

# Invesco Korean Equity Fund

## C-AD Shares

31 December 2017

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### Summary of fund objective

The objective of this Fund is to achieve long term capital growth by investing directly or indirectly in securities of Korean companies or other entities or subsidiaries of Korean companies and securities listed or traded on the Korean securities markets. For the full objectives and investment policy please consult the current prospectus.

### Key facts



Simon Jeong  
Hong Kong  
Managed fund since  
May 2006

**Share class launch**  
05 November 1996

**Original fund launch <sup>1</sup>**  
01 February 1992

**Legal status**  
Mutual Fund - Irish Unit Trust authorised  
as UCITS

**Share class currency**  
USD

**Share class type**  
Income

**Fund size**  
USD 117.58 mn

**Reference index**  
Korea Composite Stock Price Index-Price

**Bloomberg code**  
INVKGDB ID

**ISIN code**  
IE0003713199

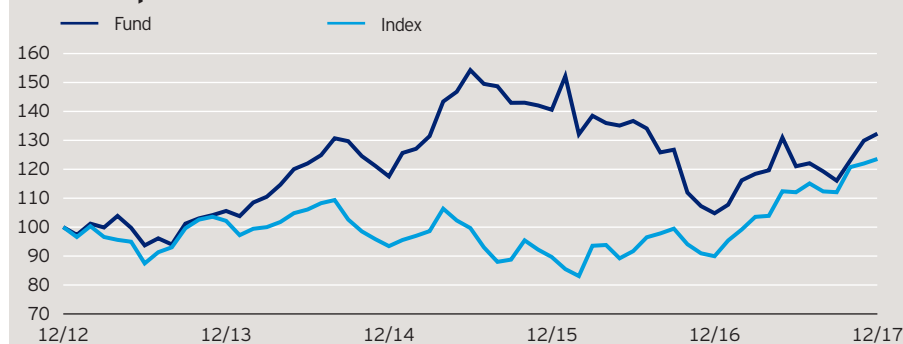
**Settlement date**  
Trade Date + 3 Days

**Morningstar Rating™**  
★★★

### Quarterly fund commentary

South Korean equities produced strong returns in Q4, rising by +11.6%. Macroeconomic data was supportive to the equity market. In particular, exports surged 15.8% to US\$574bn in 2017. Domestic consumption held up well and will likely benefit from the hike in the minimum wage and the supporting policies on employment and public welfare. During the quarter, Bank of Korea raised benchmark interest rate by 25 bps in response to stronger economic growth and a modest uptick in inflation. In terms of market sector performance, healthcare and consumer related sectors led the gains. The healthcare sector had a stellar run in 2017 with encouraging progress on clinical trials and approvals, and investors' sentiment towards consumer stocks have recovered as geopolitical tension with China eased. Our portfolio strategy continued to focus on companies with quality management and sustainable business models. This bottom-up stock preference has led to less exposure to companies with volatile earnings, such as technology companies. Instead, the portfolio has a tilt towards domestic Korean consumer staples, consumer discretionary and healthcare companies. We believe these companies are better positioned to benefit from the long-term growth opportunities in South Korea.

### Indexed performance\*



The performance period shown here starts on the last day of the first indicated month and ends on the last day of the last indicated month.

### Cumulative performance\*

in %	YTD	1 month	1 year	3 years	5 years
Fund	26.26	1.88	26.26	12.57	32.31
Index	37.37	1.29	37.37	32.25	23.56

### Calendar year performance\*

in %	2013	2014	2015	2016	2017
Fund	5.59	11.31	19.61	-25.45	26.26
Index	2.17	-8.56	-4.02	0.31	37.37

### Standardised rolling 12 month performance\*\*

in %	31.12.12	31.12.13	31.12.14	31.12.15	31.12.16	31.12.17
Fund	5.59	11.31	19.61	-25.45	26.26	

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](http://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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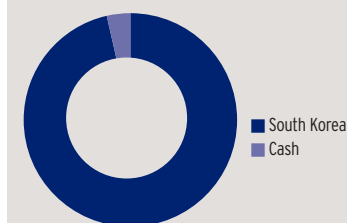
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### Top 10 holdings\*

(total holdings: 23)

Holding	Sector	%
Samsung Electronics	Information Technology	8.5
Green Cross Holdings	Health Care	6.6
E-Mart	Consumer Staples	6.4
Hanmi Pharm	Health Care	6.4
Kepeco Plant Service & Engineering	Industrials	5.0
Yuhan	Health Care	4.6
NCsoft	Information Technology	4.4
Dongsuh	Consumer Staples	4.4
Ottogi	Consumer Staples	4.4
Hanssem	Consumer Discretionary	4.3

### Geographical weightings of the fund in %\*



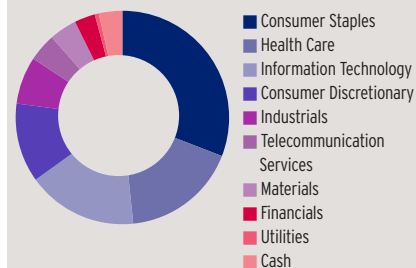
### Geographical weightings\*

	in %
South Korea	96.4
Cash	3.6

### Sector weightings\*

	in %
Consumer Staples	30.9
Health Care	17.5
Information Technology	16.7
Consumer Discretionary	12.0
Industrials	7.2
Telecommunication Services	4.2
Materials	4.2
Financials	3.1
Utilities	0.6
Cash	3.6

### Sector weightings of the fund in %\*



### Financial characteristics\*

Average weighted market capitalisation	USD 34.48 bn
Median market capitalisation	USD 6.26 bn

### 3 year characteristics\*\*

Alpha	-0.39
Beta	0.57
Correlation	0.49
Information ratio	-0.30
Sharpe ratio	0.20
Tracking error in %	17.27
Volatility in %	18.23

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

### NAV and fees

#### Current NAV

USD 33.13

#### 12 month price high

USD 33.14 (28/12/2017)

#### 12 month price low

USD 25.86 (09/01/2017)

#### Minimum investment <sup>2</sup>

USD 1,000,000

#### Entry charge

Up to 5.00%

#### Annual management fee

1.5%

#### Ongoing charges

1.88% (30/11/2016)

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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. As a large portion of the fund is invested in less developed countries, you should be prepared to accept significantly large fluctuations of the value of the fund. As this fund is invested in a particular geographical region, you should be prepared to accept greater fluctuations of the value of the fund than for a fund with a broader investment mandate. The fund invests in a limited number of holdings and is less diversified, and therefore this may result in large fluctuations of the value of the fund.

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### Important Information

<sup>1</sup>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](http://www.invescoeurope.com).

<sup>2</sup>The minimum investment amounts are: USD 1,000,000 / EUR 800,000 / GBP 600,000 / CHF 1,000,000 / SEK 7,000,000. Please contact us or refer to the most up to date Prospectus for details of minimum investment amounts in other currencies.

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