

Invesco Wholesale Australian Smaller Companies Fund - Class A

Monthly Factsheet

30 November 2022

Fund Managers - Invesco Australian Equities Team¹
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Fund facts at a glance
Asset class Australian equities
Objective² To provide long-term capital growth and distributions by investing in small companies listed on the Australian share market, predominantly outside the S&P/ASX 100 Index
Management style Style-neutral, quantitative
Benchmark <ul style="list-style-type: none"> From inception to 31/12/88 = ASX All Ordinaries ex 50 Leaders From 1/1/89 = ASX All Ordinaries ex 100 Leaders From 1/1/91 = ASX Small Ordinaries Index From 1/4/00 = S&P/ASX Small Ordinaries Accumulation Index
Risk profile High
Time horizon 7 years
Distribution frequency Half-yearly
Inception date¹ 31/3/88
Minimum investment \$20,000
MER/ICR 0.55%
Buy/Sell Spread 0.20%/0.20%
APIR code CNA0812AU

Performance analysis (periods to 30 November 2022)

Net performance			
Periods	Fund %	Benchmark %	Value added %
1 month	4.79	4.92	-0.13
3 months	2.15	-0.81	2.96
6 months	1.55	-3.37	4.92
1 year	-7.56	-14.03	6.47
2 years p.a.	6.70	0.91	5.79
3 years p.a.	6.28	2.57	3.71
5 years p.a.	7.16	4.36	2.80
7 years p.a.	8.20	7.81	0.39
10 years p.a.	6.46	5.87	0.59
Calendar year to date	-10.19	-15.22	5.03
Financial year to date	16.53	11.17	5.36
Since inception p.a.	10.55	5.71	4.84

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	2.15	2.15
6 months	15.86	-14.31	1.55
1 year	16.88	-24.44	-7.56
2 years p.a.	16.11	-9.41	6.70
3 years p.a.	12.14	-5.86	6.28
5 years p.a.	10.41	-3.25	7.16
7 years p.a.	8.23	-0.03	8.20
10 years p.a.	7.15	-0.69	6.46

Net risk profile

Periods	Tracking error %	Information Ratio
1 year	3.14	2.06
2 years p.a.	3.57	1.62
3 years p.a.	3.65	1.02
5 years p.a.	3.97	0.71
7 years p.a.	4.63	0.08
10 years p.a.	5.07	0.12
Since inception p.a.	6.34	0.76

Fund analysis (as at 30 November 2022)

Assets under management

	A\$m
Fund AUM:	13.14
Strategy AUM:	13.14

Market capitalisation allocation			
Ranges	Fund %	Benchmark %	Active weight %
1-20	0.00	0.00	0.00
21-50	0.00	0.00	0.00
51-100	0.00	0.00	0.00
101-200	62.06	73.52	-11.46
201-300	36.07	26.48	9.59
301-500	0.17	0.00	0.17
500+	0.00	0.00	0.00
Cash [net of payables]	1.70	0.00	1.70

Sector allocation			
Sector	Fund %	Benchmark %	Active weight %
Communication Services	3.57	5.11	-1.54
Consumer Discretionary	15.92	13.74	2.18
Consumer Staples	3.47	4.17	-0.71
Energy	5.63	5.76	-0.13
Financials Ex Lpt	9.50	11.14	-1.64
Health Care	5.97	6.55	-0.59
Industrials	9.95	7.82	2.13
Information Technology	8.77	7.88	0.88
Materials Ex Metals and Mining	3.40	3.86	-0.46
Metals and Mining	21.54	20.70	0.84
Real Estate	10.60	13.27	-2.67
Cash [net of payables]	1.70	0.00	1.70

Five largest overweight positions			
Security	Fund %	Benchmark %	Active weight %
NRW Holdings Limited	2.49	0.52	1.97
Mcmillan Shakespeare Limited	2.34	0.39	1.95
Technology One Limited	3.52	1.60	1.92
Premier Investments Limited	2.98	1.07	1.91
Unibail-Rodamco-Westfield SE Stapled Security Chess Depository Interests Repr 0.05 Sh	2.17	0.28	1.88

Five largest underweight positions			
Security	Fund %	Benchmark %	Active weight %
Seven Group Holdings Limited	0.00	1.38	-1.38
Beach Energy Limited	0.00	1.20	-1.20
Flight Centre Travel Group Limited	0.00	1.06	-1.06
Bapcor Ltd	0.00	0.99	-0.99
Sandfire Resources Limited	0.00	0.96	-0.96

10 largest holdings			
Security	Fund %	Benchmark %	Active weight %
Technology One Limited	3.52	1.60	1.92
Perseus Mining Limited	3.05	1.29	1.77
Premier Investments Limited	2.98	1.07	1.91
National Storage REIT	2.91	1.09	1.83
Eagers Automotive Limited	2.75	0.89	1.86
Graincorp Limited Class A	2.49	0.76	1.73
NRW Holdings Limited	2.49	0.52	1.97
Mcmillan Shakespeare Limited	2.34	0.39	1.95
Super Retail Group Limited	2.34	0.74	1.59
Lovisa Holdings Ltd.	2.26	0.64	1.62

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

Australian stocks rose strongly over November, with all sectors finishing up. Gains were led by Utilities and Materials, largely as sentiment around iron ore turned positive on China's property support measures and potential reopening. Consumer Discretionary and Financials sector lagging behind, but still closing in positive territory.

Contribution from our multi-factor model was negative in November. Value and Quality added positively to performance, Momentum weighted negatively on attributed returns over the month. Stock specific returns, which are not attributable to any other factor had a negative effect on active performance.

Impact from active sector weights, which are a by-product of the multi-factor optimisation process, was slightly positive over the month. An overweight in the Materials sector and underweight in the Telecommunication Services sector had a strong positive impact on performance, while the overweight in the Consumer Discretionary sector weighted negatively on active performance.

Contributors to performance

Over November, the Australian multi-factor model posted positive results. The Momentum factor recorded slightly positive returns, with price momentum outperforming earnings momentum. Quality and Value performed strongly throughout the month.

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

Market outlook and portfolio strategy

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 IPH Ltd. based on its positive Momentum and Quality factor. On the other hand, we reduced our position in Sims Ltd. as a result of its negative Momentum factor score.

The ex-ante tracking error of the fund was at 4.20% at month-end. Attributing by sources of risk, 94% 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 1% to active risk. Industry risk contribution, a by-product of stock selection, represented additional 3%. Within a product specific range, the portfolio beta was 1.0 at month-end.

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Notes

¹The IQS team assumed management of the fund on 31 January 2018. Prior to this date, the fund was managed on a 'fundamental value' basis.

² Invesco does not guarantee that the Fund will achieve its objective.

Important Information

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