

Invesco Wholesale Australian Share Fund - Class A

Monthly factsheet

31 March 2024

Fund Managers - Invesco Australian Equities Team

André Roberts
Senior Portfolio Manager

Neil Lahy
Senior Portfolio Manager

Ritchard Longmire
Senior Portfolio Manager

Nicole Schnuderl
Senior Portfolio Manager

CJ Tsai
Portfolio Manager

Fund facts at a glance

Asset class
Australian equities

Objective¹
The Fund aims to provide long-term capital growth and distributions by investing in securities listed on the Australian sharemarket

Management style
Style-neutral, quantitative

Benchmark

- From inception to 31/3/00 = ASX All Ordinaries Accumulation Index
- From 1/4/00 = S&P/ASX 300 Accumulation Index
- From 19/4/11 = S&P/ASX 200 Accumulation Index
- From 15/2/13 = S&P/ASX 300 Accumulation Index

Risk profile
High

Time horizon
7 years

Distribution frequency
Half-yearly

Inception date²
30/4/91

Minimum investment
\$20,000

MER/ICR
0.44%

Buy/Sell Spread
0.15%/0.15%

APIR code
CNA0811AU

Fund performance analysis (periods to 31 March 2024)

Net performance

Periods	Fund %	Benchmark %	Value added %
1 month	3.79	3.26	0.53
3 months	7.13	5.43	1.70
6 months	17.79	14.24	3.55
1 year	17.06	14.40	2.66
2 years p.a.	6.81	6.66	0.15
3 years p.a.	9.39	9.43	-0.04
5 years p.a.	9.69	9.15	0.54
7 years p.a.	9.22	8.60	0.62
10 years p.a.	9.25	8.27	0.98
Calendar year to date	7.13	5.43	1.70
Financial year to date	18.09	13.28	4.81
Since inception p.a.	9.73	9.48	0.25

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	1.68	5.45	7.13
6 months	1.85	15.94	17.79
1 year	4.31	12.75	17.06
2 years p.a.	4.47	2.34	6.81
3 years p.a.	3.92	5.47	9.39
5 years p.a.	3.41	6.28	9.69
7 years p.a.	3.35	5.87	9.22
10 years p.a.	3.40	5.85	9.25

Net risk profile

Periods	Tracking error %	Information Ratio
1 year	2.48	1.07
2 years p.a.	2.25	0.07
3 years p.a.	2.56	-0.02
5 years p.a.	2.57	0.21
7 years p.a.	2.72	0.23
10 years p.a.	2.67	0.37
Since inception p.a.	2.61	0.10

Assets under management

	A\$m
Fund AUM:	309.51
Strategy AUM:	309.51

Fund analysis (as at 31 March 2024)

Sector allocation			
Sector	Fund %	Benchmark %	Active weight %
Communication Services	1.11	3.77	-2.66
Consumer Discretionary	9.09	7.48	1.61
Consumer Staples	2.27	3.99	-1.73
Energy	6.51	4.97	1.54
Financials Ex Lpt	30.75	29.73	1.02
Health Care	7.06	9.62	-2.57
Industrials	8.27	6.96	1.31
Information Technology	1.13	3.11	-1.98
Materials Ex Metals and Mining	4.21	2.92	1.29
Metals and Mining	20.11	19.13	0.98
Other	1.61	0.00	1.61
Real Estate	4.46	7.00	-2.54
Utilities	0.87	1.31	-0.44
Cash [net of payables]	2.56	0.00	2.56

Five largest overweight positions			
Security	Fund %	Benchmark %	Active weight %
JB Hi-Fi Limited	2.29	0.29	2.00
Ampol Limited	2.36	0.39	1.97
Super Retail Group Limited	1.95	0.11	1.84
Cochlear Limited	2.75	0.91	1.84
Fortescue Ltd	3.57	1.80	1.77

Five largest underweight positions			
Security	Fund %	Benchmark %	Active weight %
Macquarie Group, Ltd.	0.89	2.96	-2.07
CSL Limited	3.73	5.76	-2.03
Telstra Group Limited	0.00	1.85	-1.85
Woolworths Group Ltd	0.00	1.68	-1.68
National Australia Bank Limited	2.86	4.46	-1.61

10 largest holdings			
Security	Fund %	Benchmark %	Active weight %
BHP Group Ltd	10.22	9.29	0.93
Commonwealth Bank of Australia	7.78	8.34	-0.57
ANZ Group Holdings Limited	5.41	3.66	1.75
CSL Limited	3.73	5.76	-2.03
Westpac Banking Corporation	3.67	3.78	-0.11
Fortescue Ltd	3.57	1.80	1.77
National Australia Bank Limited	2.86	4.46	-1.61
Cochlear Limited	2.75	0.91	1.84
James Hardie Industries PLC	2.70	1.11	1.59
Ampol Limited	2.36	0.39	1.97

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.

Market review

Australian stocks were up in March with financials, materials and real estate sectors leading returns. However, with Q4 GDP figures of 0.2% reflecting continued lacklustre economic growth, the Reserve Bank of Australia kept interest rates on hold at 4.35%. Australia's inflation rate came in lower than expectations in February at 3.4%.

In March, the overall effect of the factors - Momentum, Quality and Value - on the fund's active returns was positive. While Momentum and Value generated a positive contribution, the Quality factor contributed negatively. The Value factor had the biggest positive impact on returns. Stock specific effects, which are not attributable to any proprietary factor, had a positive impact.

The impact of active sector weights, which are a by-product of the multi-factor optimisation process, was negative over the month. Our overweights in the consumer discretionary sector and the materials sector both had negative impact on returns.

Contributors to performance

Over March, the Australian multi-factor model posted positive returns. Momentum and Value outperformed Quality that ended the month flat. Momentum and value showed consistently good returns over the month. From a sector perspective, except for health care and consumer staples, all sectors ended the month in positive territory.

Within our Australian universe, the highest rated stocks identified by our multi-factor model outperformed the broader market, while the least attractively rated stocks underperformed.

Risk management

During the month we made several adjustments to the portfolio as a result of our multi-factor portfolio optimisation process. Amongst others, we strengthened our positions in Westpac BKP Corp. and Goodman Group due to an elevated Momentum score. On the other hand, we reduced our position in Stockland and Suncorp due to a decrease in Momentum. Furthermore, we reduced the position in Santos limited due to an overall unattractive factor profile.

The ex-ante tracking error of the fund was at 2.73% at month-end. With 79%, a major part of active risk is associated with our multi-factor model, which includes stock-specific risks as a by-product of our stock selection process. Risk indices representing other style exposures within the portfolio contributed 7% to active risk. Industry risk contribution, a by-product of stock selection, represented additional 9%. The portfolio beta was estimated 0.99 at month-end.

Contact

Tel: 1800 813 500
Email: clientservices.au@invesco.com
Website: www.invesco.com/au

Notes

- ¹ Invesco does not guarantee that the Fund will achieve its objective.
 - ² The IQS team assumed management of the fund on 15 February 2013. Prior to this date, the fund was run primarily on a 'fundamental value' basis.
-

Important information

This document has been prepared by Invesco Australia Ltd (Invesco) ABN 48 001 693 232, Australian Financial Services Licence number 239916, who can be contacted on freecall 1800 813 500, by email to clientservices.au@invesco.com, or by writing to GPO Box 231, Melbourne, Victoria, 3001. You can also visit our website at www.invesco.com/au.

This document contains general information only and does not take into account your individual objectives, taxation position, financial situation or needs. You should assess whether the information is appropriate for you and consider obtaining independent taxation, legal, financial or other professional advice before making an investment decision. A Product Disclosure Statement (PDS) and Target Market Determination for any Invesco fund referred to in this document is available from Invesco. You should read the PDS and consider whether a fund is appropriate for you before making a decision to invest.

Invesco is authorised under its licence to provide financial product advice, deal in financial products and operate registered managed investment schemes. If you invest in an Invesco Fund, Invesco may receive fees in relation to that investment. Details are in the PDS. Invesco's employees and directors do not receive commissions but are remunerated on a salary basis. Neither Invesco nor any related corporation has any relationship with other product issuers that could influence us in providing the information contained in this document.

Investments in the Invesco funds are subject to investment risks including possible delays in repayment and loss of income and principal invested. Neither Invesco nor any other member of the Invesco Ltd Group guarantee the return of capital, distribution of income, or the performance of any of the Funds. Any investments in the Funds do not represent deposits in, or other liabilities of, any other member of the Invesco Ltd Group.

Invesco has taken all due care in the preparation of this document. To the maximum extent permitted by law, Invesco, its related bodies corporate, directors or employees are not liable and take no responsibility for the accuracy or completeness of this document and disclaim all liability for any loss or damage of any kind (whether foreseeable or not) that may arise from any person acting on any statements contained in this document.

This document has been prepared only for those persons to whom Invesco has provided it. It should not be relied upon by anyone else.

© Copyright of this document is owned by Invesco. You may only reproduce, circulate and use this document (or any part of it) with the consent of Invesco.