

Invesco Wholesale Australian Share Fund - Class A

Monthly factsheet

28 February 2023

Fund Managers - Invesco Australian Equities Team

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Fund performance analysis (periods to 28 February 2023)

Net performance

Periods	Fund %	Benchmark %	Value added %
1 month	-3.21	-2.55	-0.66
3 months	-0.89	0.17	-1.06
6 months	5.95	5.92	0.03
1 year	5.62	6.54	-0.92
2 years p.a.	7.44	8.38	-0.94
3 years p.a.	8.08	7.94	0.14
5 years p.a.	7.49	7.87	-0.38
7 years p.a.	10.77	10.14	0.63
10 years p.a.	8.98	7.91	1.07
Calendar year to date	1.93	3.58	-1.65
Financial year to date	12.53	13.54	-1.01
Since inception p.a.	9.55	9.36	0.19

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	1.71	-2.60	-0.89
6 months	1.83	4.12	5.95
1 year	4.94	0.68	5.62
2 years p.a.	3.80	3.64	7.44
3 years p.a.	3.46	4.62	8.08
5 years p.a.	3.24	4.25	7.49
7 years p.a.	3.38	7.39	10.77
10 years p.a.	3.48	5.50	8.98

Net risk profile

Periods	Tracking error %	Information Ratio
1 year	2.13	-0.43
2 years p.a.	2.60	-0.36
3 years p.a.	2.63	0.05
5 years p.a.	2.57	-0.15
7 years p.a.	2.77	0.23
10 years p.a.	2.67	0.40
Since inception p.a.	2.62	0.07

Fund analysis (as at 28 February 2023)

Assets under management

	A\$m
Fund AUM:	215.77
Strategy AUM:	215.77

Fund ratings



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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	2.41	3.89	-1.48
Consumer Discretionary	6.80	6.56	0.24
Consumer Staples	4.85	4.87	-0.01
Energy	6.93	5.98	0.94
Financials Ex Lpt	28.09	27.75	0.34
Health Care	7.87	9.96	-2.09
Industrials	8.29	6.01	2.28
Information Technology	2.51	2.99	-0.48
Materials Ex Metals and Mining	2.14	2.30	-0.16
Metals and Mining	22.67	22.00	0.67
Real Estate	3.80	6.32	-2.52
Utilities	0.35	1.39	-1.03
[Other]	3.34	0.00	3.34
Cash [net of payables]	-0.04	0.00	-0.04

Five largest overweight positions			
Security	Fund %	Benchmark %	Active weight %
Qantas Airways Limited	2.52	0.55	1.98
Helia Group Limited	1.88	0.05	1.83
JB Hi-Fi Limited	1.93	0.21	1.72
Westpac Banking Corporation	5.20	3.57	1.62
BHP Group Ltd	11.97	10.37	1.60

Five largest underweight positions			
Security	Fund %	Benchmark %	Active weight %
Woolworths Group Ltd	0.00	2.03	-2.03
Macquarie Group, Ltd.	1.11	3.12	-2.01
Wesfarmers Limited	0.55	2.48	-1.92
Goodman Group	0.00	1.54	-1.54
National Australia Bank Limited	3.25	4.28	-1.04

10 largest holdings			
Security	Fund %	Benchmark %	Active weight %
BHP Group Ltd	11.97	10.37	1.60
Commonwealth Bank of Australia	7.76	7.73	0.04
CSL Limited	6.58	6.47	0.11
Westpac Banking Corporation	5.20	3.57	1.62
Woodside Energy Group Ltd	3.72	3.09	0.63
National Australia Bank Limited	3.25	4.28	-1.04
ANZ Group Holdings Limited	3.24	3.34	-0.09
Rio Tinto Limited	2.79	1.96	0.82
Qantas Airways Limited	2.52	0.55	1.98
Telstra Group Limited	2.41	2.18	0.23

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

Australia's equity market declined during the month of February. Comments by US Federal Reserve officials, pointing towards a more prolonged restrictive monetary policy, led stocks to fall. Investors' concerns over falling spot prices caused prices of Material stocks to fall significantly, putting further downward pressure on the index. February coincides with interim and final reporting season for the majority of Australian companies and this led to significant dispersion in returns.

Contribution from our multi-factor model was negative in February, despite moderately positive predictive power of the model. Momentum and Quality both contributed negatively to performance, whereas Value had a positive contribution to active returns over the month. The Stock specific effects, which are not attributable to any other factor, had a negative impact on active returns.

Impact from active sector weights, which are a by-product of the multi-factor optimisation process, was neutral over the month. An overweight in the Energy sector contributed positively to the performance and was offset by a negative contribution due to an underweight of the Information Technology sector.

Model commentary

Over February, the Australian multi-factor model posted positive results. All factors performed positively but with different magnitude. Value and Quality outperformed Momentum. Within Momentum, earnings momentum outperformed price momentum. Non-financial stocks had the best outcome during the month. Dispersion across the market was elevated but consistent with higher stock specific volatility in reporting season.

Within our Australian universe, the highest rated stocks as well as the least attractively rated stocks identified by our multi-factor model 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 QBE Insurance Group Ltd. based on an overall increase in Quality, Momentum and Value factor scores and CSL Ltd. based on its positive Momentum factor score. On the other hand, we reduced our position in Computershare Ltd. and Treasury Wine Estates due to their negative Quality and Momentum factor scores.

Risk management

The ex-ante tracking error of the fund was at 2.94% at month-end. Attributing by sources of active risk, 70%, 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 9% 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.

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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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