

Hong Kong & China Fund

July 2017

Covering the month of June 2017



Fund Managers: Mike Shiao (lead) & Lorraine Kuo

Key facts¹

Mike Shiao (lead)



Managed fund since	June 2012
Industry experience	25 years
Based in	Hong Kong

Lorraine Kuo

Managed fund since	June 2012
Industry experience	18 years
Based in	Hong Kong

Fund launch date 18 December 1981

Fund size £317.61m

Legal status UK authorised ICVC

Yield (Z Accumulation share class)

Historic Yield² 1.08%

Income distribution n/a date(s)

Accounting period ends 31 May 30 November

Available within an ISA? Yes

Sector IA China/Greater China NR

Investment opportunities

- The fund offers exposure to capital growth prospects over the long-term.
- The fund adopts a selective approach to stock picking that includes a strong focus on valuations as well as an emphasis on the ownership structure and quality of management.
- The fund is successfully managed by lead manager Mike Shiao who has 25 years of investment experience. He joined Invesco in 2002 and has managed the Invesco Perpetual Hong Kong & China Fund since June 2012.

Fund objective

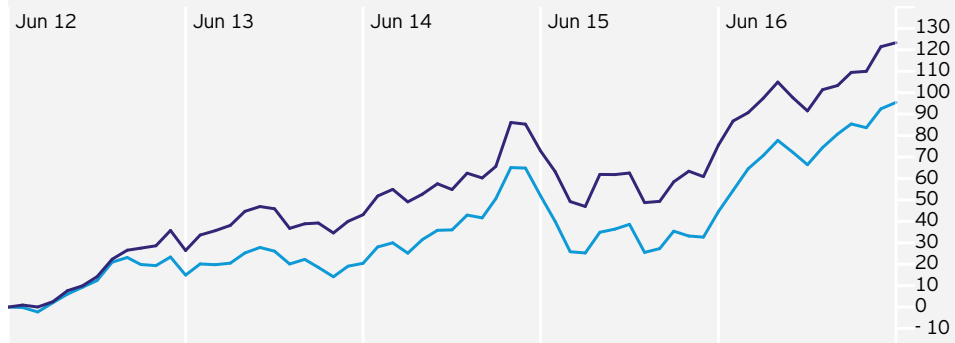
- The objective of the fund is to achieve capital growth.
- The fund invests primarily in shares of companies with exposure to the economies of Hong Kong and China.
- The fund may use derivatives (complex instruments) to manage the fund more efficiently, with the aim of reducing risk, minimising costs 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 achieve capital growth through a portfolio of investments with an exposure to the economies of Hong Kong & China. The team follows a purely bottom-up, high conviction approach. The managers seek to invest in companies with sustainable leadership and competitive advantages whose share prices trade at a discount to what they consider to be fair value. This has led to a preference for private enterprises, whose interests are better aligned with those of shareholders. This positioning has been consistent in recent years, but may evolve over time as structural trends change, presenting new opportunities.

Five year performance

— Invesco Perpetual Hong Kong & China Fund (Z Accumulation share class)
— IA China/Greater China NR Sector



Performance

	% growth					
	1 year	3 years	5 years	5 year ACR*	10 years	10 year ACR*
Fund (Z Accumulation share class)	27.14	56.07	123.31	17.43	154.39	9.79
Sector	35.17	62.31	95.46	14.34	120.08	8.21

* ACR - Annual Compound Return

Standardised rolling 12-month performance

	% growth					
	30.6.12	30.6.13	30.6.14	30.6.15	30.6.16	30.6.17
Fund (Z Accumulation share class)	26.40	13.19	20.80	1.61	27.14	
Sector	14.92	4.78	26.16	-4.82	35.17	

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 June 2017 unless otherwise stated. The figures do not reflect the entry charge paid by individual investors. Sector average performance is calculated on an equivalent basis. The standardised past performance information is updated on a quarterly basis. Source: Lipper.

Top 10 holdings ¹		%	
Alibaba	9.83	Ctrip ADS	3.75
Tencent	9.66	Hengan	3.43
China Mobile	7.69	ENN Energy	3.09
Baidu	4.81	AIA	3.03
JdCom	3.92	Minth	2.86
Total top 10 holdings (%)		52.08	
Total number of holdings		38	

Industry breakdown ¹	%
Information Technology	29.83
Consumer Discretionary	24.65
Consumer Staples	10.41
Telecommunication Services	9.26
Health Care	5.43
Industrials	5.43
Utilities	4.86
Financials	3.03
Materials	1.56
Cash	5.56
Total	100

Country of investment breakdown ¹	%
China	48.29
Hong Kong	46.15
Cash	5.56
Total	100

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.

Although the fund does not actively pursue a concentrated portfolio, it may have a concentrated number of holdings on occasions. Accordingly, the fund may carry a higher degree of risk than a fund which invests in a broader range of companies or takes smaller positions in a relatively large number of holdings.

The fund invests in emerging and developing markets, where there is potential for a decrease in market liquidity, which may mean that it is not easy to buy or sell securities. There may also be difficulties in dealing and settlement, and custody problems could arise.

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

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Important information

- ¹ All fund portfolio figures within this leaflet are as at 30 June 2017 (source: Invesco Perpetual).
- ² 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.

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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 Short Reports and the Prospectus, which are available using the contact details shown.

Telephone calls may be recorded.