Invesco Wholesale Global Opportunities Funds
Monthly Report

31 January 2021

Fund performance analysis - hedged - Class A (periods to 31 January 2021)

Net performance

Periods	Fund %	Benchmark %	Value added %
1 month	-0.68	-0.20	-0.48
3 months	16.81	14.91	1.90
6 months	17.13	14.93	2.20
1 year	5.88	11.55	-5.67
2 years p.a.	8.34	13.96	-5.62
3 years p.a.	1.45	7.15	-5.70
5 years p.a.	9.44		
10 years p.a.	9.84		
Calendar year to date	-0.68	-0.20	-0.48
Financial year to date	22.19	19.26	2.93
Since inception p.a.	6.73		

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.

Benchmark history - hedged:
- 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$m

Fund Managers

Andrew Hall
Fund Manager (Lead),
Global Opportunities team

Stephen Anness
Fund Manager,
Global Opportunities team

Fund performance analysis - unhedged Fund (periods to 31 January 2021)

Net performance

Periods	Fund %	Benchmark %	Value added %
1 month	-0.18	0.12	-0.30
3 months	8.57	7.09	1.48
6 months	11.10	9.59	1.51
1 year	-2.74	2.10	-4.84
2 years p.a.	8.46	13.60	-5.14
3 years p.a.	3.34	9.86	-6.52
5 years p.a.	8.12		
10 years p.a.	10.64		
Calendar year to date	-0.18	0.12	-0.30
Financial year to date	12.76	10.77	1.99
Since inception p.a.	4.26		

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.

Benchmark history - unhedged:
- From inception to 30/09/02 = MSCI World Index (gross dividends reinvested) - unhedged in $A
- From 01/10/02 = MSCI World Index (net dividends reinvested) - unhedged in A$
- Current from 5/5/16 = MSCI All Country World Net TR Index - unhedged in A$

Note: The Funds strategy changed from a quantitative global equity strategy to a fundamental, high conviction global equity strategy, effective from 5th May 2016. Shaded areas in the tables above show the returns prior to the change in strategy.

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
Hedged - Class A
MSCI All Country World Net TR Index - hedged in A$

Unhedged
MSCI All Country World Net TR Index - unhedged in A$

Risk profile
Very high

Time horizon
7 years

Distribution frequency
Half-yearly

Fund inception date
Hedged - Class A: 31/8/94
Unhedged: 31/8/99

Strategy inception date
31/12/12

Minimum investment
$20,000

MER/ICR
0.95% (both Funds)

Buy/Sell Spread
0.25%/0. 25%

APIR code
Hedged - Class A: GTU0008AU
Unhedged: GTU0102AU

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

Fund analysis (as at 31 January 2021)

Assets under management

	A$m
Hedged Fund AUM:	35.58
Unhedged Fund AUM:	87.64
Strategy AUM:	2,430.87

Region allocation

Country	Fund %	Benchmark %	Active weight %
Africa	0.00	0.49	-0.49
Asia Ex Japan	8.62	12.29	-3.67
Australia	0.00	1.90	-1.90
Europe - EMU	7.86	8.54	-0.68
Europe - Non-EMU	14.72	8.56	6.17
Japan	1.60	6.74	-5.14
Latin America	0.00	0.24	-0.24
North America	65.48	59.76	5.72
South America	0.90	0.75	0.15
[Other]	0.00	0.74	-0.74
Cash (net of payables)	0.82	0.00	0.82

Sector allocation

Sector	Fund %	Benchmark %	Active weight %
Communication Services	11.68	9.34	2.34
Consumer Discretionary	15.73	13.17	2.56
Consumer Staples	8.90	7.14	1.76
Energy	2.46	3.09	-0.63
Financials	22.72	13.30	9.42
Health Care	7.28	12.06	-4.78
Industrials	14.23	9.48	4.75
Information Technology	14.69	22.00	-7.31
Materials	0.00	4.90	-4.90
Real Estate	1.49	2.56	-1.07
Utilities	0.00	2.96	-2.96
Cash (net of payables)	0.82	0.00	0.82

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Five largest overweight positions

Security	Fund %	Benchmark %	Active weight %
Taiwan Semiconductor Manufacturing Co., Ltd.	5.08	0.00	5.08
JPMorgan Chase and Co.	4.39	0.67	3.72
Texas Instruments Incorporated	3.71	0.26	3.46
Roche Holding Ltd	3.83	0.41	3.41
Progressive Corporation	3.44	0.09	3.36

Five largest underweight positions

Security	Fund %	Benchmark %	Active weight %
Apple Inc.	0.00	3.83	-3.83
Amazon.com, Inc.	0.00	2.32	-2.32
Tesla Inc	0.00	1.01	-1.01
Alphabet Inc. Class A	0.00	0.93	-0.93
Taiwan Semiconductor Manufacturing Co., Ltd.	0.00	0.88	-0.88

10 largest holdings

Security	Fund %	Benchmark %	Active weight %
Taiwan Semiconductor Manufacturing Co., Ltd.	5.08	0.00	5.08
Microsoft Corporation	4.92	2.83	2.09
JPMorgan Chase and Co.	4.39	0.67	3.72
Alphabet Inc. Class C	4.14	0.94	3.20
Roche Holding Ltd	3.83	0.41	3.41
Texas Instruments Incorporated	3.71	0.26	3.46
Samsung Electronics Co., Ltd.	3.68	0.59	3.08
Progressive Corporation	3.44	0.09	3.36
Nestle S.A.	3.29	0.55	2.74
American Express Company	2.97	0.14	2.84

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	1.49	0.33	1.16
$2B - $5B	1.91	2.59	-0.68
$5B-$10B	2.28	4.72	-2.45
$10B - $25B	7.41	14.59	-7.19
$25B - 50B	10.00	14.80	-4.80
$50B - 100B	15.90	16.09	-0.19
> $100B	60.20	46.86	13.34
Cash (net of payables)	0.82	0.00	0.82

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

A growing confidence that the accelerating rollout of COVID-19 vaccines would support economic recoveries, and an easing in lockdowns, pushed global equity markets higher early in the month. However, these gains started to fade as market volatility spiked following an intensifying battle on Wall Street between retail investors and brokers over a small number of stocks that had been targeted by hedge funds.

Contributors to performance

Returns from the portfolio were marginally negative for the month on a hedged and unhedged basis, and the MSCI AC World Index was likewise marginally negative for the month on a hedged basis while marginally positive on an unhedged basis.

Areas where the COVID-19 situation is being well managed continued to do well with our holdings in Asia, especially China and Taiwan, doing relatively well. Gains here were led by Tencent, NetEase and TSMC (portfolio is overweight these three stocks). While positions held in Alphabet and Microsoft contributed positively towards performance, US stock selection elsewhere was less rewarding given the underperformance of financials and consumer staples, which had a negative impact on our holdings in Progressive, Colgate-Palmolive and Coca-Cola. Exposure to UK stocks through Berkeley Group and Melrose Industries also detracted from relative performance.

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 the 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.

In terms of portfolio positioning we maintain a pro-cyclical bias because we see an abundance of opportunities to own good companies at attractive prices in areas of the market that have been most impacted by the virus. We continue to hold a number of positions in the banking sector and in recent times have gradually increased our exposure to consumer discretionary stocks as we see a variety of opportunities to buy good companies at attractive prices.

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Important Information

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