

# Invesco Responsible Japanese Equity Value Discovery Fund (UK)

Z-Accumulation Shares | SEDOL B8N44W4 | ISIN Code GB00B8N44W47 | Bloomberg code PERJAPZ:LN

## Why invest in this fund

- 1 An active, Environmental, Social and Governance (ESG) focused fund. Our fund allows investors to capitalise on transformations that allow companies to sustain or increase corporate value and that have not been factored into the valuation.
- 2 ESG considerations are an integral part of every step of the investment process, from positive & negative screening (of ESG factors), fundamental research, portfolio construction to engagement.
- 3 We place emphasis on regularly engaging with companies, aiming to increase their sustainable value over the long-term.

## Top 10 holdings

(% of total net assets)

|                                    | Fund | Index |
|------------------------------------|------|-------|
| Hitachi Ltd                        | 5.04 | 1.72  |
| Mitsubishi Corp                    | 4.97 | 1.81  |
| Mitsubishi UFJ Financial Group Inc | 4.78 | 2.39  |
| Fujitsu Ltd                        | 4.40 | 0.59  |
| Sompo Holdings Inc                 | 4.05 | 0.36  |
| Yamaha Motor Co Ltd                | 3.82 | 0.16  |
| Daiwa House Industry Co Ltd        | 3.69 | 0.31  |
| ORIX Corp                          | 3.68 | 0.50  |
| Terumo Corp                        | 3.64 | 0.39  |
| Nitto Denko Corp                   | 3.59 | 0.23  |

## Portfolio characteristics

|                          |                 |
|--------------------------|-----------------|
| Total number of holdings | 40              |
| Weighted Avg Market Cap  | £25,869 million |

## What this fund does

The Fund intends to invest 100% of its assets (excluding cash and cash equivalents) in investments meeting the ESG screening criteria as detailed below;1. Negative ESG screening: The Fund will exclude companies with a certain level of involvement in some sectors, including but not limited to weapons, coal, fossil fuels, tobacco, adult entertainment and gambling, as well as companies not compliant with the UN global compact principles. The current exclusion criteria may be updated from time to time.2. Positive ESG screening: The Fund will also increase overall exposure to those companies with sufficient practice and standards in terms of ESG and sustainable development, based on the fund manager's proprietary rating system

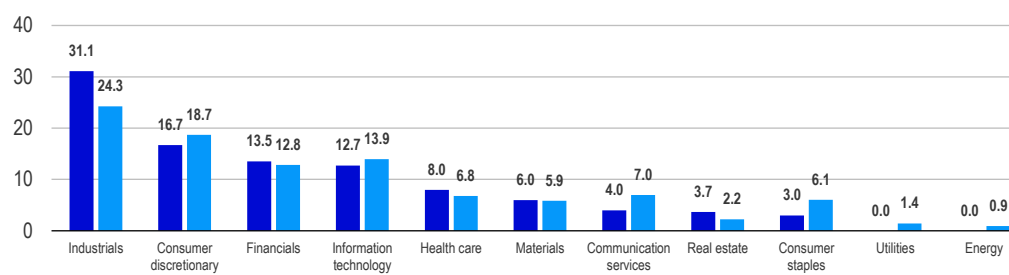
## Fund objective

The Fund aims to achieve long-term (5 years plus) capital growth. The Fund invests at least 80% of its assets in shares or other equity related securities of companies incorporated, domiciled or carrying out the main part of their economic activity in Japan which meet the Fund's environmental, social and governance (ESG) criteria.

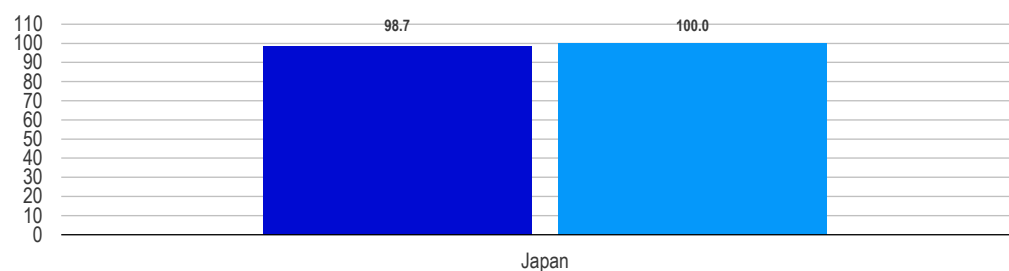
## Fund overview

|                                  |                    |
|----------------------------------|--------------------|
| Portfolio managers (Fund tenure) | Daiji Ozawa (2021) |
| Total net assets                 | £ 108.68 million   |
| Distribution frequency           | Yearly             |
| Fund launch date                 | 07 May 1988        |
| Legal status                     | UK Authorised ICVC |
| Share class currency             | GBP                |
| Historic yield (%)               | 1.28               |
| Investment Association sector    | IA Japan NR        |
| Representative index             | TOPIX Index-NR     |
| ISA availability                 | Yes                |

## Sector breakdown (% of total net assets)



## Top countries (% of total net assets)

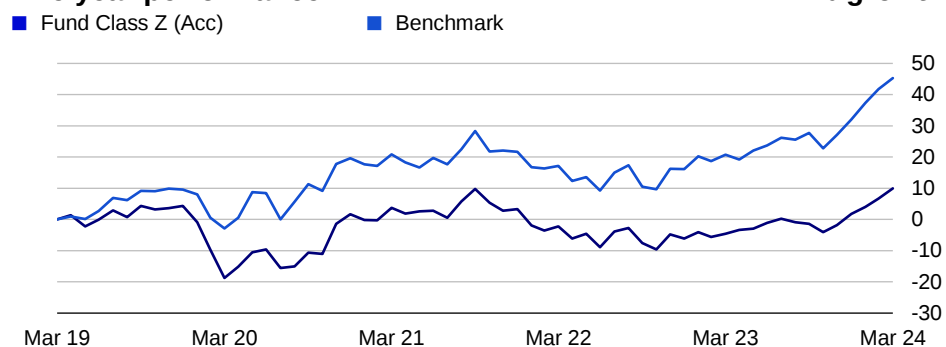


■ Fund ■ Index  
The allocation of stock is based on Country of Risk

## Investment risks

- The value of investments and any income will fluctuate (this may partly be the result of exchange rate fluctuations) and investors may not get back the full amount invested.
- The Fund may use derivatives (complex instruments) in an attempt to reduce the overall risk of its investments, reduce the costs of investing and/or generate additional capital or income, although this may not be achieved. The use of such complex instruments may result in greater fluctuations of the value of the Fund. The Manager, however, will ensure that the use of derivatives within the Fund does not materially alter the overall risk profile of the Fund. Such derivatives may not be fully aligned with the Fund's ESG screening criteria.
- The Fund is invested in companies primarily domiciled in one country, any unfavourable conditions presented on them through country-specific conditions such as changes in regulation, business or economic policy may have a more negative impact on the Fund's performance than on the performance of a Fund that is geographically diversified.
- The use of ESG criteria may affect the Fund's investment performance and therefore may perform differently compared to similar products that do not screen investment opportunities against ESG criteria.

## Five year performance



## Performance (%)

|           | 1 year | 3 years | 5 years | 5 years ACR* |
|-----------|--------|---------|---------|--------------|
| Fund      | 15.23  | 6.00    | 9.95    | 1.92         |
| Benchmark | 21.23  | 20.26   | 45.29   | 7.76         |

\*ACR - Annual Compound Return

## Standardised rolling 12-month performance (%)

|           | 31.03.2019 | 31.03.2020 | 31.03.2021 | 31.03.2022 | 31.03.2023 | 31.03.2024 |
|-----------|------------|------------|------------|------------|------------|------------|
| Fund      | -18.75     | 27.66      | -5.70      | -2.45      | 15.23      | 21.23      |
| Benchmark | -2.89      | 24.40      | -3.06      | 2.32       | 21.23      | 21.23      |

Past performance is not a guide to future returns

## Important information

Views and opinions are based on current market conditions and are subject to change.

This is marketing material and not financial advice. It is not intended as a recommendation to buy or sell any particular asset class, security or strategy. Regulatory requirements that require impartiality of investment/investment strategy recommendations are therefore not applicable nor are any prohibitions to trade before publication. If investors are unsure if this product is suitable for them, they should seek advice from a financial adviser.

For the most up to date information on our funds, please refer to the relevant fund and share class-specific Key Investor Information Documents, the Supplementary Information Document, the financial reports and the Prospectus, which are available using the contact details shown.

The Historic Yield reflects distributions declared over the past twelve months as a percentage of the mid-market price of the fund, as at the date shown. Investors may be subject to tax on their distributions.

## Market capitalisation breakdown (%)

|                |        |
|----------------|--------|
| 50bn+          | 20.29  |
| 25bn - 49.99bn | 5.14   |
| 10bn - 24.99bn | 37.18  |
| 5bn - 9.99bn   | 14.68  |
| 2bn - 4.99bn   | 13.69  |
| 1bn - 1.99bn   | 7.69   |
| 500m - 999m    | 0.00   |
| 250m - 499m    | 0.00   |
| 100m - 249m    | 0.00   |
| 50m - 99m      | 0.00   |
| 0 - 49m        | 0.00   |
| Cash           | 1.35   |
| Total          | 100.00 |

Performance figures are based on the Z Accumulation share class. Performance figures for all share classes can be found in the relevant Key Investor Information Document. Fund performance figures are shown in sterling, inclusive of reinvested income and net of the ongoing charge and portfolio transaction costs to 31 March 2024 unless otherwise stated. The standardised past performance information is updated on a quarterly basis. Source: Lipper.

## Benchmark

TOPIX Index (Net Total Return)

This is a Comparator Benchmark. Given its geographic focus the Fund's performance can be compared against the Benchmark. However, the Fund is actively managed and is not constrained by any benchmark.

## Contact information

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Telephone calls may be recorded.

Issued by Invesco Fund Managers Limited.  
Perpetual Park, Perpetual Park Drive, Henley-on-Thames,  
Oxfordshire RG9 1HH, UK  
Authorised and regulated by the Financial Conduct Authority.

## Who is this fund for?

The fund might be right for you if you:

Are a private or professional investor looking for growth over the long term.  
Are able to make an informed investment decision based on this document and the Key Investor Information Document (KIID).

Are willing to accept that your capital is at risk and you may not get back the amount invested.

The fund will not be right for you if you:

Require capital protection or have no appetite for risk.

## Cost and charges of the Fund

For a full breakdown of the charges that apply to each share class of the fund, please refer to our ICVC Costs & Charges document [www.invesco.com/uk/icvc-charges](http://www.invesco.com/uk/icvc-charges).

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## Glossary

**ACR/ Annual Compound Return:** Compound returns represent the cumulative effect that gains and losses have on invested capital over time. Annual Compound Return is the annual rate of return that would be required for an investment to grow from its starting balance to its ending balance.

**Asset mix:** Breakdown of all assets types held within an investment fund or portfolio.

**Benchmark:** A standard against which an investment fund or portfolio is measured to give an indication of relative performance.

**Country of risk:** Used to classify stocks, identifies the main country of operations/ exposure of a firm.

**Distribution frequency:** How often dividends and/or interest generated by an investment product are disbursed to investors.

**Historic yield:** Historic Yield reflects distributions declared over the past twelve months as a percentage of the mid-market price of the fund, as at the date shown. Investors may be subject to tax on their distributions

**Holdings:** The contents of an investment portfolio or fund, including any products like equities, bonds or ETFs.

**ICVC:** Investment Company with Variable Capital. A type of collective investment portfolio that invests in different equities, bonds and other securities.

**Index:** A collection of stocks chosen to represent the performance of a particular market or sector, e.g. FTSE 100 or S&P 500.

**Market capitalization:** How much a company is worth as determined by the stock market. Calculated as the total market value of all shares.

**Portfolio characteristics:** The contents of an investment portfolio or fund, including any products like equities, bonds or ETFs (Exchange Traded Funds).

## ESG Supplement

### 31 March 2024

#### ESG Characteristics

The Invesco Responsible Japanese Equity Value Discovery Fund (UK) (the fund) adopts a high-conviction active and ESG conscious approach to take advantage of overlooked transformations leading to sustainable corporate value creation underpinned by sound management and ESG initiatives among stocks that are attractively valued compared to their long-term potential. In other words, their price is attractive relative to their “normalised” earnings. In search of portfolio companies, the investment team seeks not cyclical but sustainable improvements in profit margins and capital efficiency where the portfolio manager and research analysts, who make an investment decision, undertake ESG risk and opportunity assessment. This approach distinguishes the strategy from other typical value funds. The consideration of sustainability characteristics is an integral part of every step of our investment process. The investment process of the fund is based on three building blocks: Bottom-up Stock Selection, ESG Approach and Proxy Voting and Engagement.

#### Invesco's Commitment to ESG

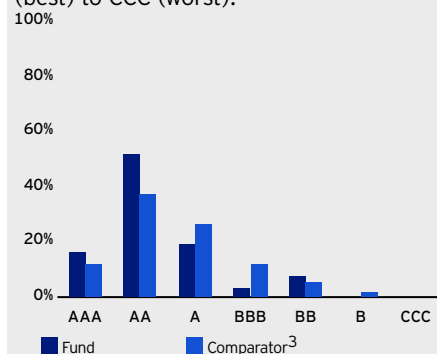
Invesco has an investment-led ESG approach. We provide a comprehensive range of ESG focused capabilities that enable clients to express their values through investing. We also integrate financially material ESG considerations across our investment platform, taking into account critical factors that help us deliver strong outcomes to clients.

| ESG Characteristics <sup>1</sup> | Fund | Comparator <sup>3</sup> |
|----------------------------------|------|-------------------------|
| ESG Fund Rating (AAA-CCC)        | AA   | A                       |
| ESG Quality Score (0-10)         | 7.5  | 7.0                     |
| Environmental Pillar Score       | 6.0  | 5.7                     |
| Social Pillar Score              | 5.7  | 5.5                     |
| Governance Pillar Score          | 5.8  | 5.5                     |
| ESG % Coverage                   | 99.5 | 98.1                    |

| Carbon Characteristics <sup>2</sup>                           | Fund      | Comparator <sup>3</sup> |
|---------------------------------------------------------------|-----------|-------------------------|
| Financed Emissions Scope 1 + 2 (tCO <sub>2</sub> e)           | 4,147.1   | 10,117.7                |
| Financed Emissions Scope 1 + 2 + 3 (tCO <sub>2</sub> e)       | 125,647.2 | 167,063.1               |
| Relative Carbon Footprint (tCO <sub>2</sub> e/GBP M invested) | 39.1      | 93.8                    |
| Wtd Avg Carbon Intensity (tCO <sub>2</sub> e/USD M sales)     | 42.1      | 83.5                    |
| % Carbon Coverage (excluding cash)                            | 97.9      | 99.6                    |

#### MSCI ESG Rating Distribution<sup>1</sup>

This shows the distribution of ESG ratings across the underlying funds from AAA (best) to CCC (worst).



#### ESG Trend Momentum<sup>1</sup>

The percentage of holdings held by the Fund that have improved their ESG Rating, (positive), have no change (stable) or worsened (negative) since the previous rating.

| Trend    | Fund  | Comparator <sup>3</sup> |
|----------|-------|-------------------------|
| Positive | 11.4% | 19.7%                   |
| Stable   | 84.2% | 75.7%                   |
| Negative | 4.4%  | 3.8%                    |
| Unrated  | -     | 0.8%                    |

| ESG Rating Distribution by Sector <sup>1, 4</sup> | AAA  | AA    | A    | BBB    | BB   | B | CCC | NR |
|---------------------------------------------------|------|-------|------|--------|------|---|-----|----|
| Communication Services                            | -    | 1.0%  | -    | 1.3%   | 1.8% | - | -   | -  |
| Consumer Discretionary                            | 7.9% | 3.3%  | -    | 2.1%   | 3.5% | - | -   | -  |
| Consumer Staples                                  | -    | 3.0%  | -    | -      | -    | - | -   | -  |
| Energy                                            | -    | -     | -    | -      | -    | - | -   | -  |
| Financials                                        | 4.1% | 4.7%  | 4.8% | -      | -    | - | -   | -  |
| Health Care                                       | -    | 5.4%  | 2.7% | -      | -    | - | -   | -  |
| Industrials                                       | -    | 23.6% | 5.0% | < 0.1% | 2.7% | - | -   | -  |
| Information Technology                            | 4.4% | 1.6%  | 6.8% | -      | -    | - | -   | -  |
| Materials                                         | -    | 6.0%  | -    | -      | -    | - | -   | -  |
| Real Estate                                       | -    | 3.7%  | -    | -      | -    | - | -   | -  |
| Utilities                                         | -    | -     | -    | -      | -    | - | -   | -  |
| Other                                             | -    | -     | -    | -      | -    | - | -   | -  |

<sup>1</sup> ESG data is sourced from MSCI at the security level and ESG metrics are calculated by FE FundInfo, replicating the MSCI methodology, using the underlying holdings of the portfolio. For more details, please see MSCI's methodology [www.msci.com](http://www.msci.com)

<sup>2</sup> Carbon Characteristics are calculated by Invesco using ISS classifications at the security level. Latest climate dataset available is as of 2022.

<sup>3</sup> Comparator: We are comparing to TOPIX Index (Net Total Return).

<sup>4</sup> The ESG rating distribution table does not include cash positions and therefore may not total 100%.

| Climate-Based Exclusions <sup>5</sup> | Fund |
|---------------------------------------|------|
| Thermal Coal Extraction               | Yes  |
| Thermal Coal Power Generation         | Yes  |
| Unconventional Oil and Gas            | Yes  |
| Oil and Gas (Conventional)            | Yes  |
| Chemicals of Concern                  | No   |
| Nuclear Power                         | No   |

| Non-Climate-Based Exclusions <sup>5</sup>            | Fund          |
|------------------------------------------------------|---------------|
| Controversial Weapons                                | Yes           |
| Tobacco                                              | Yes           |
| UN Global Compact Status                             | Non-Compliant |
| Nuclear weapons outside the Non-Proliferation Treaty | Yes           |
| Recreational Cannabis                                | Yes           |
| Military Contracting                                 | Yes           |
| Civilian Firearms                                    | No            |
| Adult Entertainment                                  | Yes           |
| Gambling                                             | Yes           |
| Alcohol                                              | No            |

| Responsible Investment Approach       | Yes | No | N/A |
|---------------------------------------|-----|----|-----|
| ESG Integration                       | ✓   |    |     |
| Negative Screen / Positive Allocation | ✓   |    |     |
| Sustainable Investments               | ✓   |    |     |
| Impact Fund                           |     | ✓  |     |
| Engagement                            | ✓   |    |     |
| Voting (Equities only)                | ✓   |    |     |

#### <sup>5</sup> Exclusion Criteria

The exclusion criteria may vary depending on the activity from zero tolerance to exclusions based on % of revenue. For further details on the revenue threshold applied to specific exclusions please refer to the Responsible Investment Policy on the website of the Management Company. [www.invesco.com/uk](http://www.invesco.com/uk)

#### Exclusion criteria definitions are as follows:

**Thermal Coal Extraction:** The company extracts thermal coal.

**Thermal Coal Power Generation:** The company generates electricity from thermal coal.

**Unconventional Oil and Gas:** The company is involved in oil and gas exploration in the Arctic and/or extracts oil sands and/or is involved in shale energy exploration/production.

**Oil and Gas (Conventional):** The company is involved in oil and gas exploration and production.

**Chemicals of Concern:** The company produces chemicals which are banned by the three international conventions: UNEP Stockholm Convention, OSPAR Convention, the Montreal Protocol on Substances that Deplete the Ozone Layer.

**Nuclear Power:** The company generates power from nuclear sources or derives revenue from developing products or services that support the nuclear power industry.

**Controversial Weapons:** Companies that have been identified as having ties to controversial weapons, including cluster munitions, landmines, biological weapons, depleted uranium weapons, blinding laser weapons, incendiary weapons and/or not detectable fragments.

**Tobacco:** The company manufactures tobacco products and/or supplies tobacco-related products/services.

**UN Global Compact Status:** Companies that have been identified as "non-compliant" under the United Nations Global Compact by Sustainalytics.

**Nuclear Weapons Outside the Non-Proliferation Treaty:** The company is involved in the manufacture of nuclear weapons or their tailor made components AND these weapons are distributed to a country that is not a declared nuclear power under the Treaty on the Non-Proliferation of Nuclear Weapons.

**Recreational Cannabis:** The company is involved in or has ties to revenue from recreational cannabis.

**Military Contracting:** The company derives revenue from the manufacturing of weapons / weapon components or from providing tailor-made products or services to the army or the defense industry.

**Civilian Firearms:** The company derives revenue from the manufacturing of small arms designed and marketed for the civilian market. This includes the manufacturing and retail of civilian firearms.

**Adult Entertainment:** The company derives revenue from adult entertainment. This includes sex shops, producers of adult movies, cinemas that show adult movies, adult entertainment magazines, and the broadcasting of adult entertainment.

**Gambling:** The company derives revenue from gambling. This includes companies that own casinos, offer bookmaking or online gambling, or manufacture gambling products (e.g. slot machines), etc.

**Alcohol:** The company derives revenue from alcoholic beverages. This includes producers as well as distributors or owners of retail stores that sell alcoholic beverages.

#### Responsible Investment Approach definitions are as follows:

**ESG Integration:** The process of including ESG factors in the fundamental financial analysis of companies and investments.

**Negative Screen / Positive Allocation:** A process that either excludes a portion of the investment universe that score badly on ESG criteria, focuses upon companies engaged in positive activities for the community or natural world, such as recycling, education or public transport or a combination of both.

**Sustainable Investments:** A broad term that is used to describe investments that direct capital to those companies that promote sustainable models and strategies to create long term value, while at the same time taking into account ESG considerations and impact.

**Impact Fund:** Funds managed with the intention of generating positive, measurable social and environmental impacts, where impact has priority over financial performance.

**Engagement:** The process of communicating with representatives of a company as a shareholder with the aim of improving their behaviour and policies.

**Voting (Equities only):** Also known as Proxy Voting, it is a form of voting whereby the fund manager casts votes on behalf of their mutual fund shareholders on a variety of issues, that may include the election of board members, merger or acquisition approvals, or approving a stock compensation plan.

## Glossary

**ESG Characteristics:** Environmental, social, and governance (ESG) information is a critical part of corporate and investment strategy and embedding material sustainability considerations into corporate and investment decisions is integral to long-term success from both financial and sustainability perspectives.

**MSCI ESG Fund Rating:** The Fund's ESG rating is designed to assess the resilience of the fund's aggregate holdings to long-term, financially relevant ESG risks and should facilitate the ability to rank or screen mutual funds and ETFs on a AAA to CCC ratings scale. This rating aims to provide fund level transparency and measures the ESG characteristics of the total portfolio. It is calculated as a direct mapping of MSCI ESG Quality Scores to letter rating categories. ESG Leaders are holdings with an ESG rating of AAA or AA (best in class), and ESG Laggards are holdings with an ESG rating of B or CCC.

**MSCI ESG Quality Score:** Calculated as the weighted average of the underlying holding's ESG scores, excluding any underlying holding where this information is not available. It is provided on a 0-10 scale, with 0 and 10 being the respective lowest and highest possible scores. MSCI scores underlying holdings according to their exposure to and management of key ESG issues, which are divided into three pillars: environmental, social and governance.

- **Environmental Pillar Score:** Provides an assessment of environmental factors including emissions, carbon footprint, fossil fuel usage and sustainable opportunities.
- **Social Pillar Score:** Relates to the operating environment of an underlying holding, including labour management, product liabilities, and health and safety.
- **Governance Pillar Score:** Provides an assessment of risk and management practices related to Corporate Governance and Corporate Behaviour.

**ESG % Coverage:** The percentage of the fund and comparator where MSCI ESG Research data is available.

**Financed Emissions:** Measure the greenhouse gas emissions associated with the investment. This figure represents the absolute overall exposure of the fund and is dependent on AUM, hence an increase in the AUM will cause the finance emissions to increase and vice versa. The fund AUM is used to calculate the Comparator's financed emissions which will also increase or decrease depending on the AUM size.

**Scope 1:** Covers direct emissions from owned or controlled sources.

**Scope 2:** Covers indirect emissions from the generation of purchased electricity, steam, heating and cooling consumed by the reporting company.

**Scope 3:** Includes all other indirect emissions that occur in a company's value chain.

**Relative Carbon Footprint:** The measure of the impact of activities on the amount of greenhouse gases produced, such as burning fossil fuels. Measured as Scope 1+ 2 Emissions per GBP 1M invested.

**Wtd Avg (Weighted Average) Carbon Intensity:** The underlying holdings exposure to carbon intensive holdings, calculated as the weighted average of the constituent's intensity metrics: Scope 1 + 2 emissions per USD 1M revenue for corporates and total country carbon emissions per USD 1M GDP for government bonds.

**% Carbon Coverage (excluding cash):** This represents the % weighting of the Fund/Benchmark for which carbon data is available.

## Important ESG Information

The above information is for illustrative purposes only. Providing this information is not indicative of how or whether ESG factors will be integrated into a fund. Unless otherwise stated in the legal offering documents, the ESG information provided in this document does not change a fund's investment objective or policy or constrain the fund's investable universe. The rating may vary from one rating agency to another. The rating may change over time and is not a guarantee of future performance of the fund.

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The data as represented has in the main been sourced from MSCI and ISS for respective categories. It should be noted that the ratings represented here may not be representative of the rating applied by the investment team as they use their own proprietary rating methodologies to assess the ESG credentials of each issuer. In addition, there are certain asset classes where data coverage per provider is not uniform and does not cover every single issuer. To the extent that MSCI/ISS does not cover a security in the fund, this does not represent that the security is not covered and rated by the investment team. Any holding held by the fund is rated by each investment team using their proprietary rating methodology sourcing information from external sources and unique insight that the teams have into the individual issuers.