Invesco Wholesale Global Opportunities Fund – Hedged – Class A

Monthly Factsheet

30 September 2023

Fund Managers - Global Opportunities team

Andrew Hall
Fund Manager (Lead)

Fund facts at a glance

Asset class
Global equities

Objective[1]
To provide long-term capital growth through a portfolio of global equities

Management style
Fundamental, bottom-up approach driven by valuation

Benchmark[2]
- 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 30 September 2023)

Net performance

Periods	Fund %	Benchmark %	Value added %
1 month	-2.78	-3.55	0.77
3 months	-1.99	-2.72	0.73
6 months	3.93	3.41	0.52
1 year	25.46	18.04	7.42
2 years p.a.	1.79	-1.65	3.44
3 years p.a.	11.25	6.98	4.27
5 years p.a.	5.82	5.77	0.05
7 years p.a.	8.24	8.45	-0.21
10 years p.a.	8.63	8.96	-0.33
Calendar year to date	14.48	10.23	4.25
Financial year to date	-1.99	-2.72	0.73
Since inception p.a.	6.76	8.98	-2.22

Please note for the period ended 30 September 2023, the fund performance returns are as at Thursday 28 September 2023. This is due to a public holiday in Victoria on Friday 29 September 2023 where the Fund did not issue a transaction price.

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:	30.74
Strategy AUM:	7,344.14

Fund analysis (as at 30 September 2023)

Region allocation

Country	Fund %	Benchmark %	Active weight %
Africa	0.00	0.33	-0.33
Asia Ex Japan	6.35	9.33	-2.98
Australia	0.00	1.78	-1.78
Europe - EMU	7.10	8.03	-0.93
Europe - Non-EMU	14.03	7.96	6.06
Japan	0.00	5.55	-5.55
Latin America	0.00	0.27	-0.27
North America	69.89	65.14	4.75
Other	0.00	0.94	-0.94
South America	0.00	0.67	-0.67
Cash [net of payables]	2.64	0.00	2.64

Sector allocation

Sector	Fund %	Benchmark %	Active weight %
Communication Services	4.91	7.56	-2.65
Consumer Discretionary	9.75	11.18	-1.43
Consumer Staples	9.08	7.10	1.98
Energy	2.75	5.22	-2.46
Financials	18.97	15.76	3.22
Health Care	7.95	11.87	-3.91
Industrials	17.78	10.37	7.41
Information Technology	24.01	21.56	2.44
Materials	2.14	4.50	-2.36
Real Estate	0.00	2.26	-2.26
Utilities	0.00	2.62	-2.62
Cash [net of payables]	2.64	0.00	2.64

Five largest overweight positions

Security	Fund %	Benchmark %	Active weight %
Samsung Electronics Co., Ltd.	3.37	0.40	2.97
Nestle S.A.	3.21	0.50	2.72
Progressive Corporation	2.66	0.13	2.53
3i Group plc	2.55	0.04	2.51
RELX PLC	2.49	0.00	2.49

Five largest underweight positions

Security	Fund %	Benchmark %	Active weight %
Apple Inc.	1.62	4.41	-2.79
Alphabet Inc. Class A	0.00	1.27	-1.27
Tesla, Inc.	0.00	1.17	-1.17
Meta Platforms Inc. Class A	0.00	1.09	-1.09
NVIDIA Corporation	0.87	1.76	-0.89

10 largest holdings

Security	Fund %	Benchmark %	Active weight %
Microsoft Corporation	4.85	3.65	1.20
Samsung Electronics Co., Ltd.	3.37	0.40	2.97
Nestle S.A.	3.21	0.50	2.72
UnitedHealth Group Incorporated	2.99	0.77	2.22
Amazon.com, Inc.	2.94	1.92	1.02
Progressive Corporation	2.66	0.13	2.53
Berkshire Hathaway Inc. Class B	2.66	0.74	1.92
3i Group plc	2.55	0.04	2.51
RELX PLC	2.49	0.00	2.49
Danaher Corporation	2.37	0.28	2.09

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	0.21	-0.21
$2B - $5B	0.00	1.81	-1.81
$5B-$10B	1.66	3.84	-2.18
$10B - $25B	1.32	10.84	-9.52
$25B - 50B	8.83	12.11	-3.28
$50B - 100B	17.33	16.79	0.54
> $100B	68.22	54.40	13.82
Cash [net of payables]	2.64	0.00	2.64

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.

Monthly commentary

Market review

September was a challenging month for financial markets with most assets finishing the month negatively, making this the worst month of 2023 thus far. Market sentiment was weighed down by several factors which included a growing consensus that central banks might keep rates 'higher for longer' and a rise in the price of oil. The Fed left interest rates unchanged at 5.50% in September but signalled more rate hikes before the end of 2023 and few cuts in 2024. US Headline inflation rose to 3.7% with the main cause attributed to rising oil prices. Global equities declined by -4.3% over the month (Source Bloomberg in USD).

Contributors to performance

The Global Opportunities Fund declined in value but outperformed the MSCI AC World index over the month. Information technology was a top contributor for the fund alongside industrials and financials whilst energy, communication services, and health care lagged for the fund.

The top performing stocks in the portfolio were Relx, Progressive, 3I Group, UnitedHealth, and Dollarama. Online marketplace Dollarama saw its share price rise in September after the company posted Q2 profits that surpassed expectations and it boosted its same-store sales forecast for the year. Union Pacific, Home Depot, Danaher, and Thermo Fisher were among the detractors in September.

Market outlook and portfolio strategy

Jamie Dimon (Chairman and CEO of JP Morgan) was interviewed at a conference last month. He made some thought-provoking comments on interest rates. He said that he thought treasury yields could go to 5.5% as treasury issuance picks up significantly from here. He also suggested that credit spreads could widen materially from their current levels.

We don't have a strong view on whether he will be proven right but we do think it's wise to be prepared for that risk, should it happen. The combination of rising rates and widening spreads could be hostile for any businesses with high leverage. The second-round effects on economic growth are also worth considering.

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.

Important Information