

# Invesco Wholesale Australian Share Fund - Class A

Monthly factsheet

30 September 2023

<b>Fund Managers - Invesco Australian Equities Team</b>
<b>André Roberts</b> Senior Portfolio Manager
<b>Neil Lahy</b> Senior Portfolio Manager
<b>Ritchard Longmire</b> Senior Portfolio Manager
<b>Nicole Schnuderl</b> Senior Portfolio Manager
<b>CJ Tsai</b> Portfolio Manager
<b>Fund facts at a glance</b>
<b>Asset class</b> Australian equities
<b>Objective<sup>1</sup></b> The Fund aims to provide long-term capital growth and distributions by investing in securities listed on the Australian sharemarket
<b>Management style</b> Style-neutral, quantitative
<b>Benchmark</b> <ul style="list-style-type: none"> <li>From inception to 31/3/00 = ASX All Ordinaries Accumulation Index</li> <li>From 1/4/00 = S&amp;P/ASX 300 Accumulation Index</li> <li>From 19/4/11 = S&amp;P/ASX 200 Accumulation Index</li> <li>From 15/2/13 = S&amp;P/ASX 300 Accumulation Index</li> </ul>
<b>Risk profile</b> High
<b>Time horizon</b> 7 years
<b>Distribution frequency</b> Half-yearly
<b>Inception date<sup>2</sup></b> 30/4/91
<b>Minimum investment</b> \$20,000
<b>MER/ICR</b> 0.44%
<b>Buy/Sell Spread</b> 0.15%/0.15%
<b>APIR code</b> CNAO811AU

## Fund performance analysis (periods to 30 September 2023)

Net performance			
Periods	Fund %	Benchmark %	Value added %
1 month	-2.64	-2.89	0.25
3 months	0.26	-0.84	1.10
6 months	-0.62	0.14	-0.76
1 year	10.64	12.92	-2.28
2 years p.a.	1.41	1.93	-0.52
3 years p.a.	9.64	10.78	-1.14
5 years p.a.	6.04	6.62	-0.58
7 years p.a.	7.96	7.99	-0.03
10 years p.a.	8.09	7.40	0.69
Calendar year to date	0.75	3.48	-2.73
Financial year to date	0.26	-0.84	1.10
Since inception p.a.	9.33	9.18	0.15

*Please note for the period ended 30 September 2023, the fund performance returns are as at Thursday 28 September 2023. This is due to a public holiday in Victoria on Friday 29 September 2023 where the Fund did not issue a transaction price.*

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	2.15	-1.89	0.26
6 months	2.12	-2.74	-0.62
1 year	4.23	6.41	10.64
2 years p.a.	3.87	-2.46	1.41
3 years p.a.	3.66	5.98	9.64
5 years p.a.	3.30	2.74	6.04
7 years p.a.	3.36	4.60	7.96
10 years p.a.	3.40	4.69	8.09

Net risk profile		
Periods	Tracking error %	Information Ratio
1 year	2.35	-0.97
2 years p.a.	2.52	-0.21
3 years p.a.	2.51	-0.45
5 years p.a.	2.54	-0.23
7 years p.a.	2.72	-0.01
10 years p.a.	2.67	0.26
Since inception p.a.	2.62	0.06

Assets under management		A\$m
Fund AUM:		268.59
Strategy AUM:		268.59

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

<b>Sector allocation</b>			
<b>Sector</b>	<b>Fund %</b>	<b>Benchmark %</b>	<b>Active weight %</b>
Communication Services	3.21	3.96	-0.75
Consumer Discretionary	7.76	7.04	0.72
Consumer Staples	3.04	4.51	-1.48
Energy	7.60	5.91	1.68
Financials Ex Lpt	28.10	28.23	-0.13
Financials-X-Property Trusts (Gic)	0.00	0.03	-0.03
Health Care	7.20	8.99	-1.80
Industrials	8.71	7.04	1.67
Information Technology	1.81	2.67	-0.86
Materials Ex Metals and Mining	2.32	2.48	-0.16
Metals and Mining	22.54	21.64	0.90
Other	3.03	0.00	3.03
Real Estate	3.60	6.00	-2.40
Utilities	1.05	1.49	-0.44
Cash [net of payables]	0.04	0.00	0.04

  

<b>Five largest overweight positions</b>			
<b>Security</b>	<b>Fund %</b>	<b>Benchmark %</b>	<b>Active weight %</b>
Brambles Limited	2.81	0.92	1.88
Helia Group Limited	1.86	0.05	1.81
JB Hi-Fi Limited	2.03	0.23	1.80
Super Retail Group Limited	1.86	0.09	1.77
QBE Insurance Group Limited	2.81	1.09	1.72

  

<b>Five largest underweight positions</b>			
<b>Security</b>	<b>Fund %</b>	<b>Benchmark %</b>	<b>Active weight %</b>
National Australia Bank Limited	2.13	4.24	-2.11
CSL Limited	3.63	5.62	-1.99
Macquarie Group, Ltd.	0.86	2.80	-1.94
Wesfarmers Limited	1.15	2.79	-1.63
Commonwealth Bank of Australia	6.20	7.79	-1.59

  

<b>10 largest holdings</b>			
<b>Security</b>	<b>Fund %</b>	<b>Benchmark %</b>	<b>Active weight %</b>
BHP Group Ltd	11.35	10.42	0.93
Commonwealth Bank of Australia	6.20	7.79	-1.59
ANZ Group Holdings Limited	5.02	3.58	1.43
Westpac Banking Corporation	4.40	3.45	0.95
Woodside Energy Group Ltd	4.12	3.22	0.90
CSL Limited	3.63	5.62	-1.99
QBE Insurance Group Limited	2.81	1.09	1.72
Brambles Limited	2.81	0.92	1.88
Fortescue Metals Group Ltd	2.80	1.65	1.16
Rio Tinto Limited	2.57	1.96	0.61

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 September, equity markets in Australia posted negative returns with the ASX 300 declining as the higher for longer sentiment gained momentum. Despite this, the energy sector demonstrated resilience, while real estate and information technology stocks performed poorly. Towards the end of the month, fresh highs for the US 10-year yield and rising oil prices weighed on ASX 300. The CPI figure announced in August rose to 5.2% in line with expectations, while core inflation fell to 5.5%. At the same time, retail sales increased slightly during the month of August and the unemployment rate remained steady.

In September, Momentum detracted slightly, while Value and Quality had a positive impact on performance over the month. On the other hand, stock specific effects, which are not attributable to any proprietary factor, had a negative impact.

Impact from active sector weights, which are a by-product of the multi-factor optimisation process, was positive over the month. Here, both our overweight in the Energy sector and our underweight in Property Trusts had a positive impact, while our underweight in the Consumer Staples sector contributed negatively to results.

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**Contributors to performance**

Over September, the Australian multi-factor model performed positively. Value outperformed Quality and Momentum, but all three factors ended the month in positive territory. Within Momentum, Earnings Momentum outperformed Price Momentum. Consumer discretionary, health care and IT were the best performing sectors.

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.

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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, we built new positions in Cettire Ltd and in James Hardie Industries based on an attractive Momentum and Quality factor profile. On the other hand, we reduced our position in the National Australia Bank due to its weak overall factor model score and liquidated our position in Aristocrat Leisure.

The ex-ante tracking error of the fund was at 2.36% at month-end. Attributing by sources of active risk, the majority of 66% 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 6% to active risk. Industry risk contribution, a by-product of stock selection, represented additional 9%. 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**

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](mailto: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](http://www.invesco.com/au).

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