Invesco Continental European Small Cap Equity Fund

A-AD Shares

31 December 2016

This marketing document is exclusively for use by Qualified Investors in Switzerland and Professional Clients in Continental European countries where this specific fund's share class is registered for sale. This document is not for consumer use, please do not redistribute.

Summary of fund objective

The objective of this Fund is to achieve long-term capital growth by investing in small companies throughout Europe, but excluding the United Kingdom. For the full objectives and investment policy please consult the current prospectus.

Key facts



Erik Esselink
Atlanta
Managed fund since July 2008



Oliver Collin
Henley -on- Thames
Managed fund since December 2015

Share class launch
13 January 1993

Original fund launch [1]
01 October 1984

Legal status
Mutual Fund - Irish Unit Trust authorised as UCITS

Share class currency
USD

Share class type
Income

Fund size
EUR 381.81 mn

Reference index
Euromoney Smaller Europe ex UK Index-PR

Bloomberg code
INVEUDA ID

ISIN code
IE0003708116

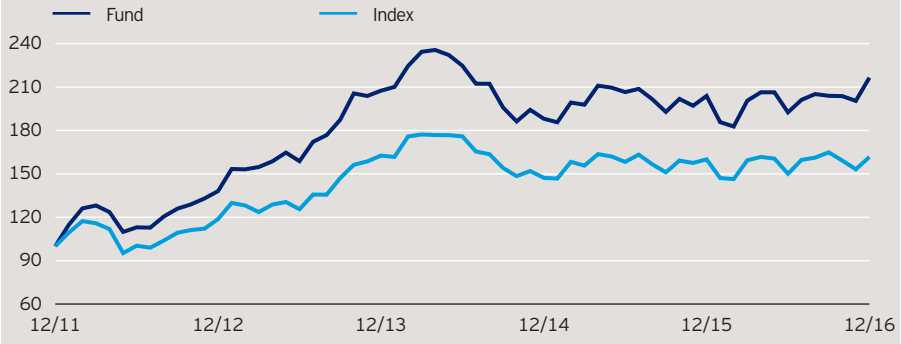
Settlement date
Trade Date + 3 Days

Morningstar Rating™
★★★

Quarterly fund commentary

European small and mid-cap equity markets advanced in Q4. The market surge was particularly noticeable post-Italian referendum in December. Following the vote, investors regained confidence amid increased talks of fiscal stimulus globally. Cyclical sectors (more sensitive to economic cycles) continued to perform strongly, reversing the trend observed in the early months of 2016 where deflationary fears dominated investment decisions. On the macroeconomic front, the European Central Bank (ECB) decided to extend its quantitative easing (QE) programme by 9-months, to the end of 2017 or beyond if necessary, and to reduce the amount of monthly purchases starting from April 2017 onwards, from €80b to €60b. The move was seen as simultaneously dovish (QE extension) and hawkish (QE pace reduction), allowing the ECB to initiate a taper but without the tantrum that accompanied a similar action by the US Federal Reserve back in 2013, and to continue providing favourable financial conditions for economic growth in Europe. We invest in companies which we believe have sound fundamentals and able to generate a good return on capital over the longer-term. In Q4, we gradually moved the fund towards some cyclical and value areas to take advantage of the reflationary trend and the large valuation dispersions within the market. At quarter-end, financials stood as the largest overweight sector relative to the benchmark and real estate the biggest underweight sector.

Indexed performance*



Cumulative performance*

in %	YTD	1 month	1 year	3 years	5 years
Fund	6.21	8.01	6.21	4.36	116.51
Index	1.01	5.57	1.01	-0.58	61.65
Quartile ranking	1	1	1	1	1
Absolute ranking	3/11	1/11	3/11	1/9	1/6

Mstar GIF OS Sector: Europe ex-UK Small/Mid-Cap Equity Sect

Calendar year performance*

in %	2012	2013	2014	2015	2016
Fund	38.09	50.24	-9.33	8.36	6.21
Index	18.77	36.91	-9.44	8.69	1.01

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	38.09	50.24	-9.33	8.36	6.21

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.invescoeurope.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.

*Source: © 2016 Morningstar. Mid to mid, gross income re-invested to 31 December 2016 unless otherwise stated. The figures do not reflect the entry charge payable by individual investors. **Mid to mid, gross income re-invested to 31 December 2016. All performance data on this factsheet is in the currency of the share class. Reference Index Source: Factset.

Invesco Continental European Small Cap Equity Fund
A-AD Shares

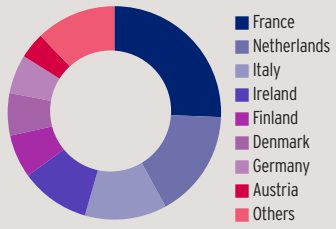
31 December 2016

Top 10 holdings*

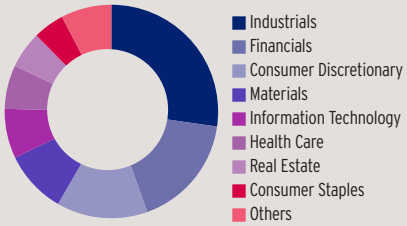
(total holdings: 58)

Holding	Sector	%
Eurazeo	Financials	3.6
Outokumpu	Materials	3.2
Hibernia REIT	Real Estate	3.0
Banca Mediolanum	Financials	2.9
Europcar	Industrials	2.9
Van Lanschot	Financials	2.9
Philips Lighting	Industrials	2.8
Scout24	Information Technology	2.8
Hapag-Lloyd	Industrials	2.7
LISI	Industrials	2.7

Geographical weightings of the fund in %*



Sector weightings of the fund in %*



Geographical weightings*

	in %
France	25.7
Netherlands	16.4
Italy	12.4
Ireland	10.6
Finland	6.6
Denmark	6.4
Germany	5.9
Austria	3.9
Others	12.2
Cash	-0.1

Sector weightings*

	in %
Industrials	27.3
Financials	17.3
Consumer Discretionary	13.8
Materials	9.6
Information Technology	7.5
Health Care	6.6
Real Estate	5.6
Consumer Staples	4.7
Others	7.7
Cash	-0.1

Financial characteristics*

Average weighted market capitalisation	USD 2.76 bn
Median market capitalisation	USD 1.98 bn

3 year characteristics**

Alpha	-0.27
Beta	0.98
Correlation	0.91
Information ratio	-0.08
Sharpe ratio	0.69
Tracking error in %	5.72
Volatility in %	15.69

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

NAV and fees

Current NAV
USD 214.20

12 month price high
USD 214.20 (30/12/2016)

12 month price low
USD 172.61 (11/02/2016)

Minimum investment [2]
USD 1,500

Entry charge
Up to 5.00%

Annual management fee
2.0%

Ongoing charges
2.35% (30/11/2015)

Source: *Invesco. Portfolio weightings and allocations are subject to change. **Morningstar.

Invesco Continental European Small Cap Equity Fund
A-AD Shares

31 December 2016

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. This is a smaller companies fund, you should be prepared to accept a higher degree of risk than a fund that invests in 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

[1]The Original Fund Launch date shown herein is different from the fund launch date shown in the KIID, as it indicates the launch date of a previous fund that was merged into the fund shown and therefore the track record starts with this previous fund. Further information can be found on our website: www.invescoeurope.com.
[2]The minimum investment amounts are: USD 1,500 / EUR 1,000 / GBP 1,000 / CHF 1,500 / SEK 10,000.
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.

This marketing document is exclusively for use by Professional Clients and Financial Advisers in Continental Europe and Qualified Investors in Switzerland. This document is not for consumer use, please do not redistribute. Data as at 31 December 2016, unless otherwise stated. This marketing document is not subject to regulatory requirements that ensure impartiality of investment recommendations and investment strategy recommendations. Therefore, the prohibition of trading before the release of investment recommendations and investment strategy recommendations does not apply.

Past performance is not a guide to future returns. Where Invesco has expressed views and opinions, these may change. If investors are unsure if this product is suitable for them, they should seek advice from a financial adviser. The distribution and the offering of the fund or its share classes in certain jurisdictions may be restricted by law. Persons into whose possession this document may come are required to inform themselves about and to comply with any relevant restrictions. This does not constitute an offer or solicitation by anyone in any jurisdiction in which such an offer is not authorised or to any person to whom it is unlawful to make such an offer or solicitation. Persons interested in acquiring the fund should inform themselves as to (i) the legal requirements in the countries of their nationality, residence, ordinary residence or domicile; (ii) any foreign exchange controls and (iii) any relevant tax consequences. As with all investments, there are associated risks. This document is by way of information only. Asset management services are provided by Invesco in accordance with appropriate local legislation and regulations. The fund is available only in jurisdictions where its promotion and sale is permitted. Forecasts are not reliable indicators of future performance. The forecasts and market outlook presented in this material reflect subjective judgments and assumptions of the investment manager or its delegate and unexpected events may occur. There can be no assurance that developments will transpire as forecasted in this presentation. Where securities are mentioned in this document they do not necessarily represent a specific portfolio holding and do not constitute a recommendation to purchase, hold or sell. The ongoing charges figure is based on annualised expenses for the period ending 30/11/2015. This figure may vary from year to year. It excludes portfolio transaction costs except in the case of an entry or exit charge paid by the Fund when buying or selling shares/units in another fund. Please refer to the most up to date relevant fund and share class-specific Key Investor Information Document for more information on our funds. Further information on our products is available using the contact details shown. This document is issued in Germany by Invesco Asset Management Deutschland GmbH. This document is issued in Austria by Invesco Asset Management Österreich GmbH and in Switzerland by Invesco Asset Management (Schweiz) AG. Subscriptions of shares are only accepted on the basis of the most up to date legal offering documents. The legal offering documents (fund & share class specific Key Investor Information Document, prospectus, annual and semi-annual reports, articles and trustee deed) are available free of charge from the issuer: Invesco Asset Management Deutschland GmbH, An der Welle 5, D – 60322 Frankfurt am Main; Invesco Asset Management Österreich - Zweigniederlassung der Invesco Asset Management Deutschland GmbH, Rotenturmstrasse 16 - 18, 1010 Vienna as well as at Erste Bank der oesterreichischen Sparkassen AG, Graben 21, A-1010 Vienna acting as paying agent for funds registered for sale in Austria and Invesco Asset Management (Schweiz) AG, Talacker 34, CH-8001 Zürich, who acts as representative for the funds distributed in Switzerland. Paying agent for the funds distributed in Switzerland: BNP PARIBAS SECURITIES SERVICES, Paris, succursale de Zurich, Selnaustrasse 16; CH – 8002 Zürich. The fund is domiciled in Ireland.

© 2016 Morningstar. All rights reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.