Invesco Wholesale Global Targeted Returns Fund - Class A
Monthly Report

31 May 2022

Fund Managers

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Fund performance analysis (periods to 31 May 2022)

Net performance

Periods	Fund %	Benchmark %	Value added %
1 month	-1.27	0.03	-1.30
3 months	-1.55	0.02	-1.57
6 months	-4.05	0.04	-4.09
1 year	-4.25	0.05	-4.30
2 years p.a.	-4.15	0.06	-4.21
3 years p.a.	-2.10	0.36	-2.46
5 years p.a.	-1.50	0.97	-2.47
Calendar year to date	-6.75	0.03	-6.78
Financial year to date	-6.06	0.05	-6.11
Since inception p.a.	0.35	1.31	-0.96

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 31 May 2022)

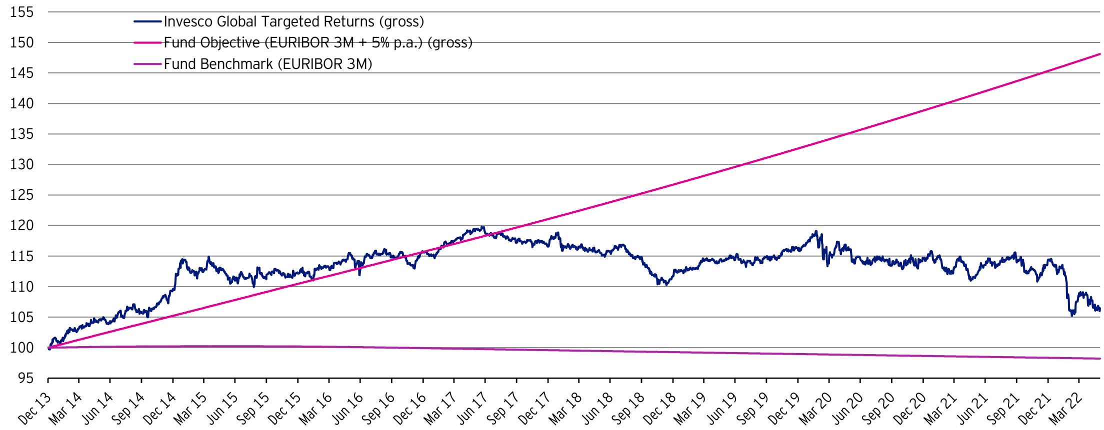
In the table below we show the performance history (gross of fees) of the underlying Invesco Global Targeted Returns Strategy.

Gross performance

Periods	Strategy %	Benchmark %	Value added %
1 month	-1.33	-0.03	-1.30
3 months	-1.81	-0.11	-1.70
6 months	-4.30	-0.25	-4.05
1 year	-4.46	-0.53	-3.93
2 years p.a.	-4.23	-0.52	-3.71
3 years p.a.	-2.37	-0.47	-1.90
5 years p.a.	-2.23	-0.41	-1.82
Calendar year to date	-7.00	-0.20	-6.80
Financial year to date	-6.27	-0.48	-5.79
Since inception p.a.	0.84	-0.27	1.11

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.

Cumulative performance of the GTR Strategy since inception[1] in EUR



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[2]
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[3] (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

Buy/Sell Spread
0.30%/0.30%

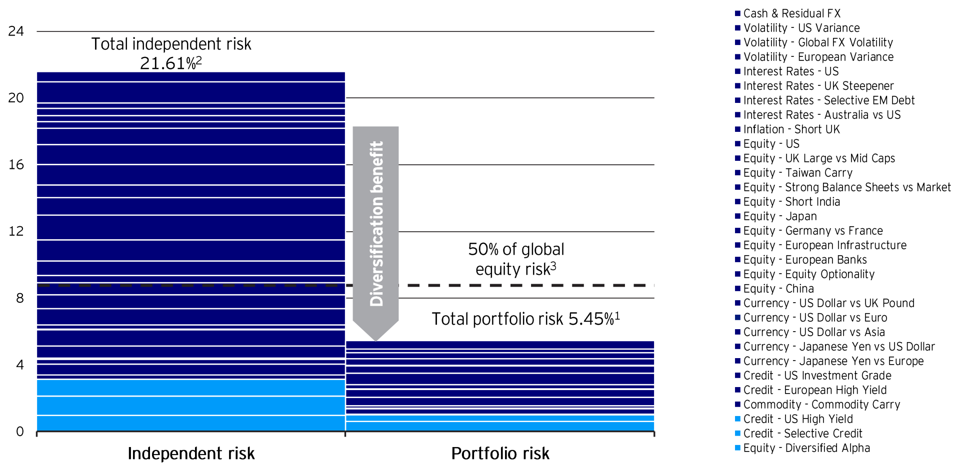
APIR code
GTU0109AU

MER (p.a.)
0.55%

Performance fee (p.a.)[4]
10% above hurdle[5]

Fund analysis (as at 31 May 2022)

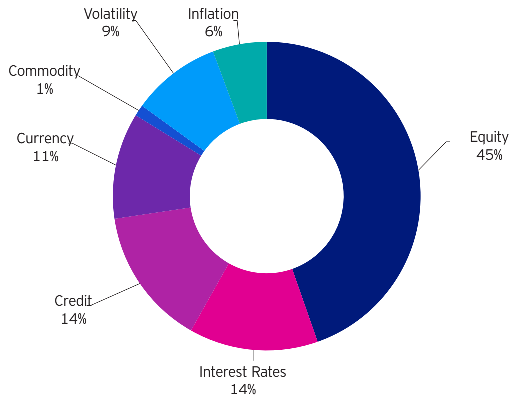
The diagram below illustrates how portfolio risk is reduced by combining a diversified array of individual investment ideas within a single, risk managed portfolio.



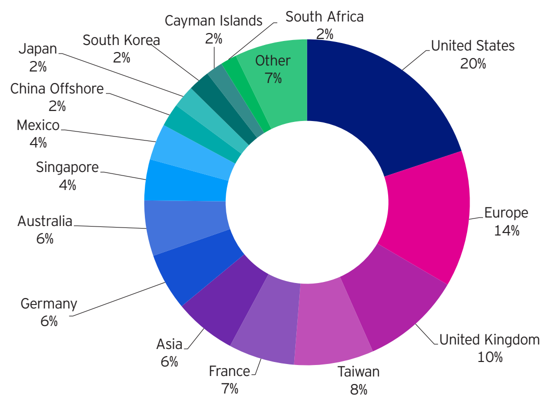
Source: Invesco as at 31 May 2022. For illustrative purposes only.
[1]Portfolio risk – the expected volatility of the fund as measured by the standard deviation of the current portfolio of ideas over the last three and a half years.
[2]Independent risk – the expected volatility of an individual idea as measured by its standard deviation over the last three and a half years.
[3]Global equity risk is the expected volatility of the MSCI World index as measured by its standard deviation over the last three and a half years, 17.89% as at 31 May 2022.

Portfolio statistics (as at 31 May 2022)

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:	268.51
Australian Sourced GTR AUM:	268.51
Strategy AUM:	6,172.21

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Monthly commentary

Market review

Global equities were broadly flat in May despite concerns over inflation, supply chain disruption and the risk of a recession continuing to linger in the background. From a regional perspective, Europe ex-UK and Emerging Markets underperformed the most, the US ended broadly flat, and China was a notable outperformer following the easing of COVID restrictions in Shanghai.

Bond markets continued to face headwinds as central banks came under renewed pressure to raise interest rates to counter rising inflation despite concerns such moves could hamper economic growth and even push major economies into recession. As widely expected, the US Federal Reserve (the Fed) raised US interest rates by 50 basis points - its largest increase in more than 20 years - bringing the Fed's key rate up to a range of 0.75% to 1.0%. Similarly, The Bank of England (BoE) also raised interest rates from 0.75% to 1.0% to tackle spiralling inflation concerns.

While the prospect of a possibly less aggressive hiking cycle from the Fed was supportive for treasuries, sovereign bonds in Europe lost ground with UK gilts and German bunds both returning negatively. Elsewhere, Brent oil prices moved 12.4% higher in May, as the EU proposed an import ban on Russian oil. The easing of lockdown measures in China also served as a boost. Meanwhile, the DXY weakened by 1.2% in May following the release of some weaker than anticipated macroeconomic data.

Contributors to performance

'Equity - UK Large vs Mid Caps' contributed positively over the month. A further weakening of the UK pound and a strong rally in commodity prices supported large cap equities whilst a continued worsening macro backdrop for the UK further dampened the earnings outlook for domestic oriented mid cap companies. Other equity ideas with a cyclical/value bias also did well such as our exposure to European banks and Japanese equities, as well as our relative value exposure going long German vs French equities. 'Interest Rates - Emerging Market Debt' also performed positively, recovering a portion of the losses registered in the previous month, aided by the prospect of less aggressive tightening from the Federal Reserve.

At the other end, 'Interest Rates - Yield Compression' detracted over the month on the back of a further sell-off in long-dated US bonds and a steepening of the yield curve. 'Inflation - Short UK' also delivered negative returns largely driven by the long European leg which gave back a portion of the positive contribution delivered in the last few months, as investors started to price in the possibility that we might be moving past peak inflation. 'Volatility - Global FX Volatility' also reversed a portion of the previous gains as expectations of further repricing of interest rate hikes abated. As risk assets recovered in the latter part of May, mid-caps in the US outperformed large-caps, resulting in the underperformance of our 'Equity - Strong Balance Sheet vs Market' idea. 'Equity - Taiwan Carry' also detracted. Whilst the equity component of the idea was broadly neutral, the strengthening of the Taiwanese Dollar vs the US dollar generated negative returns.

Summary of investment ideas

There were four new ideas added to the strategy during the month: 'Equity - Japan', 'Credit - European High Yield', 'Equity - Short India', 'Interest Rates - UK Steepener'.

Two ideas were removed: 'Equity - China', 'Currency - US Dollar vs Euro'.

And there was a change in implementation to three ideas:

'Inflation - Short UK', we removed the long exposure to European inflation.

'Interest Rates - Yield Compression' (changed name to 'Interest Rates - US'), we switched long European vs US long-term rates to long US long-term rates idea.

'Credit - Selective Credit', we removed the interest rates hedge embedded within the long credit idea.

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Important Information

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1 The underlying, Luxembourg-based Global Targeted Returns Strategy composite commenced on 31 December 2013.
2 Invesco does not guarantee that the Fund will achieve its objective.
3 The Fund is managed on a benchmark-unaware basis.
4 Please refer to the PDS for further information.
5 Performance Fee Hurdle is the Bloomberg Ausbond Bank Bill Index +1.5% p.a.