

Invesco Wholesale Australian Share Fund - Class A

Monthly factsheet

31 January 2023

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 31 January 2023)

Net performance			
Periods	Fund %	Benchmark %	Value added %
1 month	5.31	6.29	-0.98
3 months	9.21	9.46	-0.25
6 months	10.57	9.97	0.60
1 year	12.56	11.61	0.95
2 years p.a.	10.22	10.60	-0.38
3 years p.a.	6.07	5.98	0.09
5 years p.a.	8.89	8.50	0.39
7 years p.a.	11.14	10.27	0.87
10 years p.a.	9.85	8.75	1.10
Calendar year to date	5.31	6.29	-0.98
Financial year to date	16.26	16.51	-0.25
Since inception p.a.	9.69	9.48	0.21

Fund ratings



1



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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	1.88	7.33	9.21
6 months	1.91	8.66	10.57
1 year	5.27	7.29	12.56
2 years p.a.	3.90	6.32	10.22
3 years p.a.	3.40	2.67	6.07
5 years p.a.	3.28	5.61	8.89
7 years p.a.	3.39	7.75	11.14
10 years p.a.	3.50	6.35	9.85

Net risk profile

Periods	Tracking error %	Information Ratio
1 year	2.31	0.41
2 years p.a.	2.58	-0.15
3 years p.a.	2.64	0.03
5 years p.a.	2.88	0.13
7 years p.a.	2.77	0.31
10 years p.a.	2.66	0.41
Since inception p.a.	2.62	0.08

Fund analysis (as at 31 January 2023)

Assets under management

	A\$m
Fund AUM:	217.82
Strategy AUM:	217.82

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 CNA0811AU

Sector allocation			
Sector	Fund %	Benchmark %	Active weight %
Communication Services	2.34	3.76	-1.41
Consumer Discretionary	7.23	6.46	0.78
Consumer Staples	4.87	4.68	0.19
Energy	7.21	5.91	1.30
Financials Ex Lpt	28.71	27.99	0.72
Health Care	7.79	9.71	-1.91
Industrials	8.12	5.77	2.35
Information Technology	2.45	2.85	-0.40
Materials Ex Metals and Mining	2.07	2.19	-0.12
Metals and Mining	24.57	23.16	1.42
Real Estate	3.79	6.22	-2.43
Utilities	0.34	1.31	-0.97
[Other]	1.36	0.00	1.36
Cash [net of payables]	-0.86	0.00	-0.86

Five largest overweight positions			
Security	Fund %	Benchmark %	Active weight %
JB Hi-Fi Limited	2.21	0.23	1.97
BHP Group Ltd	12.95	10.99	1.96
Qantas Airways Limited	2.47	0.53	1.94
Westpac Banking Corporation	5.42	3.65	1.77
Bendigo and Adelaide Bank Ltd.	1.84	0.25	1.59

Five largest underweight positions			
Security	Fund %	Benchmark %	Active weight %
Woolworths Group Ltd	0.00	1.93	-1.93
Wesfarmers Limited	0.56	2.47	-1.91
Macquarie Group, Ltd.	1.08	2.99	-1.91
Goodman Group	0.00	1.50	-1.50
National Australia Bank Limited	3.41	4.40	-1.00

10 largest holdings			
Security	Fund %	Benchmark %	Active weight %
BHP Group Ltd	12.95	10.99	1.96
Commonwealth Bank of Australia	8.41	8.19	0.21
CSL Limited	6.56	6.31	0.24
Westpac Banking Corporation	5.42	3.65	1.77
Woodside Energy Group Ltd	3.72	3.02	0.70
National Australia Bank Limited	3.41	4.40	-1.00
ANZ Group Holdings Limited	3.27	3.30	-0.02
Rio Tinto Limited	2.99	2.06	0.93
Qantas Airways Limited	2.47	0.53	1.94
Telstra Group Limited	2.34	2.07	0.27

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

Australian equities rallied over the month of January. The strong start to the year was mostly driven by a positive flow of news that indicated US inflation may moderate and reduce the forecast peak of monetary policy target interest rates. Sentiment was further supported in Australia with optimism regarding China's reopening and somewhat lower than expected Australian employment numbers. Consumer Discretionary and Materials stocks led the market higher, while Utilities and Energy lagged.

Our multi-factor model had a slightly negative effect on the active performance in January. Value and Quality contributed slightly positively to relative return during the month, while Momentum had a negative impact on returns. 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 neutral over the month. While our underweight in the utilities sector and our underweight in the health care sector added positively to performance, our overweight in the energy sector and underweight in financials sector had a negative impact on performance.

Model commentary

Over January, the Australian multi-factor model posted negative results. All factors performed similar but with different magnitude. Value and Quality outperformed Momentum. While the most attractive Quality stocks outperformed, the most attractive Momentum and Value stocks posted a negative performance. Within Momentum, earnings momentum outperformed price momentum.

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

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 positions in Suncorp Group Ltd. and Australia and New Zealand Banking Group Ltd. based on their positive factor scores in Momentum, Value and Quality. On the other hand, we reduced our position in Sonic Healthcare as a result of its negative Momentum score.

Risk management

The ex-ante tracking error of the fund was at 3.16% at month-end. Attributing by sources of active risk, 65%, the major part 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 6% to active risk. Industry risk contribution, a by-product of stock selection, represented additional 6%. The portfolio beta with respect to S&P/ASX 300 was estimated 1.0 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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