



# Invesco European Smaller Companies Fund (UK)

June 2020

Covering the month of May 2020

On 15 May 2020, Erik Esselink became the fund manager of the Invesco European Smaller Companies Fund (UK).



**Fund manager:** Erik Esselink

## Key facts<sup>1</sup>

<b>Erik Esselink</b>	
Managed fund since	May 2020
Industry experience	23 years
Based in	London
Fund launch date	31 December 1984
Fund size	£110.62m
Legal status	UK authorised ICVC
Yield (Z Accumulation share class)	
Historic yield <sup>2</sup>	1.13%
Income distribution date(s)	n/a
Accounting period ends	31 January 31 July
Available with an ISA?	Yes

## Benchmark

Benchmark: Investment Association European Smaller Companies Sector\*

This is a Comparator Benchmark. Given its geographic focus the Fund's performance can be compared against the Benchmark. However, the Fund is actively managed and is not constrained by any benchmark.

\* Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to facilitate comparison between funds with broadly similar characteristics.

## Fund investment objective and policy

The objective of the Fund is to achieve long-term (5 years plus) capital growth. The Fund invests at least 80% of its assets in shares of smaller companies incorporated, domiciled, listed or carrying out the main part of their economic activity in Europe, excluding the UK. 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 fund aims to achieve capital growth by investing primarily in smaller European companies excluding the UK. The portfolio strategy rests primarily on fundamental analysis and company valuations, seeking the most attractive investment opportunities within Continental Europe's smaller companies' universe, according to the fund managers. The focus is on stocks with robust financial positions, sound management and capable of delivering higher returns on capital.

## Five year performance



## Performance

	% growth					
	1 year	3 years	5 years	5 years ACR*	10 years	10 years ACR*
Fund (Z Accumulation share class)	-8.82	-16.58	10.56	2.03	106.72	7.53
Benchmark	1.62	1.93	45.47	7.78	179.82	10.83

\*ACR - Annual Compound Return

## Standardised rolling 12-month performance

	% growth					
	31.03.15	31.03.16	31.03.17	31.03.18	31.03.19	31.03.20
Fund (Z Accumulation share class)	8.84	20.21	8.84	-10.01	-24.98	
Benchmark	9.16	24.52	12.74	-4.60	-15.21	

**Past performance is not a guide to future returns.** Performance figures are based on the Z Accumulation share class. As this was launched on 12 November 2012, for the periods prior to this launch date, performance figures are based on the accumulation share class, without any adjustment for fees. 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 31 May 2020 unless otherwise stated. Sector average performance is calculated on an equivalent basis. The standardised past performance information is updated on a quarterly basis. Source: Lipper.

<b>Top 10 holdings<sup>1</sup></b>	<b>%</b>	<b>Country of investment breakdown<sup>1</sup></b>	<b>%</b>
Philips Lighting	3.25	Netherlands	18.42
Tkh Group	2.99	France	17.00
Voltaia	2.96	Germany	12.22
Scatec Solar	2.84	Spain	7.84
SEB	2.78	Sweden	7.72
Soitec	2.64	Luxembourg	6.74
Accsys Technologie	2.63	Italy	5.13
Ffp	2.53	Austria	4.41
Scor	2.50	Norway	3.99
Hella Gmbh & Co	2.48	Belgium	3.57
<b>Total Top 10 holdings (%)</b>	<b>27.6</b>	Ireland	3.56
<b>Total number of holdings</b>	<b>68</b>	United Kingdom	2.63
<b>Industry breakdown<sup>1,3</sup></b>	<b>%</b>	Switzerland	2.26
Industrial Goods	19.92	Denmark	1.67
Business Providers	17.72	Canada	1.39
Financials	15.73	Finland	1.06
Technology	15.23	Cash	0.40
Consumer Goods	11.55	<b>Total</b>	<b>100</b>
Basic Materials	10.41		
Retail Providers	5.72		
Natural Resources	3.10		
Unit/Investment Trust/Other	0.23		
Cash	0.40		
<b>Total</b>	<b>100</b>		

### 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.
- The Fund invests in smaller companies which may result in a higher level of risk than a fund that invests in larger companies. Securities of smaller companies may be subject to abrupt price movements and may be less liquid, which may mean they are not easy to buy or sell.
- 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.

### 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  
 Authorised and regulated by the Financial Conduct Authority.

### Important information

- <sup>1</sup> All fund portfolio figures within this leaflet are as at 31 May 2020 (source: Invesco).
- <sup>2</sup> 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.
- <sup>3</sup> Industry Classification Benchmark is a joint product of FTSE International Limited and Dow Jones & Company, Inc. and has been licensed for use in our industry breakdown.

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 document is marketing material and is not intended as a recommendation to invest in 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. The information provided is for illustrative purposes only, it should not be relied upon as recommendations to buy or sell securities.

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.