

**SHINING A LIGHT ON THE.....
Invesco Global Focus Fund**

AT A GLANCE

Investment Objective
The Fund aims to achieve long-term (5 years plus) capital growth. The Fund invests at least 80% of its assets in shares or other equity related securities of companies globally. The Fund typically holds a concentrated portfolio of 30-40 stocks.

Inception Date	17 th October 1997
Fund Factsheet Link	https://www.morningstar.co.uk/uk/funds/snapshot/snapshot.aspx?id=F0GBR04P5S

Management	
Manager Name	Start Date
Randall Dishmon	28 th February 2020

FUND PERFORMANCE

Performance from 1st January 2016 to 31st October 2020:

	2016	2017	2018	2019	2020
Invesco Global Focus Fund	30.92%	15.97%	-15.48%	23.08%	30.40%
FTSE World ex UK	30.42%	13.45%	-2.68%	23.10%	2.15%

Performance over 12 months, 3 years, and 5 years:

	1 year	3 years	5 years
Invesco Global Focus Fund	38.93%	36.09%	104.98%
FTSE World ex UK	5.76%	24.51%	85.68%

You should note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise. The total return reflects performance without sales charges or the effects of taxation, but is adjusted to reflect all on-going fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.

Tracking Error	Active Share	Upside Capture Ratio	Downside Capture Ratio	Batting Average	Beta	Alpha	Equity Style
11.27	88.58	117.13	109.20	47.22	1.20	2.08	Growth/Large

Volatility Measurements	
3-Yr Std Dev (volatility)	18.92%
3-Yr Mean Return (average)	10.82%

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Investment Style Details	
Giant	47.84%
Large	37.89%
Medium	11.09%
Small	1.65%
Micro	0.00%

Top 5 Holdings – 35 Equity Holdings		
Twilio Inc A	Communication Services	6.97%
Facebook Inc A	Communication Services	6.87%
Amazon.com Inc	Consumer Cyclical	5.32%
ServiceNow Inc	Technology	5.03%
Salesforce.com Inc	Technology	4.59%

Top 5 Sectors	
Technology	27.09%
Healthcare	25.33%
Communication Services	24.64%
Consumer Cyclical	9.94%
Financial Services	8.01%

Top 5 Regions	
United States	69.93%
China	12.65%
Denmark	4.11%
Switzerland	3.89%
Spain	3.03%

UPDATE....

These updates have been written at the time of the Coronavirus Pandemic of 2020, which has impacted the global financial markets in a way that has never been seen before.

This was our first introduction to the strategy. The performance track record has been okay but new management came on board in February and they have set about transforming the strategy. The focus is on those things that matter.

There are three things that they feel you need to get right:

1. Is the business worth owning? (This is about its advantage and not its price).
2. At what price can I buy this advantaged business? (Buying something for less than its worth, valuing the business reality, what is the business actually producing, what is the value excluding business sentiment etc).
3. And then the people.

All of these aspects must work together for success.

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COVID was a perfect storm! Things that were doing well before were destroyed by COVID. People always leave a trail: you can look at management and see how they have behaved in crisis events, including during COVID. You can see which management have done well and those that have failed. You can also see how management pay themselves and how they treat shareholders. Ultimately when you invest you want to get something in return; if the people are right, the business is worth owning and you get it at the right price, then you have a good business.

If you look at Facebook, it resonates with 2 billion people and is a money printing machine. Instagram is the undervalued part of the holding and if they were forced to break up then this would realise this value. Twilio is a business where customers constantly spend more and it is a churn rate of just 1%, it has high operating margins and strong cash flows.

The manager does not really care what people think about how his fund looks. He has all his investable money in the fund. He does not look at what others are holding but focuses on what the market has to offer and then chooses those companies that he wants to hold. There are plenty of opportunities. Amazon is another example with an excellent business model. They sit and experiment before each launch; the latest area is pharmacy, and this will change this part of the market.

We talked about value and growth and he explained that he does not really follow a style. He invests in structural things. There will be winners and losers in this. You can buy a value stock that becomes a growth stock or vice versa. The point is that if you focus on structural changes then value and growth do not matter and will lead you down the wrong road.

We asked about Tesla and their concern is about governance and the fact it is still a car company. Others may view this differently but they have other opportunities which they are more comfortable with.

Asked to sum up the strategy the manager explained he wants this to be a global no excuse fund. They do not want any constraints placed on the fund, so they buy anything from across the world. If there is a bias in the fund then it is towards advantaged businesses and those with good corporate governance.

In summary, in a short period of time the management team have managed to change the direction and style of the fund. It looks and feels different to other global funds although we would want to wait to get more of a track record before investing.

The source of information in this note has been provided by Invesco and is correct as at November 2020. These are notes from meeting the fund manager or representative and should not be seen as a recommendation to purchase any fund mentioned. Any reference to shares is not a recommendation to buy or sell. Should you wish to make a decision based on these notes we cannot take responsibility for this and you should carry out your own research before making a decision. We would also recommend that you receive advice before following up on any decision.

