

Invesco Wholesale Global Opportunities Fund – Hedged – Class A

Monthly Factsheet

31 August 2023

Fund Managers - Global Opportunities team
Andrew Hall Fund Manager (Lead)
Fund facts at a glance
Asset class Global equities
Objective¹ To provide long-term capital growth through a portfolio of global equities
Management style Fundamental, bottom-up approach driven by valuation
Benchmark² <ul style="list-style-type: none"> • From inception to 30/09/02 = MSCI World Index (net dividends reinvested) - unhedged in \$A • From 01/10/02 = MSCI World ex Australia Index (net dividends reinvested) - hedged in A\$ • From 1/4/03 = MSCI World Index (net dividends reinvested) - hedged in A\$ • Current from 5/5/16 = MSCI All Country World Net TR Index - hedged in A\$
Risk profile Very high
Time horizon 7 years
Distribution frequency Half-yearly
Inception date 31/8/94
MER/ICR 0.95%
Buy/Sell Spread 0.20%/0.20%
APIR code GTU0008AU

Performance analysis (periods to 31 August 2023)

Net performance			
Periods	Fund %	Benchmark %	Value added %
1 month	-1.40	-2.15	0.75
3 months	5.44	6.18	-0.74
6 months	11.56	9.81	1.75
1 year	16.30	11.42	4.88
2 years p.a.	0.93	-1.69	2.62
3 years p.a.	11.12	7.25	3.87
5 years p.a.	6.15	6.66	-0.51
7 years p.a.	8.61	9.06	-0.45
10 years p.a.	9.22	9.76	-0.54
Calendar year to date	17.75	14.29	3.46
Financial year to date	0.82	0.86	-0.04
Since inception p.a.	6.88	9.14	-2.26

The Fund returns are shown after ongoing fees and assumes reinvestment of income. Past returns are not a reliable indicator of future returns. Future returns may be affected by a range of factors including economic and market influences.

Assets under management	
	A\$m
Fund AUM:	31.67
Strategy AUM:	2,704.42

Fund analysis (as at 31 August 2023)

Region allocation			
Country	Fund %	Benchmark %	Active weight %
Africa	0.00	0.34	-0.34
Asia Ex Japan	6.04	9.04	-3.00
Australia	0.00	1.77	-1.77
Europe - EMU	6.58	8.21	-1.63
Europe - Non-EMU	14.90	7.81	7.10
Japan	0.00	5.49	-5.49
Latin America	0.00	0.29	-0.29
North America	70.24	65.49	4.75
Other	0.00	0.91	-0.91
South America	0.00	0.65	-0.65
Cash [net of payables]	2.24	0.00	2.24

Sector allocation			
Sector	Fund %	Benchmark %	Active weight %
Communication Services	4.74	7.51	-2.77
Consumer Discretionary	10.11	11.32	-1.21
Consumer Staples	9.39	7.15	2.24
Energy	2.72	4.90	-2.17
Financials	19.11	15.42	3.70
Health Care	7.59	11.76	-4.17
Industrials	19.27	10.45	8.82
Information Technology	22.63	22.06	0.57
Materials	2.18	4.48	-2.30
Real Estate	0.00	2.32	-2.32
Utilities	0.00	2.63	-2.63
Cash [net of payables]	2.24	0.00	2.24

Five largest overweight positions			
Security	Fund %	Benchmark %	Active weight %
RELX PLC	3.10	0.00	3.10
Samsung Electronics Co., Ltd.	3.24	0.38	2.86
Nestle S.A.	3.28	0.52	2.76
3i Group plc	2.66	0.04	2.62
Progressive Corporation	2.74	0.12	2.61

Five largest underweight positions			
Security	Fund %	Benchmark %	Active weight %
Apple Inc.	1.71	4.66	-2.95
Alphabet Inc. Class A	0.00	1.27	-1.27
Tesla, Inc.	0.00	1.15	-1.15
Meta Platforms Inc. Class A	0.00	1.03	-1.03
NVIDIA Corporation	0.95	1.91	-0.96

10 largest holdings			
Security	Fund %	Benchmark %	Active weight %
Microsoft Corporation	4.84	3.63	1.21
Nestle S.A.	3.28	0.52	2.76
Samsung Electronics Co., Ltd.	3.24	0.38	2.86
RELX PLC	3.10	0.00	3.10
Amazon.com, Inc.	3.08	2.00	1.08
Progressive Corporation	2.74	0.12	2.61
UnitedHealth Group Incorporated	2.71	0.70	2.02
3i Group plc	2.66	0.04	2.62
Berkshire Hathaway Inc. Class B	2.63	0.73	1.90
Danaher Corporation	2.44	0.29	2.15

Market capitalisation allocation			
Ranges	Fund %	Benchmark %	Active weight %
\$0 - \$50M	0.00	0.00	0.00
\$500M - \$1B	0.00	0.00	0.00
\$1B - \$2B	0.00	0.19	-0.19
\$2B - \$5B	0.00	1.73	-1.73
\$5B - \$10B	1.64	3.59	-1.95
\$10B - \$25B	1.38	10.58	-9.20
\$25B - 50B	7.69	11.93	-4.24
\$50B - 100B	17.25	16.46	0.79
> \$100B	69.81	55.53	14.28
Cash [net of payables]	2.24	0.00	2.24

The data in the fund analysis tables above (not including the AUM table) is based on the underlying portfolio, i.e. the unhedged fund (Fund), into which the hedged fund directly invests.

Note: Security selection will change. You should not rely on this statement in making an investment decision about any security, but should make your own independent enquiries.

Market review

August was a challenging month for financial markets, although there was an improvement in the final week. In the month we had a further softening in economic data, particularly in Europe and China, which has led to growing concern about the near-term outlook. At the same time, there's been rising speculation that interest rates are set to remain higher for longer, as inflation may remain elevated. The 10yr Treasury yield hit a post-GFC high after a surprise US government debt downgrade and a much higher Treasury issuance profile announced than expected. Global equities were weaker falling around 2.75% in the month, with small and mid-caps down by around 3.45% (Source Bloomberg in US\$).

Contributors to performance

The Global Opportunities fund outperformed the benchmark over the month.

Financials were a top contributor to the fund's relative performance alongside consumer discretionary and industrials, whilst health care and energy lagged.

The top performing stocks in the portfolio were Progressive, Danaher, Berkshire Hathaway and Mastercard. Progressive shares rose after Analysts said the company's month-to-month results showed improvements.

The biggest detractors in the portfolio included Texas instruments, UnitedHealth and American Express.

Market outlook and portfolio strategy

Our best assessment is that the global economy will continue to slow over the summer as the sharp rise in interest rates around the world increasingly impact businesses and the consumer, especially as excess savings built up during covid lockdowns have now been largely spent. We could see quite a contraction in economic activity and sentiment by the early autumn, which may well impact share prices. The upside would be a further reduction in inflation and hopefully by year end or early 2024 some modest decline in interest rates, which may well provide investors with renewed optimism. Our sense at present is that the US may be first to see falling interest rates, the UK last, Europe in between.

For our part we will continue to invest in companies with strong balance sheets and generating free cashflows. Of course, no company or fund can ever fully insulate itself from the prevailing economic weather, but we hope to continue to outperform our benchmark in what may well be choppy waters.

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Notes

- ¹ Invesco does not guarantee that the Fund will achieve its objective.
 - ² The Fund is not managed against a benchmark, however the MSCI All Country World Net TR Index is used as a reference benchmark.
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