



Invesco UK Smaller Companies Equity Fund (UK)

May 2022

Covering the month of April 2022



Fund manager: Jonathan Brown

Key facts¹

Jonathan Brown	
Managed fund since	February 2011
Industry experience	24 years
Based in	Henley -on- Thames
Fund launch date	09 May 1992
Fund size	£677.60m
Legal status	UK authorised ICVC
Yield (Z Accumulation share class)	
Historic yield ²	0.55%
Income distribution date(s)	30 September
Accounting period ends	31 January 31 July
Available with an ISA?	Yes

Benchmark

Benchmark: Investment Association UK 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 or carrying out the main part of their economic activity in 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 manager pursues an active approach to investment, which is based on individual stock selection and driven by his assessment of valuation. The fund manager focuses on identifying quality businesses with strong balance sheets, which he deems to be capable of self-help, rather than being overly reliant on the wider economy to stimulate growth. The fund has no style or sector bias and the fund manager is free to pursue an unconstrained investment strategy. The fund manager has adopted a degree of caution given the macroeconomic picture in both the UK and global economy. The fund manager remains confident, however, that there are resilient companies able to sustainably generate profitable growth in excess of the wider economy through market share gains, exposure to higher growth niches and re-investment of cash flows.

Five year performance



Performance

	% growth					
	1 year	3 years	5 years	5 years ACR*	10 years	10 years ACR*
Fund (Z Accumulation share class)	-4.20	23.87	44.29	7.60	231.96	12.74
Benchmark	-10.62	24.88	39.93	6.95	185.71	11.06

*ACR - Annual Compound Return

Standardised rolling 12-month performance

	% growth				
	31.03.17	31.03.18	31.03.19	31.03.20	31.03.21
Fund (Z Accumulation share class)	13.30	1.80	-13.44	52.48	2.39
Benchmark	14.40	-2.52	-17.54	67.22	-2.10

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 2022 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.

Costs and charges of the fund

For a full breakdown of the charges that apply to each share class of the fund, please refer to our ICVC Costs & Charges document www.invesco.com/uk/icvc-charges.

Top 10 holdings ¹	%	Country of investment breakdown ¹	%
JTC	3.30	United Kingdom	97.08
Hilton Food	2.81	Singapore	0.75
Energiean Oil & Gas	2.77	Cash	2.17
Essentra	2.68	Total	100
Advanced Medical Solutions	2.52		
4imprint	2.48		
Hollywood Bowl	2.34		
Serco	2.34		
Hill & Smith	2.19		
CVS	2.17		
Total Top 10 Holdings (%)	25.61		
Total number of holdings	77		

Industry breakdown ^{1,3}	%
Industrials	33.83
Consumer Discretionary	26.12
Technology	10.23
Financials	8.80
Real Estate	5.09
Energy	4.29
Consumer Staples	3.82
Health Care	2.99
Basic Materials	2.66
Cash	2.17
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.
- 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.com/uk

Telephone calls may be recorded.

Issued by Invesco Fund Managers Limited.
 Perpetual Park, Perpetual Park Drive, Henley-on-Thames,
 Oxfordshire RG9 1HH, UK
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Important information

- ¹ All fund portfolio figures within this leaflet are as at 30 April 2022 (source: Invesco).
- 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. Investors may be subject to tax on their distributions.
- ³ The 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.

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.