



Invesco UK Equity Pension Fund

As at 30 June 2021



Fund Manager: Ciaran Mallon and James Goldstone

Key facts

Fund Manager	Ciaran Mallon and James Goldstone
Launch date	1 October 1991
Fund size	£65.88m
Benchmark	FTSE All-Share Index

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.

Fund strategy

The fund managers pursue an active investment approach, which is based on individual stock selection, with a particular focus on income generating shares. The fund managers seek to identify undervalued businesses that can offer capital appreciation and growth in income over time. The fund managers have a flexible and pragmatic approach, whilst the fund has no inbuilt sector, style or market capitalisation bias.

The fund managers remain convinced that, in a changing global environment, the interests of investors are best served by employing a well-tested investment process, which is based on fundamental company analysis and a prudent approach to valuation. They continue to evaluate and re-evaluate the holdings in the portfolio, seeking the best opportunities to create a sustainable flow of dividend income for investors. The fund managers believe that the most compelling opportunities rest within domestic sectors, where political uncertainty has weighed on sentiment towards companies with UK revenue exposure.

Investment objective

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 companies incorporated, domiciled or carrying out the main part of their economic activity in the UK. The Fund may also invest in private and unlisted equities and non-UK companies.

The Fund may use derivatives (complex instruments) to manage the portfolio more efficiently, with the aim of reducing risk, reducing costs and/or generating additional capital or income.

Annualised performance

	% growth	
	3 years	5 years
Fund	-6.47	-1.82
Benchmark	2.05	6.48

Standardised rolling 12-month performance

	% growth				
	30.06.16 30.06.17	30.06.17 30.06.18	30.06.18 30.06.19	30.06.19 30.06.20	30.06.20 30.06.21
Fund	12.08	-0.55	-8.97	-23.06	16.84
Benchmark	18.12	9.02	0.57	-12.99	21.45

Past performance is not a guide to future returns.

The standardised past performance information is updated on a quarterly basis. Source: Invesco. Should you require up-to-date past performance information this is available by contacting our Pension Support Team on 0800 169 6282.

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Top 10 holdings	%
Barclays	5.00
Next	4.48
British American Tobacco	3.95
BP	3.41
Ashtead Group	3.29
Ferguson	3.29
Tesco	3.18
Total	3.16
SSE	3.02
Barrick Gold	2.94
Total Top 10 Holdings (%)	35.72
No of holdings	54

Industry breakdown	%
Technology	0.00
Telecommunications	2.32
Health Care	7.44
Financials	11.22
Real Estate	1.73
Consumer Discretionary	19.40
Consumer Staples	10.23
Industrials	20.09
Basic Materials	7.78
Energy	8.87
Utilities	9.65
Cash	1.29
Total	100

General Risk Factors

You should consider the following general risk factors before investing in the Plan.

Depository Risk

The assets owned by each fund are held on trust for the fund by a custodian that is also regulated by the Financial Conduct Authority. The Financial Conduct Authority requires that the depository ensures that there is legal separation of non-cash assets held under custody and that records are maintained that clearly identify the nature and amount of all assets under custody, the ownership of each asset and where the documents of title to that asset are located. In case of a potential bankruptcy of the depository, cash positions in the fund are not protected and there may be a delay in regaining full control of the non-cash assets.

Market Risk

An investment in one or more of the funds will involve exposure to those risks normally associated with investment in stocks and shares such as general economic conditions, market events and the performance of the underlying investments. As such, the price of shares and the income from them can go down as well as up and an investor may not get back the full amount invested. There is no assurance that the investment objectives of any fund will actually be achieved.

Market Suspension Risk

A fund may invest in securities dealt on a market or exchange. Trading on a market or exchange may be halted or suspended due to market conditions, technical problems or other events and, during such circumstances, the fund will not be able to sell the securities traded on that market until trading resumes.

Further, trading of the securities of a specific issuer may be suspended by a market due to circumstances relating to the issuer. If trading of a particular security is halted or suspended, the relevant fund will not be able to sell that security until trading resumes.

Fund Suspension Risk

Investors should be aware that dealing in the shares can be suspended in fund(s) in exceptional circumstances. More information on this can be found in the Terms and Conditions.

Market Liquidity Risk

A fund may be affected by a decrease in market liquidity for the securities in which it invests which may mean that shares in those securities may not be sold at their true value.

Termination Risk

A fund may be terminated under certain conditions and in the manner specified in the Terms and Conditions. It is possible that at the time of such termination, certain investments may be worth less than their acquisition cost, resulting in investors having to realise an investment loss and/or being unable to recover an amount equal to their original capital invested.

Currency Exchange Risk

A fund's assets may be invested in securities denominated in currencies other than Pound Sterling. Changes in exchange rates may adversely affect the value of any investment, which will have a related effect on the price of shares.

Investing in Assets Traded on Non-Eligible Markets

The funds are permitted to invest up to 10% of assets traded on markets which may not meet the criteria in the FCA Rules to be considered eligible and therefore may not be regulated. Investors should be aware that these markets may not be regulated and there may be problems with liquidity, repatriation of assets or custody of assets. Where appropriate, the funds may also hold assets which are not traded on any market and the same risks apply, with additional risks linked to concentrated ownership and greater fluctuations in the value of the fund.

Counterparty Risk

The funds may enter into derivatives transactions or place cash in bank deposit accounts, which would expose the funds to the credit of its counterparties and their ability to satisfy the terms of such contracts. In the event of a bankruptcy or insolvency of a counterparty, the funds could experience delays in liquidating positions and significant losses, including declines in the value of investments during the period in which a fund seeks to enforce its rights, inability to realise any gains on its investments during such period and fees and expenses incurred in enforcing its rights.

Use of Warrants

The funds may invest in warrants. Warrants are instruments where the price, performance and liquidity are linked to that of an underlying security. However, the warrants market is generally more volatile and there may be more fluctuations in the price of the warrant than in the underlying security.

Use of Financial Derivative Instruments for Efficient Portfolio Management

All funds may make use of derivatives for efficient portfolio management ("EPM"). These techniques aim to reduce risk and/or costs in the funds, or produce additional capital or income in the funds. It is not intended that using derivatives for EPM will increase the volatility of the funds. In adverse situations, however, a fund's use of derivatives for EPM may become ineffective and a fund may suffer significant loss as a result. A fund's ability to use EPM strategies may be limited by market conditions, regulatory limits and tax considerations. It is not intended that the use of derivatives for EPM within a fund will materially alter the overall risk profile of the fund.

Any income or capital generated by EPM techniques will be paid to the relevant fund.

In addition to using derivatives for EPM, a fund may also use derivatives for investment purposes where stated in its investment objective.

Performance and portfolio data as at 30 June 2021. Performance figures are total returns, denominated in sterling, net of fees. The returns are calculated using the quoted dealing prices. A single swinging price is determined according to net cash flows. Returns are net of the annual management charge payable in respect of the retail share class of 1.25% (source: Invesco).

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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.

Investing in Equity Securities

Investing in equity securities involves risks associated with the unpredictable drops in a stock's value or periods of below-average performance in a given stock or in the stock market as a whole. Share prices on equity markets may fluctuate. Such fluctuations, or volatility, have historically been much greater for equity markets than the volatility of fixed income markets.

Investing in Smaller Companies

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.

Investing in Private and Unlisted Equity

The funds have the ability to invest up to 10% of the fund in private and unlisted equities. In addition to typical equity investment risks, there may also be some additional specific risks, including: lack of liquidity which could impact the fund's ability to sell such investments at their true value, or in a timely manner; lack of pricing transparency; and less readily available information on the company. Ownership may be highly concentrated and certain company action may be driven by these majority owners.

COVID-19

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. In addition, some companies are suspending, lowering or postponing their dividend payments, which may affect the income received by the fund during this period and in the future.

Important information

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.

For more information on this fund, please refer to the most up-to-date Invesco Trustee Investment Plan Brochure and Key Features Document, and to the fund's Key Information Document. These documents are available on the Invesco Pensions Website: www.invesco.co.uk/pensions

Administration services provided by Mercer Limited for and on behalf of Invesco Pensions Limited.

Telephone calls may be recorded.

Contact information

Pensions team

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