

Invesco Wholesale Global Opportunities Fund – Hedged – Class A

Monthly Factsheet

31 May 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 May 2023)

Net performance			
Periods	Fund %	Benchmark %	Value added %
1 month	0.31	-0.36	0.67
3 months	5.81	3.42	2.39
6 months	7.14	2.44	4.70
1 year	5.97	0.51	5.46
2 years p.a.	0.55	-1.97	2.52
3 years p.a.	13.64	9.37	4.27
5 years p.a.	4.39	6.28	-1.89
7 years p.a.	8.41	8.74	-0.33
10 years p.a.	8.76	9.18	-0.42
Calendar year to date	11.68	7.64	4.04
Financial year to date	14.77	8.90	5.87
Since inception p.a.	6.75	8.99	-2.24

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:	32.77
Strategy AUM:	2,716.49

Fund analysis (as at 31 May 2023)

Region allocation			
Country	Fund %	Benchmark %	Active weight %
Africa	0.00	0.34	-0.34
Asia Ex Japan	5.40	9.04	-3.64
Australia	0.00	1.81	-1.81
Europe - EMU	5.20	8.43	-3.23
Europe - Non-EMU	12.49	8.10	4.39
Japan	0.00	5.62	-5.62
Latin America	0.00	0.29	-0.29
North America	74.09	64.82	9.27
Other	0.00	0.92	-0.92
South America	0.00	0.64	-0.64
Cash [net of payables]	2.83	0.00	2.83

Sector allocation			
Sector	Fund %	Benchmark %	Active weight %
Communication Services	4.67	7.59	-2.92
Consumer Discretionary	9.17	10.73	-1.55
Consumer Staples	8.36	7.46	0.90
Energy	2.97	4.64	-1.67
Financials	20.68	15.38	5.31
Health Care	8.71	12.22	-3.51
Industrials	17.42	10.24	7.18
Information Technology	23.29	22.07	1.22
Materials	1.89	4.51	-2.62
Real Estate	0.00	2.32	-2.32
Utilities	0.00	2.84	-2.84
Cash [net of payables]	2.83	0.00	2.83

Five largest overweight positions			
Security	Fund %	Benchmark %	Active weight %
Samsung Electronics Co., Ltd.	3.89	0.43	3.46
RELX PLC	3.03	0.00	3.03
Danaher Corporation	3.10	0.26	2.83
Nestle S.A.	3.30	0.54	2.76
3i Group plc	2.61	0.04	2.58

Five largest underweight positions			
Security	Fund %	Benchmark %	Active weight %
Apple Inc.	1.75	4.70	-2.95
Alphabet Inc. Class A	0.00	1.22	-1.22
Meta Platforms Inc. Class A	0.00	0.99	-0.99
Tesla, Inc.	0.00	0.91	-0.91
NVIDIA Corporation	0.74	1.55	-0.81

10 largest holdings			
Security	Fund %	Benchmark %	Active weight %
Microsoft Corporation	5.05	3.88	1.18
Samsung Electronics Co., Ltd.	3.89	0.43	3.46
Nestle S.A.	3.30	0.54	2.76
Berkshire Hathaway Inc. Class B	3.26	0.70	2.56
Danaher Corporation	3.10	0.26	2.83
RELX PLC	3.03	0.00	3.03
UnitedHealth Group Incorporated	2.85	0.76	2.09
Amazon.com, Inc.	2.70	1.85	0.86
Texas Instruments Incorporated	2.69	0.26	2.43
Accenture Plc Class A	2.66	0.32	2.34

Market capitalisation allocation			
Ranges	Fund %	Benchmark %	Active weight %
\$500M - \$1B	0.00	0.01	-0.01
\$1B - \$2B	0.47	0.22	0.26
\$2B - \$5B	0.00	1.93	-1.93
\$5B - \$10B	1.25	3.85	-2.60
\$10B - \$25B	1.00	11.41	-10.41
\$25B - 50B	11.05	11.73	-0.68
\$50B - 100B	18.44	17.44	1.00
> \$100B	64.96	53.42	11.54
Cash [net of payables]	2.83	0.00	2.83

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

Global equities traded mostly within a tight range. Investor confidence was negatively impacted by declining PMIs, sticky core inflation and data out of mainland China that was largely weaker than expected. As the month progressed attention shifted towards the US debt ceiling which was clouded with uncertainty. There were pockets of outperformance, most notably with regards to tech, where investors began to consider the potential effects of AI. Conversely, weaker performance was led by more cyclical parts of the market such as financials.

Contributors to performance

The Global Opportunities in Australia fund rose in value and outperformed the MSCI AC World index over the month.

3i Group was the best performing holding due to the fund being overweight relative to the benchmark. 3i shares have been gaining since March when it announced that its largest portfolio holding company (Action) had a great start to 2023 leading many analysts to suggest that 3i's portfolio is robust. Other strong performers that the fund included Samsung Electronics and Copart. Copart rose on news that the company had beat its revenue expectations and that the company had a positive outlook going forward.

As a result of investor optimism around AI and its potential, Nvidia was the biggest detractor, this was largely because the fund was underweight relative to the benchmark. The stock performed extremely strongly on the back of good quarterly results and upgraded medium term profit guidance. Other detractors included Nestle, EOG Resources and Berkley Group. Nestle shares declined after the surprise departure of CFO Francois-Xavier which left investors 'disappointed' given the fact that Roger had built an 'effective partnership' with Nestle CEO Mark Schneider.

Market outlook and portfolio strategy

It is hard to know whether the recent travails in the banking sector will manifest themselves in something more pernicious for the wider economy. We have lived in a world of very low interest rates and abundant liquidity for many years. As interest rates rise, we are seeing it test business models that relied on cheap financing and stable inflation. It seems almost certain that the US regional banks will have to endure a period of much tougher regulation. The result will likely be tightening lending standards into the real economy.

We believe that the businesses in the portfolio are sufficiently robust to manage through a tougher economic backdrop. Where we own cyclical businesses, we have focused on those with the strongest balance sheets. We will remain alive to the threats posed by this evolving interest rate and liquidity backdrop. If we sense a disruptive change, we won't hesitate to adjust positions to control risk.

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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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Important Information

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