

Invesco Wholesale Global Opportunities Fund – Hedged – Class A

Monthly Factsheet

31 July 2023

Fund Managers - Global Opportunities team
Andrew Hall Fund Manager (Lead)
Fund facts at a glance
Asset class Global equities
Objective¹ To provide long-term capital growth through a portfolio of global equities
Management style Fundamental, bottom-up approach driven by valuation
Benchmark² <ul style="list-style-type: none"> • From inception to 30/09/02 = MSCI World Index (net dividends reinvested) - unhedged in \$A • From 01/10/02 = MSCI World ex Australia Index (net dividends reinvested) - hedged in A\$ • From 1/4/03 = MSCI World Index (net dividends reinvested) - hedged in A\$ • Current 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
Inception date 31/8/94
MER/ICR 0.95%
Buy/Sell Spread 0.20%/0.20%
APIR code GTU0008AU

Performance analysis (periods to 31 July 2023)

Net performance			
Periods	Fund %	Benchmark %	Value added %
1 month	2.25	3.09	-0.84
3 months	7.27	8.12	-0.85
6 months	10.73	9.96	0.77
1 year	11.74	10.48	1.26
2 years p.a.	2.73	0.67	2.06
3 years p.a.	13.56	10.00	3.56
5 years p.a.	5.25	7.38	-2.13
7 years p.a.	9.23	9.52	-0.29
10 years p.a.	9.09	9.80	-0.71
Calendar year to date	19.43	16.81	2.62
Financial year to date	2.25	3.09	-0.84
Since inception p.a.	6.96	9.25	-2.29

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:	32.32
Strategy AUM:	2,718.91

Fund analysis (as at 31 July 2023)

Region allocation			
Country	Fund %	Benchmark %	Active weight %
Africa	0.00	0.38	-0.38
Asia Ex Japan	6.31	9.39	-3.08
Australia	0.00	1.81	-1.81
Europe - EMU	6.06	8.35	-2.29
Europe - Non-EMU	14.56	7.88	6.68
Japan	0.00	5.46	-5.46
Latin America	0.00	0.30	-0.30
North America	70.72	64.83	5.89
Other	0.00	0.92	-0.92
South America	0.00	0.69	-0.69
Cash [net of payables]	2.35	0.00	2.35

Sector allocation			
Sector	Fund %	Benchmark %	Active weight %
Communication Services	4.59	7.48	-2.89
Consumer Discretionary	9.70	11.39	-1.69
Consumer Staples	9.24	7.16	2.09
Energy	3.26	4.73	-1.47
Financials	20.80	15.61	5.19
Health Care	7.82	11.58	-3.76
Industrials	18.02	10.49	7.53
Information Technology	21.87	21.90	-0.03
Materials	2.34	4.61	-2.28
Real Estate	0.00	2.33	-2.33
Utilities	0.00	2.72	-2.72
Cash [net of payables]	2.35	0.00	2.35

Five largest overweight positions			
Security	Fund %	Benchmark %	Active weight %
RELX PLC	3.10	0.00	3.10
Samsung Electronics Co., Ltd.	3.40	0.40	3.00
Nestle S.A.	3.26	0.52	2.75
Berkshire Hathaway Inc. Class B	3.38	0.70	2.69
3i Group plc	2.60	0.04	2.56

Five largest underweight positions			
Security	Fund %	Benchmark %	Active weight %
Apple Inc.	1.73	4.73	-3.00
Alphabet Inc. Class A	0.00	1.20	-1.20
Tesla, Inc.	0.00	1.16	-1.16
Meta Platforms Inc. Class A	0.00	1.07	-1.07
NVIDIA Corporation	0.87	1.76	-0.89

10 largest holdings			
Security	Fund %	Benchmark %	Active weight %
Microsoft Corporation	4.64	3.61	1.02
Samsung Electronics Co., Ltd.	3.40	0.40	3.00
Berkshire Hathaway Inc. Class B	3.38	0.70	2.69
Nestle S.A.	3.26	0.52	2.75
RELX PLC	3.10	0.00	3.10
UnitedHealth Group Incorporated	2.80	0.72	2.08
Amazon.com, Inc.	2.72	1.88	0.84
3i Group plc	2.60	0.04	2.56
Progressive Corporation	2.51	0.11	2.39
Home Depot, Inc.	2.47	0.51	1.96

Market capitalisation allocation			
Ranges	Fund %	Benchmark %	Active weight %
\$500M - \$1B	0.00	0.00	0.00
\$1B - \$2B	0.20	0.19	0.01
\$2B - \$5B	0.00	1.77	-1.77
\$5B - \$10B	1.73	3.68	-1.95
\$10B - \$25B	2.04	10.85	-8.81
\$25B - 50B	9.25	11.91	-2.66
\$50B - 100B	16.34	16.85	-0.51
> \$100B	68.09	54.75	13.34
Cash [net of payables]	2.35	0.00	2.35

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

July was a quieter month, but market sentiment remained positive with inflation falling in developed markets and resilient GDP data. US headline inflation fell below expectations to 3% which was a market mover. Renewed hopes of a soft landing were supported by a broad rally among most asset classes and regions. Global equities performed well with emerging markets and small caps leading the way. Chinese markets rose on hopes of further economic stimuli and some policy easing measures, which, coupled with expectation out of developed markets, helped Asia markets to rise. Despite a strong year to date performance, Japanese equities underperformed other developed market peers. Commodities rose with oil prices rising after Saudi Arabia and Russia announced production cuts.

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 EOG Resources, Union Pacific and Old Dominion Freight Line. Union Pacific shares rose in July as Analysts reacted positively to the new CEO who is expected to drive additional operating expertise and focus from the top down.

The biggest detractors for the portfolio in July were Samsung Electronics, Ryanair and Progressive Corp. Ryanair shares dropped in July after the airline company provided a cautious outlook in line with the impact of higher mortgage bills and price inflation on consumers.

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

- ¹ Invesco does not guarantee that the Fund will achieve its objective.
 - ² 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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Important Information

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