Invesco European ex UK Enhanced Index Fund (UK)

December 2020

Covering the month of November 2020



Fund managers: Thorsten Paarmann & Alexander Uhlmann

Key facts[1]	
Thorsten Paarmann	
Managed fund since	July 2016
Industry experience	27 years
Based in	Frankfurt
Alexander Uhlmann	
Managed fund since	July 2016
Industry experience	25 years
Based in	Frankfurt
Fund launch date	28 July 2016
Fund size	£5.43m
Legal status	UK authorised ICVC
Yield (Z Accumulation share class)	
Historic yield[2]	1.73%
Income distribution date(s)	30 June 31 December
Accounting period ends	31 October 30 April
Available with an ISA?	Yes

Why consider the Invesco European ex UK Enhanced Index Fund (UK)?

- The Invesco Quantitative Strategies team is one of the pioneers in factorbased enhanced index investing, leveraging a wealth of experience of more than 30 years.
- Quantitative screening of more than 3,000 global stocks and sophisticated portfolio construction have the potential to result in optimised portfolios built in a highly disciplined and repeatable way.
- The team focuses on minimising transactions costs through the application of sophisticated trading techniques.
- Rigorous risk management helps to maintain the Benchmark risk characteristics, generating an investing experience close to that of the Benchmark.

Benchmark

Please see overleaf for information on the benchmark of the fund.

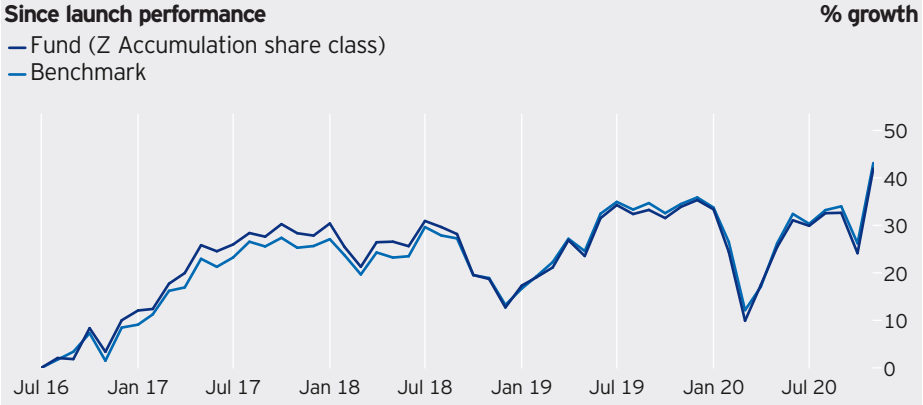
Fund investment objective and policy

The objective of the Fund is to achieve capital growth and outperform the MSCI Europe ex UK Index net of fees (the Target Benchmark) over a rolling 5 year period. The Fund invests at least 80% of its assets in shares of companies incorporated, domiciled or carrying out the main part of their economic activity in Europe, excluding the UK. There is no guarantee that the Fund will achieve its target and an investor may not get back the full amount invested. The Fund may use derivatives (complex instruments) to manage the Fund more efficiently, with the aim of reducing risk, reducing costs and/or generating additional capital or income.

Fund strategy

The performance of the fund is generated through a systematic factor based investment process driven by four concepts: Earnings momentum, Price momentum, Quality and Value. Relative risk is controlled with the help of an optimiser, an analysis tool that recommends trades to maximise portfolio exposure to the selected stocks within pre-determined risk/return parameters. In terms of portfolio construction, we tightly constrain the risk taken at sector and industry level. Our diversified approach to stock selection favours companies that, in our view, are attractively valued and have good earnings and price momentum and evidence that management supports shareholder value.

Since launch performance **% growth**



Performance **% growth**

	1 year	3 years	Since 28.7.16	Since 28.7.16 ACR*	10 years	10 years ACR*
Fund (Z Accumulation share class)	6.02	10.60	42.01	8.41	n/a	n/a
Benchmark	6.41	14.24	43.97	8.75	n/a	n/a

*ACR - Annual Compound Return

Standardised rolling 12-month performance **% growth**

	30.09.15 30.09.16	30.09.16 30.09.17	30.09.17 30.09.18	30.09.18 30.09.19	30.09.19 30.09.20
Fund (Z Accumulation share class)	n/a	25.32	0.43	3.97	-0.46
Benchmark	n/a	21.45	1.35	5.85	-0.51

Past performance is not a guide to future returns. 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 30 November 2020 unless otherwise stated. The standardised past performance information is updated on a quarterly basis. Source: Lipper. As the fund was launched on 28 July 2016, performance figures are not available for the complete period covered by the table.

Top 10 holdings[1]	%
Nestle	4.64
Roche	3.50
Novartis	2.92
ASML	2.31
LVMH	2.02
Novo Nordisk	1.61
Allianz	1.61
Sanofi	1.57
L'Oreal	1.55
Enel	1.52
Total Top 10 holdings (%)	**23.25**
Total number of holdings	**250**

Industry breakdown[1]	%
Industrials	17.20
Health Care	15.63
Financials	13.52
Consumer Staples	12.58
Consumer Discretionary	12.08
Information Technology	8.00
Materials	6.91
Utilities	4.65
Communication Services	3.98
Energy	2.36
Real Estate	0.76
Cash	2.32
Total	**100**

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.
- As a result of COVID-19, markets have seen a noticeable increase in volatility as well as, in some cases, lower liquidity levels; this may continue and may increase these risks in the future.

Benchmark

- Benchmark: MSCI Europe ex UK Index GBP (Net Total Return)
- This is a Target Benchmark. The Fund aims to outperform the Benchmark net of fees over a full market cycle. The Fund has a high correlation to the Benchmark and has similar risk characteristics aiming for a tracking error target of 1%. As a result this will limit the extent to which the Fund's performance will deviate from the Benchmark. The Fund's performance can be measured against the Benchmark.

Contact information

Client services
Telephone 0800 085 8677
Facsimile 01491 416000
Email enquiry@invesco.com
www.invesco.co.uk

Telephone calls may be recorded.

Issued by Invesco Fund Managers Limited.
Perpetual Park, Perpetual Park Drive, Henley-on-Thames,
Oxfordshire RG9 1HH, UK
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Important information

[1] All fund portfolio figures within this leaflet are as at 30 November 2020 (source: Invesco).
[2] 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. It does not include any entry charge and investors may be subject to tax on their distributions.

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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 ICVC ISA Terms and Conditions, the Annual or Interim Reports and the Prospectus, which are available using the contact details shown.

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.