

# Invesco Wholesale Australian Share Fund - Class A

## Monthly factsheet

30 June 2023

### Fund Managers - Invesco Australian Equities Team

**André Roberts**  
Senior Portfolio Manager

**Neil Lahy**  
Senior Portfolio Manager

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Senior Portfolio Manager

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Senior Portfolio Manager

**CJ Tsai**  
Portfolio Manager

### Fund facts at a glance

**Asset class**  
Australian equities

**Objective<sup>1</sup>**  
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 date<sup>2</sup>**  
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 30 June 2023)

#### Net performance

Periods	Fund %	Benchmark %	Value added %
1 month	1.88	1.73	0.15
3 months	-0.87	0.99	-1.86
6 months	0.49	4.36	-3.87
1 year	10.94	14.40	-3.46
2 years p.a.	1.30	3.27	-1.97
3 years p.a.	9.63	11.07	-1.44
5 years p.a.	5.87	7.12	-1.25
7 years p.a.	9.04	8.91	0.13
10 years p.a.	9.27	8.55	0.72
Calendar year to date	0.49	4.36	-3.87
Financial year to date	10.94	14.40	-3.46
Since inception p.a.	9.40	9.29	0.11

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	-0.87	-0.87
6 months	1.73	-1.24	0.49
1 year	5.20	5.74	10.94
2 years p.a.	3.59	-2.29	1.30
3 years p.a.	3.50	6.13	9.63
5 years p.a.	3.18	2.69	5.87
7 years p.a.	3.32	5.72	9.04
10 years p.a.	3.49	5.78	9.27

#### Net risk profile

Periods	Tracking error %	Information Ratio
1 year	2.37	-1.46
2 years p.a.	2.78	-0.71
3 years p.a.	2.50	-0.58
5 years p.a.	2.59	-0.48
7 years p.a.	2.79	0.05
10 years p.a.	2.67	0.27
Since inception p.a.	2.62	0.04

#### Assets under management

	A\$m
Fund AUM:	296.26
Strategy AUM:	296.26

**Fund analysis (as at 30 June 2023)**

<b>Sector allocation</b>			
<b>Sector</b>	<b>Fund %</b>	<b>Benchmark %</b>	<b>Active weight %</b>
Communication Services	4.39	4.02	0.36
Consumer Discretionary	8.27	6.56	1.71
Consumer Staples	2.75	4.89	-2.14
Energy	7.12	5.32	1.80
Financials Ex Lpt	26.78	27.47	-0.69
Health Care	7.55	9.76	-2.21
Industrials	9.40	7.21	2.19
Information Technology	2.00	2.66	-0.66
Materials Ex Metals and Mining	1.20	2.34	-1.13
Metals and Mining	23.13	22.22	0.91
Other	2.84	0.00	2.84
Real Estate	3.71	6.07	-2.36
Utilities	0.91	1.48	-0.57
Cash [net of payables]	-0.05	0.00	-0.05

<b>Five largest overweight positions</b>			
<b>Security</b>	<b>Fund %</b>	<b>Benchmark %</b>	<b>Active weight %</b>
Fortescue Metals Group Ltd	3.82	1.72	2.10
Brambles Limited	2.95	0.92	2.04
Helia Group Limited	2.02	0.05	1.98
JB Hi-Fi Limited	2.19	0.22	1.97
Super Retail Group Limited	2.03	0.08	1.95

<b>Five largest underweight positions</b>			
<b>Security</b>	<b>Fund %</b>	<b>Benchmark %</b>	<b>Active weight %</b>
Commonwealth Bank of Australia	5.53	7.73	-2.20
Wesfarmers Limited	0.49	2.56	-2.06
Macquarie Group, Ltd.	1.37	2.95	-1.58
Woolworths Group Ltd	0.69	2.21	-1.52
Goodman Group	0.45	1.57	-1.12

<b>10 largest holdings</b>			
<b>Security</b>	<b>Fund %</b>	<b>Benchmark %</b>	<b>Active weight %</b>
BHP Group Ltd	12.07	10.42	1.65
CSL Limited	5.98	6.11	-0.13
Commonwealth Bank of Australia	5.53	7.73	-2.20
Westpac Banking Corporation	4.23	3.42	0.81
Fortescue Metals Group Ltd	3.82	1.72	2.10
Woodside Energy Group Ltd	3.74	2.99	0.75
Telstra Group Limited	3.54	2.27	1.27
ANZ Group Holdings Limited	3.51	3.25	0.25
National Australia Bank Limited	3.41	3.78	-0.37
Brambles Limited	2.95	0.92	2.04

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**

During the month of June, Australian stocks experienced overall gains. Materials stocks led the way with a 4.8% increase, benefiting from stronger commodity prices and a weaker US Dollar. IT stocks also performed well, rising 3.5% due to a rally in the Nasdaq index and growing interest in artificial intelligence applications that carried over into Australian equities. Stocks performed particularly well in the last week of the month. This was supported by the Consumer Price Index (CPI) data, which came in lower than expected at 5.6% compared to the anticipated 6.1%.

In June, Momentum contributed slightly, and Value had a significantly positive impact on performance, whereas Quality contribution was flat over the month. Stock specific effects, which are not attributable to any proprietary factor, had a positive impact as well.

Impact from active sector weights, which are a by-product of the multi-factor optimisation process, was slightly positive over the month. Here, our marginal underweight in the Healthcare sector and overweight in the Energy sector had a positive impact on returns.

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**Contributors to performance**

Over June, the Australian multi-factor model moved back into positive territory, with Quality and Value posting strong results. Momentum had a good start to the month but declined in the last few trading days to end the month flat. Value was the strongest factor in the model with all underlying signals contributing positively.

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

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**Risk management**

During the month we made several adjustments to the portfolio as a result of our multi-factor portfolio optimisation process. Amongst others, reduced underweight on Newcrest Mining pending corporate activity and Xero Ltd. based on its strong Momentum score. On the other hand, we reduced our position in the ANZ Banking Group and Metcash Ltd. due to their negative Momentum scores.

The ex-ante tracking error of the fund was at 2.59% at month-end. Attributing by sources of active risk, the majority of 76% 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 9% to active risk. Industry risk contribution, a by-product of stock selection, represented additional 15%. The portfolio beta with respect to S&P/ASX 300 was estimated 1.0 at month-end.

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**Notes**

- <sup>1</sup> Invesco does not guarantee that the Fund will achieve its objective.
  - <sup>2</sup> 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.
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**Important information**

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