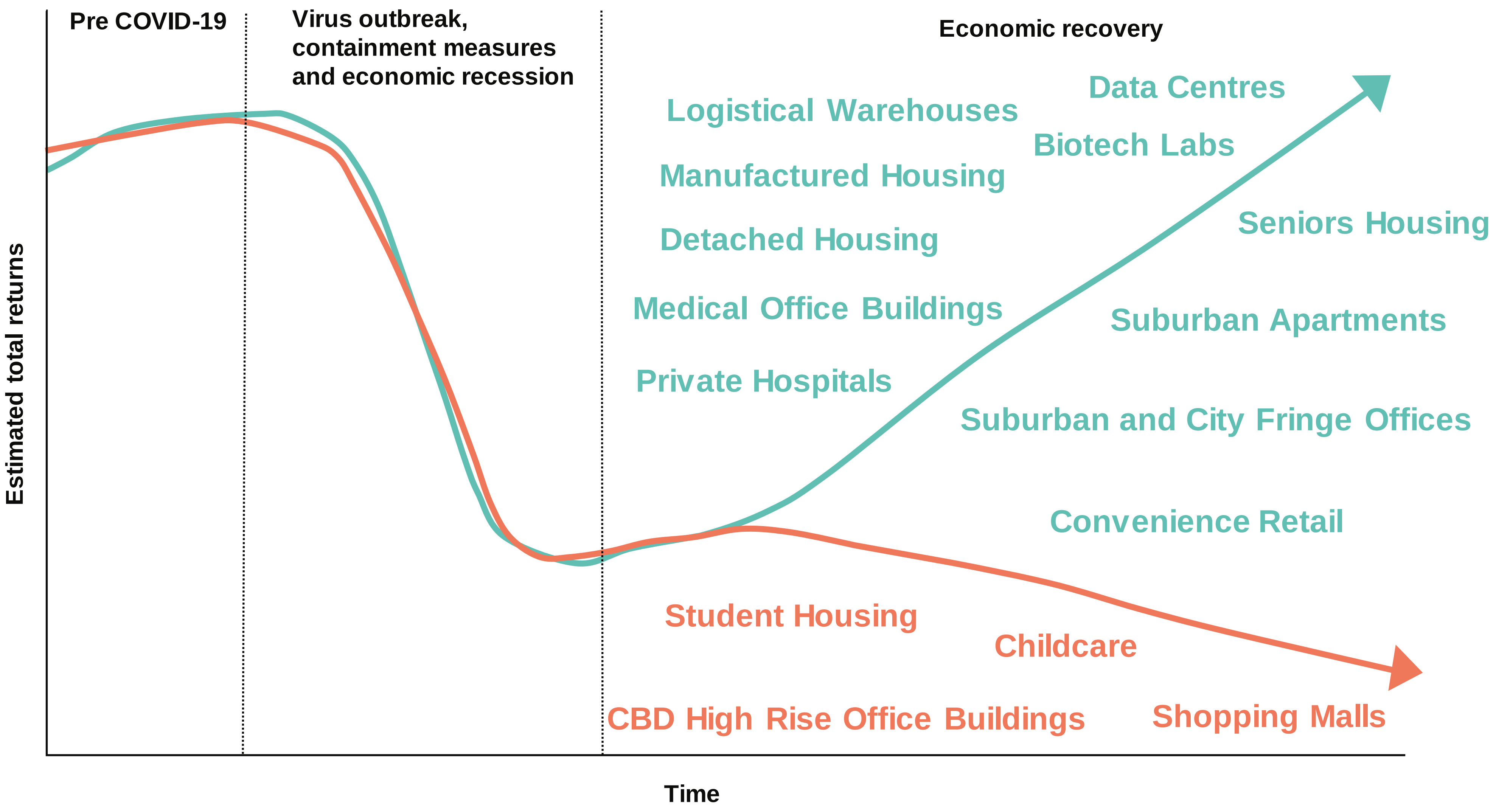
Our fund (after fees and expenses) vs its benchmark



Past performance is no indication of future performance. Please refer to the appendix for annualised performance data. Fund is the First Sentier Wholesale Global Property Securities Fund. Inception is 11 May 2004. Performance figures are quoted after fees and expenses. The benchmark from inception was the S&P / Citigroup World Property Index (100% Hedged), from 01/08/05 the EPRA/NAREIT Global Property Index (100% Hedged), from 01/09/06 the UBS Global Real Estate Investors Index AUD Hedged, from 1/04/15 the FTSE EPRA/NAREIT Developed Index AUD Hedged. Source: First Sentier Investors as at 31 January 2021.

Our long-term outlook for different real estate types

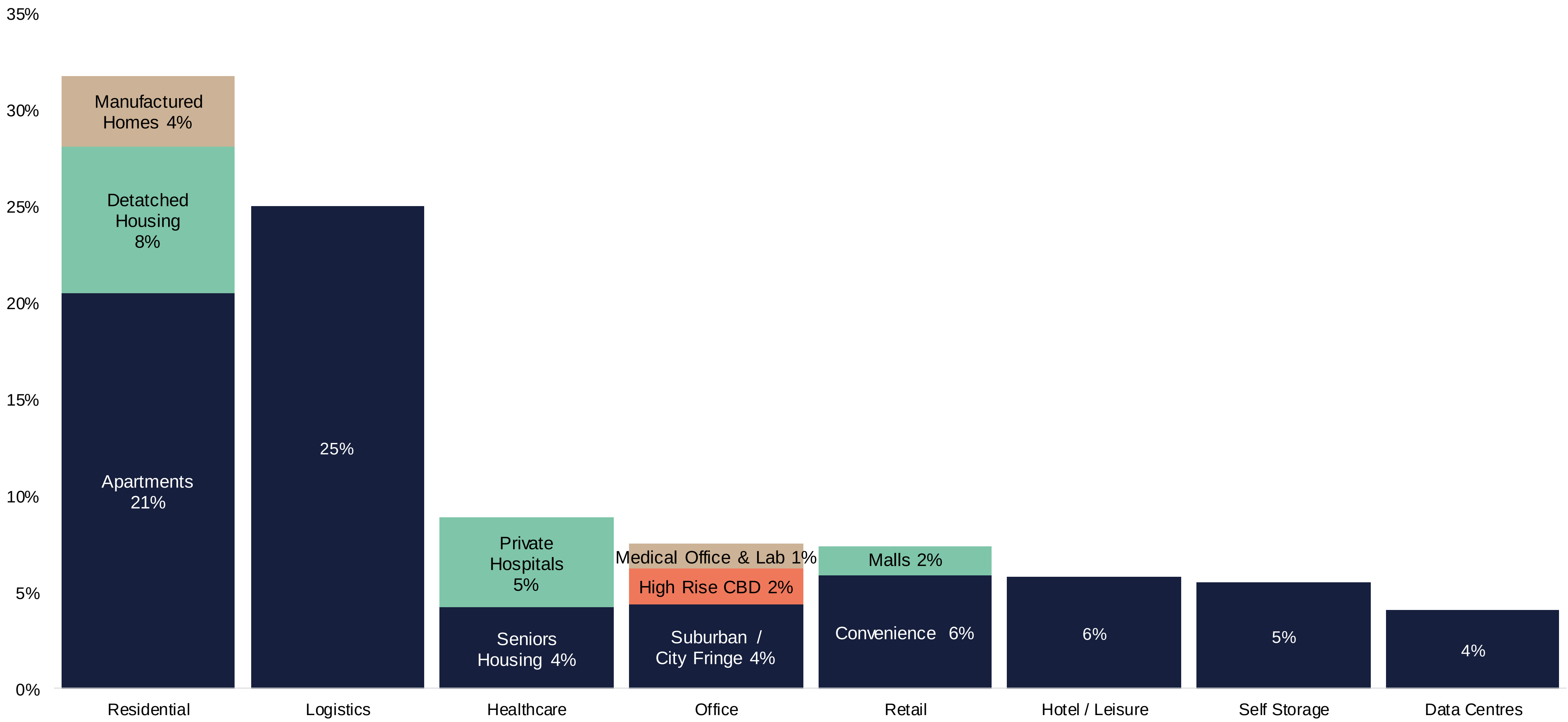
First Sentier Investors



Source: First Sentier Investors as at 31 January 2021. Chart represents the views of the team and is for illustrative purposes only.

Sector breakdown

Major portfolio exposures on a look through* basis as at 31 January 2021



* These metrics are for the portfolio on a 'look through' basis (i.e. they represent the portfolio's actual exposure to property type and location, without reference to the market domicile or GICS classification by sector of each stock in the portfolio). First Sentier Wholesale Global Property Securities Fund. Source: First Sentier Investors

Thank you

Source: Sosila Logistics J-REIT, November 2020

RESOLUTION CAPITAL

The Road to Sustainable growth

Real Assets Strategy – Jan de Vos

IMAP Portfolio Management Conference

>25-year investment track record

1995 LPT's (A-REITs) → **2005** Core+ → **2019** Real Assets

Strategy Performance as at 31 December 2020 - Compound Annual Returns (Net)

Portfolio^	2.2	8.5	9.7	12.6	12.3	8.1
Benchmark*	-4.0	5.8	7.4	11.0	11.2	6.3
Excess Return	***6.2***	***2.7***	***2.3***	***1.6***	***1.1***	***1.8***

Resolution Capital Core Plus Fund converted into the Real Assets Fund on 1st October 2019

#30 September 2008.
^Portfolio returns are expressed after deducting investment management fees.
*S&P/ASX 300 A-REIT AREIT Accumulation Index
Past performance is no guarantee of future results.
Investment returns shown are unaudited and compiled based on internal information that is believed to be accurate. The portfolio returns assume the reinvestment of distributions.

RESOLUTION CAPITAL

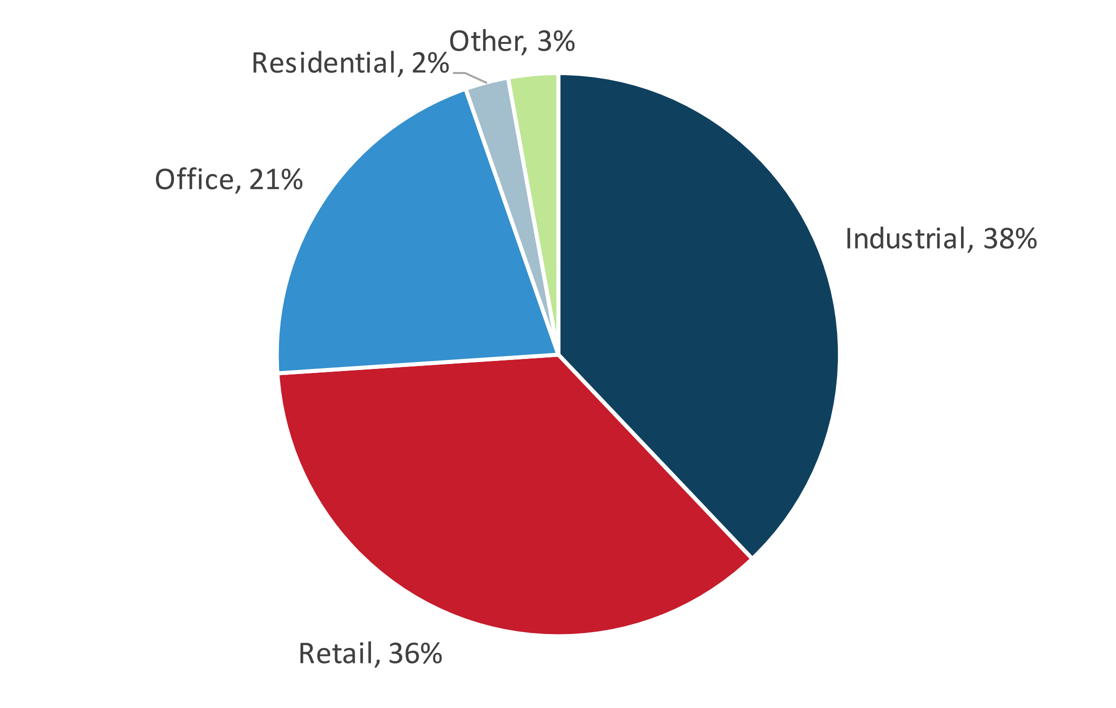
Real Assets = a broad opportunity set

Benefit of blended universe

- Portfolio: up to 20% GREITs & GLI

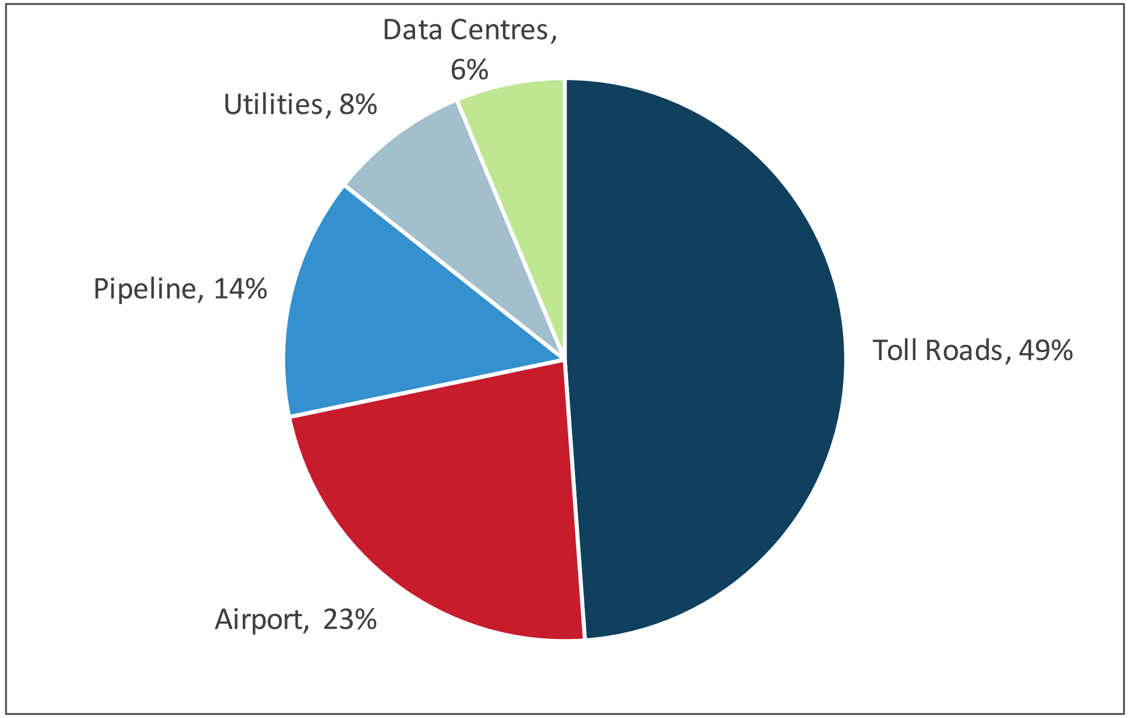
Index composition

A-REIT Index look through sector exposure



Source: S&P, Factset, Resolution Capital
As at 31 August 2020

Australian Infrastructure index



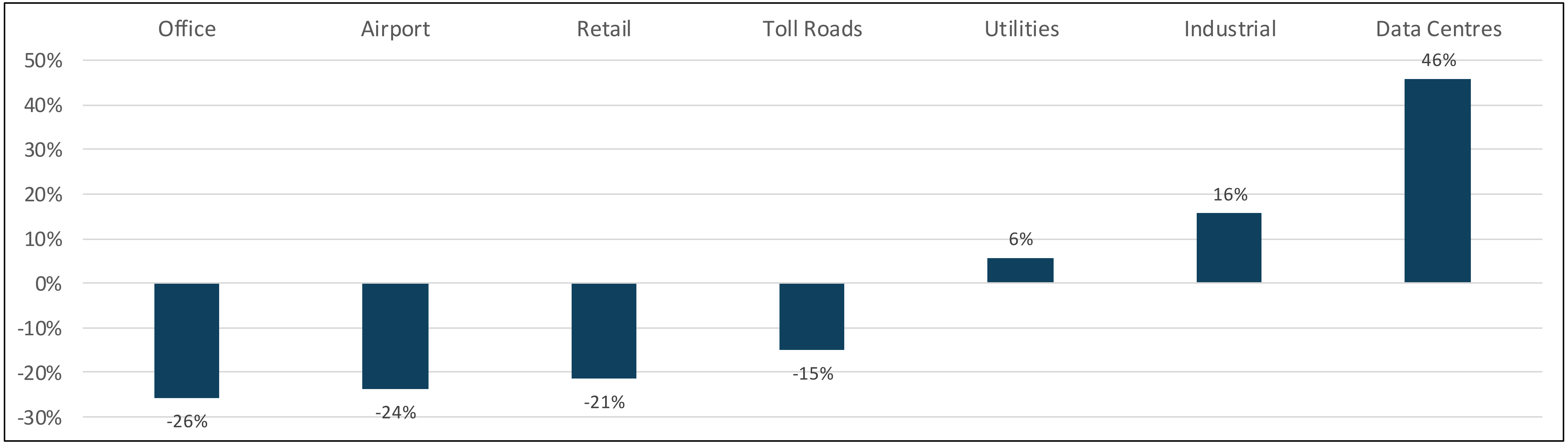
Source: UBS
As at 31 August 2020

RESOLUTION CAPITAL

2020 year in review

- COVID = demand shock, not self-inflicted
- Accelerated secular demand trends

Australian Sub-sector Performance Divergence During The Pandemic
Total Returns $A



Source: FactSet, ResCap
Data: 28 Feb 2020 to 22 Feb 2021

RESOLUTION CAPITAL

Major Real Asset Opportunities

CRITICAL REAL ASSETS

- Logistics, data centres, supermarkets, childcare
- Long-term durable tenant demand
- Limited supply

CYCLICAL RECOVERY

- Airports, retail, residential, toll roads

GREEN ECONOMY

- Decarbonisation
- Electrification industry
- Cheap renewables
- New transmission lines

RESOLUTION CAPITAL

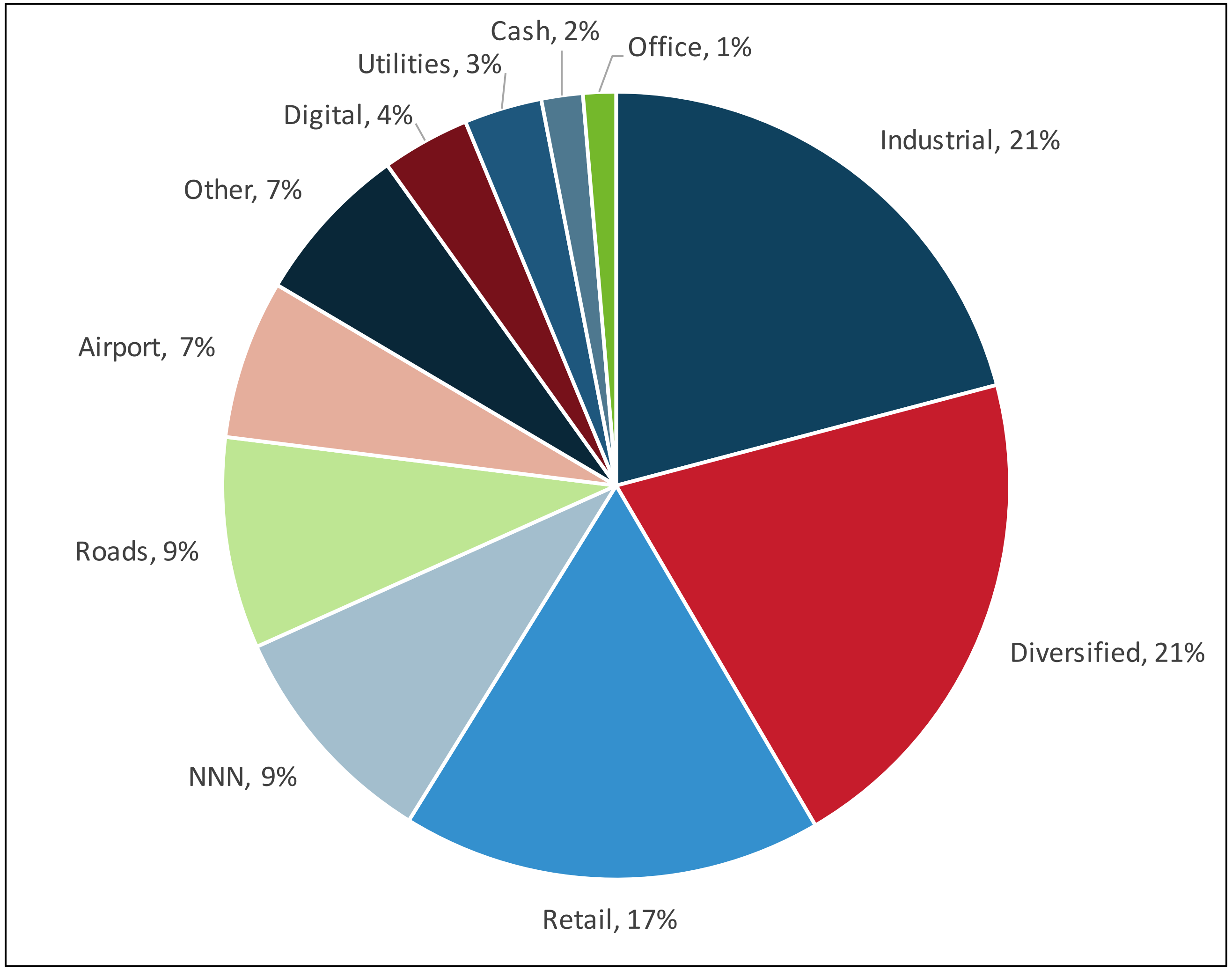
Real Assets Portfolio Positioning

Overweights:

- Long lease triple nets REITs (NNN)
- Digital assets
- Toll roads
- Airports
- 5% offshore exposure (20% max)*

- ESG exclusion: coal exposure

Real Assets portfolio



* = excluding ASX dual-listed companies

Source: S&P, Factset, Resolution Capital
As at 31 January 2021

RESOLUTION CAPITAL

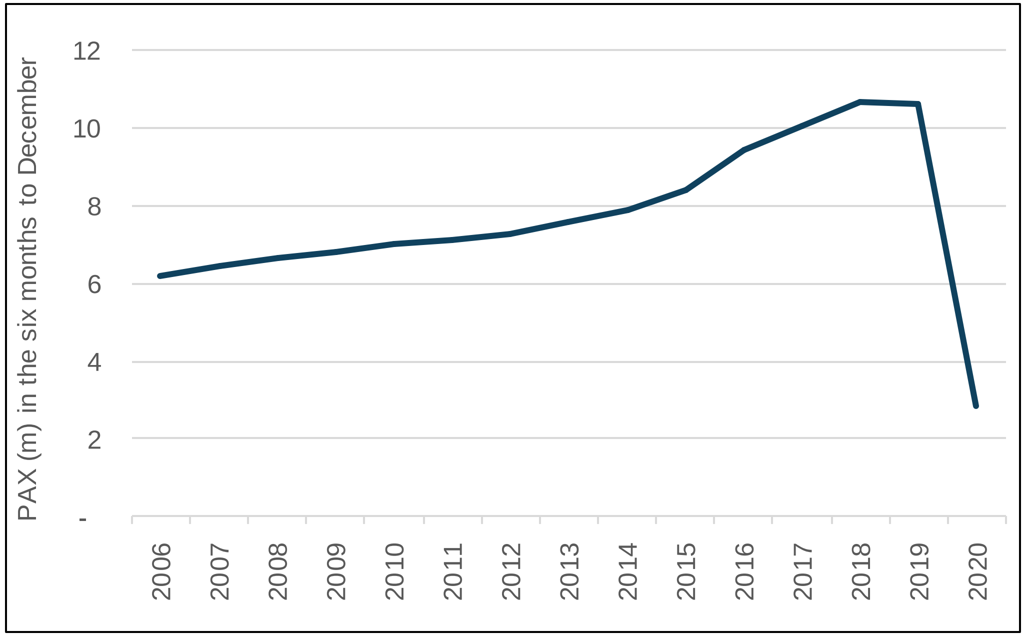
Auckland Airport: fog lifting?

- Monopolistic asset / freehold ownership
- 75% market share int PAX

Auckland Airport

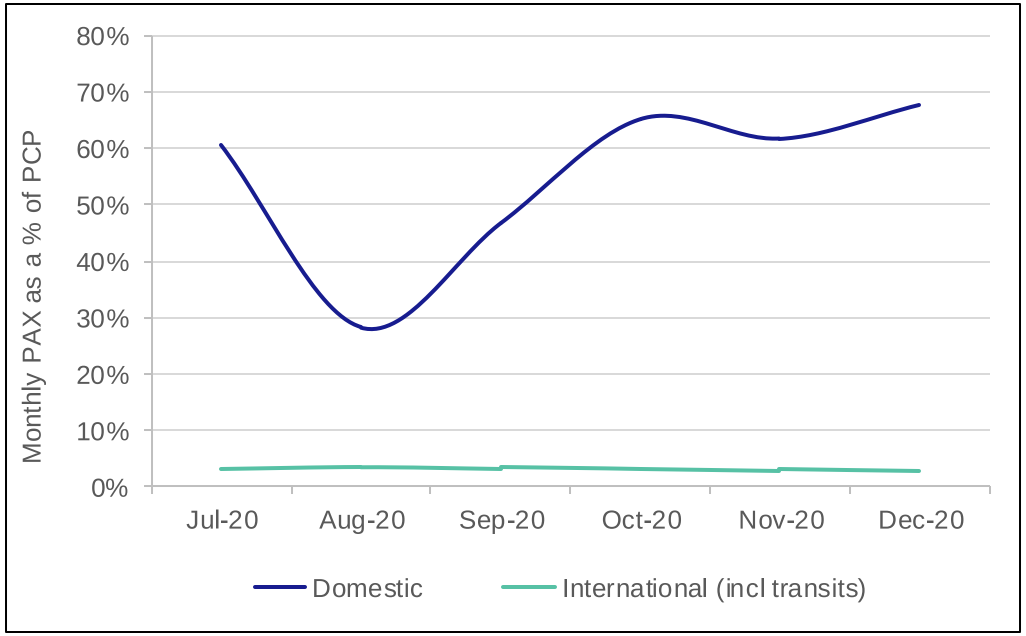
➔ Critical infrastructure leveraged to Asian growth

Semi-annual passenger movements



Source: Auckland Airport

Domestic recovers as restrictions ease



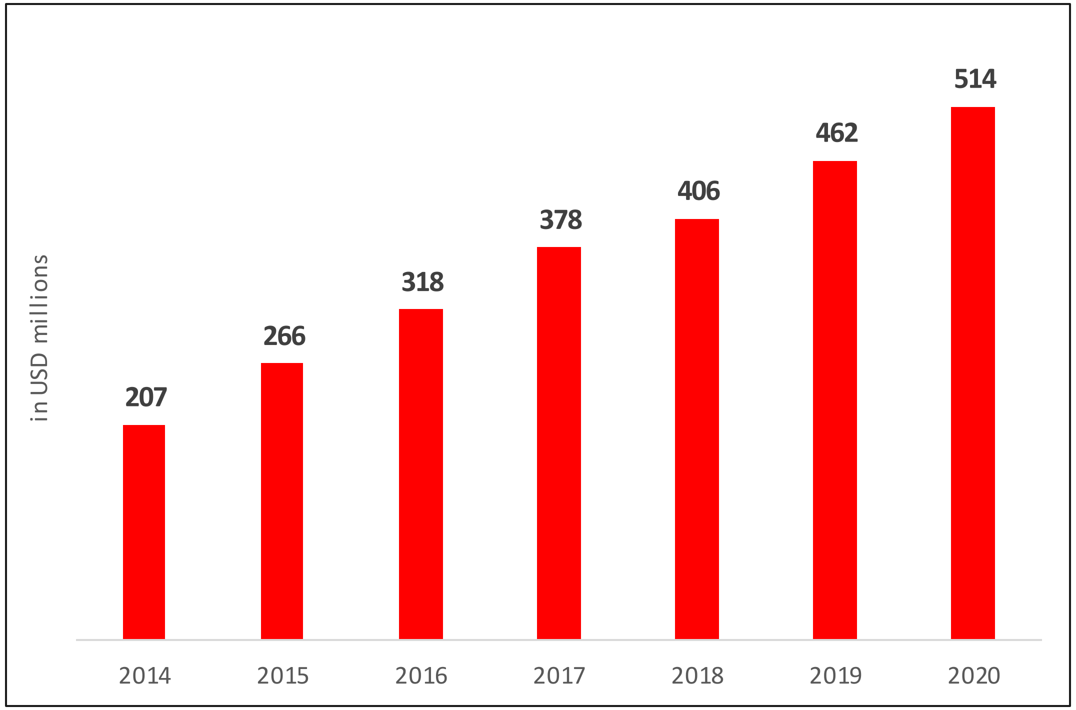
Source: Auckland Airport

Switch: profiting from increase in data usage

- Four U.S. data center campuses – 490MW
- Enterprise strategy
- Self-funding development pipeline
- 100% renewable energy

➔ Sector leading revenue growth

Switch Revenue Growth



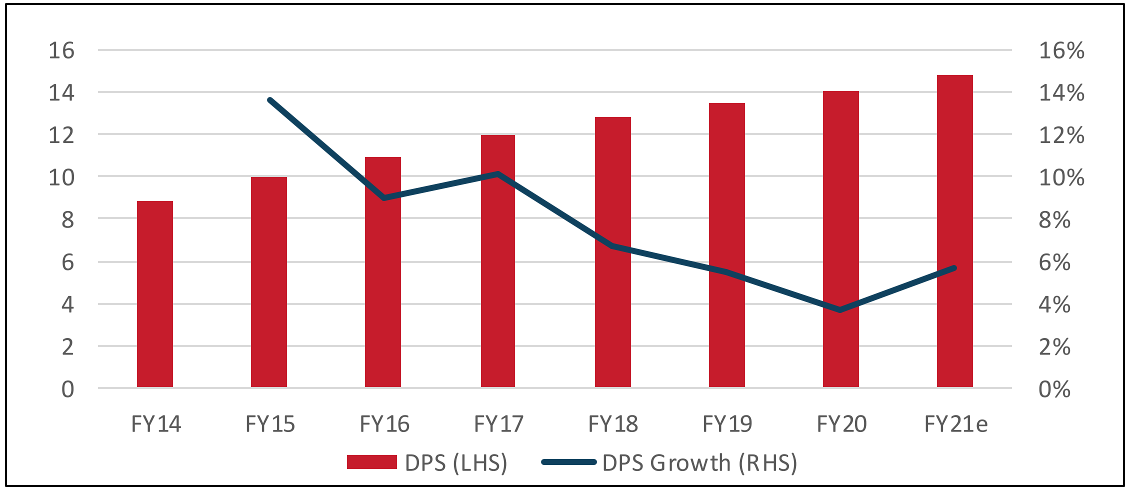
Source: Switch, ResCap

Arena REIT: social infrastructure

- 234 early learning & 11 healthcare properties across Australia
- Secular demand: increase in workforce participation
- 100% occupancy
- Low leverage
- Long-dated, growing cashflows

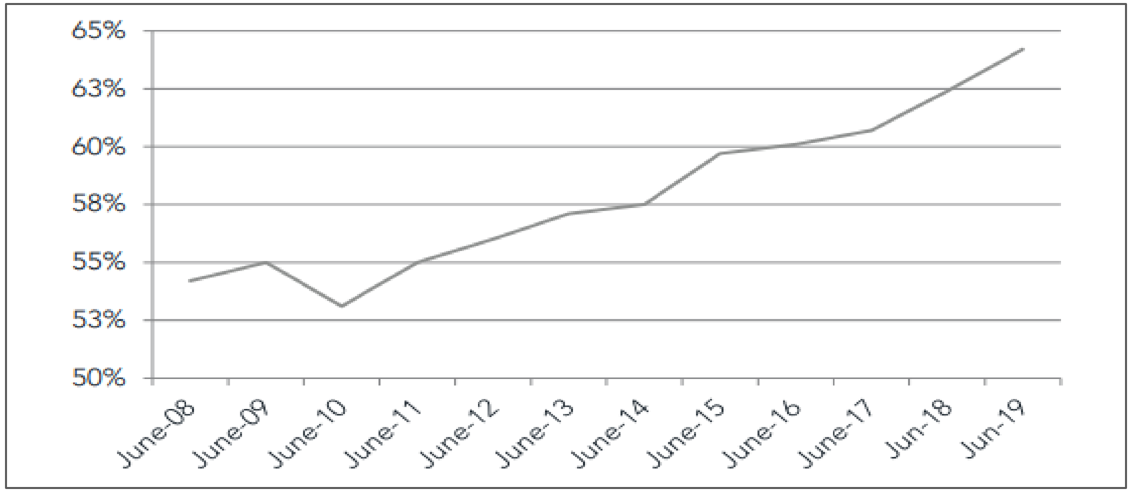
➔ Compounding annual growth

Arena Dividend per Share Growth



Source: Company presentation, ResCap

Female Workforce Participation Rate



Source: Company presentation

RESOLUTION CAPITAL

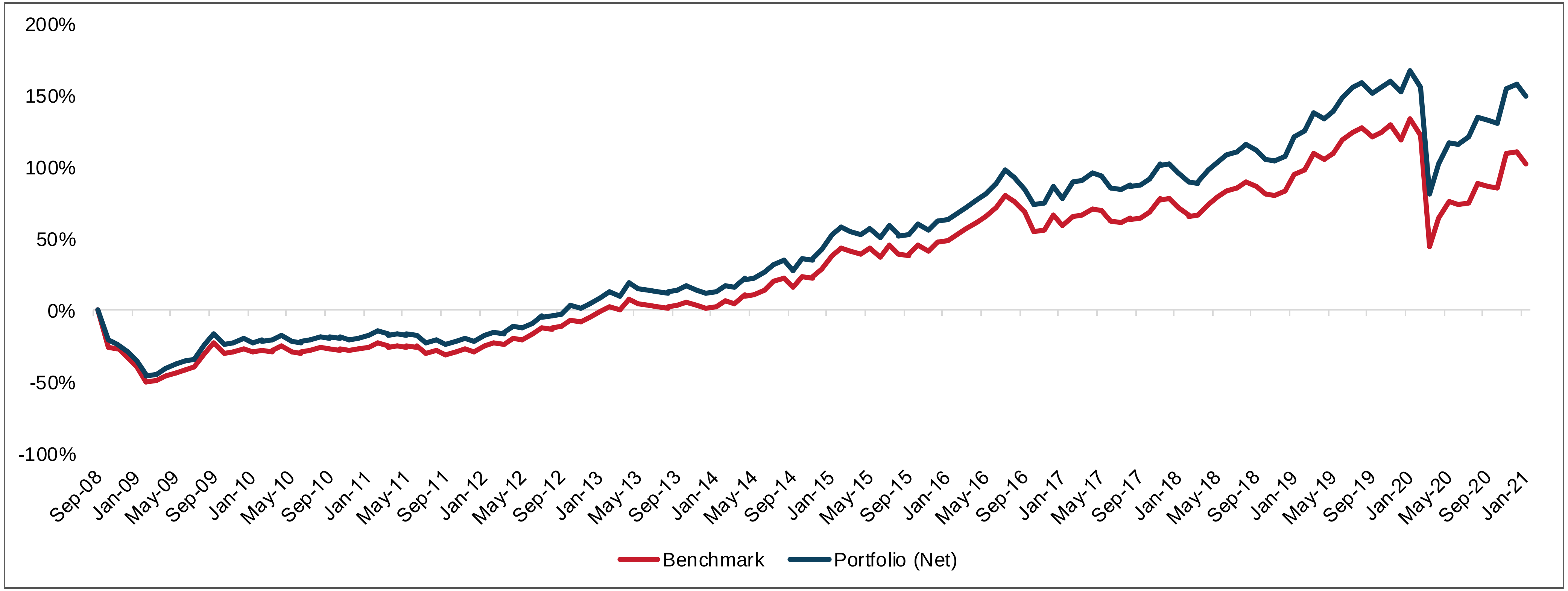
Outlook

- Diverse & liquid opportunity set
- Vaccine provides path to social normalisation
- Retail, toll roads & airports beneficiaries
- Earnings/dividend visibility improving
- Balance sheets well capitalised
- Green infrastructure spending
- Listed market trading at a discount to unlisted assets

Long-term outperformance

- Resolution Capital Core Plus Fund converted into the Real Assets Fund on 1st October 2019

Compound Annual Returns as at 31 January 2021 – After fees



Source: Resolution Capital, as at 31 January 2021

Note - Portfolio returns are post-management fees and post withholding tax. Past performance is no guarantee of future results. Investment returns shown are unaudited and compiled based on internal information that is believed to be accurate. The portfolio returns assume the reinvestment of distributions.

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Questions

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