

Fund Manager



Cynthia Jenkins
Head of Australian Smaller Companies

Fund ratings



Performance analysis (periods to 30 April 2012)

Net performance

Periods	Fund %
1 month	-0.58
3 months	9.26
6 months	6.91
1 year	-0.17
2 years p.a.	7.04
3 years p.a.	20.18
5 years p.a.	-0.17
10 years p.a.	11.34
Calendar year to date	14.91
Financial year to date	3.75
Since inception p.a.	12.82

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	9.26	9.26
6 months	1.91	5.00	6.91
1 year	3.00	-3.17	-0.17
2 years p.a.	2.76	4.28	7.04
3 years p.a.	4.09	16.09	20.18
5 years p.a.	6.29	-6.46	-0.17
10 years p.a.	9.70	1.64	11.34

Net risk profile

Periods	Tracking error %	Information Ratio
1 year	6.52	1.04
2 years p.a.	6.04	0.94
3 years p.a.	6.67	1.12
5 years p.a.	7.90	0.61
10 years p.a.	6.35	0.56
Since inception p.a.	6.77	0.98

Fund facts at a glance

Asset class	Australian smaller companies
Management style	Fundamental, active, core
Objective	To provide long-term capital growth and distributions by investing in smaller companies listed on the Australian sharemarket, predominantly outside the S&P/ASX 100 Index*
Benchmark	From inception to 31/12/88 = ASX All Ordinaries ex 50 Leaders, 01/01/89 - 21/12/90 = ASX All Ordinaries ex 100 Leaders, 01/01/91 - 31/03/00 = ASX Small Ordinaries Index, from 01/04/00 = S&P/ASX Small Ordinaries Accumulation Index
Risk profile	
Time horizon	7 years
Distribution frequency	Half-yearly
Inception date	31/3/88
Minimum investment	\$20,000
MER/ICU	1.25%
APIR code	CNA0812AU

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

Sector attribution

Sector	3 Months %	1 year %	3 years %
Consumer Discretionary	0.96	1.40	9.90
Consumer Staples	0.12	0.01	2.02
Energy	0.05	0.60	3.25
Financials Ex Lpt	-0.49	-0.14	2.49
Health Care	-0.66	0.24	4.47
Industrials	1.49	3.77	4.45
Information Technology	0.02	-0.07	2.42
Listed Property Trusts	-0.14	-0.49	-2.31
Materials Ex Metals and Mining	0.09	0.67	0.26
Metals and Mining	2.20	3.32	8.37
Telecommunication Services	0.10	-0.58	0.66
Utilities	0.12	-0.92	0.93
[Cash]	-0.04	0.17	-1.27
Residual	0.04	0.09	1.33
Total	3.86	8.07	36.97

Attribution is calculated on cumulative gross performance data.

Fund analysis (as at 30 April 2012)

Market capitalisation allocation

Ranges	Fund %
1-20	0.00
21-50	0.00
51-100	2.31
101-200	64.80
201-300	8.42
301-500	20.19
500+	2.63
Cash	1.64

Sector allocation

Sector	Fund %
Consumer Discretionary	18.09
Consumer Staples	0.00
Energy	1.77
Financials Ex Lpt	9.99
Health Care	1.09
Industrials	37.34
Information Technology	3.74
Listed Property Trusts	1.08
Materials Ex Metals and Mining	8.87
Metals and Mining	13.48
Telecommunication Services	2.19
Utilities	0.71
[Cash]	1.64

Five largest overweight positions

Security	Fund %
Ausdrill Ltd.	5.66
Skilled Group Ltd.	2.88
Austbrokers Holdings Ltd.	2.44
Mermaid Marine Australia Ltd.	3.15
Adelaide Brighton Ltd.	3.96

Five largest underweight positions

Security	Fund %
Aurora Oil and Gas Ltd.	0.00
Aristocrat Leisure Ltd.	0.00
SP AusNet	0.00
carsales.com Ltd.	0.00
Mesoblast Ltd.	0.00

10 largest holdings

Security	Fund %
Ausdrill Ltd.	5.66
Adelaide Brighton Ltd.	3.96
Australian Infrastructure Fund Ltd.	3.40
Bradken Ltd.	3.20
Mermaid Marine Australia Ltd.	3.15
Super Retail Group Ltd.	3.11
Nufarm Ltd.	3.00
Skilled Group Ltd.	2.88
Mineral Resources Ltd.	2.78
Macquarie Atlas Roads Group	2.62

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.

Monthly commentary

Market review

The S&P/ASX Small Ordinaries Index was down 0.92% in April after being flat in March and up strongly in January and February.

Within the small cap sector, Industrial stocks were flat while Resources fell -2.4%. The best performing sectors included Property Trusts (+5%), Financials (+3%) and Consumer Discretionary (+2%). The laggards were Utilities (-4%), Consumer Staples (-3%) and Basic Industrials (-3%).

Contributors to performance

The portfolio outperformed its benchmark in April. Key contributors are outlined below.

An underweight position in the small resources sector and stock selection were again the main drivers of outperformance for the month. The small resources sector has underperformed over the the year to date.

Mining contractors sold off on profit taking during the month following a strong period of outperformance over the year to date. Bradken announced some problem contracts and downgraded its earnings, resulting in a 13.6% decline for the month. MacMahon Holdings declined 18.6% on rumours that its Solomon contracts had problems, which the company announced had been rescope.

Labour and workforce management provider Programmed Maintenance continued to rerate +5% on the back of its ongoing restructure under new management and improvement in its resource-biased earnings.

Activity

Buy:

Cedarwoods, Consolidated Media, Envestra, Perpetual.

Sells:

Aston (Merged with Whitehaven T100), Dulux, Emeco, Ramsay Health Care.

Market outlook and portfolio strategy

Our small cap outlook and strategy remains essentially unchanged from last month.

We continue to reduce our exposure to companies with above-market multiples where we feel the story is well understood in favour of cheaper, undervalued businesses where earnings growth and PE expansion are more attractive.

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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