

# Invesco Wholesale Global Opportunities Fund – Hedged – Class A

## Monthly Factsheet

30 June 2023

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| <b>Fund Managers - Global Opportunities team</b>  |
| <b>Andrew Hall</b><br>Fund Manager (Lead)   |
| <b>Fund facts at a glance</b>   |
| <b>Asset class</b><br>Global equities   |
| <b>Objective<sup>1</sup></b><br>To provide long-term capital growth through a portfolio of global equities  |
| <b>Management style</b><br>Fundamental, bottom-up approach driven by valuation  |
| <b>Benchmark<sup>2</sup></b> <ul style="list-style-type: none"> <li>• From inception to 30/09/02 = MSCI World Index (net dividends reinvested) - unhedged in \$A</li> <li>• From 01/10/02 = MSCI World ex Australia Index (net dividends reinvested) - hedged in A\$</li> <li>• From 1/4/03 = MSCI World Index (net dividends reinvested) - hedged in A\$</li> <li>• Current from 5/5/16 = MSCI All Country World Net TR Index - hedged in A\$</li> </ul> |
| <b>Risk profile</b><br>Very high  |
| <b>Time horizon</b><br>7 years  |
| <b>Distribution frequency</b><br>Half-yearly  |
| <b>Inception date</b><br>31/8/94  |
| <b>MER/ICR</b><br>0.95%   |
| <b>Buy/Sell Spread</b><br>0.20%/0.20%   |
| <b>APIR code</b><br>GTU0008AU   |

### Performance analysis (periods to 30 June 2023)

| Net performance        |        |             |               |
|------------------------|--------|-------------|---------------|
| Periods                | Fund % | Benchmark % | Value added % |
| 1 month                | 4.59   | 5.27        | -0.68         |
| 3 months               | 6.04   | 6.29        | -0.25         |
| 6 months               | 16.80  | 13.31       | 3.49          |
| 1 year                 | 20.04  | 14.64       | 5.40          |
| 2 years p.a.           | 2.11   | -0.50       | 2.61          |
| 3 years p.a.           | 14.32  | 10.24       | 4.08          |
| 5 years p.a.           | 5.20   | 7.37        | -2.17         |
| 7 years p.a.           | 9.44   | 9.68        | -0.24         |
| 10 years p.a.          | 9.48   | 10.00       | -0.52         |
| Calendar year to date  | 16.80  | 13.31       | 3.49          |
| Financial year to date | 20.04  | 14.64       | 5.40          |
| Since inception p.a.   | 6.89   | 9.16        | -2.27         |

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:               | 32.85    |
| Strategy AUM:           | 2,692.24 |

**Fund analysis (as at 30 June 2023)**

| <b>Region allocation</b> |               |                    |                        |
|--------------------------|---------------|--------------------|------------------------|
| <b>Country</b>           | <b>Fund %</b> | <b>Benchmark %</b> | <b>Active weight %</b> |
| Africa                   | 0.00          | 0.35               | -0.35                  |
| Asia Ex Japan            | 6.33          | 9.21               | -2.88                  |
| Australia                | 0.00          | 1.80               | -1.80                  |
| Europe - EMU             | 5.25          | 8.39               | -3.14                  |
| Europe - Non-EMU         | 13.62         | 7.91               | 5.71                   |
| Japan                    | 0.00          | 5.49               | -5.49                  |
| Latin America            | 0.00          | 0.30               | -0.30                  |
| North America            | 72.44         | 64.95              | 7.49                   |
| Other                    | 0.00          | 0.92               | -0.92                  |
| South America            | 0.00          | 0.68               | -0.68                  |
| Cash [net of payables]   | 2.36          | 0.00               | 2.36                   |

| <b>Sector allocation</b> |               |                    |                        |
|--------------------------|---------------|--------------------|------------------------|
| <b>Sector</b>            | <b>Fund %</b> | <b>Benchmark %</b> | <b>Active weight %</b> |
| Communication Services   | 4.21          | 7.29               | -3.08                  |
| Consumer Discretionary   | 9.47          | 11.34              | -1.87                  |
| Consumer Staples         | 8.86          | 7.27               | 1.59                   |
| Energy                   | 2.97          | 4.60               | -1.63                  |
| Financials               | 20.93         | 15.39              | 5.54                   |
| Health Care              | 8.48          | 11.84              | -3.36                  |
| Industrials              | 18.21         | 10.51              | 7.70                   |
| Information Technology   | 22.44         | 22.12              | 0.32                   |
| Materials                | 2.09          | 4.55               | -2.46                  |
| Real Estate              | 0.00          | 2.33               | -2.33                  |
| Utilities                | 0.00          | 2.77               | -2.77                  |
| Cash [net of payables]   | 2.36          | 0.00               | 2.36                   |

| <b>Five largest overweight positions</b> |               |                    |                        |
|--|---------------|--------------------|------------------------|
| <b>Security</b>                          | <b>Fund %</b> | <b>Benchmark %</b> | <b>Active weight %</b> |
| RELX PLC                                 | 3.11          | 0.00               | 3.11                   |
| Samsung Electronics Co., Ltd.            | 3.45          | 0.41               | 3.03                   |
| Danaher Corporation                      | 3.10          | 0.26               | 2.84                   |
| Nestle S.A.                              | 3.22          | 0.52               | 2.70                   |
| Berkshire Hathaway Inc. Class B          | 3.31          | 0.70               | 2.62                   |

| <b>Five largest underweight positions</b> |               |                    |                        |
|---|---------------|--------------------|------------------------|
| <b>Security</b>                           | <b>Fund %</b> | <b>Benchmark %</b> | <b>Active weight %</b> |
| Apple Inc.                                | 1.73          | 4.84               | -3.10                  |
| Tesla, Inc.                               | 0.00          | 1.18               | -1.18                  |
| Alphabet Inc. Class A                     | 0.00          | 1.12               | -1.12                  |
| Meta Platforms Inc. Class A               | 0.00          | 1.00               | -1.00                  |
| NVIDIA Corporation                        | 0.80          | 1.65               | -0.85                  |

| <b>10 largest holdings</b>      |               |                    |                        |
|---------------------------------|---------------|--------------------|------------------------|
| <b>Security</b>                 | <b>Fund %</b> | <b>Benchmark %</b> | <b>Active weight %</b> |
| Microsoft Corporation           | 4.76          | 3.79               | 0.97                   |
| Samsung Electronics Co., Ltd.   | 3.45          | 0.41               | 3.03                   |
| Berkshire Hathaway Inc. Class B | 3.31          | 0.70               | 2.62                   |
| Nestle S.A.                     | 3.22          | 0.52               | 2.70                   |
| RELX PLC                        | 3.11          | 0.00               | 3.11                   |
| Danaher Corporation             | 3.10          | 0.26               | 2.84                   |
| Amazon.com, Inc.                | 2.69          | 1.90               | 0.79                   |
| UnitedHealth Group Incorporated | 2.69          | 0.71               | 1.98                   |
| Texas Instruments Incorporated  | 2.67          | 0.26               | 2.41                   |
| Progressive Corporation         | 2.56          | 0.12               | 2.44                   |

| <b>Market capitalisation allocation</b> |               |                    |                        |
|---|---------------|--------------------|------------------------|
| <b>Ranges</b>                           | <b>Fund %</b> | <b>Benchmark %</b> | <b>Active weight %</b> |
| \$100M - \$250M                         | 0.00          | 0.00               | 0.00                   |
| \$500M - \$1B                           | 0.00          | 0.00               | 0.00                   |
| \$1B - \$2B                             | 0.40          | 0.22               | 0.18                   |
| \$2B - \$5B                             | 0.00          | 1.81               | -1.81                  |
| \$5B - \$10B                            | 1.38          | 3.75               | -2.37                  |
| \$10B - \$25B                           | 1.25          | 10.89              | -9.64                  |
| \$25B - 50B                             | 8.50          | 11.89              | -3.39                  |
| \$50B - 100B                            | 18.46         | 16.99              | 1.47                   |
| > \$100B                                | 67.66         | 54.45              | 13.21                  |
| Cash [net of payables]                  | 2.36          | 0.00               | 2.36                   |

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.

### Market review

Global equities recovered in June following a weak market in May when the conversation was centred on the US debt ceiling. The US was a top performer in June, and this was largely due to the double-digit returns posted in the consumer discretionary and materials sectors. With leading indicators pointing to a weakening business outlook, Europe underperformed, and this was further amplified by the region's relative reliance on China where a slower than expected economic recovery has weighed on Investors' confidence. Japan and Hong Kong were also notable laggards versus the broader market rally.

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### Contributors to performance

The Global Opportunities in Australia fund rose in value but underperformed the MSCI AC World index over the month.

The top performing stocks in the portfolio were Old Dominion Freight Line, Netease, Amphenol and American Express. Old Dominion Freight Line rose in June alongside other transportation names as the Dow Jones Transportation Average rose by double digits in June on the back of optimism about the US economy.

The biggest detractors for the portfolio in June were Kotak Mahindra Bank, Nestle and Samsung Electronics. Kotak Mahindra Bank dropped the most in 12 months as traders took profits following the increase in its weighting in the MSCI indices. Kotak Mahindra Bank had performed well throughout April and May amid anticipation of this increase.

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### Market outlook and portfolio strategy

Our best assessment is that the global economy will continue to slow over the summer as the sharp rise in interest rates around the world increasingly impact businesses and the consumer, especially as excess savings built up during covid lockdowns have now been largely spent. We could see quite a contraction in economic activity and sentiment by the early autumn, which may well impact share prices. The upside would be a further reduction in inflation and hopefully by year end or early 2024 some modest decline in interest rates, which may well provide investors with renewed optimism. Our sense at present is that the US may be first to see falling interest rates, the UK last, Europe in between.

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**

- <sup>1</sup> Invesco does not guarantee that the Fund will achieve its objective.
  - <sup>2</sup> The Fund is not managed against a benchmark, however the MSCI All Country World Net TR Index is used as a reference benchmark.
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