

### Fund performance analysis (periods to 31 October 2017)

#### Net performance

Periods	Fund %	Benchmark %	Value added %
1 month	4.52	4.02	0.50
3 months	6.21	4.83	1.38
6 months	5.09	2.20	2.89
1 year	16.69	15.92	0.77
2 years p.a.	15.00	11.02	3.98
3 years p.a.	10.61	7.03	3.58
5 years p.a.	12.01	10.20	1.81
10 years p.a.	1.91	3.14	-1.23
Calendar year to date	9.03	8.06	0.97
Financial year to date	6.64	4.85	1.79
Since inception p.a.	9.85	9.62	0.23

#### Fund Manager



**Nicole Schnuderl**  
Senior Portfolio Manager  
IQS Australian Equities

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	6.21	6.21
6 months	1.03	4.06	5.09
1 year	3.35	13.34	16.69
2 years p.a.	3.49	11.51	15.00
3 years p.a.	3.41	7.20	10.61
5 years p.a.	3.38	8.63	12.01
10 years p.a.	6.20	-4.29	1.91

#### Net risk profile

Periods	Tracking error %	Information Ratio
1 year	2.56	0.30
2 years p.a.	2.55	1.56
3 years p.a.	2.47	1.44
5 years p.a.	2.52	0.72
10 years p.a.	2.77	-0.44
Since inception p.a.	2.58	0.09

#### Fund facts at a glance

##### Asset class

Australian equities

##### Objective<sup>1</sup>

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

##### Management style

Core, active management using bottom-up stock selection via fundamental analysis within a quantitative framework

##### 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 date

30/4/91

##### Minimum investment

\$20,000

##### MER/ICR

0.88%

##### Buy/Sell Spread

0.35%/0.35%

##### APIR code

CNA0811AU

<sup>1</sup> Invesco does not guarantee that the Fund will achieve its objective. This Fund changed its strategy to Australian Core Equity on 15 February 2013.

## Australian Core Equity Strategy (periods to 31 October 2017)

In the table below we show the full performance history (gross of fees) of the Invesco Australian Core Equity Strategy since inception (30/6/08). The Fund adopted this strategy on 15 February 2013.

#### Gross performance

Periods	Strategy %	Benchmark %	Value added %
1 month	4.60	4.02	0.58
3 months	6.44	4.83	1.61
6 months	5.55	2.20	3.35
1 year	17.71	15.92	1.79
2 years p.a.	16.00	11.02	4.98
3 years p.a.	11.58	7.03	4.55
5 years p.a.	13.25	10.18	3.07
Calendar year to date	9.83	8.06	1.77
Financial year to date	6.95	4.85	2.10
Since inception p.a.	7.31	5.87	1.44

Returns 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.

## Fund analysis (as at 31 October 2017)

#### Assets under management

	A\$m
Fund AUM:	7.93
Strategy AUM:	7.93

#### Sector allocation

Sector	Fund %	Benchmark %	Active weight %
Consumer Discretionary	5.41	4.85	0.56
Consumer Staples	5.48	7.34	-1.86
Energy	6.44	4.59	1.84
Financials Ex Lpt	33.55	36.44	-2.89
Health Care	9.02	7.13	1.90
Industrials	7.99	7.44	0.55
Information Technology	2.84	1.90	0.95
Materials Ex Metals and Mining	3.83	4.16	-0.33
Metals and Mining	12.50	12.81	-0.30
Other	1.86	0.00	1.86
Real Estate	6.70	8.17	-1.46
Telecommunication Services	3.80	3.03	0.78
Utilities	0.44	2.14	-1.70
[Cash]	0.12	0.00	0.12

**Five largest overweight positions**

<b>Security</b>	<b>Fund %</b>	<b>Benchmark %</b>	<b>Active weight %</b>
Cochlear Limited	2.70	0.63	2.07
CIMIC Group Limited	2.33	0.29	2.04
Computershare Limited	2.51	0.49	2.03
IOOF Holdings Ltd	2.23	0.20	2.03
Aristocrat Leisure Limited	2.95	0.93	2.02

**Five largest underweight positions**

<b>Security</b>	<b>Fund %</b>	<b>Benchmark %</b>	<b>Active weight %</b>
Westpac Banking Corporation	4.80	6.97	-2.17
Australia and New Zealand Banking Group Limited	3.43	5.47	-2.04
Wesfarmers Limited	1.01	2.95	-1.94
Transurban Group Ltd.	0.00	1.55	-1.55
Woolworths Ltd	0.82	2.10	-1.28

**10 largest holdings**

<b>Security</b>	<b>Fund %</b>	<b>Benchmark %</b>	<b>Active weight %</b>
Commonwealth Bank of Australia	9.76	8.47	1.30
National Australia Bank Limited	5.30	5.45	-0.16
Westpac Banking Corporation	4.80	6.97	-2.17
BHP Billiton Limited	4.04	5.30	-1.26
Macquarie Group Limited	3.87	1.94	1.93
Rio Tinto Limited	3.66	1.83	1.83
CSL Limited	3.56	3.91	-0.35
Australia and New Zealand Banking Group Limited	3.43	5.47	-2.04
Aristocrat Leisure Limited	2.95	0.93	2.02
Cochlear Limited	2.70	0.63	2.07

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

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### Performance Commentary

The portfolio outperformed its benchmark in October.

Stock selection was positive over the month. The main driver was price momentum while other factors were flat to slightly negative. From a sector perspective, stock selection was positive in Consumer Staples and Industrials but detracted in Materials and Financials. The fund's style and sector exposure also added value. Sector and style exposure are residuals of our stock selection process.

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### Model Commentary

The Fund's quantitative approach rates stocks based on four factors or 'concepts', namely Earnings Expectations, Market Sentiment, Management & Quality, and 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.

The predictive ability of our stock selection model was positive over the month, driven by our momentum-related factors. The prognostic ability of our quality and value-related factors on the other hand were negative. The relative return distribution of all stocks in the Australian universe showed that on average our most attractively viewed stocks outperformed whereas stocks we regard as least attractive performed better than expected.

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### Portfolio Activity

During the month we made a number of adjustments to the portfolio as a result of our stock selection model. Amongst other, we bought Fortescue Metals Group, Amcor and Caltex Australia with trade weights of 2.21%, 1.45% and 1.28% respectively. On the other side we reduced exposure to Woodside Petroleum and sold out of CSR and Bluescope Steel with trade weights of 1.15%, -1.55% and 2.00% respectively. Buy and sell decisions are based on return and risk considerations.

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### Risk management

The ex-ante tracking error of the fund was 2.25% (ex post target 3%) at month-end. At 90%, the major part of our active risk is associated with stock-specific risk. A further 6% came from risk indices representing unintended style exposure within the portfolio. Industry risk contribution, a by-product of stock selection, represented 4%. Within a tight product specific range, the portfolio beta was 0.98 at month-end.



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## Important information

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