

# Invesco Nippon Small/Mid Cap Equity Fund

C (USD)-AD Shares

30 September 2022

This marketing communication is directed at retail clients in the UK, as well as Professional investors in Jersey, Guernsey and Dubai. Investors should read the legal documents prior to investing.

## Summary of fund objective

The Fund is actively managed. 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



Fund managed by Yukihiko Hattori and the Japanese Equity Team. Managed fund since 30 November 2020

### Share class launch

07 July 2011

### Original fund launch

02 January 1991

### Legal status

Luxembourg SICAV with UCITS status

### Share class currency

USD

### Share class type

Income

### Fund size

JPY 9.58 bn

### Reference Benchmark

Russell/Nomura Small Cap Index (Net Total Return)

### Bloomberg code

INVCADU LX

### ISIN code

LU0607522579

### Settlement date

Trade Date + 3 Days

### Morningstar Rating™

★★

## Risk Warnings

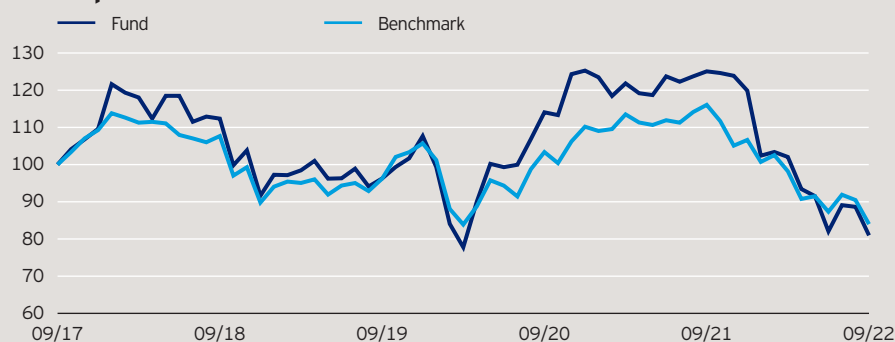
For complete information on risks, refer to the legal documents. The value of investments and any income will fluctuate (this may partly be the result of exchange rate fluctuations) and investors may not get back the full amount invested. Investments in small and medium sized companies involve greater risks than those customarily associated with larger companies.

## Fund Strategy

The fund manager seeks to invest in small/mid cap companies which they believe offer investors superior long term returns over the course of their growth paths. Using bottom-up fundamental research, the fund manager focuses on high corporate earnings growth over the medium term and select companies with a competitive advantage in a product/service with significant market potential.

Past performance does not predict future returns. Data points are as at month end.

## Indexed performance\*



## Cumulative performance\*

in %	YTD	1 month	1 year	3 years	5 years
Fund	-32.46	-8.66	-35.26	-15.89	-19.03
Benchmark	-21.23	-7.16	-27.63	-12.72	-16.01

## Calendar year performance\*

in %	2017	2018	2019	2020	2021
Fund	49.15	-16.41	17.51	16.34	-4.30
Benchmark	34.38	-17.83	17.72	4.24	-3.23

## Standardised rolling 12 month performance\*

in %	09.12 09.13	09.13 09.14	09.14 09.15	09.15 09.16	09.16 09.17	09.17 09.18	09.18 09.19	09.19 09.20	09.20 09.21	09.21 09.22
Fund	51.62	-5.47	-9.73	40.98	21.78	12.36	-14.32	18.48	9.65	-35.26
Benchmark	28.34	2.56	2.30	17.99	22.24	7.67	-10.63	7.42	12.28	-27.63

The performance data shown does not take account of the commissions and costs incurred on the issue and redemption of units. Returns may increase or decrease as a result of currency fluctuations. The investment concerns the acquisition of units in a fund and not in a given underlying asset.

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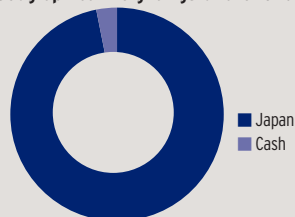
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## Top 10 holdings\*

(total holdings: 56)

Holding	Sector	%
Maruwa	Technology Hardware & Equipment	4.2
FULLCAST	Commercial & Professional Services	3.6
Nextage	Retailing	3.5
Ain	Food & Staples Retailing	3.5
Japan Material	Semiconductors & Semiconductor Equipment	3.3
West	Utilities	3.1
Amvis	Health Care Equipment & Services	3.0
S-Pool	Commercial & Professional Services	3.0
AEON Financial Service	Diversified Financials	3.0
Tsubaki Nakashima	Capital Goods	2.9

## Geographical weightings of the fund in %\*



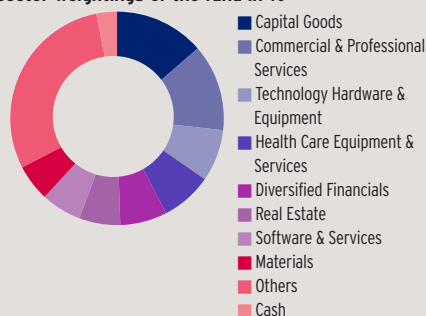
## Geographical weightings\*

	in %
Japan	96.9
Cash	3.1

## Sector weightings\*

	in %
Capital Goods	13.6
Commercial & Professional Services	13.1
Technology Hardware & Equipment	7.9
Health Care Equipment & Services	7.7
Diversified Financials	7.1
Real Estate	6.2
Software & Services	6.1
Materials	5.6
Others	29.4
Cash	3.1

## Sector weightings of the fund in %\*



## Financial characteristics\*

Average weighted market capitalisation	USD 1.12 bn
Median market capitalisation	USD 737.99 mn

## 3 year characteristics\*\*

Alpha	0.35
Beta	1.21
Correlation	0.83
Information ratio	-0.13
Sharpe ratio	0.18
Tracking error in %	12.43
Volatility in %	23.25

For detailed information about the 3 year characteristics please see <http://assets.invescohub.com/invesco-eu/glossary.pdf>.

## NAV and fees

### Current NAV

USD 16.25

### 12 month price high

USD 26.28 (16/11/2021)

### 12 month price low

USD 15.65 (20/06/2022)

### Minimum investment <sup>1</sup>

USD 1,000,000

### Entry charge

Up to 5.00%

### Annual management fee

1.0%

### Ongoing charges <sup>2</sup>

1.44%

Source: \*Invesco. Costs may increase or decrease as result of currency and exchange rate fluctuations. Consult the legal documents for further information on costs. Portfolio weightings and allocations are subject to change. The weightings for each breakdown are rounded to the nearest tenth or hundredth of a percent; therefore, the aggregate weights for each breakdown may not equal 100%. \*\*Morningstar.

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### Important Information

<sup>1</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.

<sup>2</sup>The ongoing charges figure is based on expenses for the year ending February 2022. 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.

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Previous Benchmark: Russell/Nomura Small Cap Index-GR up to 31 March 2020. Where individuals or the business have expressed opinions, they are based on current market conditions, they may differ from those of other investment professionals and are subject to change without notice. This marketing communication is not an invitation to subscribe for shares in the fund and is by way of information only, it should not be considered financial advice. 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. 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. 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. Not all share classes of this fund may be available for public sale in all jurisdictions and not all share classes are the same nor do they necessarily suit every investor. Fee structure and minimum investment levels may vary dependent on share class chosen. Please check the most recent version of the fund prospectus in relation to the criteria for the individual share classes and contact your local Invesco office for full details of the fund registration status in your jurisdiction. This is marketing material and 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. For more information on our funds and the relevant risks, please refer to the share class-specific Key Investor Information Documents (available in local language), the Annual or Interim Reports, the Prospectus, and constituent documents, available from [www.invesco.eu](http://www.invesco.eu). A summary of investor rights is available in English from [www.invescomanagementcompany.lu](http://www.invescomanagementcompany.lu). The management company may terminate marketing arrangements. Please be advised that the information provided in this document is referring to the C (USD)-AD Shares exclusively. The Invesco Nippon Small/Mid Cap Equity Fund is domiciled in Luxembourg.

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# Invesco Nippon Small/Mid Cap Equity Fund

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### SFDR (Sustainable Finance Disclosure Regulation)

The Fund complies with Article 8 with respect to the EU's Sustainable Finance Disclosure Regulation\*. As such, the fund promotes, among other characteristics, environmental or social characteristics or a combination of those characteristics. In addition, the companies in which the fund invests follow good governance practices. \*Regulation (EU) 2019/2088 on sustainability - related disclosures in the financial services sector.

### Exclusion Framework

The Fund embeds an exclusionary framework to specific activities based on UN Global Compact, severe governmental sanctions, revenue thresholds for certain activities linked to environmental and/or social criteria, as well as ensuring that companies follow good governance practices. The list of activities and their thresholds are listed below:

<b>UN Global Compact</b>	- Non-Compliant
<b>Country sanctions</b>	- Sanctioned investments are prohibited*
<b>Controversial weapons</b>	- 0% of revenue including companies involved in the manufacture of nuclear warheads or whole nuclear missiles outside of the Non-Proliferation Treaty (NPT)
<b>Coal</b>	- Thermal Coal extraction: $\geq 5\%$ of revenue - Thermal Coal Power Generation: $\geq 10\%$ of revenue
<b>Unconventional oil &amp; gas</b>	- $\geq 5\%$ of revenue on each of the following: Arctic oil & gas exploration; Oil sands extraction; Shale energy extraction;
<b>Tobacco</b>	- Tobacco Products production: $\geq 5\%$ of revenue - Tobacco related products and services: $\geq 5\%$ of revenue
<b>Others</b>	- Recreational cannabis: $\geq 5\%$ of revenue
<b>Good governance</b>	- Ensure that companies follow good governance practices in the areas of sound management structures, employee relations, remuneration and tax compliance

\*At Invesco we continuously monitor any applicable sanctions, including those imposed by the UN/US/EU and UK. These sanctions may preclude investments in the securities of various governments/regimes/entities and as such will be included in our compliance guidelines and workflows (designed to ensure compliance with such sanctions). The wording of international sanctions is something that we pay particular attention to as there are occasions where sanctions can exist in limited form, for example allowing investments in the secondary market. In addition to sanctions targeting entire countries, there are other thematic regimes, which may focus for example on human rights, cyber attacks, terrorist financing and corruption, which may apply to both individuals and/or entities/corporations.

Any investment decision should take into account all the characteristics of the fund as described in the legal documents. For sustainability related aspects, please refer to: <https://www.invescomanagementcompany.lu>.

At Invesco we have looked to put in place minimum safeguards across multiple sub-funds of Invesco Funds (as listed above) to allow them to meet Article 8 requirements of the SFDR Regulation as of 2 November 2021. To be classified as a so-called Article 8 product, the sub-funds need to promote, among other things, environmental and/or social characteristics while also ensuring that investee companies follow good governance practices. In order to meet such requirements, it was determined that we would look to exclude certain activities based on certain thresholds, which may be updated from time to time. For further details please refer to the website of the management company at <https://www.invescomanagementcompany.lu>.

As noted above this is a proprietary framework developed by Invesco in line with Article 8 requirements of the Regulation (EU) 2019/2088 on sustainability. The framework is developed, maintained and monitored by Invesco. In order to assess companies against the noted criteria, Invesco uses a combination of Sustainalytics and ISS (Institutional Shareholder Services) to assess compliance, however, this can be supplemented with other service providers where appropriate. While there is a broad coverage across the various systems, there is no one system that has complete coverage of the entire investment universe. As a result, investment teams will be responsible for conducting an assessment of companies for which data is not available, under the appropriate supervision and oversight of our investment compliance and ESG teams.

### 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.