

# AIM Global High Conviction Fund Factsheet

February 2024

**The AIM Global High Conviction Fund is a long-only global equity fund, following a simple investment strategy: we look for *exceptional* businesses, run by *exceptional* people, at the *right price*. We believe this combination will deliver outperformance over the long term.**

For the month ending February 2024, the AIM Global High Conviction Fund delivered an absolute return (after all fees) of +4.8% compared to a benchmark return of +5.8%. We estimate that AUD weakness added roughly +1.1% to our absolute return over the period.

February was a continuation of the trend of markets being led higher by a 'narrow' rally, with perceived AI-beneficiaries again carrying the day.

Looking at the portfolio, our businesses are performing well from a fundamental perspective: HEICO, TerraVest, AMETEK and Nintendo all reported more-than-acceptable results. Berkshire Hathaway's report for the final quarter of 2023 was also strong, though we have grown more circumspect about the future of its utilities business (Berkshire Hathaway Energy).

Only two positions in the Fund delivered a negative absolute return in the month: Games Workshop (no notable developments) and UnitedHealth (on late-month rumours of a possible US Department of Justice antitrust investigation).

As we outlined in our [2023 Annual Letter](#) (published in February 2024), the moment in the sun currently being enjoyed by the AI thematic seems to us quite concentrated and correlated. An analysis of the trading activity in many of these stocks reveal that holding periods are quite short, suggesting to us that speculative behaviour in this area of the market is elevated at present.

While we are positive about the impact that AI can have on productivity, we also know that that it is very possible to be right

on the big picture ('AI will transform our economies') and still lose money hand over fist by investing in the perceived winners of today if the competitive forces shaping the industry turns it into a race to the bottom.

We think paying top dollar to participate in a nascent industry that does not lend itself to high-conviction forecasts introduces meaningful absolute risk (i.e., risk of permanent loss of capital).

We continue to favour exceptional businesses run by aligned owner-operator management teams, where we find that we have greater conviction about their ability to continue earning high returns on capital for an extended period.

## Monthly Contributors & Detractors

The top contributors to performance were **Amazon.com** (+15.6% in AUD), **TerraVest** (+14.7% in AUD), **AMETEK** (+12.9% in AUD), **HEICO** (+11.7% in AUD), and **LVMH** (+10.2% in AUD).

There were only two detractors in absolute terms in the month of February: **Games Workshop** (-4.3% in AUD) and **UnitedHealth** (-2.1% in AUD).

## Performance

To 29 February 2024	1 month	6 months	1 year	2 years (p.a.)	3 years (p.a.)	4 years (p.a.)	Strategy Inception* (p.a.)
AIM Global High Conviction Fund	+4.8%	+12.3%	+30.0%	+12.1%	+14.4%	+13.2%	+13.7%
Global Equity Benchmark <sup>#</sup>	+5.8%	+11.9%	+29.4%	+13.6%	+15.1%	+13.2%	+13.0%











Total returns shown for the AIM Global High Conviction Fund have been calculated using exit prices after taking into account all of the product's ongoing fees and assuming reinvestment of distributions. No allowance has been made for entry fees or taxation. Past performance is not indicative of future performance. <sup>#</sup> Source: Apex Group. Refer to [PDS](#) for more detail. \* 31 August 2019.

Portfolio Characteristics	
Top 10 positions (% of AUM)	58.0%
Number of positions	21
Active Share	88.7%
Return on Invested Capital (ROIC)	20.5%
Free Cash Flow Yield	3.6%

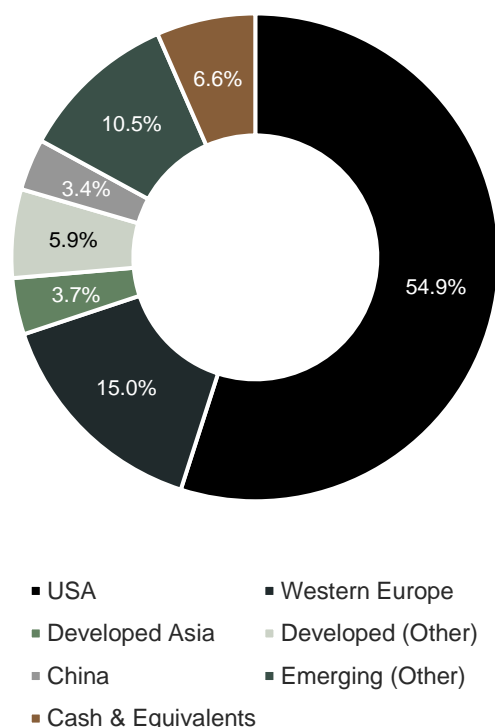
Fund Facts	Details
Management Fee	1.375% p.a. (incl. GST)
Benchmark	Refer to <a href="#">PDS</a> .
Performance Fee	10% (excl. GST) of benchmark outperformance subject to a high-water mark
Pricing	Daily

**Target Market Determination:** this fund is appropriate for investors with “Medium to High” risk and return profiles. A suitable investor for this fund is prepared to accept medium to high risk in the pursuit of capital growth with a medium investment timeframe. Investors should refer to the TMD for further information, which can be found [here](#).

## Top Ten Holdings (alphabetically)

Stock	End Market
	eCommerce & Cloud Infrastructure
	Electronic Components
	Financial & Industrial Conglomerate
	Niche Market Software
	Niche Hobbyists & Intellectual Property
	Aerospace Components
	High-end Luxury
	Video Gaming & Intellectual Property
	Aerospace & Defence
	Health Insurance & Services

## Geographic Revenue Exposure



Source: Constantia estimates, FactSet. Data as of 29 February 2024.

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