

# Invesco European Equity Income Fund (UK)

May 2019

Covering the month of April 2019

The name of this fund changed from Invesco Perpetual European Equity Income Fund on 1 October 2018. The fund objective and strategy remain unchanged.



**Fund manager:** Stephanie Butcher

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

<b>Stephanie Butcher</b>	
Managed fund since	December 2010
Industry experience	25 years
Based in	Henley-on-Thames
Fund launch date	12 December 2007
Fund size	£687.7m
Legal status	UK authorised ICVC
Yield (Z Accumulation share class)	
Historic yield <sup>2</sup>	3.45%
Income distribution date(s)	31 March
	30 June
	30 September 31 December
Accounting period ends	30 April
	31 October
Available with an ISA?	Yes
Sector	IA Europe Excluding UK NR

## Investment opportunities

- The fund offers exposure to equity income and capital growth prospects over the long-term.
- Europe is a stand out region for yield: relative to other asset classes and regions, Europe is currently one of the few with a premium yield to its 25 years average, making it a good hunting ground for income.
- Resilient macroeconomic backdrop in Continental Europe and strengthening recovery.
- The fund benefits from Stephanie Butcher's extensive knowledge of local European markets and equity income investing expertise.

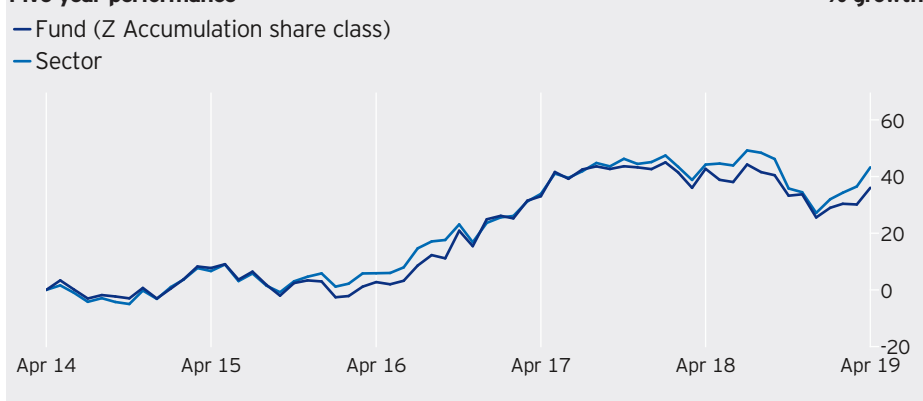
## Fund objective

- The objective of the fund is to generate a rising level of income together with longterm capital growth.
- The fund invests primarily in shares of European companies, excluding the UK.
- The fund may use derivatives (complex instruments) to manage the fund more efficiently, with the aim of reducing risk, minimising costs and/or generating additional capital or income.
- The fund is actively managed within its objectives and is not constrained by a benchmark.

## Fund strategy

The fund aims to generate a rising level of income together with long-term capital growth by investing primarily in European equities, excluding the UK. The fund strategy rests primarily on rigorous fundamental analysis, seeking to invest in companies with attractive valuations according to the fund manager, having the potential to pay and grow their dividends, and deliver capital appreciation. Avoiding reliance on short-term trends and following the principle that valuation is the key determinant of future returns over the longer term sits at the heart of the investment philosophy. The portfolio typically holds 50 to 60 stocks.

## Five year performance



## Performance

	<b>% growth</b>					
	1 year	3 years	5 years	5 years ACR*	10 years	10 years ACR*
Fund (Z Accumulation share class)	-4.70	32.39	36.03	6.34	156.10	9.85
Sector	-0.67	35.31	43.24	7.45	154.89	9.80

\*ACR - Annual Compound Return

## Standardised rolling 12-month performance

	<b>% growth</b>				
	31.03.14	31.03.15	31.03.16	31.03.17	31.03.18
	31.03.15	31.03.16	31.03.17	31.03.18	31.03.19
Fund (Z Accumulation share class)	7.40	-6.58	30.02	3.44	-4.32
Sector	6.93	-1.76	24.05	5.77	-1.66

**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 30 April 2019 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>
Sanofi	4.16	France	28.28
Novartis	3.83	Germany	18.93
Roche	3.79	Switzerland	12.02
Siemens	3.66	Spain	7.08
Total	3.51	Italy	6.00
ING	3.25	Netherlands	4.62
Allianz	3.05	Denmark	4.58
Deutsche Post	2.97	Finland	3.93
Royal Dutch Shell A (EUR)	2.96	Ireland	3.47
Orange	2.93	United Kingdom	2.96
<b>Total Top 10 holdings (%)</b>	<b>34.13</b>	Norway	2.52
<b>Total number of holdings</b>	<b>49</b>	Austria	2.32
		Portugal	1.51
<b>Industry breakdown<sup>1,3</sup></b>	<b>%</b>	Luxembourg	1.22
Financials	23.27	General	0.05
Industrials	14.08	Cash	0.52
Oil & Gas	13.69	<b>Total</b>	<b>100</b>
Health Care	12.30		
Consumer Services	10.85		
Telecommunications	7.91		
Basic Materials	6.70		
Consumer Goods	5.82		
Technology	4.82		
Unit/Investment Trust/Other	0.05		
Cash	0.52		
<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.

### Contact information

#### Client services

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### Important information

- <sup>1</sup> All fund portfolio figures within this leaflet are as at 30 April 2019 (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. The fund's ongoing charge is charged to capital. This has the effect of increasing the distributions for the year by the amount of the ongoing charge and constraining the fund's capital performance to an equivalent extent.
- <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.

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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.

Telephone calls may be recorded.