

## Fund ratings

**STANDARD  
& POOR'S**



## Net performance

Periods	Fund %	Benchmark %	Value added %
1 month	1.24	0.67	0.57
3 months	3.81	3.12	0.69
6 months	9.43	7.92	1.51
1 year	4.74	3.79	0.95
2 years p.a.	19.42	21.37	-1.95
3 years p.a.	-2.33	1.13	-3.46
5 years p.a.	0.34	3.21	-2.87
10 years p.a.	8.34	8.89	-0.55
Calendar year to date	3.81	3.12	0.69
Financial year to date	19.35	16.88	2.47
Since inception p.a.	10.72	10.26	0.46

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.

## Net distribution growth splits

Periods	Distribution %	Growth %	Total %
3 months	1.69	2.12	3.81
6 months	1.79	7.64	9.43
1 year	3.42	1.32	4.74
2 years p.a.	5.32	14.10	19.42
3 years p.a.	12.30	-14.63	-2.33
5 years p.a.	15.77	-15.43	0.34
10 years p.a.	15.30	-6.96	8.34

## Net risk profile

Periods	Tracking error %	Information Ratio
1 year	1.71	0.56
2 years p.a.	1.59	-1.23
3 years p.a.	2.05	-1.69
5 years p.a.	2.45	-1.17
10 years p.a.	2.47	-0.22
Since inception p.a.	2.46	0.18

## Fund analysis (as at 31 March 2011)

### Sector allocation

Sector	Fund %	Benchmark %	Active weight %
Consumer Discretionary	1.69	3.96	-2.27
Consumer Staples	6.11	7.89	-1.79
Energy	9.02	8.14	0.88
Financials Ex Lpt	30.90	30.60	0.30
Health Care	5.17	3.34	1.84
Industrials	6.49	6.85	-0.35
Information Technology	1.19	0.69	0.50
Listed Property Trusts	5.39	5.81	-0.43
Materials Ex Metals and Mining	4.64	3.12	1.52
Metals and Mining	25.72	25.54	0.18
Telecommunication Services	1.39	2.84	-1.45
Utilities	2.05	1.21	0.84
[Cash]	0.23	0.00	0.23

### Fund facts at a glance

<b>Asset class</b>	Australian shares
<b>Management style</b>	Core, active management using bottom-up stock selection via fundamental analysis within a quantitative framework
<b>Benchmark</b>	From inception to 31/03/00 = ASX All Ordinaries Accumulation Index, from 01/04/00 = S&P/ASX 300 Accumulation Index

### Risk profile



<b>Time horizon</b>	7 years
<b>Distribution frequency</b>	Half-yearly
<b>Inception date</b>	30/4/91
<b>Minimum investment</b>	\$20,000
<b>MER/ICU</b>	0.88%
<b>APIR code</b>	CNA0811AU

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

### Five largest overweight positions

Security	Fund %	Benchmark %	Active weight %
Iluka Resources Ltd.	2.89	0.47	2.42
Origin Energy Ltd.	3.71	1.45	2.26
Ramsay Health Care Ltd.	2.20	0.21	1.99
OZ Minerals Ltd.	2.36	0.44	1.92
Incitec Pivot Ltd.	2.49	0.59	1.90

### Five largest underweight positions

Security	Fund %	Benchmark %	Active weight %
Woodside Petroleum Ltd.	0.17	2.34	-2.17
Wesfarmers Ltd.	1.28	3.10	-1.82
CSL Ltd.	0.03	1.64	-1.61
QBE Insurance Group Ltd.	0.03	1.57	-1.53
Telstra Corp. Ltd.	1.15	2.65	-1.49

### 10 largest holdings

Security	Fund %	Benchmark %	Active weight %
BHP Billiton Ltd.	13.13	13.17	-0.04
Commonwealth Bank of Australia	6.77	6.84	-0.07
Westpac Banking Corp.	6.59	6.17	0.42
Australia and New Zealand Bank	6.48	5.20	1.27
Rio Tinto Ltd.	4.95	3.11	1.84
National Australia Bank Ltd.	4.45	4.73	-0.28
Woolworths Ltd.	3.76	2.75	1.01
Origin Energy Ltd.	3.71	1.45	2.26
Iluka Resources Ltd.	2.89	0.47	2.42
Incitec Pivot Ltd.	2.49	0.59	1.90

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

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### Market review

The S&P/ASX 200 posted another quarter of positive performance, adding 2% in price terms (3.2% on an accumulation basis). However, Australia performed at the lower end of global markets, with the S&P gaining 5.4%, the Euro Stoxx up 4.2%.

The RBA kept its cash rate unchanged during the quarter at 4.75%. The unemployment rate remained low at 5%, but consumer sentiment fell from 111 in December to 104 in March and credit and housing sector signals were soft. Fiscal stress in Europe continued with Ireland and Portugal, while the People's Bank of China continued to tighten policy through the quarter, raising its policy rates once and the bank reserve requirement ratio three times.

Earnings season brought mixed news. A number of companies alluded to sluggish trading conditions in Australia, notably in sectors such as retailing and media, while there were some signs of improvement from US and European economies and Mining sector results reflected buoyant commodity prices. In February BHP Billiton announced a A\$5bn off-market share buy-back. Insurers were again hit by natural disaster costs with Cyclone Yasi causing widespread damage in northern Queensland and a major earthquake striking Christchurch.

On March 11, Japan experienced a devastating earthquake (8.9 on the Richter scale) and tsunami. In the Australian share market, the insurance, energy and uranium sectors were most impacted. QBE announced that its preliminary estimate of net claims is around US\$125m, from low exposures in reinsurance, marine and energy operations in Europe. Fitch Ratings said that renewed safety concerns regarding nuclear generation may benefit from the development of LNG projects in Australia as any potential switch away from nuclear power is likely to favour gas-fired generation. Uranium stocks (e.g. PDN) met with negative sentiment as the shutdown of 11 of the 54 operating reactors in Japan threatens to depress the short-term market for uranium worldwide.

The Resources index (+1.7%) underperformed the ASX 200 for the first quarter since September 2009. The Energy sector (5.3%) was boosted by higher oil prices as serious unrest in the Middle East and North Africa region raised concerns over supply. Banks (5.4%) recovered from a poor fourth quarter.

The Australian dollar gained another 0.94% against the USD. The strongest currency was the euro, which gained 5.5% against the US dollar as the ECB signalled a rise in interest rates.

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### Contributors to performance

The Fund returned 3.81% after fees for the March quarter, outperforming its benchmark by 0.69%. We outline the key contributors to the Fund's quarterly relative return below.

#### Added value:

Overweight positions in Illuka Resources (+82 bps), OZ Minerals (+23 bps) and Caltex (+21 bps) were amongst the best contributors over the month.

#### Detracted value:

Underweight positions in Woodside Petroleum (-22 bps), Riversdale Mining (-15 bps) and an overweight position in Qantas Airways (-17 bps) were amongst the key detractors for the quarter.

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### Activity

#### Market outlook and portfolio strategy

The Fund's quantitative-based approach rates stocks based on four factors or 'concepts', namely Earnings Revision, Price Trend, Management Action and Relative Value. The results of our analysis, for each of these concepts as well as combined, provide information about the predictive ability of our stock selection model.

Overall the concepts had a strong quarter. With the exception of Relative Value which was slightly negative all concepts had positive prognostic ability.

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