

## Performance analysis (periods to 30 April 2012)

### Net performance

Periods	Fund %
1 month	0.75
3 months	4.13
6 months	1.59
1 year	-10.64
2 years p.a.	-3.15
3 years p.a.	6.05
5 years p.a.	-6.09
10 years p.a.	5.75
Calendar year to date	9.07
Financial year to date	-5.01
Since inception p.a.	9.46

*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	0.00	4.13	4.13
6 months	2.76	-1.17	1.59
1 year	2.52	-13.16	-10.64
2 years p.a.	3.63	-6.78	-3.15
3 years p.a.	4.65	1.40	6.05
5 years p.a.	12.95	-19.04	-6.09
10 years p.a.	13.03	-7.28	5.75

### Net risk profile

Periods	Tracking error %	Information Ratio
1 year	3.83	-1.62
2 years p.a.	3.20	-1.02
3 years p.a.	2.66	-1.45
5 years p.a.	2.78	-1.35
10 years p.a.	2.67	-0.58
Since inception p.a.	2.58	0.00

### 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
<b>Benchmark</b>	From inception to 31/03/00 = ASX All Ordinaries Accumulation Index, from 01/04/00 to 18/04/11 = S&P/ASX 300 Accumulation Index, from 19/04/11 = S&P/ASX200 Accumulation Index
<b>Risk profile</b>	
<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.

## Fund analysis (as at 30 April 2012)

### Sector allocation

Sector	Fund %
Consumer Discretionary	3.48
Consumer Staples	6.30
Energy	7.30
Financials Ex Lpt	31.30
Health Care	5.44
Industrials	7.80
Information Technology	1.29
Listed Property Trusts	1.67
Materials Ex Metals and Mining	8.47
Metals and Mining	19.83
Telecommunication Services	5.82
Utilities	0.00
[Cash]	1.30

### Five largest overweight positions

Security	Fund %
Westpac Banking Corp.	12.05
James Hardie Industries SE	4.56
UGL Ltd.	3.25
ASX Ltd.	3.45
Suncorp Group Ltd.	3.69

### Five largest underweight positions

Security	Fund %
Commonwealth Bank of Australia	0.00
Wesfarmers Ltd.	0.00
Rio Tinto Ltd.	0.00
Woodside Petroleum Ltd.	0.00
QBE Insurance Group Ltd.	0.00

### 10 largest holdings

Security	Fund %
BHP Billiton Ltd.	12.35
Westpac Banking Corp.	12.05
Australia and New Zealand Banking Group Ltd.	7.33
Telstra Corp. Ltd.	5.82
James Hardie Industries SE	4.56
Woolworths Ltd.	4.30
National Australia Bank Ltd.	4.22
CSL Ltd.	3.76
Suncorp Group Ltd.	3.69
ASX Ltd.	3.45

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

A fourth successive positive month for the Australian market saw the broad market S&P/ASX200 accumulation index rise 1.4%. The major contributors were the more defensive sectors, with Listed Property, Telecommunications and Health Care enjoying the biggest gains.

Australia did better than most major international markets this month. The US and Asian markets were little changed (except for Japan, which had a significant fall). European markets fell around 7% due to the usual concerns about low growth, too much debt and perhaps political uncertainties.

Europe does seem to be in a bad way and there appears to be little good news on the horizon, with elections in Greece and France likely to swing those countries away from passive acceptance of previously negotiated austerity packages. The tentative nature of the recovery in the US was reinforced towards the end of the month with some weak data releases.

Locally the 'two speed' economy remains well entrenched and our comments last month remain apposite. Labour shortages and boom conditions in resources and resource project development contrast with businesses in traditional industries struggling and calling for government assistance and/or lower interest rates.

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### Contributors to performance

Again the Concord portfolio was up in value but not as much as the market.

There were no significant winners or losers other than JB Hi-Fi, which cost 0.3% in performance. The company released a trading update at the end of the month which revealed pressure on margins due to severe discounting on the part of competitors seeking to leave the industry or reduce their numbers of stores (for example Dick Smith).

We consider these behaviours unsustainable and hence their effects as temporary. We intend to hold our position.

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### Activity

**Buys:**  
Silver Lake Resources, Telstra.

**Sells:**  
CSL, Westfield.

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### Market outlook and portfolio strategy

We still see the long term framework being one of slow growth as countries and households try to reduce their levels of debt. Our strategy, however, is more focused on finding the best ideas in a number of areas of the market. Our major positions reflect this. It appears the economic policy environment in Australia will shift towards easier monetary policy and tighter fiscal policy. We see that as a positive for markets.

We were not very active during the month in respect of purchases and sales the most significant activity is outlined in the Activity section. The major changes were a reduction in the weight of CSL following its big increase in March (a portfolio rebalancing decision) and an increase in the weight of Telstra following a strong recommendation from our analyst following recent company briefings and our own modelling.

#### Your Invesco representatives:



**Sam Sorace**  
National Retail Sales Manager  
(Vic, SA, Tas)  
Phone: 0413 050 909



**Matthew Hattersley**  
Manager Retail Sales  
(NSW, Qld)  
Phone: 0414 847 511



**David Ray**  
Manager Retail Sales  
(NSW, ACT & WA)  
Phone: 0437 404 445

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