

An introduction to the Concord Discovery Fund

Asset class

Australian smaller companies

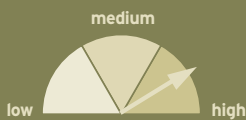
Management style

Fundamental, concentrated, bottom up with in-depth company research and a high conviction portfolio

Benchmark

S&P/ASX Small Ordinaries Accumulation Index

Risk profile



Time horizon

7+ years

Distribution frequency

Half-yearly

Minimum investment amount

\$20,000

Fund Inception date

3 February 2011*

APIR code

GTU0063AU

* inception date of the capability was July 2008

Fund Investment objective

To provide investors with long term capital growth and distributions by investing primarily in securities listed on the Australian and New Zealand stock exchanges.

What the Fund offers

- Exposure to a concentrated, high conviction, index-agnostic, high alpha small cap strategy
- Exposure to a well-diversified, 'true to label' portfolio of typically 30-45 quality Australian smaller companies, managed by Invesco's Concord Capital team.
- The opportunity to take part in the growth of well-managed companies with long-term earnings potential that we believe have been underestimated and undervalued by the broader market.
- Exposure to a high quality, well-performing dedicated Australian smaller companies pooled vehicle available to local investors.
- The potential for excess returns (alpha) in varied market conditions, with a focus on undervalued, quality companies with a competitive advantage.
- The backing of a highly regarded investment team with a depth of market knowledge and more than 40 years' combined investment experience.
- An investment process that focuses on in-depth, intensive research of smaller Australian companies that are valued according to various measures (e.g. DCF, PE, Price/NTA). This process has generated strong value-add since this small cap capability commenced in July 2008.
- Target outperformance of at least 5% in excess of the S&P/ASX Small Ordinaries Accumulation Index over rolling three-year periods.

The Concord Australian smaller companies advantage

1 A high conviction small companies portfolio

The Fund targets high returns over a longer term investment horizon (seven years or more). We believe the major rationale for small companies exposure is return enhancement rather than just risk management. Hence we do not have explicit risk management targets in terms of tracking error relative to the S&P/ASX Small Ordinaries Accumulation Index.

2 Large capacity

Concord's small cap strategy has plenty of capacity given the team can manage up to 0.5% of the market capitalisation of the Small Ordinaries Index (current FUM is well below capacity constraints).

3 A high alpha target - not particularly index aware

The Fund's concentrated, higher alpha-seeking return profile is a strong complement within a well-diversified portfolio.

Concord's small cap team manages the Fund to add significant value by discovering those companies that are undervalued in the market relative to our price expectations.

4 A fundamental, bottom-up, research driven stock selection process

In managing Australian small caps, Concord's investment style is best described as 'style agnostic' because it does not explicitly target or even exhibit any significant bias to commonly defined style factors such as value, growth, or industry. Concord's process is fundamental and purely focused on bottom-up stock selection via a highly intensive research process.

5. An experienced investment management team

Concord's small cap team of three has more than 40 years' combined investment experience. Moreover, the team is configured such that the research undertaken is very in-depth, matched by an extensive peer review and stock selection process.

Because the team does not 'manage by committee', the best research ideas, after having been rigorously tested via peer review, flow straight through to the Fund. The team has a level of ownership and commitment to the process that comes from having built it themselves, from the ground up.

6. A track record of significant outperformance†

Concord's track record in small caps has been very strong since its inception in July 2008 (capability inception date). In our view, such a consistent strong returns track record can only come from an investment team and approach that is configured to apply research insights into investment excellence.

Your Invesco representative:

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† Investments can go up and down. 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. Performance data is shown before ongoing fees and assumes reinvestment of income.

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