

FUND FACTSHEET

GLOBAL HIGH CONVICTION FUND

February 2020



For the month of February, the AIM Global High Conviction Fund delivered a return of -2.56% in AUD. For the calendar year to date, the fund remains in positive territory (+2.79%); equally so for the 2020 financial year to date (+8.62%.)

Mounting concerns of slowing global growth caused further weakness in the Australian dollar during the month. The weakening currency provided the fund with some cushion to global equity markets selling off. While the return was negative in absolute terms in both AUD and USD, the fund outperformed the benchmark by about 2.4% in both currencies. The main driver for the outperformance was the lack of exposure to deeply cyclical sectors such as Energy, Financials and Materials, helped by some of our specific holdings (Netflix, Tencent and Microsoft, to name a few) holding up well.

After a reasonably benign start to the month, the rapidly changing outlook of the potential global impact of COVID-19 turned into a storm that felled virtually every tree in the forest. Regardless of investment philosophy, geographic focus or factor exposure – growth, value, momentum, income, low volatility, quality or size –there was nowhere in equity markets that were spared.

The fund had nearly 11.5% in cash going into the last week of February. We wish to be clear about our intent: we are not market timers, nor traders. We simply no longer thought the risk/reward profile in some of our stocks was as attractive, given where prices had gotten to, and were looking to redeploy into other names or new ideas. Specifically, we reduced our exposure to Microsoft (purely on valuation grounds – it remains our number one holding) and LVMH (as the price seemed to imply virtually no disruption to demand). We also differentiated between businesses with lost demand (Starbucks) vs. the potential for deferred demand (Coca Cola, Nike, Apple), and reduced the some of the former. Finally, we reduced our Netflix exposure on strength.

We have started to deploy some of the cash on the very last day of the month, with a focus on high-quality balance sheet names. We exit the month with 8% in cash.

Our investment philosophy is underpinned by the belief that companies that earn above average returns on invested capital will deliver superior shareholder returns in the long term. With that in mind, we remain focused on the fundamentals, and look to own high-quality business that can compound their cash flows.

Fund Performance and Analytics

Period	Return
February	(2.6%)
3 Month	2.4%
Calendar YTD	2.8%
Financial YTD	8.6%
Inception	3.5%*

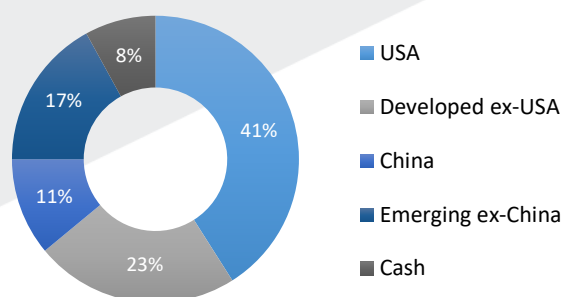
Quoted net of fees; past performance is not indicative of future performance.
*compound annual growth rate

Portfolio Analytics	
Percentage of Positive Months	52%
Active share	84.6%
Volatility	11.4%
Top 5 positions (% of AUM)	28%
Top 10 positions (% of AUM)	51%

Top Five Holdings

Stock	Sector
Microsoft Corporation	Information Technology
The Coca-Cola Co.	Consumer Staples
Alphabet Inc.	Comm. Services
LVMH Moet Hennessy Louis Vuitton	Consumer Discretionary
NIKE Inc.	Consumer Discretionary

Geographic Revenue Exposure



Performance Summary

Year	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD
FY16	-1.49	-0.91	0.15	3.54	-0.85	0.58	-5.42	-2.19	2.36	-0.99	4.63	-1.06	-2.0
FY17	4.54	2.90	2.10	-4.74	1.11	1.16	0.21	-0.83	4.05	1.34	3.17	1.61	17.6
FY18	-1.29	0.79	4.11	2.67	-0.04	4.00	6.70	-5.19	-2.95	3.13	-1.74	-7.03	2.3
FY19	-1.93	-3.61	-1.57	-5.38	-0.23	-6.25	3.57	2.65	-0.32	2.64	-4.86	5.75	-9.9
FY20	1.59	-1.23	-0.65	0.37	6.03	-0.38	5.49	-2.56					8.6

Returns are quoted net of fees; past performance is not indicative of future performance.

Fund Overview

Description	Details
Fund structure	Registered Unit Trust
Domicile	Australia
Pricing	Daily
Redemptions	Daily
Management Fees	1.5%* p.a.
Performance Hurdle	MSCI World Net Total Return Index (AUD)
Performance Fee	15%* of hurdle outperformance. Performance fees are subject to a high-water mark.
Administrator	Mainstream BPO
Accountant	Ernst & Young
Legal Counsel	Norton Rose Fullbright
Prime Broker	Morgan Stanley
Risk & Portfolio Management	Imagine Trading System

*inclusive of GST

Sector Exposure

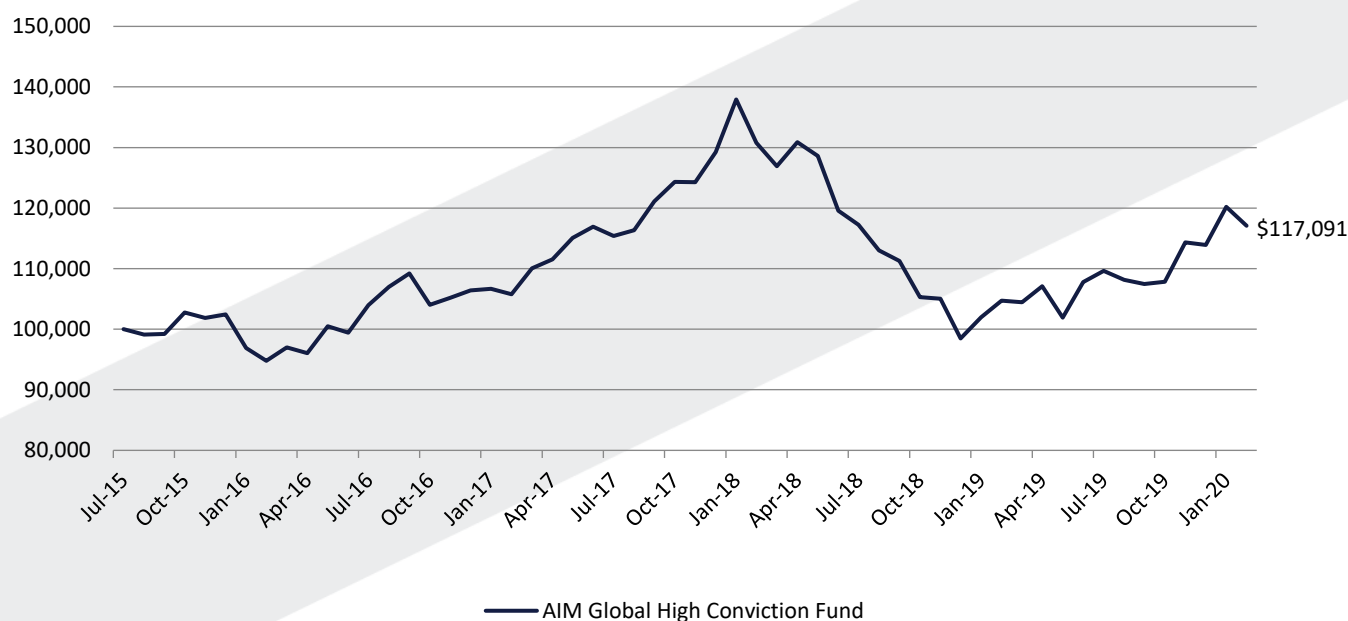
Sector	Long
Communication Services	19%
Consumer Discretionary	21%
Consumer Staples	15%
Healthcare	12%
Information Technology	25%
Cash	8%

Relative Fund Performance

	AIM	Benchmark
February	-2.6%	-5.0%
3 months	2.4%	-1.7%
6 months	8.3%	5.4%
12 months	11.9%	12.9%
CY2019	15.7%	26.0%
CY2018	-23.8%	-10.4%
CY2017	21.5%	20.1%
CY2016	3.9%	5.3%
CY2015	2.5%	-5.8%

* The benchmark changed from MSCI World (USD) to MSCI World Net Total Return (AUD) from 1 July 2019.

Value of \$100,000 since inception



This communication has been prepared by Aitken Investment Management Pty Ltd ABN 63 603 583 768, AFSL 473534. It is general information only and is not intended to provide you with financial advice or take into account your objectives, financial situation or needs. Past returns are not an indicator of future returns. You should consider, with a financial adviser, whether the information is suitable for your circumstances. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information. The product disclosure statement (PDS) for the AIM Global High Conviction Fund, issued by The Trust Company (RE Services) Limited, should be considered before deciding whether to acquire or hold units in the fund. The PDS can be obtained by calling 02 8379 3700 or visiting www.aimfunds.com.au. No company in the Perpetual Group (Perpetual Limited ABN 86 000 431 827 and its subsidiaries) guarantees the performance of any fund or the return of an investor's capital.