

Fund performance analysis (periods to 30 June 2022)

Net performance

Periods	Fund %	Benchmark %	Value added %
1 month	-1.18	0.05	-1.23
3 months	-3.34	0.07	-3.41
6 months	-7.85	0.08	-7.93
1 year	-7.17	0.10	-7.27
2 years p.a.	-4.11	0.08	-4.19
3 years p.a.	-2.52	0.33	-2.85
5 years p.a.	-1.70	0.95	-2.65
Calendar year to date	-7.85	0.08	-7.93
Financial year to date	-7.17	0.10	-7.27
Since inception p.a.	0.18	1.30	-1.12

Fund Managers

Richard Batty
Fund Manager

Gwylim Satchell
Fund Manager

Sebastian Mackay
Fund Manager

Georgina Taylor
Fund Manager

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 2022)

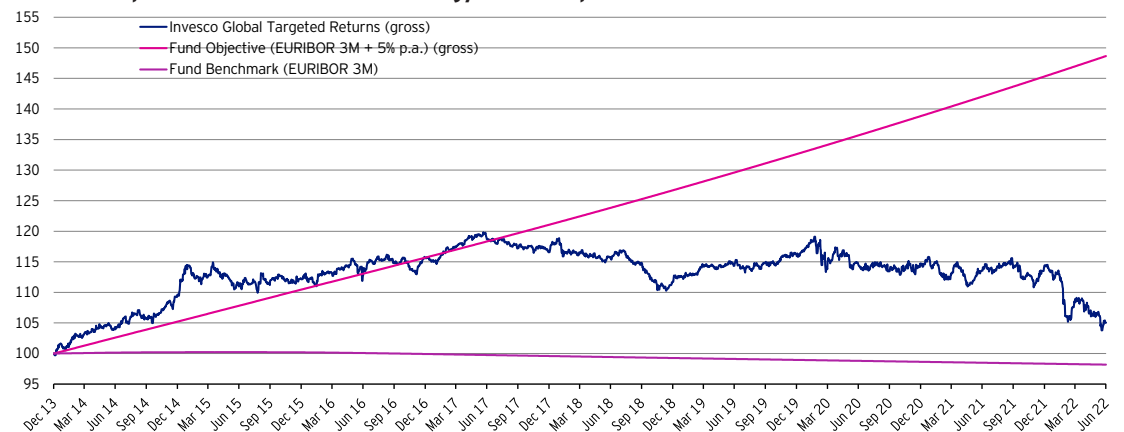
In the table below we show the performance history (gross of fees) of the underlying Invesco Global Targeted Returns Strategy.

Gross performance

Periods	Strategy %	Benchmark %	Value added %
1 month	-1.29	-0.02	-1.27
3 months	-3.55	-0.09	-3.46
6 months	-8.20	-0.22	-7.98
1 year	-7.48	-0.50	-6.98
2 years p.a.	-4.21	-0.51	-3.70
3 years p.a.	-2.79	-0.47	-2.32
5 years p.a.	-2.42	-0.41	-2.01
Calendar year to date	-8.20	-0.22	-7.98
Financial year to date	-7.48	-0.50	-6.98
Since inception p.a.	0.68	-0.27	0.95

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 inception¹ 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.

Objective²

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 Index³ (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.)

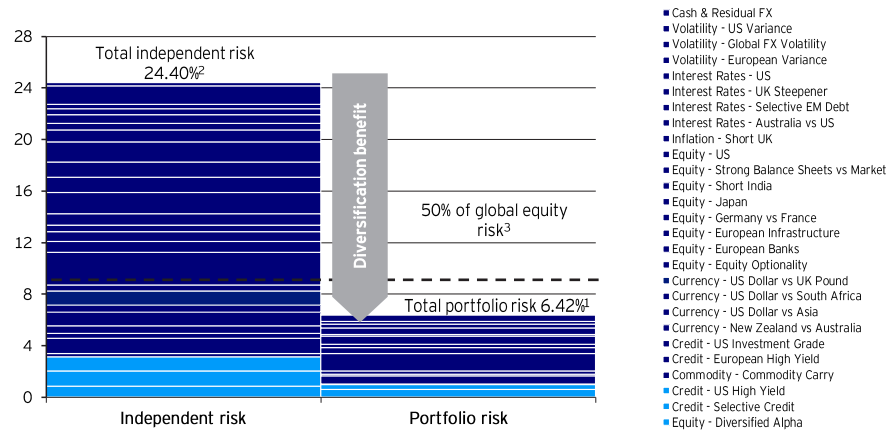
0.55%

Performance fee (p.a.)⁴

10% above hurdle⁵

Fund analysis (as at 30 June 2022)

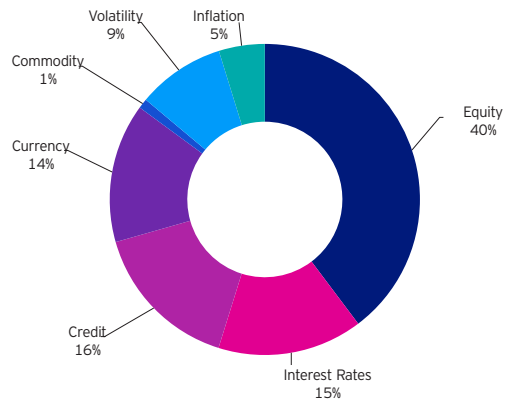
The diagram below illustrates how portfolio risk is reduced by combining a diversified array of individual investment ideas within a single, risk managed portfolio.



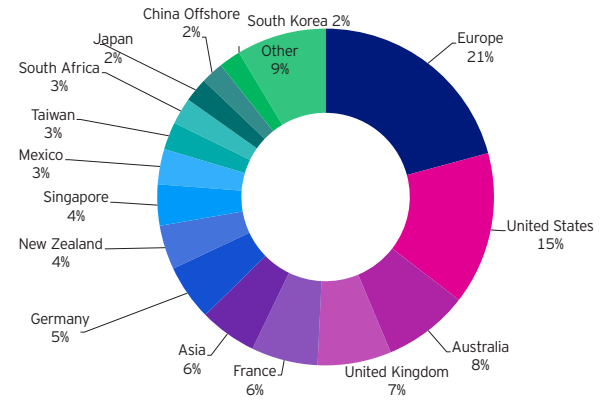
Source: Invesco as at 30 June 2022. For illustrative purposes only. ¹Portfolio risk - the expected volatility of the fund as measured by the standard deviation of the current portfolio of ideas over the last three and a half years. ²Independent risk - the expected volatility of an individual idea as measured by its standard deviation over the last three and a half years. ³Global 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, 18.39% as at 30 June 2022.

Portfolio statistics (as at 30 June 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:	250.38
Australian Sourced GTR AUM:	250.38
Strategy AUM:	5,935.28

Monthly commentary

Market review

Global equities sold off sharply in June as a further rise in inflation and the prospect of more aggressive central bank tightening dampened investor sentiment. Losses were led by developed markets with US and European equity markets falling the most. On the flip side, Chinese equities rose sharply following the easing of lockdown restrictions and government stimulus measures to boost the economy.

It was another challenging month for bond markets as the US Federal Reserve raised interest rates by 0.75% in its most aggressive hike since 1994. Furthermore, Federal Open Market Committee members indicated a much stronger path of rate increases ahead to arrest inflation. The outcome in European sovereign bond markets was not much brighter with UK gilts and German bunds detracting as well. Similarly, it was a negative month for corporate bond markets with investment grade and high yield losing ground in the UK, US and the eurozone.

Elsewhere, oil prices moved lower in June following discussions around increased production by OPEC+ members to make up for Russia's shortfall, which would ease supply concerns. In currency markets, the US dollar rallied against most currencies, buoyed by its 'safe haven' status, as well as the 0.75% interest rate hike.

Contributors to performance

Our 'Inflation - Short UK' idea registered a steady recovery following May's decline as investor's may be starting to price in the possibility of peak inflation. Given its defensive characteristics, 'Equity - Strong Balance Sheets vs Market' benefitted from the negative market environment as more resilient businesses with stronger balance sheets outperformed those constrained by weak cash flows, refinancing issues and debt servicing. 'Currency - US Dollar vs Asia' and 'Currency - US Dollar vs UK Pound' contributed the most. The increased divergence in monetary policy expectations across regions has increased the level of volatility within currencies, benefitting our 'Volatility - Global FX Volatility' idea.

At the other end, 'Credit - US High Yield' and 'Credit - Selective Credit' were amongst the main detractors over the period, being negatively impacted by a material widening in credit spreads and rising bond yields. Directional equity ideas also came under pressure in June with 'Equity - European Infrastructure', 'Equity - European Banks' and 'Equity - Diversified Alpha' leading the losses.

Summary of investment ideas

There were two new ideas added to the strategy during the month.

'Currency - New Zealand Dollar vs Australian Dollar'. The recent surge in commodity prices due to global factors, including COVID-related disruptions to supply chains and the war in Ukraine, has boosted the Australian economy, and with it, its currency. This cyclical boost helps explain why AUDNZD has moved to the top of the historical trading band since the start of the year.

'Currency - US Dollar vs South African Rand'. In an environment of tight financial conditions, the US Dollar has a premium status. Countries such as South Africa, which rely on capital inflows and have dollar debts to service, are vulnerable during these times.

Two ideas were removed: 'Equity - Taiwan Carry' and 'Equity - UK Large vs Mid Caps'



Contact

Tel: **1800 813 500**
Email: **clientservices.au@invesco.com**
Website: **www.invesco.com/au**

Important Information

This document has been prepared by Invesco Australia Ltd (Invesco) ABN 48 001 693 232, Australian Financial Services Licence number 239916, who can be contacted on freecall 1800 813 500, by email to clientservices.au@invesco.com, or by writing to GPO Box 231, Melbourne, Victoria, 3001. You can also visit our website at www.invesco.com/au

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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.