Invesco Wholesale Global Opportunities Fund - Hedged - Class R

Monthly Report

30 April 2021

Performance analysis (periods to 30 April 2021)

Net performance

Periods	Fund %	Benchmark %	Value added %
1 month	4.85	3.67	1.18
3 months	14.22	9.88	4.34
6 months	33.41	26.27	7.14
1 year	47.57	40.33	7.24
2 years p.a.	11.95	14.61	-2.66
3 years p.a.	6.50	12.10	-5.60
5 years p.a.	11.77	13.49	-1.72
Calendar year to date	13.45	9.67	3.78
Financial year to date	39.56	31.05	8.51
Since inception p.a.	10.99	12.54	-1.55

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.

Fund Managers

Andrew Hall
Fund Manager (Lead),
Global Opportunities team

Stephen Anness
Fund Manager,
Global Opportunities team

Fund analysis (as at 30 April 2021)

Assets under management

	A$m
Fund AUM:	38.85
Strategy AUM:	2,587.68

Region allocation

Country	Fund %	Benchmark %	Active weight %
Africa	0.00	0.48	-0.48
Asia Ex Japan	8.73	11.44	-2.72
Australia	0.00	1.86	-1.86
Europe - EMU	5.68	8.69	-3.01
Europe - Non-EMU	12.15	8.42	3.73
Japan	1.53	6.18	-4.64
Latin America	0.00	0.24	-0.24
North America	70.61	61.25	9.36
South America	0.80	0.70	0.11
[Other]	0.00	0.75	-0.75
Cash [net of payables]	0.50	0.00	0.50

Fund facts at a glance

Asset class
Global equities

Management style
Fundamental, bottom-up approach driven by valuation.

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

Benchmark
Benchmark history is as follows:
- From inception to 4/5/16 = MSCI World Index (net dividends reinvested) - hedged in A$
- 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

Fund inception date
31/3/2013

Minimum investment
$2,000

MER/ICR
0.95%

Buy/Sell Spread
0.25%/0.25%

APIR code
GTU0098AU

[1] Invesco does not guarantee that the Fund will achieve its objective.

Sector allocation

Sector	Fund %	Benchmark %	Active weight %
Communication Services	14.18	9.56	4.62
Consumer Discretionary	15.75	12.80	2.94
Consumer Staples	9.81	6.86	2.96
Energy	2.34	3.25	-0.91
Financials	23.05	14.33	8.72
Health Care	5.78	11.32	-5.54
Industrials	13.24	9.92	3.31
Information Technology	13.98	21.42	-7.44
Materials	0.00	5.08	-5.08
Real Estate	1.38	2.64	-1.26
Utilities	0.00	2.82	-2.82
Cash [net of payables]	0.50	0.00	0.50

Five largest overweight positions

Security	Fund %	Benchmark %	Active weight %
JPMorgan Chase and Co.	4.81	0.73	4.08
Taiwan Semiconductor Manufacturing Co., Ltd.	3.98	0.00	3.98
Alphabet Inc. Class C	5.08	1.11	3.97
Progressive Corporation	3.86	0.09	3.76
American Express Company	3.46	0.16	3.29

Five largest underweight positions

Security	Fund %	Benchmark %	Active weight %
Apple Inc.	0.00	3.47	-3.47
Alphabet Inc. Class A	0.00	1.10	-1.10
Tesla Inc	0.00	0.83	-0.83
Taiwan Semiconductor Manufacturing Co., Ltd.	0.00	0.82	-0.82
Amazon.com, Inc.	1.49	2.29	-0.81

10 largest holdings

Security	Fund %	Benchmark %	Active weight %
Microsoft Corporation	5.17	2.81	2.36
Alphabet Inc. Class C	5.08	1.11	3.97
JPMorgan Chase and Co.	4.81	0.73	4.08
Taiwan Semiconductor Manufacturing Co., Ltd.	3.98	0.00	3.98
Progressive Corporation	3.86	0.09	3.76
Tencent Holdings Ltd.	3.46	0.72	2.75
American Express Company	3.46	0.16	3.29
Texas Instruments Incorporated	3.33	0.26	3.08
Facebook, Inc. Class A	2.89	1.21	1.68
Nestle S.A.	2.81	0.53	2.28

Market capitalisation allocation

Ranges	Fund %	Benchmark %	Active weight %
$250M - $500M	0.00	0.00	0.00
$500M - $1B	0.00	0.02	-0.02
$1B - $2B	0.00	0.29	-0.29
$2B - $5B	3.40	2.31	1.09
$5B-$10B	0.00	4.31	-4.31
$10B - $25B	8.49	12.86	-4.37
$25B - 50B	7.67	14.43	-6.76
$50B - 100B	16.75	17.15	-0.40
> $100B	63.18	48.62	14.56
Cash [net of payables]	0.50	0.00	0.50

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.

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Monthly commentary

Market review

European and US markets were up in April, as optimism surrounding reopenings and lockdown endings boosted market sentiment. PMI data suggested that the manufacturing and services sectors are strengthening on the back of President Biden's USD $1.9tn fiscal stimulus. Asia recovered their losses of previous months, headlined by China's 18.3% GDP growth in the first quarter.

Contributors to performance

The fund continued its positive run of recent months, outperforming the MSCI AC World benchmark index and placing it within the top quartile of its peers.

Holdings in the industrials sector were the key contributors to the fund's relative performance, thanks largely to a sharp hike in Equifax's share price after better-than-expected first quarter earnings and a boost in their 2021 outlook for revenue and earnings-per-share.

Alphabet topped the information technology sector after rallying and outperforming price targets following an improved view of the online advertising space. However, the sector nonetheless detracted from performance due to the fund's holding of Texas Instruments. Despite first quarter earnings beating expectations, investors deemed its revenue forecast as weak given the strong demand and limited supply for semiconductors.

Sony and Total were also particularly weak in April, with Sony's share price notably dropping after missing analyst expectations for their quarterly earnings and 2021 forecast.

Market outlook and portfolio strategy

Our focus is on 'bottom-up' industry and company level research because this is where we see our greatest source of competitive advantage. However, we believe it unrealistic to think the macroeconomic landscape can be ignored when it comes to portfolio construction and risk management. We believe the current set-up is quite extreme, so we have devoted a good amount of time to trying to understand the range of possible outcomes and what it means for portfolio outcomes.

Our research has been focussed on delineating those businesses which we deem to be temporarily impacted versus those that could be permanently impaired by changing habits. Idiosyncratic risk continues to account for over half of tracking error, a result of our continuing efforts to make sure that our stock picking is the dominant determinant of our returns. Our tolerance for balance sheet leverage remains low with most of the top 20 holdings boasting net cash balance sheets.

We continue to assess our ideas on an individual basis and look at companies relative to their intrinsic worth. We believe that several key indicators which have historically served us well suggest that now is a good time to reduce our exposure to the cheapest parts of the market which have re-rated.

Providing there is no near-term exogenous event, it is highly likely that the next few months will see some of the most incredible looking year-on-year data, both from companies and economies; perhaps the best we will ever see. However, to some extent the market is already there; expectations are rightly high for GDP growth and profit growth. As this earnings growth is delivered, we would expect some degree of de-rating in the market.

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Important Information

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