

Invesco Japanese Equity Advantage Fund Z-Acc

High conviction Japanese equity fund which is managed by a highly experienced local team and generated outstanding risk-adjusted results within its peer group over 10 years and since inception

30 seconds: Why we believe in this fund

- Stock selection **process focuses on intangible values** that are not capitalised on the balance sheet but generate strong free cash flows like customer loyalty or location advantages. The **investment approach is bottom up**, which led to a broad and diversified portfolio across all industries
- **High conviction fundamental active approach** with a low turnover ratio and over approximately half of the holdings being in the portfolio since 2006 (inception year). The investment approach is benchmark agnostic, which has been reflected in a **historical active share of above 80%**
- Since inception of the fund, **it outperformed its benchmark in 11 out of 16 calendar years**. That was achieved with a high consistency. Over 3-year rolling periods, the fund outperformed its benchmark in 81% of times
- This excess return was delivered with a **moderate degree of market directionality** (since fund inception) e.g., a market beta of 0.93 and an **asymmetric risk-return profile** with a higher up-capture ratio (96.56%) than down-capture ratio (93.99%)
- Combined with **downside risk mitigation (1st percentile max drawdown)**, this led to **1st decile Sharpe ratio** over 10 years and since inception
- The management team is **located on the ground** with on average more than **20 years of investment experience** in the Japanese equity market and strong ties to the invested companies

Snapshot*

Morningstar Category	EAA Fund Japan Large-Cap Equity
Primary Prospectus Benchmark	TOPIX NR JPY
Inception Date of Fund's Oldest Share Class	30/09/2011
Base Currency	Japanese Yen
Fund Size	¥ 189,510,615,852.00
ISIN	LU1642786542
Morningstar Rating Overall	★★★
Manager Tenure (Longest)	12.58
EU SFDR Fund type (Article 8 or Article 9)	Article 8
Corp. Sustainability % Rank in Glob. Cat.	44
Carbon Risk Score % Rank in Cat.	13
Percent of AuM Covered - ESG	100.00

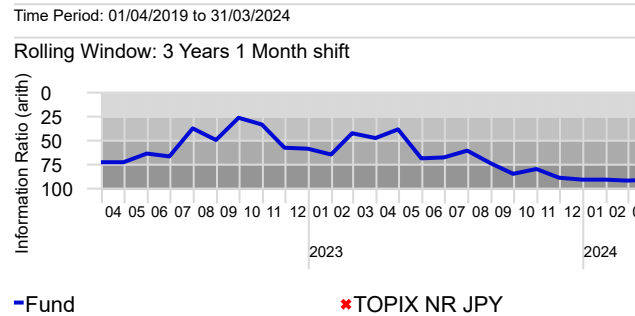
Risk / return statistics 5 years*

	Return	Peer group %tile	Std Dev	Peer group %tile	Information Ratio (arith)	Peer group %tile
Fund	9.97	91	15.20	64	-0.84	91
TOPIX NR JPY	14.01	48	14.23	14		
	Sharpe Ratio	Peer group %tile	Sortino Ratio	Peer group %tile	Max Drawdown	Peer group %tile
Fund	0.71	90	1.13	87	-18.81	49
TOPIX NR JPY	1.01	30	1.72	33	-17.61	37

Cumulative return*



Rolling information ratio rank*



Team as at 31/12/2023

- **Highly experienced management:** Managed by Tadao Minaguchi (29 years industry experience)
- **Backed by a strong investment team:** Japanese Equity team comprised of 8 investment professionals with extensive knowledge of local markets (22y average investment experience)
- **Strong presence in Japanese equity space:** The team manages approximately USD 8bn in Japanese equity mandates and serves Japanese as well as overseas clients
- **Established investment capability:** history of 40 years in Tokyo

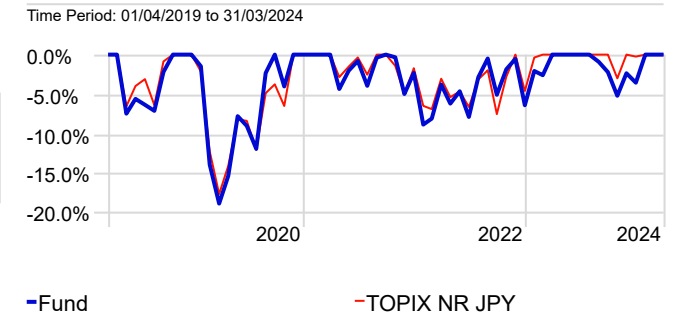
Risk Warnings

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.

Fund Objective and Policy: The investment objective of the Fund is to seek long term capital appreciation, measured in Yen, through investment primarily in the equity securities of companies domiciled in or exercising the predominant part of their economic activity in Japan and which are listed on any exchanges or over the counter markets. The Fund will invest in companies who make advantageous use not only of their capital but also of their intangible assets (for example, but not limited to, brand values, technical development or strong customer base). The Fund may also invest, on an ancillary basis, in debt securities convertible into common shares and other equity linked instruments. For the full objectives and investment policy please consult the current prospectus.

The investment concerns the acquisition of units in an actively managed fund and not in a given underlying asset.

Drawdown



Investment process & policy*

- **Investment philosophy:** Focus on intangible value like customer loyalty or location advantages generating strong Free Cash Flow from a long-term perspective
- **"All-season approach" without style or market cap bias** by purely bottom-up researched high quality companies
- **High conviction active approach:** Portfolio construction with 40-60 stocks and a long term perspective from an initial investment universe of ~3,800 titles
- **Long-term investing:** Great emphasis on regular dialogues with companies aiming to build conviction and increase corporate value cooperatively in the long run

*Source: Morningstar, Invesco, For sustainability aspects please refer to page 2. Portfolio characteristics are subject to change without notice. There is no guarantee that the goal will be achieved. Total Monthly Return, net of fees, The performance data shown does not take account of the commissions and costs incurred on the issue and redemption of units, currency: JPY, Peer Group: MS Category Japan Large-Cap Equity, time period: 01/04/2019 to 31/03/2024 if not otherwise noted. More information on the peer group can be found at www.morningstar.com. Fund inception Date: 31/05/2006. On 30/09/2011 a technical merger occurred, which had no impact on the fund management, strategy and philosophy of the fund. The benchmark index is shown for performance comparison purposes only. The Fund does not track the Index. The performance shown in the chart prior to 30 September 2011 relates to the performance of another fund, which was merged into the Fund on that date. The investment policy, investment restrictions and fee structure of this previous fund were very similar to those of the Fund.

Past performance does not predict future returns.

Rolling Returns

Data Point: Return Currency: Japanese Yen Source Data: Total, Monthly Return Peer Group: MS Category Japan Large-Cap Equity

	01/04/2014 - 31/03/2015	01/04/2015 - 31/03/2016	01/04/2016 - 31/03/2017	01/04/2017 - 31/03/2018	01/04/2018 - 31/03/2019	01/04/2019 - 31/03/2020	01/04/2020 - 31/03/2021	01/04/2021 - 31/03/2022	01/04/2022 - 31/03/2023	01/04/2023 - 31/03/2024
Fund	27.17	-8.63	14.61	15.86	3.42	-12.85	47.57	-1.10	4.37	21.16
Benchmark	16.73	-5.89	0.00	-3.12	6.75	-0.42	2.69	10.11	13.59	20.33
MS Category	28.53	-11.68	13.42	15.31	-6.15	-10.80	46.47	1.14	3.70	38.73

Calendar Year Returns

Data Point: Return Calculation Benchmark: TOPIX NR JPY

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Fund	16.96	-4.18	7.53	11.88	18.57	-11.02	25.81	1.94	9.62	12.81	50.58	24.86	-7.72	0.96	10.60	-32.45	-8.88
TOPIX NR JPY	27.77	-2.86	12.38	6.99	17.67	-16.26	21.84	-0.02	11.73	9.93	—	—	—	—	—	—	—
MS Category	26.37	-5.69	13.24	9.20	18.22	-17.82	22.68	-0.44	9.74	8.42	55.99	21.23	-18.64	-1.44	10.36	-45.81	-13.50

Source Data: Morningstar, Total Monthly Return, net of fees. 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.

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>

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