

Invesco Nippon Small/Mid Cap Equity Fund E-Acc Shares

31 December 2016

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Summary of fund objective

The objective of the Fund is to achieve long-term capital growth by investing in small to medium sized Japanese companies and to a lesser extent in large Japanese companies. For the full objectives and investment policy please consult the current prospectus.

Key facts



Osamu Tokuno
Tokyo
Managed fund since
October 2003

Share class launch

14 August 2000

Original fund launch

02 January 1991

Legal status

Luxembourg SICAV with UCITS status

Share class currency

EUR

Share class type

Accumulation

Fund size

JPY 10.59 bn

Reference index

Russell/Nomura Small Cap Index-GR

Bloomberg code

INVPNEE LX

ISIN code

LU0115142274

Settlement date

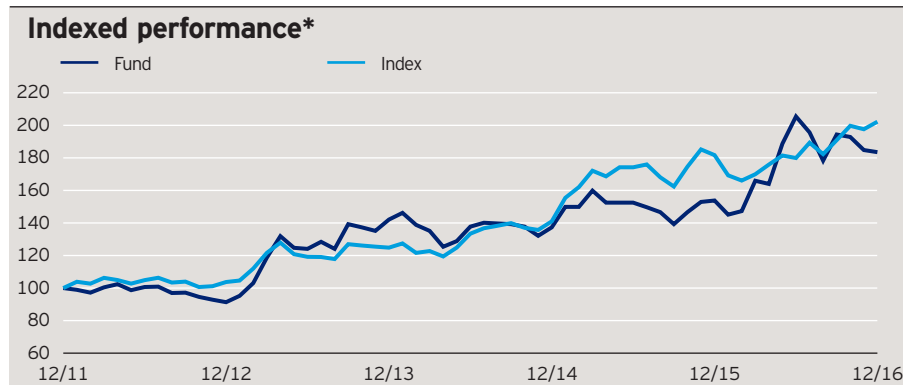
Trade Date + 3 Days

Morningstar Rating™

★

Quarterly fund commentary

Japan's small/mid-cap equity market ended the quarter higher, buoyed by a weakening of the yen relative to the dollar after the US presidential election result. The monetary easing environment in Japan combined with the prospect of expansionary fiscal policy in the US and strengthened expectations that the Federal Reserve will increase interest rates at a faster pace than previously anticipated, saw the yen weaken sharply. Given this backdrop, the fund was repositioned with the introduction of new holdings which we believe can achieve strong earnings momentum, such as an infrastructure construction company and a provider of marriage matchmaking services. Conversely, the fund took advantage of price strength by selling its position in a real estate company and a cosmetics manufacturer. Although we would not be surprised to see the equity market give back some of its recent strong performance, we expect it to move higher on the back of the ongoing turnaround of the Japanese economy as well as improving earnings momentum into the middle of this year. Furthermore, most investors appear to overlook the ongoing progress of corporate governance reform; thus the risk-reward ratio of some Japanese stocks looks favourable, in our view. Against this background, the fund continues to seek growth stocks in the small/mid cap space, particularly focusing on earnings momentum for this fiscal year.



Cumulative performance*

in %	YTD	1 month	1 year	3 years	5 years
Fund	19.32	-0.70	19.32	29.16	83.51
Index	11.30	2.34	11.30	62.00	102.22

Calendar year performance*

in %	2012	2013	2014	2015	2016
Fund	-8.68	55.58	-3.36	12.01	19.32
Index	3.71	20.36	12.94	28.88	11.30

Standardised rolling 12 month performance**

in %	31.12.11 31.12.12	31.12.12 31.12.13	31.12.13 31.12.14	31.12.14 31.12.15	31.12.15 31.12.16
Fund	-8.68	55.58	-3.36	12.01	19.32

The standardised past performance information is updated on a quarterly basis. Should you require up-to-date past performance information this is available on our website www.invescoeuropa.com or by contacting us.

Past performance is not a guide to future returns. The performance shown does not take account of the commissions and costs incurred on the issue and redemption of units.

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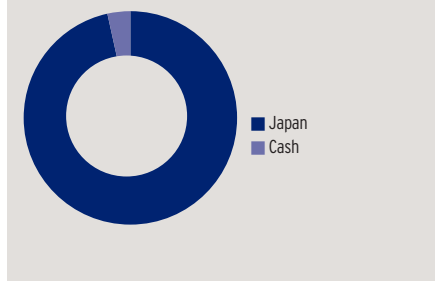
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Top 10 holdings*

(total holdings: 49)

Holding	Sector	%
Peptidream	Pharmaceuticals, Biotechnology & Life Sciences	5.2
A.I. Holdings	Technology Hardware & Equipment	4.6
Osaki Electric	Technology Hardware & Equipment	4.5
Topcon	Technology Hardware & Equipment	3.6
Maruwa	Technology Hardware & Equipment	3.5
Japan Material	Semiconductors & Semiconductor Equipment	3.5
AEON Fantasy	Consumer Services	3.1
Ferrotec	Semiconductors & Semiconductor Equipment	3.1
Yonex	Consumer Durables & Apparel	2.8
Fullcast Holdings	Commercial & Professional Services	2.8

Geographical weightings of the fund in %*



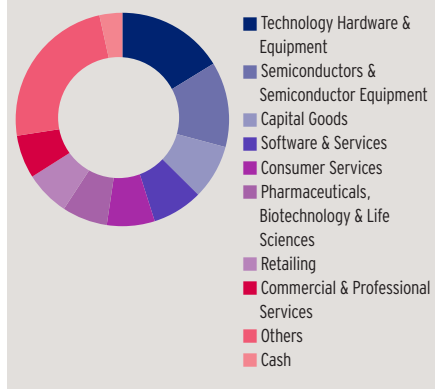
Geographical weightings*

	in %
Japan	96.5
Cash	3.5

Sector weightings*

	in %
Technology Hardware & Equipment	16.2
Semiconductors & Semiconductor Equipment	12.9
Capital Goods	8.3
Software & Services	7.7
Consumer Services	7.2
Pharmaceuticals, Biotechnology & Life Sciences	6.9
Retailing	6.8
Commercial & Professional Services	6.5
Others	24.0
Cash	3.5

Sector weightings of the fund in %*



Financial characteristics*

Average weighted market capitalisation	EUR 750.45 mn
Median market capitalisation	EUR 307.93 mn

3 year characteristics**

Alpha	-4.77
Beta	0.88
Correlation	0.60
Information ratio	-0.48
Sharpe ratio	0.16
Tracking error in %	15.26
Volatility in %	19.33

For detailed information about the 3 year characteristics please see <http://www.invescoeuropa.com/CE/Glossary.pdf>.

NAV and fees

Current NAV

EUR 8.46

12 month price high

EUR 9.55 (06/07/2016)

12 month price low

EUR 5.89 (12/02/2016)

Minimum investment ¹

EUR 500

Entry charge

Up to 3.00%

Annual management fee

2.25%

Ongoing charges

2.86% (31/08/2015)

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Risk Warnings

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. Investments in small and medium sized companies involve greater risks than those customarily associated with larger companies. The risks described herein are the fund specific material risks. For more information please consult the current fund and share class specific Key Investor Information Document (KIID) and for a complete set of risks the current prospectus.

Important Information

¹The minimum investment amounts are: EUR 500 / USD 650 / GBP 400 / CHF 650 / SEK 4,500.

Please contact us or refer to the most up to date Prospectus for details of minimum investment amounts in other currencies.

This share class may not be registered in all countries and dissemination is subject to prior verification of registration status.

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