

Invesco Wholesale Australian Share Fund

ARSN 089 540 143

**Interim financial report
for the half-year ended 31 December 2023**

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual financial report for the year ended 30 June 2023 and any public announcements made in respect of Invesco Wholesale Australian Share Fund during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

This financial report covers Invesco Wholesale Australian Share Fund as an individual entity.

The Responsible Entity of Invesco Wholesale Australian Share Fund is Invesco Australia Ltd (ABN 48 001 693 232). The Responsible Entity's registered office is Level 26, 333 Collins Street, Melbourne VIC 3000.

Directors' report

The directors of Invesco Australia Ltd, the Responsible Entity of Invesco Wholesale Australian Share Fund, present their report together with the interim financial report of Invesco Wholesale Australian Share Fund (the "Fund"), for the half-year ended 31 December 2023 (the "reporting period").

Directors

The following persons held office as directors of the Responsible Entity during the half-year or since the end of the half-year and up to the date of this report:

Martin Franc (Chairman)
 Jeremy Simpson
 Andrew Lo
 Alex (Hideki) Sato
 Jason Roach

Review and results of operations

There have been no significant changes to the operations of the Fund during the half-year. The Fund continued to invest in accordance with target asset allocations as set out in the governing documents of the Fund and in accordance with the provisions of the Fund's Constitution.

The performance of the Fund, as represented by the results of its operations, was as follows:

	Half-year ended	
	31 December 2023	31 December 2022
Operating profit before finance costs attributable to unitholders (\$'000)	28,616	17,763
<i>Distributions - Class A</i>		
Distributions paid and payable (\$'000)	2,950	1,863
Distributions (cents per unit)	2.0838	2.0944
<i>Distributions - Class M</i>		
Distributions paid and payable (\$'000)	1,667	1,768
Distributions (cents per unit)	1.9387	1.9767

Significant changes in state of affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the Fund that occurred during the reporting period.

Rounding of amounts to the nearest thousand dollars

Amounts in the Directors' report have been rounded to the nearest thousand dollars in accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, unless otherwise indicated.

Directors' report (continued)

Auditor's independence declaration

A copy of the Auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 3.

This report is made in accordance with a resolution of the directors of Invesco Australia Ltd.

Director 
Martin Franc

Melbourne
6 March 2024



Auditor's Independence Declaration

As lead auditor for the review of Invesco Wholesale Australian Share Fund for the half-year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

A handwritten signature in black ink, appearing to read 'Adrian Gut', followed by a period.

Adrian Gut
Partner
PricewaterhouseCoopers

Melbourne
6 March 2024

Invesco Wholesale Australian Share Fund
Statement of comprehensive income
For the half-year ended 31 December 2023

Statement of comprehensive income

	Half-year ended	
	31 December 2023 \$'000	31 December 2022 \$'000
<i>Investment income</i>		
Interest income	22	6
Dividend income	5,961	4,860
Distribution income	420	309
Net gains on financial instruments at fair value through profit or loss	<u>22,804</u>	<u>12,987</u>
<i>Total net investment income</i>	<u>29,207</u>	<u>18,162</u>
<i>Expenses</i>		
Responsible Entity's fees	500	319
Transaction costs	87	55
Withholding tax expense	<u>4</u>	<u>25</u>
<i>Total operating expenses</i>	<u>591</u>	<u>399</u>
<i>Operating profit</i>	<u>28,616</u>	<u>17,763</u>
<i>Finance costs attributable to unitholders</i>		
Distributions to unitholders	3 (4,617)	(3,631)
Increase in net assets attributable to unitholders	2 <u>(23,999)</u>	<u>(14,132)</u>
<i>Profit for the half-year</i>	-	-
Other comprehensive income	<u>-</u>	<u>-</u>
<i>Total comprehensive income for the half-year</i>	<u>-</u>	<u>-</u>

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Balance sheet

		As at	
		31 December	30 June
		2023	2023
	Note	\$'000	\$'000
Assets			
Cash and cash equivalents		7,069	7,775
Receivables		317	452
Accrued income		215	1,272
Financial assets at fair value through profit or loss	4	<u>279,317</u>	<u>287,793</u>
Total assets		<u>286,918</u>	<u>297,292</u>
Liabilities			
Distribution payable	3	4,617	6,459
Payables		360	654
Due to brokers - payable for securities purchased		<u>—</u>	<u>364</u>
Total liabilities (excluding net assets attributable to unitholders)		<u>4,977</u>	<u>7,477</u>
Net assets attributable to unitholders - liability	2	<u>281,941</u>	<u>289,815</u>

The above balance sheet should be read in conjunction with the accompanying notes.

Statement of changes in equity

	Half-year ended	
	31 December 2023	31 December 2022
	\$'000	\$'000
Total equity at the beginning of the half-year	-	-
Profit/(loss) for the half-year	-	-
Other comprehensive income	-	-
Total comprehensive income for the half-year	-	-
Transactions with owners in their capacity as owners	-	-
Total equity at the end of the half-year	-	-

Under Australian Accounting Standards, net assets attributable to unitholders are classified as a liability rather than equity. As a result there was no equity at the start or end of the half-year.

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Invesco Wholesale Australian Share Fund
Statement of cash flows
For the half-year ended 31 December 2023

Statement of cash flows

	Half-year ended	
	31 December 2023	31 December 2022
	\$'000	\$'000
<i>Cash flows from operating activities</i>		
Proceeds from sale of financial instruments at fair value through profit or loss	153,151	67,529
Purchase of financial instruments at fair value through profit or loss	(122,236)	(103,397)
Transaction costs of financial instruments at fair value through profit or loss	(87)	(55)
Dividends received	7,053	5,466
Distributions received	386	230
Interest received	23	6
Responsible Entity's fees paid	(497)	(305)
Payment of other expenses	—	(2)
<i>Net cash inflow/(outflow) from operating activities</i>	<u>37,793</u>	<u>(30,528)</u>
<i>Cash flows from financing activities</i>		
Proceeds from applications by unitholders	54,827	49,036
Payments for redemptions by unitholders	(86,967)	(16,437)
Distributions paid to unitholders	(6,359)	(4,821)
<i>Net cash (outflow)/inflow from financing activities</i>	<u>(38,499)</u>	<u>27,778</u>
<i>Net decrease in cash and cash equivalents</i>	<u>(706)</u>	<u>(2,750)</u>
Cash and cash equivalents at the beginning of the half-year	<u>7,775</u>	<u>5,856</u>
<i>Cash and cash equivalents at the end of the half-year</i>	<u><u>7,069</u></u>	<u><u>3,106</u></u>
Non-cash financing activities	2	134

The above statement of cash flows should be read in conjunction with the accompanying notes.

1 Basis of preparation of interim report

These general purpose financial statements for the half-year ended 31 December 2023 (the "reporting period") have been prepared in accordance with the *Corporations Act 2001* and Australian Accounting Standard AASB 134 *Interim Financial Reporting*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual financial report for the year ended 30 June 2023 and any public announcements made in respect of Invesco Wholesale Australian Share Fund during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The financial statements were authorised for issue by the directors on 6 March 2024. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

The accounting policies adopted are consistent with those of the previous annual reporting period, unless otherwise stated.

Compliance with International Financial Reporting Standards (IFRS)

Compliance with AASB 134 ensures that the interim financial report of the Fund, comprising the financial statements and notes thereto, complies with International Accounting Standards IAS 34 *Interim Financial Reporting*.

New and amended standards adopted by the Fund

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial half-year beginning 1 July 2023 that have a material impact on the amounts recognised in the prior periods or will affect the current or future periods.

New standards, amendments and interpretations effective after 1 July 2024 and have not been early adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2024, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Fund.

2 Net assets attributable to unitholders

Under AASB 132 *Financial Instruments: Presentation*, puttable financial instruments meet the definition of a financial liability to be classified as equity where certain strict criteria are met. The Fund shall classify a financial instrument as an equity instrument from the date when the instrument has all the features and meets the conditions. Otherwise the financial instrument should be disclosed as a liability.

Movement in number of units and net assets attributable to unitholders during the half-year were as follows:

	As at			
	31 December 2023 No.'000	31 December 2022 No.'000	31 December 2023 \$'000	31 December 2022 \$'000
Class A				
Opening balance	152,869	77,311	182,144	96,762
Applications	27,770	17,244	33,826	20,547
Redemptions	(39,173)	(5,724)	(47,135)	(6,853)
Units issued upon reinvestment of distributions	83	121	100	134
Increase/(decrease) in net assets attributable to unitholders	—	—	14,086	(2,760)
Closing balance	<u>141,549</u>	<u>88,952</u>	<u>183,021</u>	<u>107,830</u>
Class M				
Opening balance	101,706	71,558	107,671	60,629
Applications	19,234	26,802	20,870	28,403
Redemptions	(34,941)	(8,905)	(39,534)	(9,574)
Increase in net assets attributable to unitholders	—	—	9,913	16,892
Closing balance	<u>85,999</u>	<u>89,455</u>	<u>98,920</u>	<u>96,350</u>

2 Net assets attributable to unitholders (continued)

As stipulated within the Fund's Constitution, each unit represents a right to an individual share in the Fund and does not extend to a right to the underlying assets of the Fund. There are two classes of unitholders in the Fund being Class A and Class M.

Capital risk management

The Fund considers its net assets attributable to unitholders as capital, notwithstanding net assets attributable to unitholders are classified as a liability. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Fund is subject to daily applications and redemptions at the discretion of unitholders.

Daily applications and redemptions are reviewed relative to the liquidity of the Fund's underlying assets on a daily basis by the Responsible Entity. Under the terms of the Fund's Constitution, the Responsible Entity has the discretion to reject an application for units and to defer or adjust a redemption of units if the exercise of such discretion is in the best interests of unitholders.

3 Distributions to unitholders

The distributions during the half-year were as follows:

	Half-year ended			
	31 December 2023		31 December 2022	
	\$'000	CPU	\$'000	CPU
Class A				
Distributions payable				
- 31 December	2,950	2.0838	1,863	2.0944
Class M				
Distributions payable				
- 31 December	1,667	1.9387	1,768	1.9767

4 Financial assets at fair value through profit or loss

	As at	
	31 December 2023 Fair value \$'000	30 June 2023 Fair value \$'000
Financial assets at fair value through profit or loss		
Derivatives	106	26
Equity securities	263,801	270,242
Listed unit trusts	15,410	17,525
Total financial assets at fair value through profit or loss	279,317	287,793
Comprising:		
Derivatives		
Australian share price index futures	106	26
Total derivatives	106	26
Listed equity securities		
Australian equity securities listed on prescribed stock exchange	263,801	270,242
Total listed equity securities	263,801	270,242
Listed unit trusts		
Australian listed trusts	6,392	7,653
Australian listed property trusts	9,018	9,872
Total listed unit trusts	15,410	17,525
Total financial assets at fair value through profit or loss	279,317	287,793

5 Fair value measurement

The Fund measures and recognises the following assets and liabilities at fair value on a recurring basis;

- Financial assets/liabilities at fair value through profit or loss (FVPL) (see Note 4)
- Derivative financial instruments (see Note 4)

The Fund has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level of the following fair value hierarchy:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- (b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

(i) Fair value in an active market (level 1)

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs.

For the majority of its investments, the Fund relies on information provided by independent pricing services for the valuation of its investments.

The quoted market price used for financial assets held by the Fund is the current bid price; the appropriate quoted market price for financial liabilities is the current asking price. When the Fund holds derivatives with offsetting market risks, it uses mid-market prices as a basis for establishing fair values for the offsetting risk positions and applies this bid or asking price to the net open position, as appropriate.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

(ii) Fair value in an inactive or unquoted market (level 2 and level 3)

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions.

For other pricing models, inputs are based on market data as at the end of the reporting period. Fair values for unquoted equity investments are estimated, if possible, using applicable price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

The fair value of derivatives that are not exchange traded is estimated at the amount that the Fund would receive or pay to terminate the contract at the end of the reporting period taking into account current market conditions (volatility and appropriate yield curve) and the current creditworthiness of the counterparties. The fair value of a forward contract is determined as a net present value of estimated future cash flows, discounted at appropriate market rates as at the valuation date.

Investments in other unlisted unit trusts are recorded at the redemption value per unit as reported by the investment managers of such funds.

Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Fund holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including liquidity risk and counterparty risk.

The carrying value less impairment provision of other receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Fund for similar financial instruments.

5 Fair value measurement (continued)

Recognised fair value measurements

The table below sets out the Fund's financial assets and liabilities measured and recognised at fair value according to the fair value hierarchy as at 31 December 2023 and 30 June 2023.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
31 December 2023				
Financial assets at fair value through profit or loss				
Derivatives				
Share price index futures	106	–	–	106
Equity securities	263,795	–	6	263,801
Listed unit trusts	15,410	–	–	15,410
Total	279,311	–	6	279,317
30 June 2023				
Financial assets at fair value through profit or loss				
Derivatives				
Share price index futures	26	–	–	26
Equity securities	269,866	364	12	270,242
Listed unit trusts	17,525	–	–	17,525
Total	287,417	364	12	287,793

The Fund's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Transfers between levels

There were no transfers between the levels of the fair value hierarchy for the half-year ended 31 December 2023 and year ended 30 June 2023.

6 Events occurring after the reporting period

No significant events have occurred since the end of reporting period which would impact on the financial position of the Fund disclosed in the balance sheet as at 31 December 2023 or on the results and cash flows of the Fund for the half-year ended on that date.

7 Contingent assets, liabilities and commitments

There are no outstanding contingent assets, liabilities or commitments as at 31 December 2023 (30 June 2023: Nil).

Directors' declaration

In the opinion of the directors of the Responsible Entity:

- (a) the financial statements and notes set out on pages 4 to 11 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Fund's financial position as at 31 December 2023 and of its performance for the financial half-year ended on that date; and
- (b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors of Invesco Australia Ltd.

Director  _____
Martin Franc

Melbourne
6 March 2024



Independent auditor's review report to the unitholders of Invesco Wholesale Australian Share Fund

Report on the half-year financial report

Conclusion

We have reviewed the half-year financial report of Invesco Wholesale Australian Share Fund (the Registered Scheme) which comprises the balance sheet as at 31 December 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Invesco Wholesale Australian Share Fund does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the Registered Scheme's financial position as at 31 December 2023 and of its performance for the half-year ended on that date
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report.

We are independent of the Registered Scheme in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibilities of the directors of the Responsible Entity for the half-year financial report

The directors of the Responsible Entity are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors of the Responsible Entity determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Registered Scheme's financial position as at 31 December 2023 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A handwritten signature in black ink that reads "PricewaterhouseCoopers".

PricewaterhouseCoopers

A handwritten signature in black ink that appears to read "Adrian Gut".

Adrian Gut
Partner

Melbourne
6 March 2024