

### Fund performance analysis (periods to 30 June 2021)

#### Net performance

Periods	Fund %	Benchmark %	Value added %
1 month	1.92	0.00	1.92
3 months	0.50	0.01	0.49
6 months	-0.99	0.01	-1.00
1 year	-0.95	0.06	-1.01
2 years p.a.	-0.11	0.45	-0.56
3 years p.a.	0.00	0.96	-0.96
5 years p.a.	1.13	1.29	-0.16
Calendar year to date	-0.99	0.01	-1.00
Financial year to date	-0.95	0.06	-1.01
Since inception p.a.	1.39	1.50	-0.11

#### Fund benefits

##### Capital growth

Total return objective of cash +5% p.a. (before fees) over rolling three-year periods, or equity-like returns over the long term.

##### Capital stability

Aims to deliver returns with less than half the volatility of global equities over the same rolling three-year periods.

##### Complementary investments

Invests in ideas from a variety of asset types within a single, highly diversified portfolio.

##### Value for money

Very competitive flat fee with no performance based fee.

##### Access to money

Priced daily with daily liquidity.

##### Know what you own

Clarity and certainty about what the Fund invests in.

##### Trusted investment manager

Invesco is a truly independent global asset manager listed on the New York Stock Exchange.

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.

### Underlying Luxembourg Strategy performance analysis in EUR (periods to 30 June 2021)

In the table below we show the performance history (gross of fees) of the underlying Invesco Global Targeted Returns Strategy.

#### Gross performance

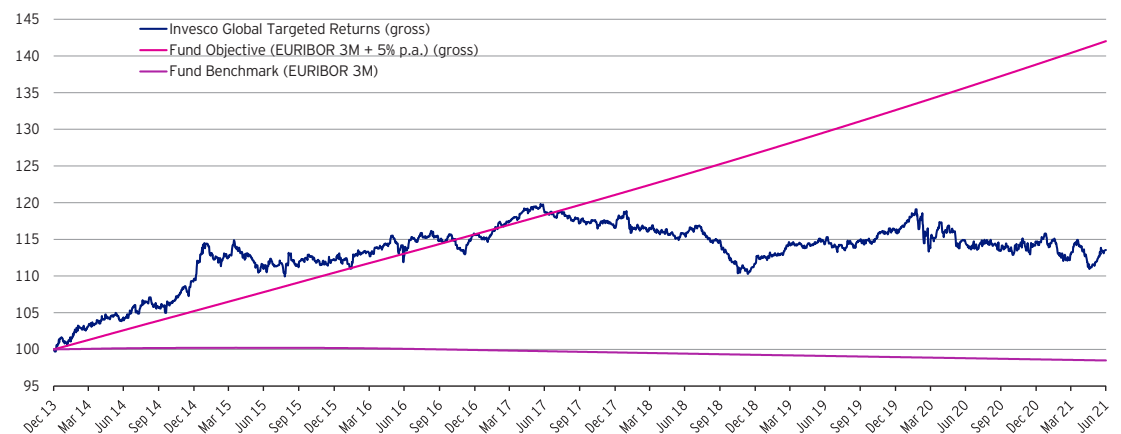
Periods	Strategy %	Benchmark %	Value added %
1 month	1.92	-0.04	1.96
3 months	0.51	-0.14	0.65
6 months	-1.01	-0.27	-0.74
1 year	-0.83	-0.52	-0.31
2 years p.a.	-0.36	-0.45	0.09
3 years p.a.	-0.66	-0.40	-0.26
5 years p.a.	0.12	-0.37	0.49
Calendar year to date	-1.01	-0.27	-0.74
Financial year to date	-0.83	-0.52	-0.31
Since inception p.a.	1.82	-0.24	2.06

Returns can go up and down. 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.

#### Fund ratings



#### Cumulative performance of the GTR Strategy since inception<sup>2</sup> in EUR



### Fund Managers



**David Millar**  
Head of Multi Asset and Fund Manager

**Gwylim Satchell**  
Fund Manager

**Sebastian Mackay**  
Fund Manager

**Richard Batty**  
Fund Manager

### Fund facts at a glance

#### Asset class

Liquid alternatives, multi asset.

#### Management style

A fundamental, unconstrained, high conviction approach focused on leveraging a diversified, value-adding set of investment ideas into a single risk-managed portfolio.

#### Objective<sup>3</sup>

To achieve a positive total return in all market conditions, targeting a gross return of cash +5% p.a. with less than half the volatility of global equities over rolling three-year periods.

#### Benchmark

Bloomberg AusBond Bank Bill Index<sup>4</sup> (Australian pooled Fund) Euribor 3M (underlying Luxembourg strategy)

#### Investment team location

Henley-on-Thames, UK

#### Investor time horizon

3-5 years

#### Distribution frequency

Annually - as at 30 June

#### Inception date

28/2/15

#### Minimum investment

A\$20,000

#### MER/ICR

0.95%

#### Buy/Sell Spread

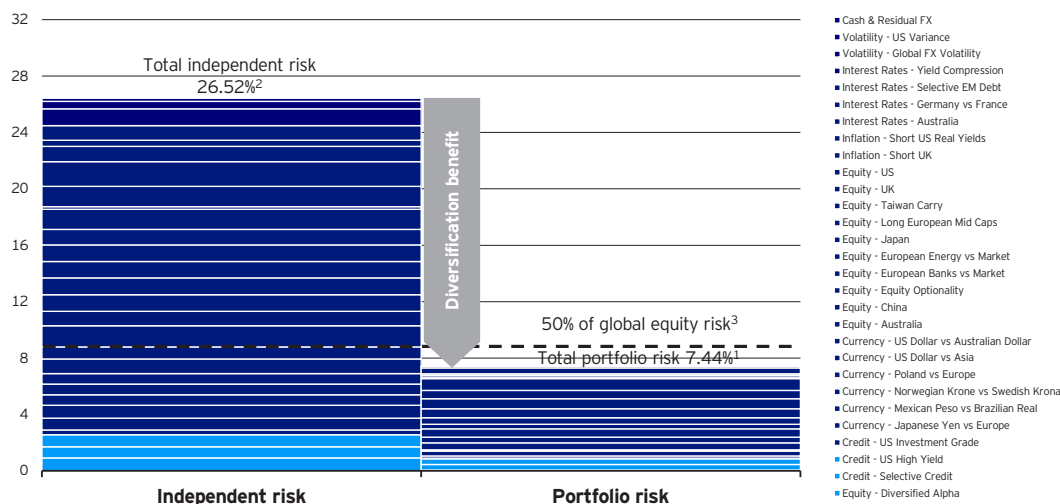
0.30%/0.30%

#### APIR code

GTU0109AU

## Fund analysis (as at 30 June 2021)

The diagram below illustrates how portfolio risk is reduced by combining a diversified array of individual investment ideas within a single, risk managed portfolio.

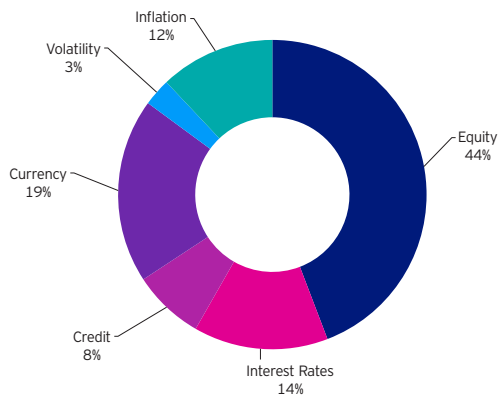


Source: Invesco as at 30 Jun 2021. For illustrative purposes only.

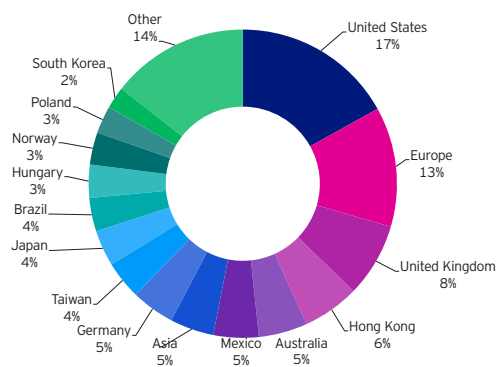
- Portfolio risk - the expected volatility of the fund as measured by the standard deviation of the current portfolio of ideas over the last three and a half years.
- Independent risk - the expected volatility of an individual idea as measured by its standard deviation over the last three and a half years.
- Global equity risk - the expected volatility of the MSCI World index as measured by its standard deviation over the last three and a half years, 17.50% as at 30 Jun 2021.

## Portfolio statistics (as at 30 June 2021)

### Contribution to total independent risk by asset (%)



### Contribution to total independent risk by country (%)



### Assets under management

In the table below, Australian sourced GTR AUM represents total investment by Australian clients into all GTR funds. The Strategy AUM includes the Global Targeted Returns/Income/Plus Fund and other similar GTR Funds.

	A\$M
Fund AUM:	804.61
Australian Sourced GTR AUM:	1,972.94
Strategy AUM:	13,587.69

## Monthly commentary

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### Market review

Global equity markets continued their upward march in June with the US leading the pack following comments from the Federal Reserve Bank (Fed) suggesting that higher inflation will be transitory. The announcement led to some reversal in performance between 'Value' and 'Growth' with areas like tech and health care outperforming traditional value sectors such as financials.

Europe was also a strong performer over the month, although returns varied significantly across regions. Germany and France performed well whilst Spain detracted significantly, meanwhile, Italy and UK were both broadly flat. Concerns about the rise in cases linked to the new Delta variant, and subsequent restrictions and delayed reopenings, have continued to impact investor sentiment. Elsewhere, emerging markets were generally weak with many markets registering negative returns over the month.

US treasuries sold off sharply following the Federal Open Market Committee's (FOMC's) announcement of a new plan which forecast two rate hikes of 25 basis points in 2023. Impact on 10-year treasuries was immediate with the yield rising 8.3 basis points on the day. Most of these gains were erased the following day as investors grew in confidence that the Fed would not let price pressures surge as high as some market participants were fearing. Thereafter, US bond markets rallied, drawing comfort from reassuring words from various Fed speakers, including Chair Powell, who noted that the FOMC will wait for actual evidence of actual inflation or other imbalances before moving interest rates higher.

In currency markets, the US dollar rallied against most other currencies and the Dollar Index rose by 2.9% over the month. Meanwhile, commodities had a mixed month overall. Oil prices rallied significantly, with Brent rising circa 8% over the month. At the other end, gold and copper fell by circa 7% and 8%, respectively.

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### Contributors to performance

June saw a strong hit rate of contributors versus detractors across the portfolio. Our 'Interest Rates - Yield Compression' idea performed well, driven by an aggressive flattening of the US Treasury yield curve where the front end of the curve moved higher. Moreover, with front end US rates moving higher this helped some of our long US dollar ideas with pairings against the Australian Dollar and Korean won attributing most within the 'US dollar vs Asia' idea. The Japanese yen appreciated against the euro which helped that idea, furthermore, our Asian equity exposures in Taiwan and China attributed to returns in the month.

At the other end, 'Equity - European Banks vs Market' was a notable detractor as the European Central Bank stepped away from any indication of monetary normalisation. 'Currency - US dollar vs Brazil', which changed to be 'Currency - Mexican Peso vs Brazil' in June, also detracted as rate hikes in Brazil attracted flows into the region. Our 'Interest Rates - Selective EM Debt' idea underperformed as some emerging markets embarked on rate hikes, seeing a broader sell-off across EM debt markets. This flowed through into our Mexican and South African debt holdings within the idea.

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### Summary of investment ideas

There was one new idea added to the strategy over the period; 'Currency - Mexican Peso vs Brazilian Real'. Here, we prefer the Mexican peso versus the Brazilian real where structural fundamentals are in Mexico's favour with an attractive valuation. The real is starting to suffer from any additional spending indications from Brazil's government. Meanwhile, ex-president Lula has been allowed to enter the 2022 presidential race which will likely cause volatility in Brazilian assets. This idea unusually offers flat carry and mitigates general 'Latam' (Latin America) and Emerging Market risk. Also, our 'Currency - US Dollar vs Brazilian Real' idea was removed.

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### Fund rating disclaimers

- <sup>1</sup> The Zenith Investment Partners (ABN 27 103 132 672, AFS Licence 226872) ("Zenith") rating (assigned GTU0109AU - February 2021) referred to in this document is limited to "General Advice" (s766B Corporations Act 2001) for Wholesale clients only. This advice has been prepared without taking into account the objectives, financial situation or needs of any individual and is subject to change at any time without prior notice. It is not a specific recommendation to purchase, sell or hold the relevant product(s). Investors should seek independent financial advice before making an investment decision and should consider the appropriateness of this advice in light of their own objectives, financial situation and needs. Investors should obtain a copy of, and consider the PDS or offer document before making any decision and refer to the full Zenith Product Assessment available on the Zenith website. Past performance is not an indication of future performance. Zenith usually charges the product issuer, fund manager or related party to conduct Product Assessments. Full details regarding Zenith's methodology, ratings definitions and regulatory compliance are available on our Product Assessments and at <http://www.zenithpartners.com.au/RegulatoryGuidelines>
- <sup>2</sup> The underlying, Luxembourg-based Global Targeted Returns Strategy composite commenced on 31 December 2013.
- <sup>3</sup> Invesco does not guarantee that the Fund will achieve its objective.
- <sup>4</sup> This is a target return Fund managed on a benchmark-unaware basis. The Bloomberg AusBond Bank Bill Index is used as a reference rate for performance purposes only.



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## Important Information

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