

Invesco Wholesale Australian Share Fund - Class A

Monthly factsheet

30 September 2022

Fund Managers - Invesco Australian Equities Team

André Roberts

Senior Portfolio Manager

Ritchard Longmire

Senior Portfolio Manager

Neil Lahy

Senior Portfolio Manager

Nicole Schnuderl

Senior Portfolio Manager

CJ Tsai

Portfolio Manager

Fund performance analysis (periods to 30 September 2022)

Net performance

Periods	Fund %	Benchmark %	Value added %
1 month	-5.36	-6.29	0.93
3 months	0.53	0.45	0.08
6 months	-12.46	-11.82	-0.64
1 year	-7.05	-8.00	0.95
2 years p.a.	9.15	9.73	-0.58
3 years p.a.	3.80	2.73	1.07
5 years p.a.	7.20	6.83	0.37
7 years p.a.	9.61	8.07	1.54
10 years p.a.	9.47	8.40	1.07
Calendar year to date	-9.28	-9.98	0.70
Financial year to date	0.53	0.45	0.08
Since inception p.a.	9.29	9.06	0.23

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	3.03	-2.50	0.53
6 months	2.63	-15.09	-12.46
1 year	3.54	-10.59	-7.05
2 years p.a.	3.39	5.76	9.15
3 years p.a.	3.12	0.68	3.80
5 years p.a.	3.24	3.96	7.20
10 years p.a.	3.31	6.16	9.47

Net risk profile

Periods	Tracking error %	Information Ratio
1 year	2.70	0.35
2 years p.a.	2.62	-0.22
3 years p.a.	2.73	0.39
5 years p.a.	2.86	0.13
10 years p.a.	2.69	0.40
Since inception p.a.	2.62	0.09

Fund analysis (as at 30 September 2022)

Assets under management

	A\$m
Fund AUM:	176.88
Strategy AUM:	176.88

Fund ratings



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2



Fund facts at a glance
Asset class Australian equities
Objective³ 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 Style-neutral, quantitative
Benchmark <ul style="list-style-type: none"> 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 date⁴ 30/4/91
Minimum investment \$20,000
MER/ICR 0.44%
Buy/Sell Spread 0.15%/0.15%
APIR code CNAO811AU

Sector allocation			
Sector	Fund %	Benchmark %	Active weight %
Communication Services	0.74	3.93	-3.19
Consumer Discretionary	5.47	6.51	-1.04
Consumer Staples	5.54	5.02	0.52
Energy	7.50	6.26	1.25
Financials Ex Lpt	26.60	28.01	-1.41
Health Care	8.04	10.49	-2.45
Industrials	7.30	5.98	1.32
Information Technology	3.67	3.14	0.53
Materials Ex Metals and Mining	3.52	2.45	1.06
Metals and Mining	21.23	20.94	0.29
Real Estate	5.46	6.05	-0.58
Utilities	0.35	1.23	-0.88
[Other]	4.57	0.00	4.57
Cash [net of payables]	0.01	0.00	0.01

Five largest overweight positions			
Security	Fund %	Benchmark %	Active weight %
JB Hi-Fi Limited	2.10	0.21	1.89
Rio Tinto Limited	3.63	1.75	1.88
Metcash Limited	2.05	0.19	1.86
Bendigo and Adelaide Bank Ltd.	2.02	0.22	1.80
Vicinity Centres	2.12	0.34	1.78

Five largest underweight positions			
Security	Fund %	Benchmark %	Active weight %
CSL Limited	4.96	6.94	-1.99
Wesfarmers Limited	0.48	2.45	-1.97
Woolworths Group Ltd	0.26	2.08	-1.83
Telstra Corporation Limited	0.50	2.25	-1.75
Macquarie Group, Ltd.	1.23	2.81	-1.58

10 largest holdings			
Security	Fund %	Benchmark %	Active weight %
BHP Group Ltd	10.77	9.86	0.91
Commonwealth Bank of Australia	9.03	7.83	1.21
CSL Limited	4.96	6.94	-1.99
National Australia Bank Limited	3.94	4.62	-0.69
Rio Tinto Limited	3.63	1.75	1.88
Westpac Banking Corporation	3.42	3.65	-0.23
Woodside Energy Group Ltd	3.42	3.04	0.38
Australia and New Zealand Banking Group Limited	3.23	3.45	-0.22
Sonic Healthcare Limited	2.42	0.74	1.68
Vicinity Centres	2.12	0.34	1.78

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.

Performance Commentary

The Australian market plummeted during September, with all sectors finishing the month lower as global central bank rhetoric remains hawkish. Utilities and Real Estate were the laggards, while Health Care and Consumer Staples performed relatively well in comparison. The global central bank tightening cycle and earnings downgrades on broad commodities (excluding lithium) weighed on the Australian stock markets. The small gains of the Australian Index ASX200 over the first full week in September couldn't compensate the losses over the month and the index closed in deep red numbers.

In this environment, the portfolio performed -5.32% (gross of fees) relative to a benchmark return of -6.29%.

Our multi-factor model had a positive effect on the active performance in September. Value, Quality and Momentum contributed positively to relative return during the month. Stock-specific effects, which are not attributable to any other factor, weighted negatively on performance.

Impact from active sector weights, which are a by-product of the multi-factor optimisation process, was slightly positive. Here, our overweight in the Consumer Staples sector and Materials sector added the most to performance while our overweight in Information Technology sector decreased performance.

Model Commentary

Over September, the Australian multi-factor model posted positive results with Momentum, Quality and Value contributing positively. Quality performed very well throughout the month, while the other factors did not perform until the second half of the month. Value worked well in the second half of the month with strong Earnings Yield. Momentum ended in positive territory, with price momentum performing better than earnings / fundamental momentum.

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.

Portfolio Activity

During the month we made several adjustments to the portfolio as a result of our multi-factor portfolio optimisation process. Amongst others, we increased our position in BHP Group Ltd. based on its positive Quality and Value score. On the other hand, we reduced our position in South32 Ltd. as a result of its negative Momentum score.

Risk management

The ex-ante tracking error of the fund was at 3.21 at month-end. Attributing by sources of active risk, 68% 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 8% to active risk. Industry risk contribution, a by-product of stock selection, represented additional 8%. Within a product specific range, the portfolio beta was 1.00 at month-end.

Contact

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

Notes

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³Invesco does not guarantee that the Fund will achieve its objective.

⁴The IQS team assumed management of the fund on 15th February 2013. Prior to this date, the fund was run primarily on a ‘fundamental value’ basis.

Important information

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