

# Invesco Pan European Equity Fund

August 2024

This marketing communication is for professional investors and qualified clients/sophisticated investors only. Investors should read the legal documents prior to investing.

# Investment Risks

**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.

# Agenda

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# Introduction

# Henley Investment Centre

## European Equities Investment Team

### Fund managers



**John Surplice**  
 Head of EMEA Equities &  
 Co-Head of European  
 Equities, EMEA, FM Pan/  
 Continental Europe  
 28 years<sup>1</sup>/ 28 years<sup>2</sup>



**Oliver Collin**  
 Co-Head of European  
 Equities, FM Pan/ Cont.  
 European Income, Eurozone  
 23 years<sup>1</sup>/ 9 years<sup>2</sup>



**Martin Walker**  
 Fund Manager  
 27 years<sup>1</sup>/ 25 years<sup>2</sup>



**James Rutland**  
 FM, Pan /  
 Continental Europe  
 15 years<sup>1</sup>/ 4 years<sup>2</sup>



**Steve Smith**  
 FM, Continental  
 European  
 Income, Eurozone  
 8 years<sup>1</sup>/ 8 years<sup>2</sup>



**James Matthews**  
 FM, Small Cap Equities  
 23 years<sup>1</sup>/ 6 years<sup>2</sup>



**Michael Oliveros**  
 FM, Small Cap Equities  
 20 years<sup>1</sup>/ 1 year<sup>2</sup>

### Analysts



**James Kariuki**  
 European Analyst  
 4 years<sup>1</sup>/ 4 years<sup>2</sup>



**Anna Cresswell**  
 European Analyst  
 2 years<sup>1</sup>/ 2 years<sup>2</sup>

### Investment specialists

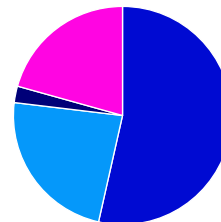


**Joel Copp-Barton**  
 Product Director  
 25 years<sup>1</sup>/ 12 years<sup>2</sup>



**Georgina Millar**  
 Product Director  
 12 years<sup>1</sup>/ 1 year<sup>2</sup>

### Team AUM, £7.57bn



■ Large cap    ■ Small Cap  
 ■ All cap    ■ Income

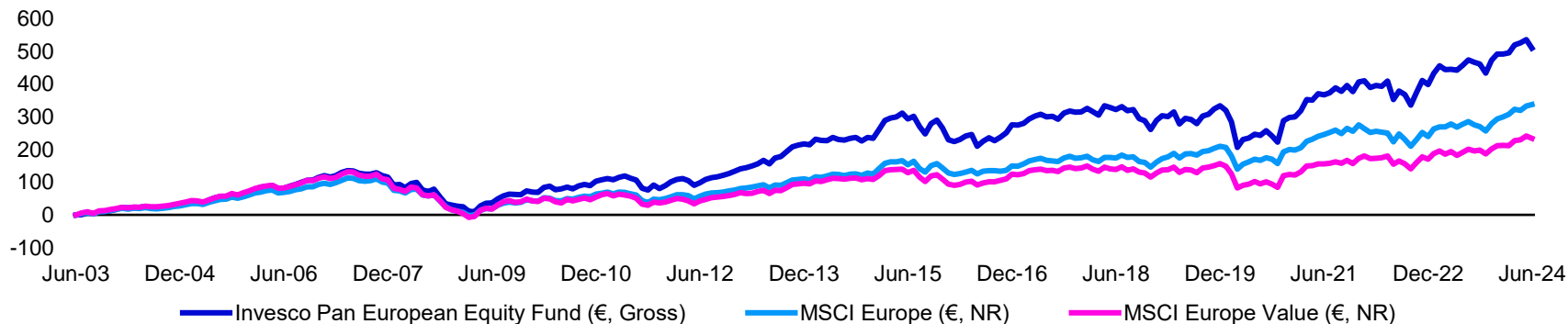
**“Collaboration” and “challenge culture” are central tenets of our approach.  
 Incentive structure promotes and reinforces these behaviours.**

Source: Invesco as at Q2 2024. <sup>1</sup>Years of industry experience. <sup>2</sup>Years at Invesco.

# Invesco Pan European Equity Fund Overview

Past performance does not predict future returns.

1. **Quality transition:** A rigorous focus on investing in **companies changing for the better** that can offer good **future value**
2. **Alpha generation:** Supported by **low expectations**, **historically low valuations** & yet **improving macro-economics** and **normalising interest rates**
3. **Diversification:** An alternative approach to active investing that delivers a highly **diversified portfolio**



Source: Invesco as at Q2 2024.

Data shown refers to the Gross Performance (£) of the Invesco Pan European Equity Fund since John Surplice joined the fund – July 2003. € Net return data for the MSCI Europe and MSCI Europe Value has been provided. Provided on a quarterly basis.

The benchmark index is shown for performance comparison purposes only. The Fund does not track the index.

# Invesco Pan European Equity Fund

## Stock Specific Alpha Generation + Value Exposure

Past performance does not predict future returns.

**Annualised 3-year Gross performance to 30 June 2024 broken down into idiosyncratic alpha & positive returns from our value tilt**



As the Fund is actively managed, it is not intended that the performance of the Share Class will track performance of MSCI Europe Index (Net Total Return) (the "Benchmark"). The gross performance figures are shown in EUR, inclusive of re-invested income, gross of ongoing charges and net of portfolio transaction costs. Index: Net return in EUR. Please see Net Performance slide for the impact of ongoing charges. \*We calculate our return from our value tilt by regressing the monthly gross returns of the fund to the MSCI Europe Value Index. This generates a beta to value for the fund, which is then applied to the MSCI Europe Value Index returns each month. The resulting monthly figures are then compounded for the entire period and annualized. The idiosyncratic alpha is the residual return once the value contribution is deducted from the total annualized excess gross return. The Fund is not managed by reference to a benchmark. The investment concerns the acquisition of units in an actively managed fund and not in a given underlying asset. Costs may increase or decrease as result of currency and exchange rate fluctuations. Consult the legal documents for further information on costs. As at Q2 2024.

# Invesco Pan European Equity Fund

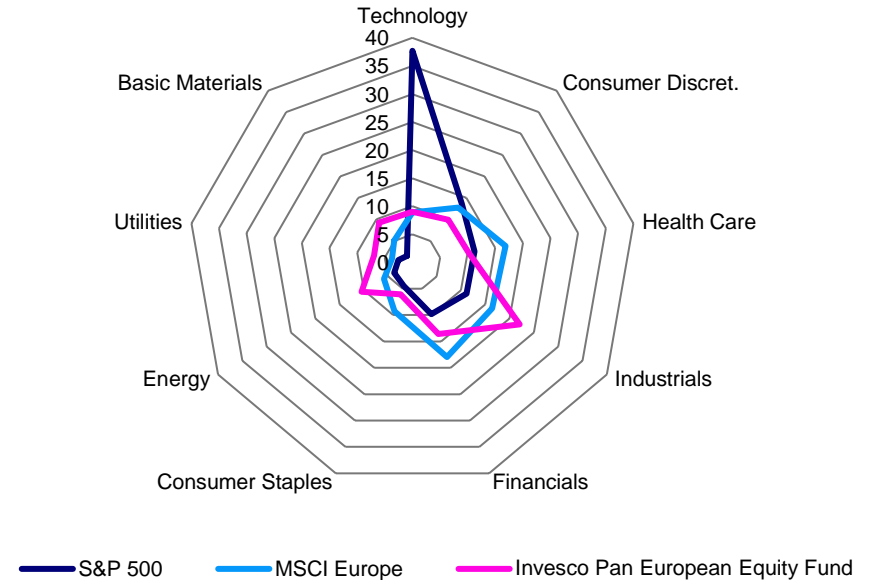
## Significant Diversification

The Invesco Pan European Equity Fund has very low correlation to the other major global indices

	MSCI Europe	Invesco Pan European Equity Fund	S&P 500	Japan	China
MSCI Europe		81%	38%	22%	6%
Invesco Pan European Equity Fund	81%		17%	15%	6%
S&P 500	38%	17%		29%	0%
Japan	22%	15%	29%		2%
China	6%	6%	0%	2%	
3 yr daily Volatility (1 std devn, annualised)	14.0%	15.6%	17.0%	16.7%	28.5%
3 Yr Total Return	24.9%	24.9%	45.5%	18.3%	-38.7%
Annualised	7.7%	7.7%	13.3%	5.8%	-15.1%

Source: Invesco, Factset as at Q2 2024.

Sector Exposures: Invesco Pan European Equity Fund vs MSCI Europe vs S&P 500





# Quality Transition

# Investment philosophy and key values

## Investment philosophy:

We believe the market struggles to value companies undergoing transition. Our success comes from exploiting **valuation anomalies** where there is the **potential** and **willingness to change for the better**. This requires a combination of **rigorous investment analysis, discipline, patience** and **engagement**. All these elements are equally applicable to our ESG integration.

## Key values:

### Potential and willingness to pursue quality change

- Correctly anticipating material changes and the likelihood of these changes coming to fruition is key in delivering strong returns.



### Rigorous investment analysis and discipline

- To be successful requires an in-depth understanding of company and industry fundamentals as well as being prepared to invest for the long term.



### Engagement, collaboration & challenge

- Engaging with companies is a critical component in understanding change. Collaboration and challenge are key to how we engage as a team.



For illustrative purposes only.

# 3 potential ways to make money in equities...

...We prioritise #2

## Compounders:

“great that stays great”

- 1<sup>st</sup> quartile companies that remain 1<sup>st</sup> quartile
- High hit rate
- Supported by low rates
- Crowded style

#1

## Quality transition:

“good to great”

- Quality improvement/change
- Lower hit rate. Greater engagement required
- Proven Alpha
- ‘Differentiated’ style

#2

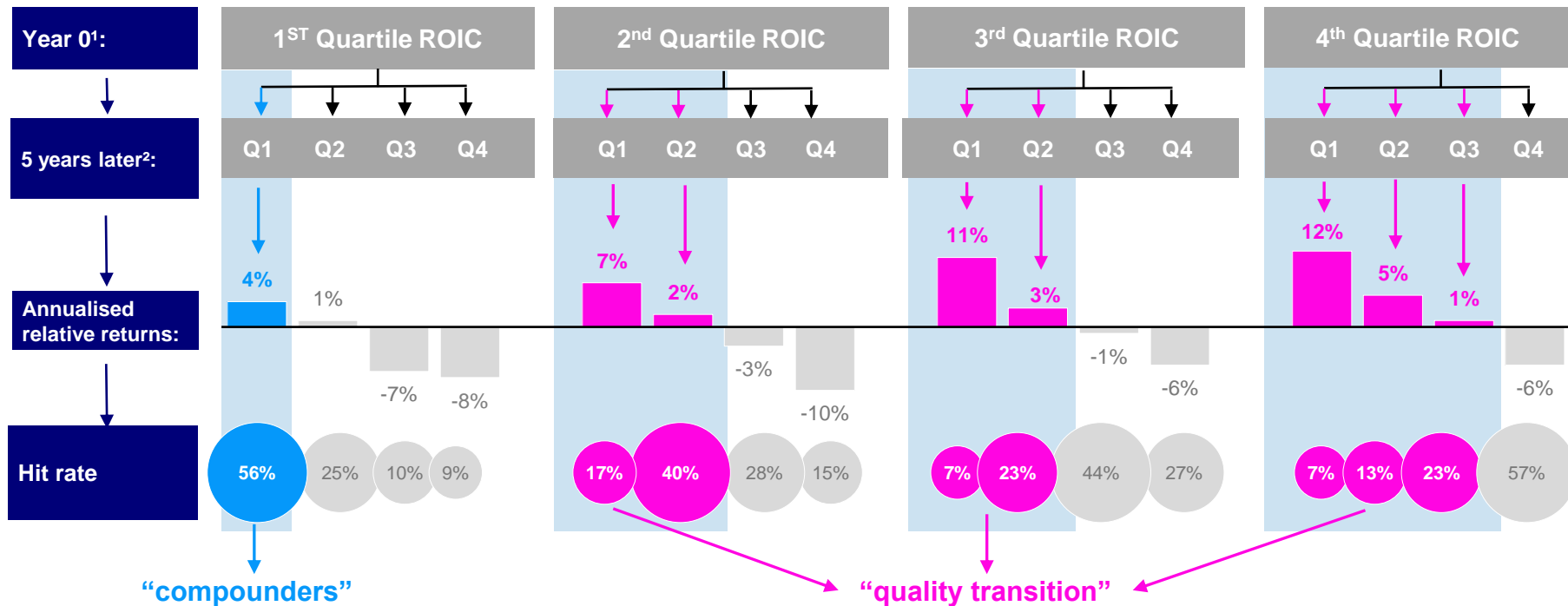
## Economic cycles

- Macro matters
- Infrequent – once per cycle (post GFC, Euro Crisis, Brexit, Covid)
- Timing is key
- Difficult to achieve on consistent basis

#3

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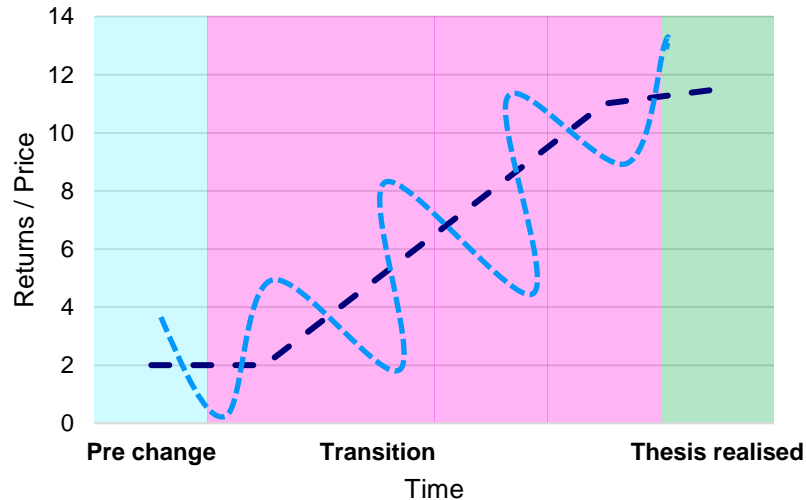
# Over the long term, return potential from quality transition is higher than from compounders, but harder to capture



Source: Morgan Stanley/Invesco. Using index data for the period 30 April 2012 to 30 April 2022. This involves taking the constituents of MSCI Europe and segmenting them into 16 buckets, depending on their starting ROIC and ROIC five years later, with the first data point for the period 30 April 2012 to 30 April 2017. This is then done continuously on a monthly until 30 April 2022 and calculations done on an equal weighted basis. The returns for each bucket are then calculated and averaged. <sup>1</sup> ROIC quartile in Y0. <sup>2</sup> ROIC quartile in Y5.

# Profiling Quality Transition

## Charting the life cycle of a quality transition stock

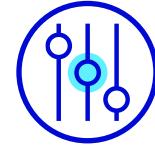


For illustrative purposes only.



**Quality transition rarely happens in a straight upward line...**

- Requires discipline
- Patience
- Continuous active engagement



**...and can take various forms...**

- Restructuring/ re-organisation
- Capital allocation/capital investment
- Acquisitions/disposal
- Changing industry/market dynamics
- ESG improvement

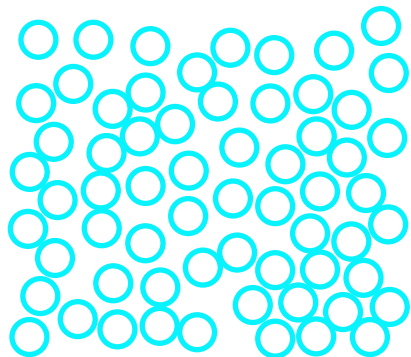
**Once the Quality transition driver/s have played out, the characteristics of the stock change & typically become more 'compound like' in nature. Our IRR analysis is integral throughout.**

# A Disciplined Investment Process

# Investment process

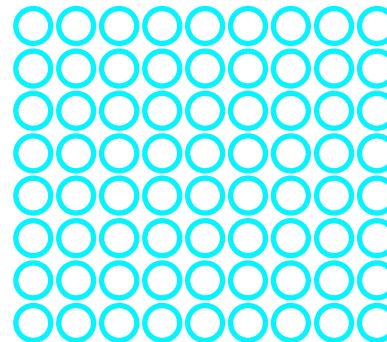
Converting a universe of over 600 companies into a portfolio of approx. 50 holdings and a number of watchlist companies.

## Unstructured idea generation

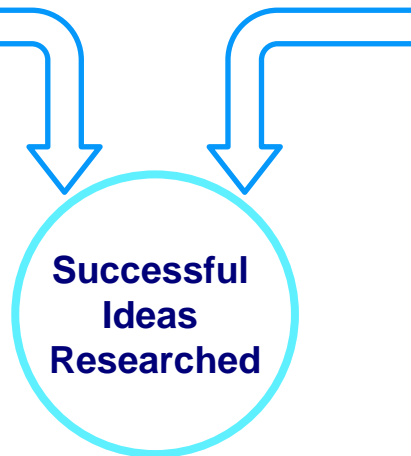


- Investment team
- Daily Huddle
- Trusted 3<sup>rd</sup> parties
- Monthly HIC & Global Ideas Group
- Conferences

## Structured idea generation



- Fortnightly meetings:
- Quant screens
  - Valuation database
  - Performance analysis



Our aim is to generate a **consistent flow of stock ideas** to be researched

For illustrative purposes only.  
There is no guarantee that these objectives will be achieved.

# Investment process

Idea  
Generation



Fundamental  
Research



Portfolio  
Construction



Active  
Ownership



## Business Analysis

### Industry Dynamics

Market growth, market share & competition, barriers to entry



### Financial Analysis

ROCE evolution, balance sheet, cashflow dynamics



### Capital allocation

Sustainable capex, growth vs M&A, shareholder returns



### Management Quality

Capital allocation, Governance and ESG awareness, meeting feedback, incentivisation

## Investment Thesis

### IRR comparison

Recorded and continuously monitored



### Quality transition drivers

Identify key drivers of change



### Valuation model

To generate fair future multiple for the business. Importance of growth, multiple, shareholder returns to the valuation



### Probability Assessed

Upside vs. downside potential

**All aspects of research are debated across the team throughout the research process, not at completion**

The European Equities team typically undertake 400 company meetings each year with around 50 of these meetings with companies not owned. Approximately 350 meetings per annum with sell side analysts, strategists and economists.

For illustrative purposes only.



# Investment process

## Understanding our IRR analysis

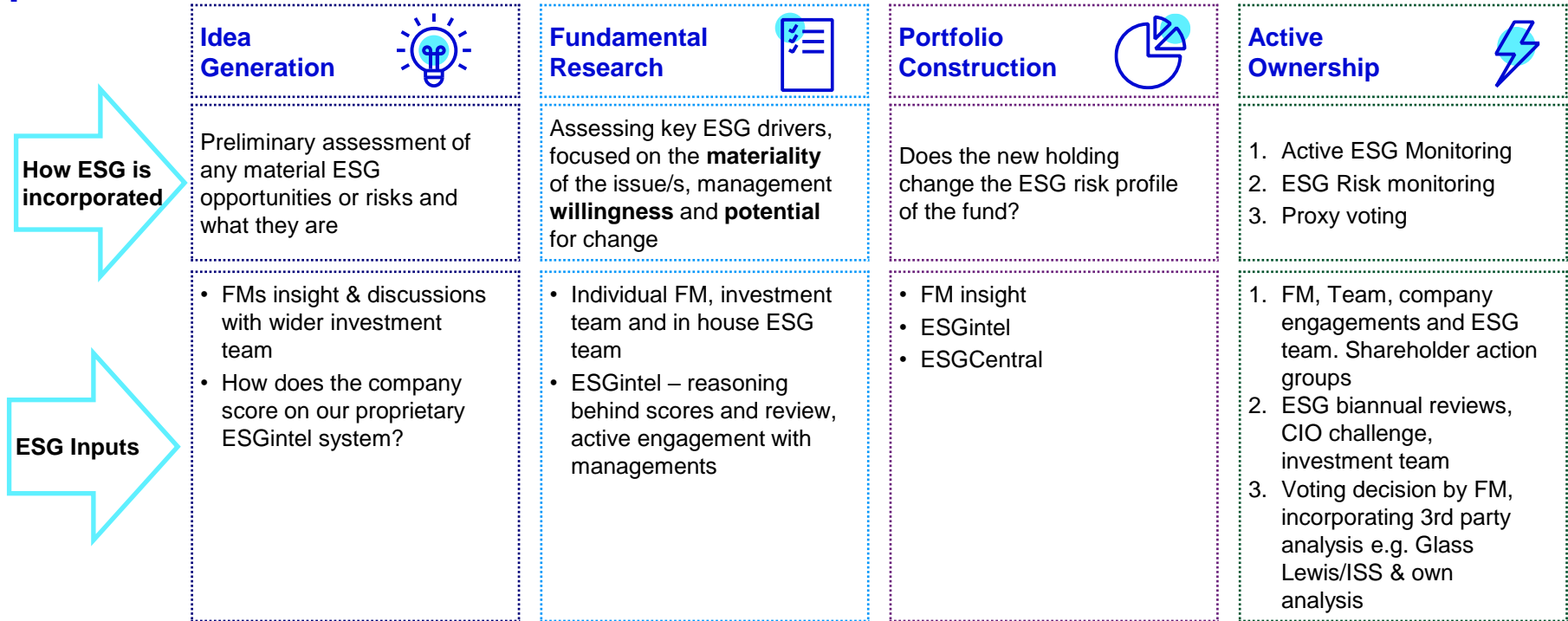


### Theoretical examples of our IRR analysis

Company	What type of investment is it?	Current P/E	Exit Multiple (Trailing)	Change in Exit Multiple	Estimated 3-yr EPS CAGR	Payout Ratio (%)	Implied 3 year IRR CAGR % (Annual total return)
A	Improving industry dynamics	10.3x	11.0x	➔	15%	50%	24%
B	Change in capital allocation	14.7x	15.0x	➔	11%	50%	16%
C	M&A/divestment	9.7x	14.0x	⬆	10%	40%	30%
D	Re-organisation	9.5x	15.5x	⬆	4%	70%	29%
E	Product re-alignment	18.4x	20.0x	➔	15%	40%	21%

For illustrative purposes only.

# ESG leverages our quality change approach throughout the investment process



For illustrative purposes only.

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 [www.invescomanagementcompany.lu](http://www.invescomanagementcompany.lu).

# Investment process

Idea  
Generation



Fundamental  
Research



Portfolio  
Construction



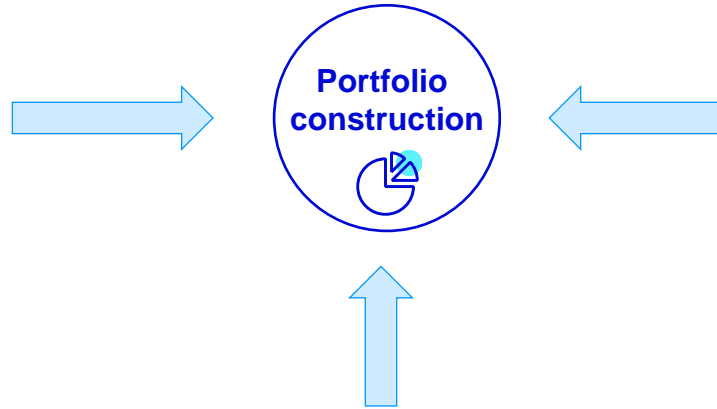
Active  
Ownership



## New idea

Key influences on position size:

- How does the idea enhance the portfolio?
- Valuation comparison: IRR
- Impact on risk and factor characteristics?
- ESG characteristics?
- Watchlist or purchase?



## A diversified Portfolio with active positions

- Approx. 50 names
- No formal limits on country, sector or style exposure
- No formal limits on position sizes
- Top 10 holdings: 25% to 30%
- Minimal cash levels

## Inputs

- Quantitative tools include Northfield risk model & StyleAnalytics: TE, stock specific and factor risk
- Investment Oversight Team
- **Fund manager ultimate decision maker**

For illustrative purposes only.

# Active ownership

## Stock monitoring

Idea  
Generation



Fundamental  
Research



Portfolio  
Construction



Active  
Ownership



### Position sizing

- Our confidence in the delivery of the individual drivers will determine the potential upside/downside. This will have an influence on positioning at a stock level
- Monthly meeting to review IRR, performance and earnings momentum



### Sell discipline

- Another stock with better risk/reward characteristics
- The quality transition drivers are fully appreciated in the valuation
- Investment thesis: delivery of some or all of the key drivers have failed to materialize
- Not a formulaic decision but considered on a case-by-case basis, collaborating with others as appropriate



**Avoid thesis creep through the collaborative and repeatable process**

For illustrative purposes only.

# Active ownership

## Risk monitoring

Idea  
Generation



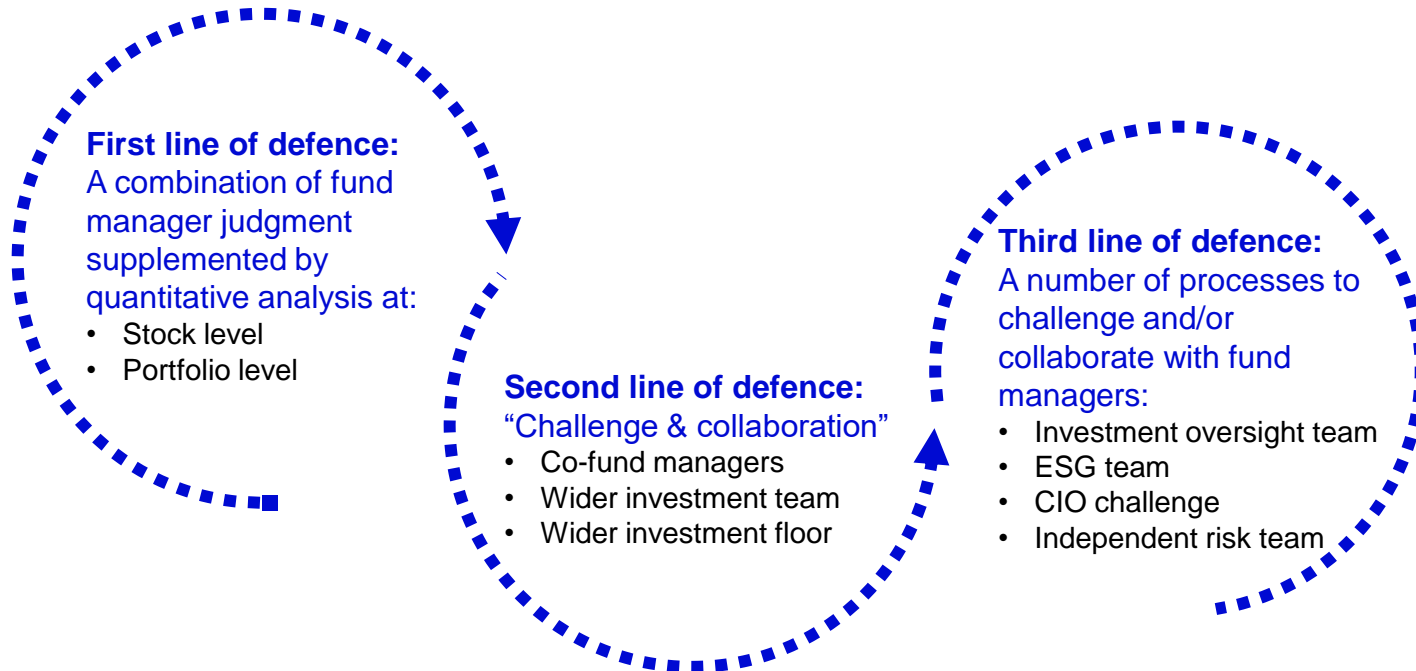
Fundamental  
Research



Portfolio  
Construction



Active  
Ownership

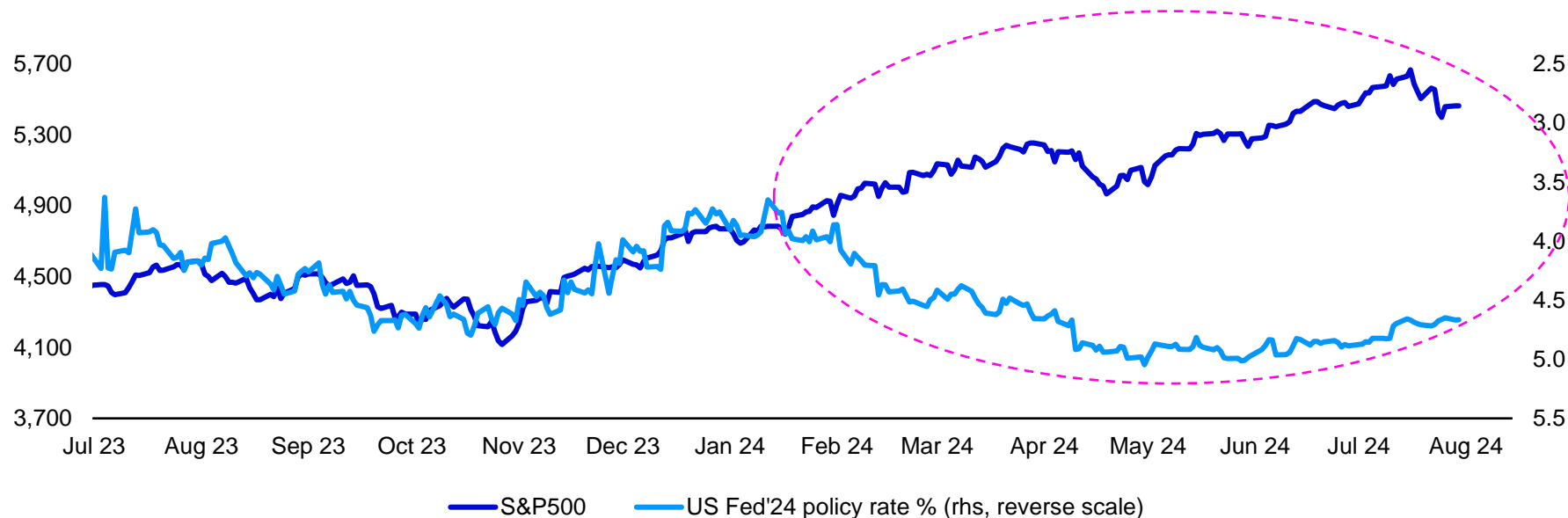


**A disciplined approach to risk management**

For illustrative purposes only.

# The Opportunity Today

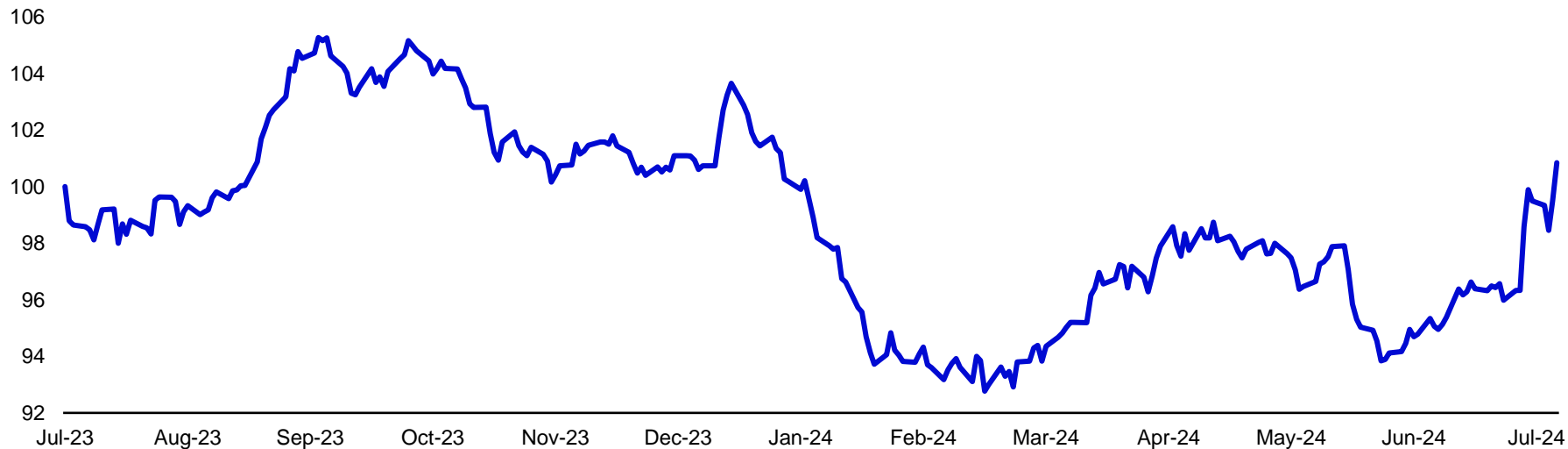
# The markets have ignored the dramatic repricing of rate expectations YtD – Momentum was the winner in Q1



Source: Datastream, Bloomberg, JP Morgan as at 29 July 2024.

# Value has begun to catch up but there is still more to go for given the upgrade cycle

Relative performance of MSCI Europe value vs growth, rebased to 100



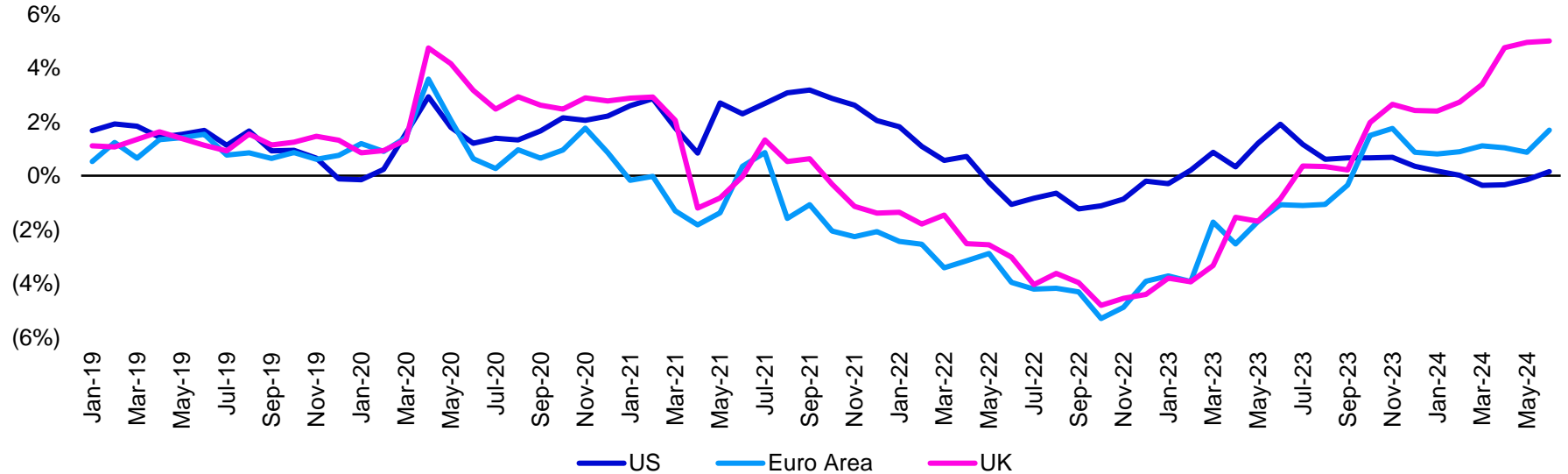
**Past performance does not predict future returns. An investment can't be made directly into an index.**

Source: Invesco, Datastream as at 26 July 2024.



# Real wage growth will be supportive of consumption and so another tailwind

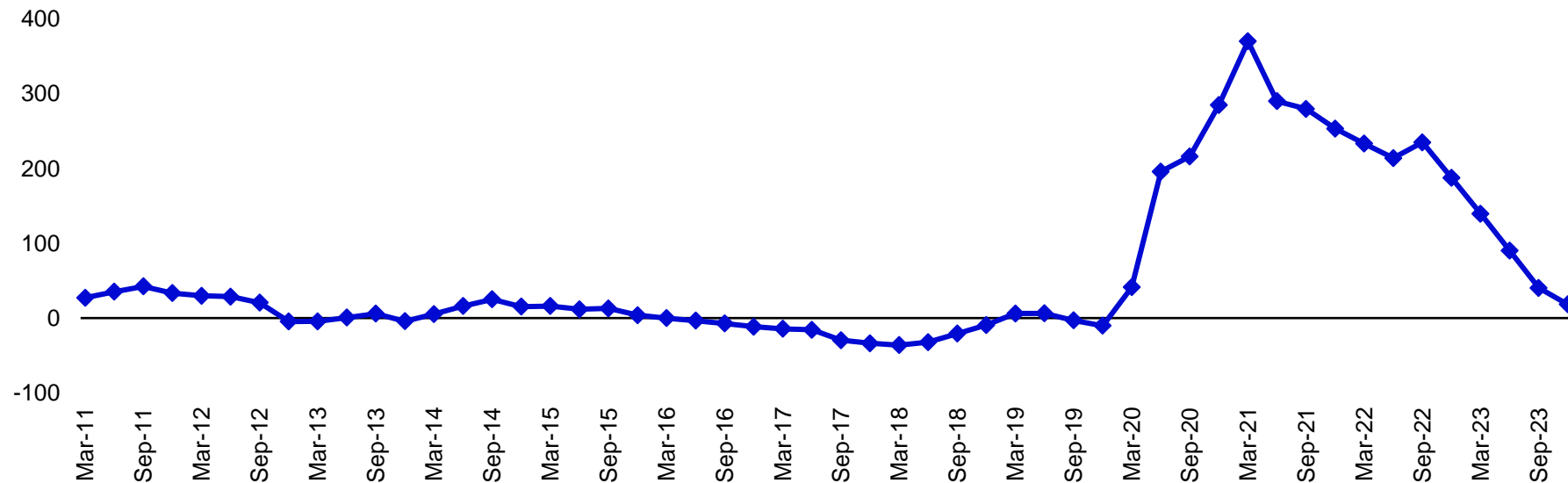
Real Wage Growth YoY (%) – based on Indeed Job Postings & HICP



Source: BNP Paribas, as at 30 June 2024.

# Inventory levels are encouraging because they appear to have bottomed – destocking is over

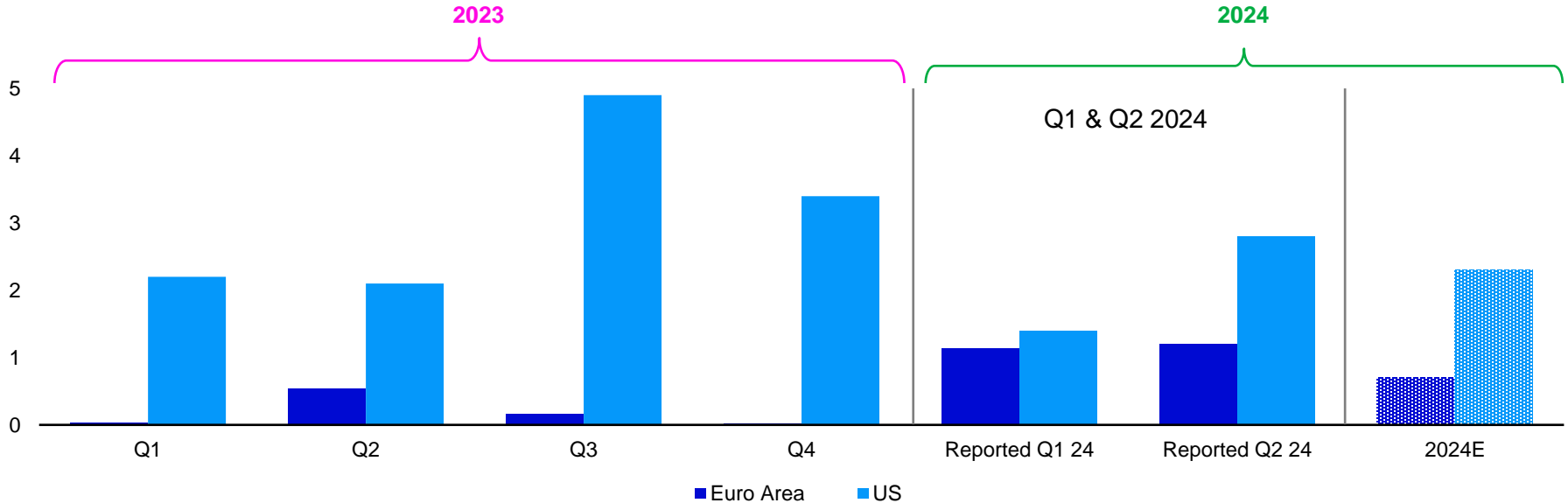
The de-stocking is done: European excess inventories are approaching zero. European Excess Inventories €bn



Source: Bernstein inventory index and analysis, as at 31 December 2023 (latest available).

# European Macroeconomic Data is Improving + Beating Expectations

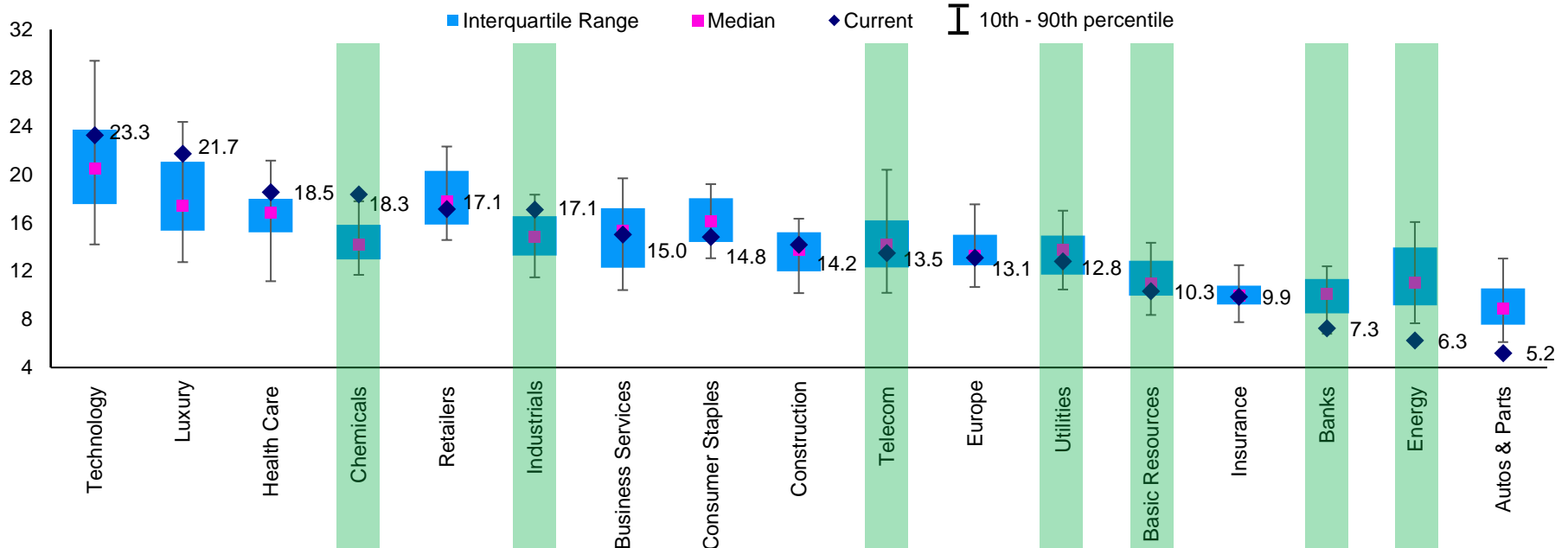
US vs EA: Quarterly real GDP, Annualised %



Source: Source: LSEG Datastream for the period Q4 2022 to Q2 2024, as at 14 August 2024. Euro Area flash estimate - second preliminary reading - with final reading due 6 September 2024. FY 2024 GDP consensus estimate as at 14 August 2024 (Factset).

# How the Fund is Positioned to Benefit

# The Fund positioning looks to take advantage of the market opportunities exposed by the recent market concentration



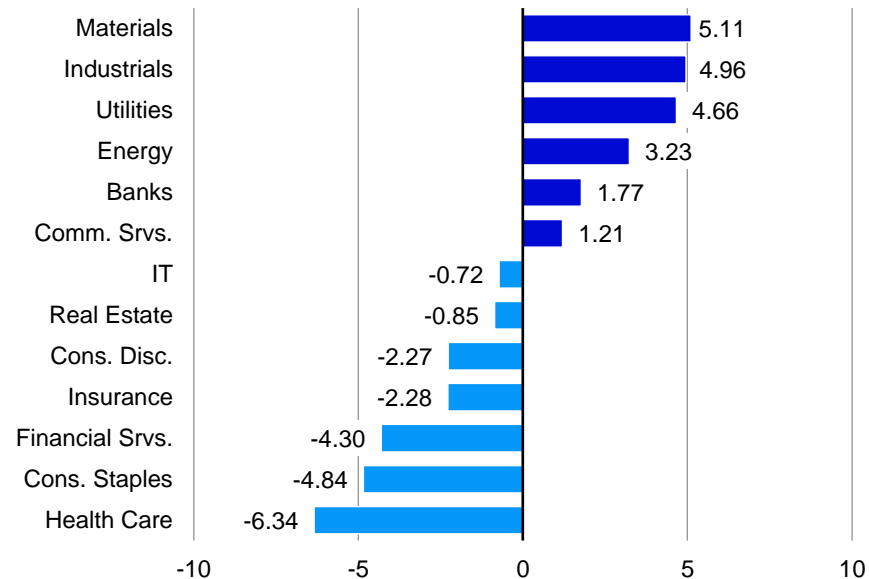
Source: Factset, Goldman Sachs Global Investment Research as at 31 July 2024. Sectors shaded in green are those where the Fund is Overweight.

# Invesco Pan European Equity Fund

## Active sector weightings (%)<sup>1</sup>

Stocks	Fund	Reference benchmark
Materials	11.36	6.25
Industrials	21.62	16.66
Utilities	8.65	3.99
Energy	8.58	5.35
Banks	10.99	9.22
Comm. Svcs.	4.30	3.09
IT	7.12	7.84
Real Estate	0.00	0.85
Cons. Disc.	7.57	9.84
Insurance	3.05	5.33
Financial Svcs.	0.00	4.30
Cons. Staples	5.80	10.64
Health Care	10.29	16.63

### Active sector weight

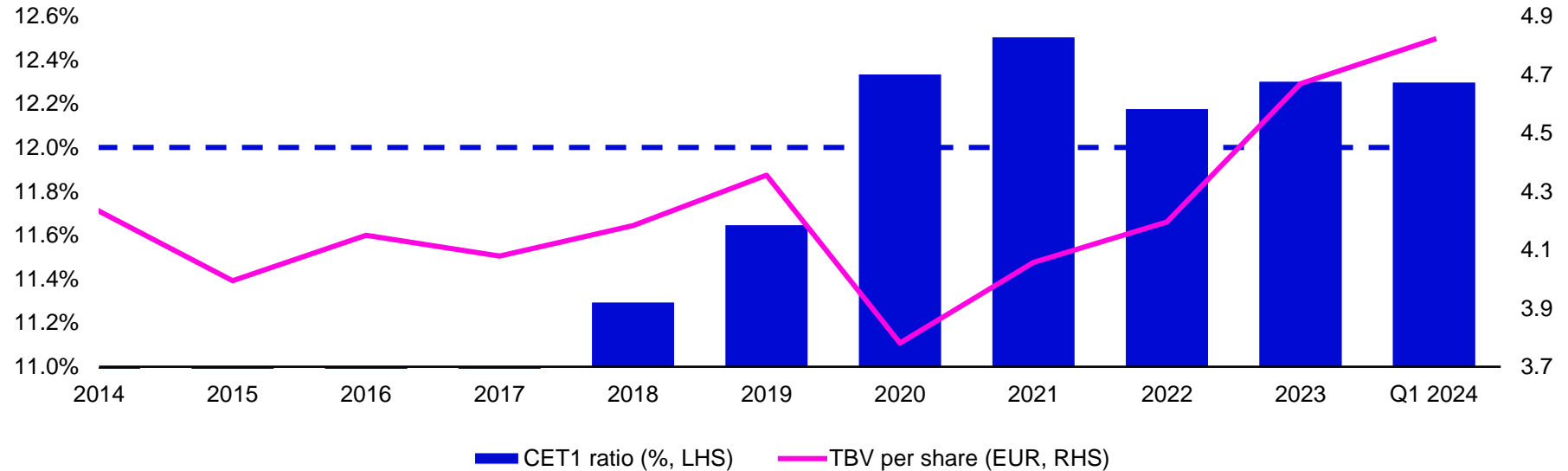


Source: Invesco as at 31 July 2024. <sup>1</sup>Relative to MSCI Europe Index (Net Total Return). This is not financial advice and not a recommendation to buy / hold / sell these securities. There is no guarantee that Invesco will keep these securities in its funds in the future.

# Invesco Pan European Equity Fund: 11% in Banks

Bank A: With capital >12%, the focus is to grow TBV & shareholder returns

## Tangible Book Value (TBV) growing, now CET1 is above 12%



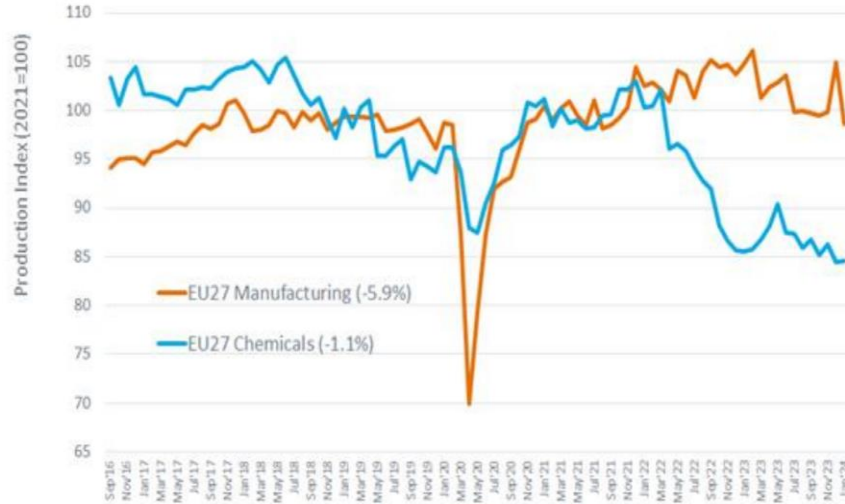
Past performance does not predict future returns.

Source: Kepler Chevreux as at 7 May 2024.

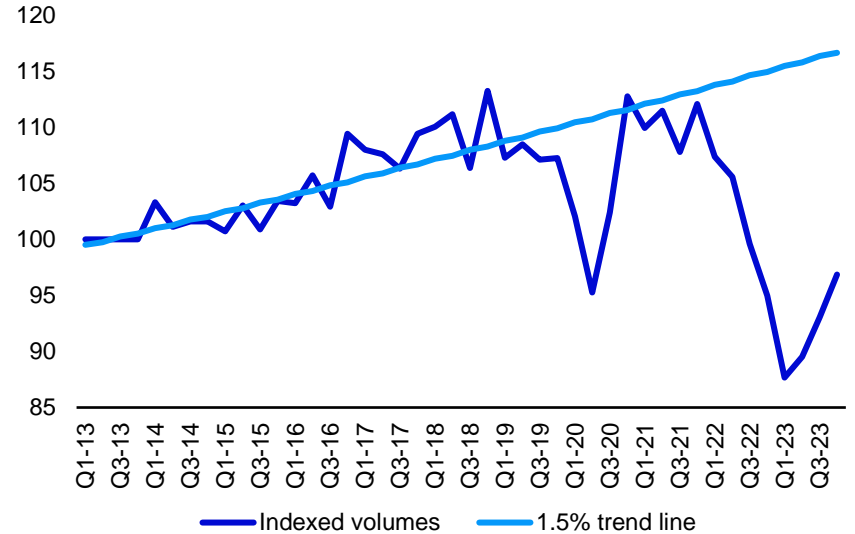
# Invesco Pan European Equity Fund: 11% in Materials

## Materials Company A: Re-stocking is about to start

EU 27 Production Trend: Chemicals vs Manufacturing



Materials Company A: indexed volumes to Q1 2013



Past performance does not predict future returns.

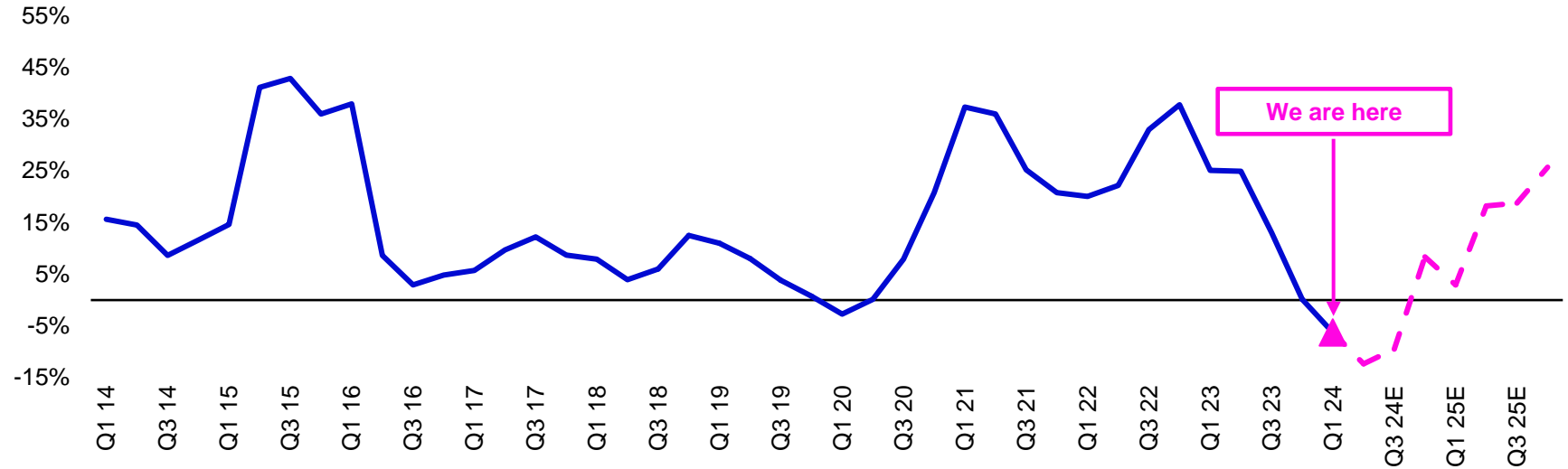
Source: LHC: Eurostat & Cefic analysis, as at 9 April 2024. RHC: BNP Paribas Exane as at 3 May 2024.



# Invesco Pan European Equity Fund: 7% in Technology

## The semi-conductor cycle is bottoming

Technology Company A revenues: YoY growth (%)\*. UBS forecast the trough in YoY revenue growth will be reached in Q2 2024.



Source: UBS as at 30 April 2024. \*For the period Q1 2014 to Q1 2024 based on historic results. Thereafter based on UBS forecasts as at 30 April 2024.

# Invesco Pan European Equity Fund: 7% in Technology

Technology Company A: We expect earnings to grow as the cycle rebounds

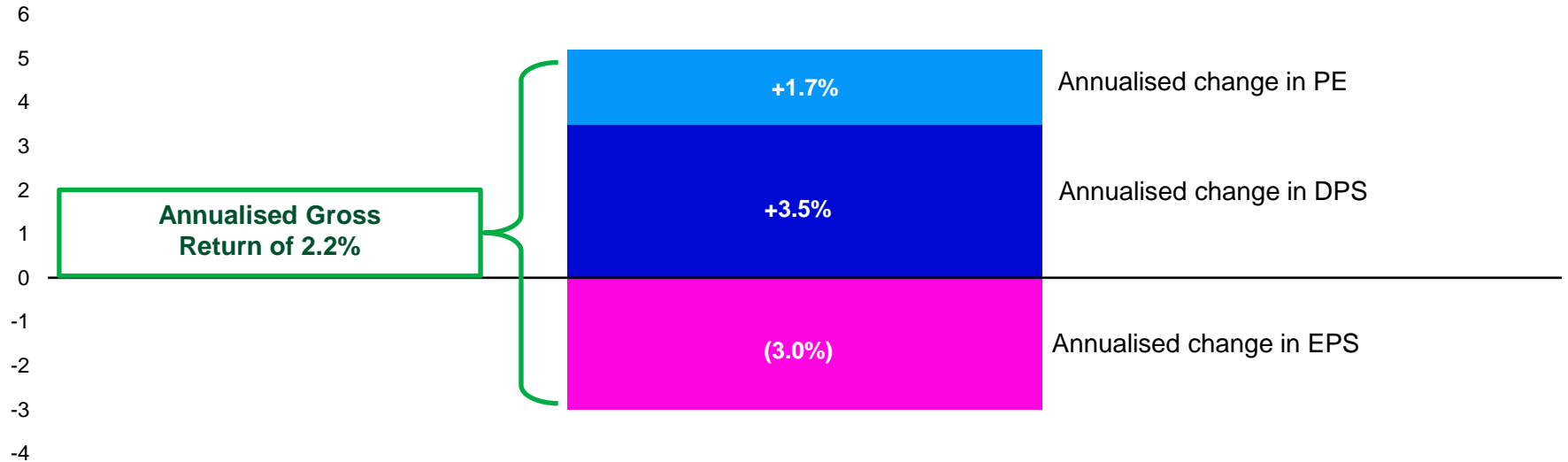


Source: Invesco, Bloomberg, 29 July 2024; the green 'E's represent earnings events where actual earnings have beaten Bloomberg consensus expectations, the red 'E's are where company earnings have missed Bloomberg consensus expectations.

# The Longer-Term Outlook

# From the GFC up until Covid, European Equities delivered negligible returns...

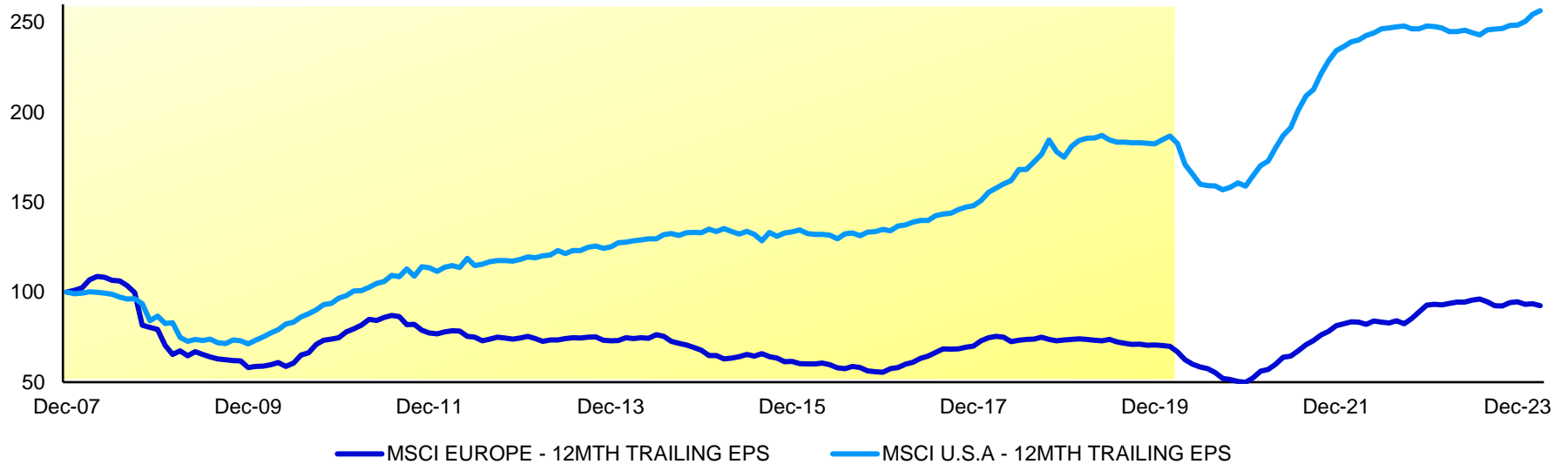
MSCI Europe: Annualised Gross return & breakdown from December 2007 to December 2019, CAGR %



Source: Datastream, Invesco.

## ...because European earnings were largely in decline

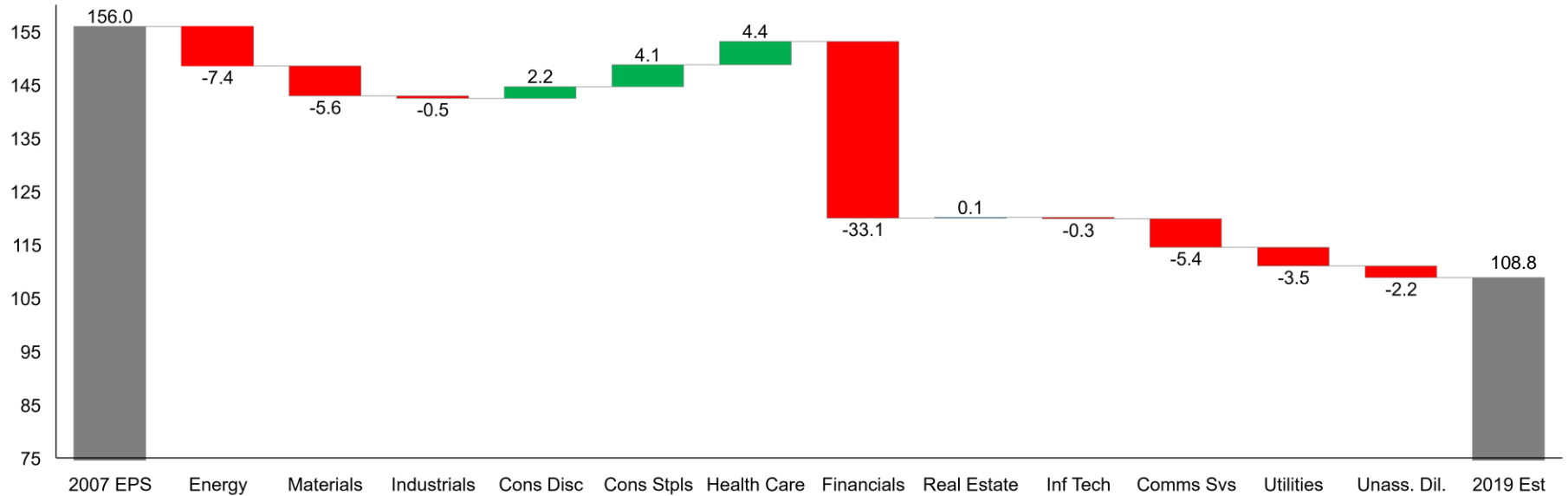
US and Europe earnings since December 2007 (indexed to December 2007, trailing 12 months EPS)



Source: Datastream, Invesco as at end of Q1 2024.

# Analysis of this earnings decline shows that the Banks accounted for most of it - regulatory requirements had them raising capital at the bottom of the cycle

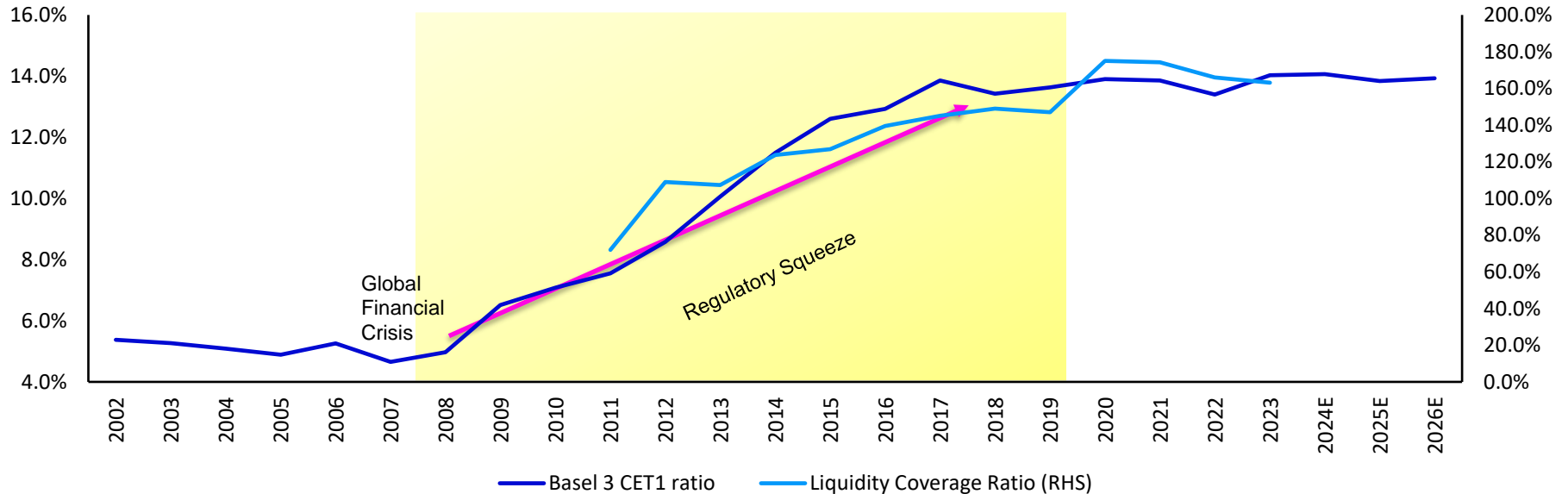
Sector Composition of Change in European EPS (US\$)



Source: ASR, Invesco.

# Today, Banks have far stronger balance-sheets, better capital discipline & the earnings power to support economic growth as well as shareholder returns

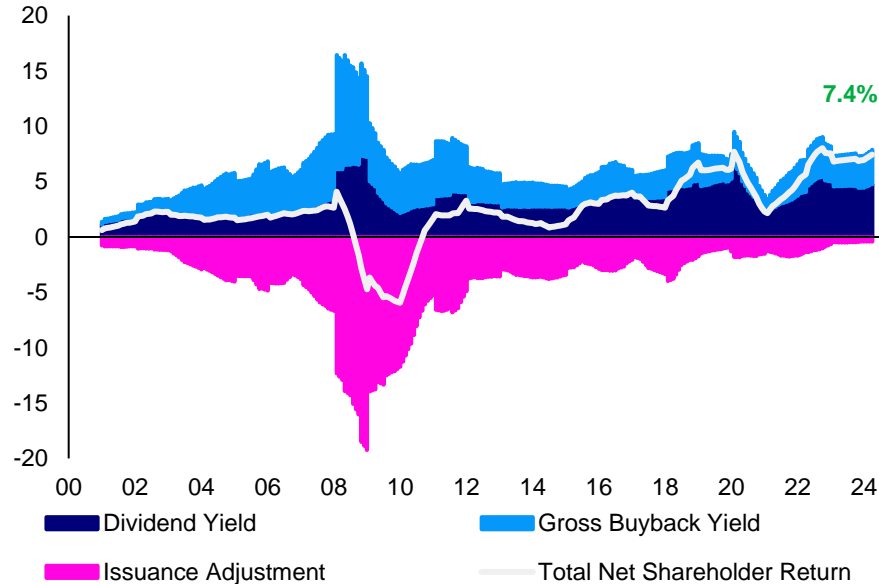
## European Banks much stronger today than in the decade following GFC



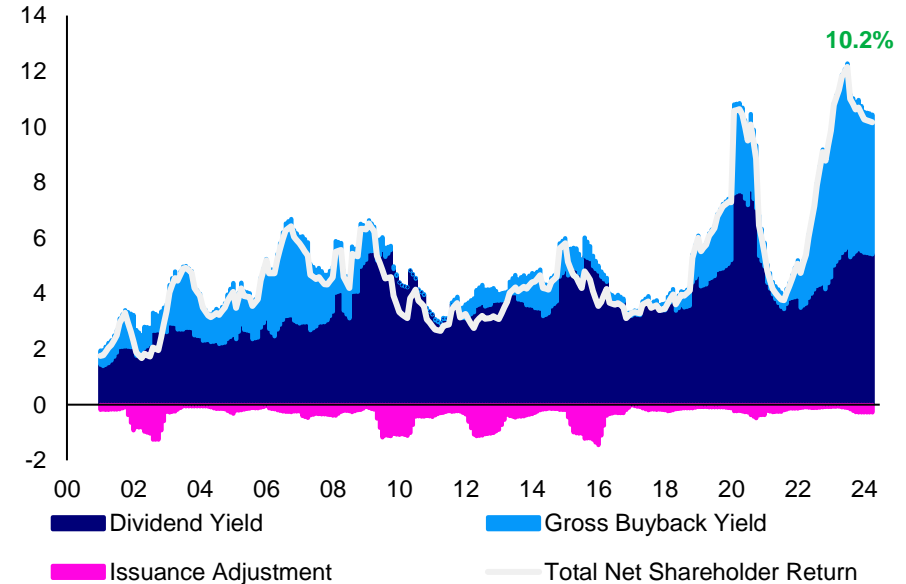
Source: ECB, National Central Banks, Autonomous Research Estimates as at end of Q1 2024.

# Stronger shareholder returns together with earnings growth can support better equity returns more broadly – both at a sector level...

## Shareholder returns (%): Financials



## Shareholder returns (%): Energy



**Past performance does not predict future returns.**

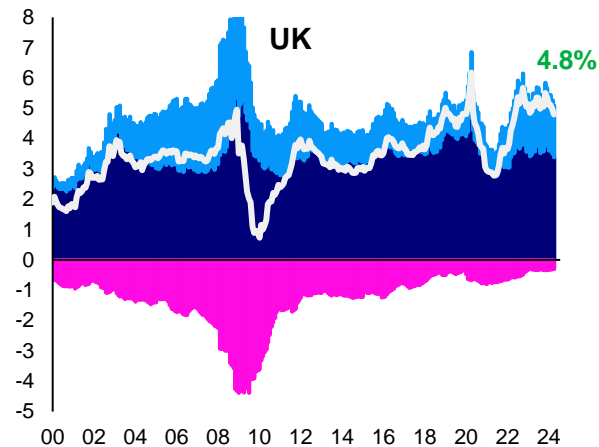
Total net shareholder returns for the Financials and Energy sectors – STOXX 600.

Source: Datastream, Worldscope, Goldman Sachs Global Investment Research as at end of Q1 2024. Percentages in green are the total net shareholder returns at end of Q1 2024.



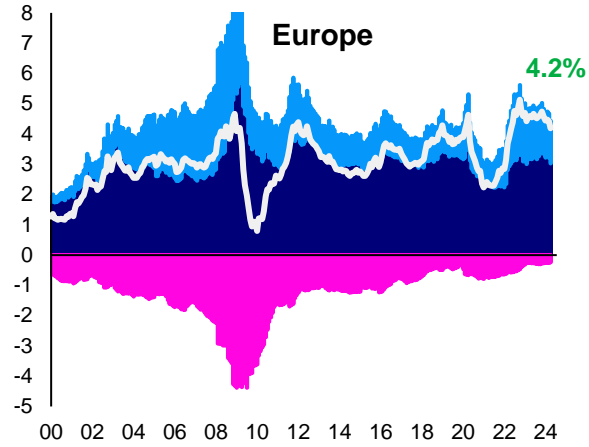
## ...and more broadly across markets

### Shareholder returns (%): UK



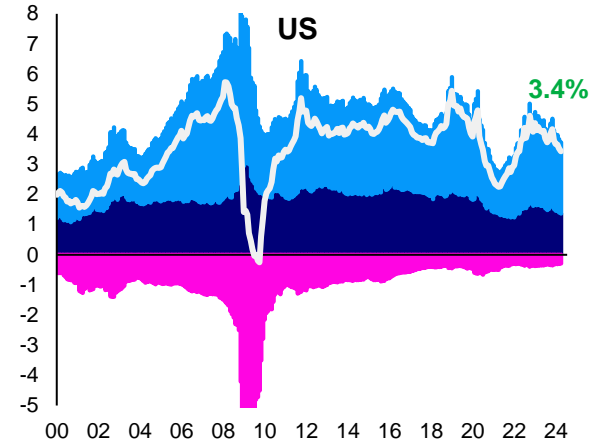
■ Issuance Adjustment  
■ Gross Buyback Yield  
■ Dividend Yield  
— Total Net Shareholder Return

### Shareholder returns (%): Europe



■ Issuance Adjustment  
■ Gross Buyback Yield  
■ Dividend Yield  
— Total Net Shareholder Return

### Shareholder returns (%): US



■ Issuance Adjustment  
■ Gross Buyback Yield  
■ Dividend Yield  
— Total Net Shareholder Return

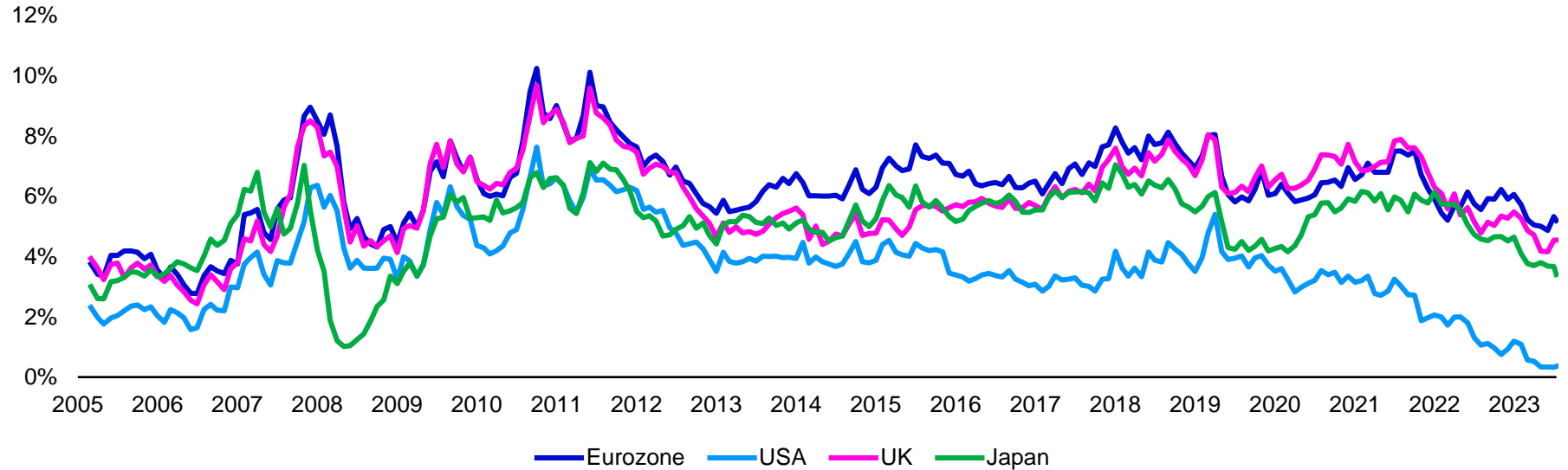
**Past performance does not predict future returns.**

Source: Bloomberg, Datastream, Goldman Sachs Global Investment Research as at end of Q1 2024. Percentages in green are the total net shareholder returns at end of Q1 2024.

# And yet the valuation of European equities is low

## Low valuations + low growth expectations = the opportunity

Equity Risk Premium (ERP) for different regions: Equity earnings yield minus 10yr government bond yield



Source: Deutsche Bank as at end of Q2 2024. Equity risk premia defined as the difference between the equity earnings yield (of EURO STOXX, S&P 500, FTSE 100 & Nikkei 225) & the respective countries' 10-year government yields (i.e. 10y Bunds, 10y US Treasuries, 10y Gilts & 10y JGB). 20-year average equity risk premiums: Eurozone 4.3%; USA 2.6%; UK 3.8% & Japan 4.0%.

# Fund Positioning

# Invesco Pan European Equity Fund

## Top 10 holdings

Top 10 holdings	Sector	% in fund
Total	Energy	3.32
Unicredit	Financials	2.82
UPM	Materials	2.81
AstraZeneca	Health Care	2.66
Sanofi	Health Care	2.62
Smurfit Westrock	Materials	2.55
Roche	Health Care	2.55
Merck	Health Care	2.46
Deutsche Telekom	Communication Services	2.36
Santander	Financials	2.25

Source: Invesco as at 31 July 2024.

This is not financial advice and not a recommendation to buy / hold / sell these securities. There is no guarantee that Invesco will keep these securities in its funds in the future.

# Invesco Pan European Equity Fund

## Top 10 active holdings<sup>1</sup>

Top 10 active holdings	Sector	% Overweight
UPM	Materials	2.65
Smurfit Westrock	Materials	2.55
Unicredit	Financials	2.26
Merck	Health Care	2.25
CaixaBank	Financials	2.03
Total	Energy	2.01
Saint-Gobain	Industrials	1.88
Veolia	Utilities	1.87
Thales	Industrials	1.80
SBM Offshore	Energy	1.78

Source: Invesco as at 31 July 2024. <sup>1</sup>Relative to MSCI Europe Index (Net Total Return).

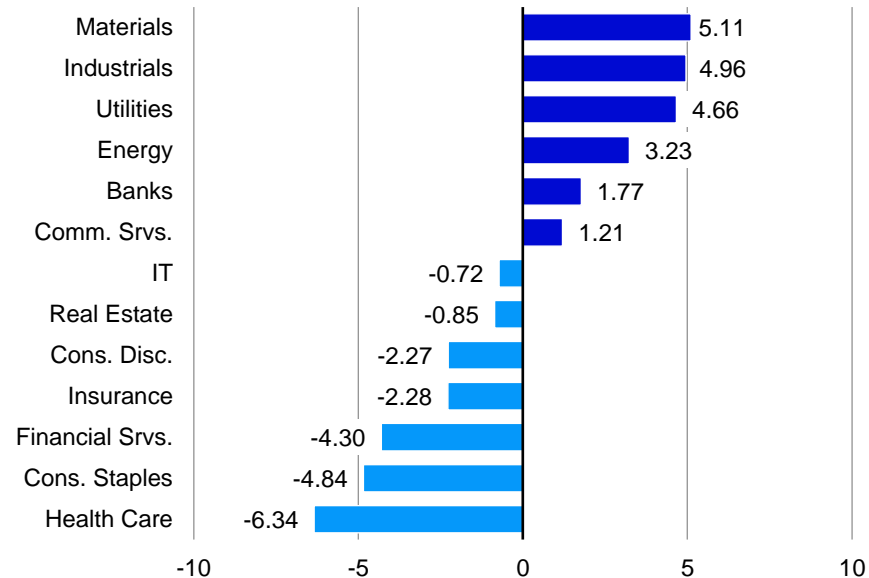
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# Invesco Pan European Equity Fund

## Active sector weightings (%)<sup>1</sup>

Stocks	Fund	Reference benchmark
Materials	11.36	6.25
Industrials	21.62	16.66
Utilities	8.65	3.99
Energy	8.58	5.35
Banks	10.99	9.22
Comm. Svcs.	4.30	3.09
IT	7.12	7.84
Real Estate	0.00	0.85
Cons. Disc.	7.57	9.84
Insurance	3.05	5.33
Financial Svcs.	0.00	4.30
Cons. Staples	5.80	10.64
Health Care	10.29	16.63

### Active sector weight



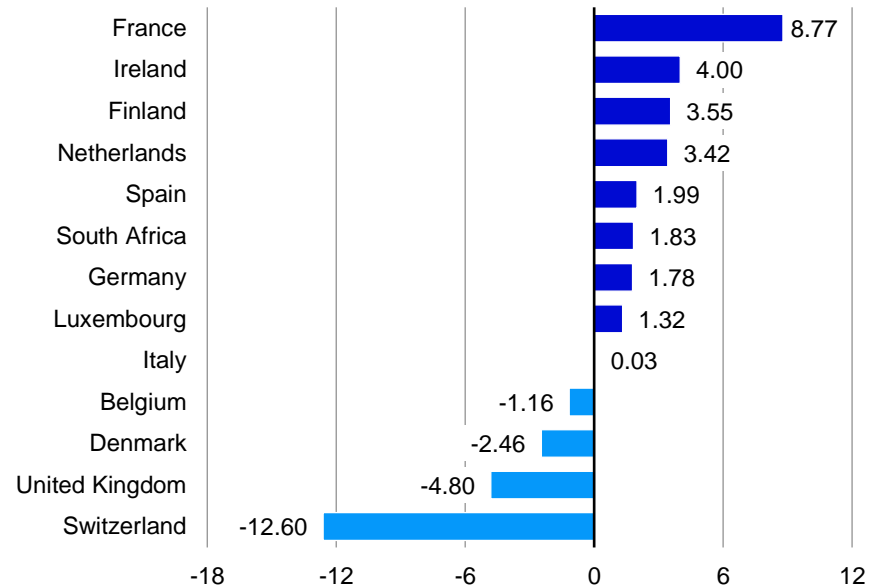
Source: Invesco as at 31 July 2024. <sup>1</sup>Relative to MSCI Europe Index (Net Total Return). This is not financial advice and not a recommendation to buy / hold / sell these securities. There is no guarantee that Invesco will keep these securities in its funds in the future.

# Invesco Pan European Equity Fund

## Active country weightings (%)<sup>1</sup>

Countries	Fund	Reference benchmark
France	25.93	17.15
Ireland	4.46	0.46
Finland	5.07	1.52
Netherlands	11.08	7.66
Spain	6.05	4.07
South Africa	1.83	0.00
Germany	14.94	13.16
Luxembourg	1.32	0.00
Italy	4.17	4.15
Belgium	0.37	1.52
Denmark	3.23	5.70
United Kingdom	18.34	23.14
Switzerland	2.55	15.15

### Active country weight

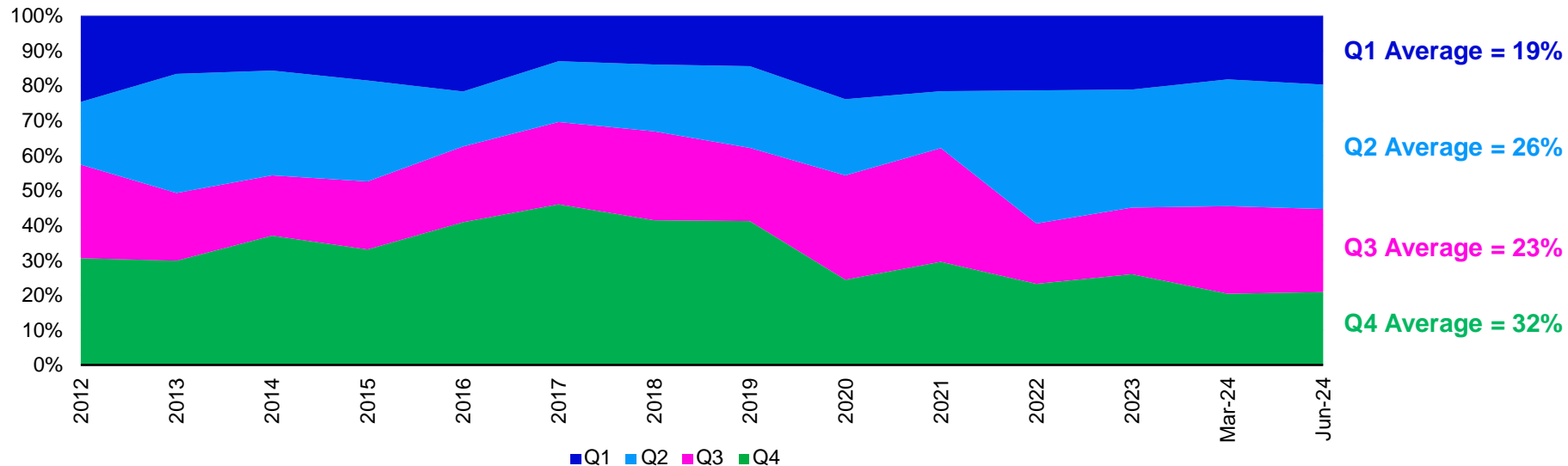


Source: Invesco as at 31 July 2024. <sup>1</sup>Relative to MSCI Europe Index (Net Total Return). Portfolio characteristics are subject to change without notice.

# Invesco Pan European Equity Fund

## Historical ROIC exposure

Time series of Invesco Pan European Equity Strategy ROIC exposure by quartile



Source: Invesco, Factset as at Q2 2024.



# Invesco Pan European Equity Fund

## Key characteristics

	Invesco Pan European Equity Fund	MSCI Europe
P/E 12 mths fwd	10.3x	13.5x
P/B 12 mths fwd	1.5x	1.9x
FCF Yield 12 mths fwd	6.1%	5.2%
Dividend Yield 12 mths fwd	4.1%	3.4%
ROE 12 mths fwd	14.2%	14.3%
ND:EBITDA 12 mths fwd <sup>1</sup>	0.9x	1.1x

	Invesco Pan European Equity Fund <sup>2</sup>
Q1 ROIC	20%
Q2 ROIC	36%
Q3 ROIC	24%
Q4 ROIC	21%
Not covered / Cash	0%

Source: Top table: Invesco, Bloomberg as at Q2 2024 & all data rounded to the nearest 0.1x/%. Please note the MSCI Europe ex UK Index shown in the chart is not a target, constraining or comparator benchmark of the fund. The comparative information shown here is to illustrate the fund manager's active investment approach and provide broader market context. <sup>1</sup>Median The Forecast Yield reflects distributions forecast for the next twelve months as a percentage of the mid-market price of the fund. The yield assumes that the fund's portfolio remains unchanged. It is not guaranteed and investors may be subject to tax on distributions. It does not reflect any charges.

Bottom table: Invesco as at Q2 2024.<sup>2</sup> All ROIC percentages rounded to the nearest 1%. Q in the bottom table = quartile.

# Fund Performance

# Invesco Pan European Equity Fund

## Gross performance (%)

Past performance does not predict future returns. Returns may increase or decrease as a result of currency fluctuations

Calendar year returns	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Invesco Pan European Equity Fund	5.24	9.53	2.76	10.48	-12.96	20.09	-8.33	27.33	-1.48	18.57
MSCI Europe (NRI)	6.84	8.22	2.58	10.24	-10.57	26.05	-3.32	25.13	-9.49	15.83
<b>Out / underperformance</b>	<b>-1.60</b>	<b>+1.30</b>	<b>+0.18</b>	<b>+0.24</b>	<b>-2.39</b>	<b>-5.96</b>	<b>-5.00</b>	<b>+2.21</b>	<b>+8.01</b>	<b>+2.74</b>

Annualised returns*	3 months	6 months	YTD	1 year	3 years	5 years	10 years	Since 1 July 2003
Invesco Pan European Equity Fund	-1.25	4.50	4.52	7.68	9.34	9.54	6.54	8.32
MSCI Europe (NRI)	3.45	8.62	10.33	12.77	7.20	8.63	7.03	8.18
<b>Out / underperformance</b>	<b>-4.70</b>	<b>-4.12</b>	<b>-5.81</b>	<b>-5.09</b>	<b>+2.14</b>	<b>+0.91</b>	<b>-0.49</b>	<b>+0.14</b>

Source: Invesco as at 31 July 2024. \*Periods greater than one year are annualised.

Fund performance figures are shown in EUR, inclusive of reinvested income, gross of the ongoing charges and net of portfolio transaction costs. The figures do not reflect the entry charge paid by individual investors. Index: net return, in EUR. Please see Net Performance slide for the impact of the ongoing charges.

As the Fund is actively managed, it is not intended that the performance of the Share Class will track the performance of MSCI Europe Index (Net Total Return) (the "Benchmark").

# Invesco Pan European Equity Fund

## Net performance (%) – Z EUR Acc share class

Past performance does not predict future returns. Returns may increase or decrease as a result of currency fluctuations.

Calendar year returns	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Invesco Pan European Equity Fund	3.21	7.40	0.79	8.90	-13.84	18.88	-9.26	26.04	-2.48	17.37
MSCI Europe NR EUR	6.84	8.22	2.58	10.24	-10.57	26.05	-3.32	25.13	-9.49	15.83
<b>Quartile</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>2</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>1</b>

Annualised returns*	Q2 2024	3 months	6 months	YTD	1 year	3 years	5 years	10 years
Invesco Pan European Equity Fund	2.53	-1.51	3.97	3.90	6.59	8.23	8.43	5.17
MSCI Europe NR EUR	9.05	3.45	8.62	10.33	12.77	7.20	8.63	7.03
<b>Quartile</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>3</b>

Rolling 12-month returns	01/08/2014	01/08/2015	01/08/2016	01/08/2017	01/08/2018	01/08/2019	01/08/2020	01/08/2021	01/08/2022	01/08/2023
	31/07/2015	31/07/2016	31/07/2017	31/07/2018	31/07/2019	31/07/2020	31/07/2021	31/07/2022	31/07/2023	31/07/2024
Invesco Pan European Equity Fund	19.93	-20.66	21.31	6.28	-9.94	-13.33	36.42	0.26	18.63	6.59
MSCI Europe NR EUR	19.86	-11.38	13.54	6.44	1.61	-7.06	32.13	-1.26	10.63	12.77
MSCI Europe Value NR EUR	12.86	-16.29	19.31	4.61	-3.93	-17.91	32.45	2.90	13.53	14.91

Data as at 31 July 2024. \*Periods greater than one year are annualised. Fund (Z EUR Acc) performance figures are shown in EUR, inclusive of reinvested income and net of the ongoing charges and portfolio transaction costs. The figures do not reflect the entry charge paid by individual investors. Sector average performance is calculated on an equivalent basis. Index: net return in EUR. Quartile Ranking represents the fund performance ranking in the Morningstar peer group sector. 1 means the top 25%, and 4 the bottom 25%, of the sector. The performance data shown does not take account of the commissions and costs incurred on the issue and redemption of units.

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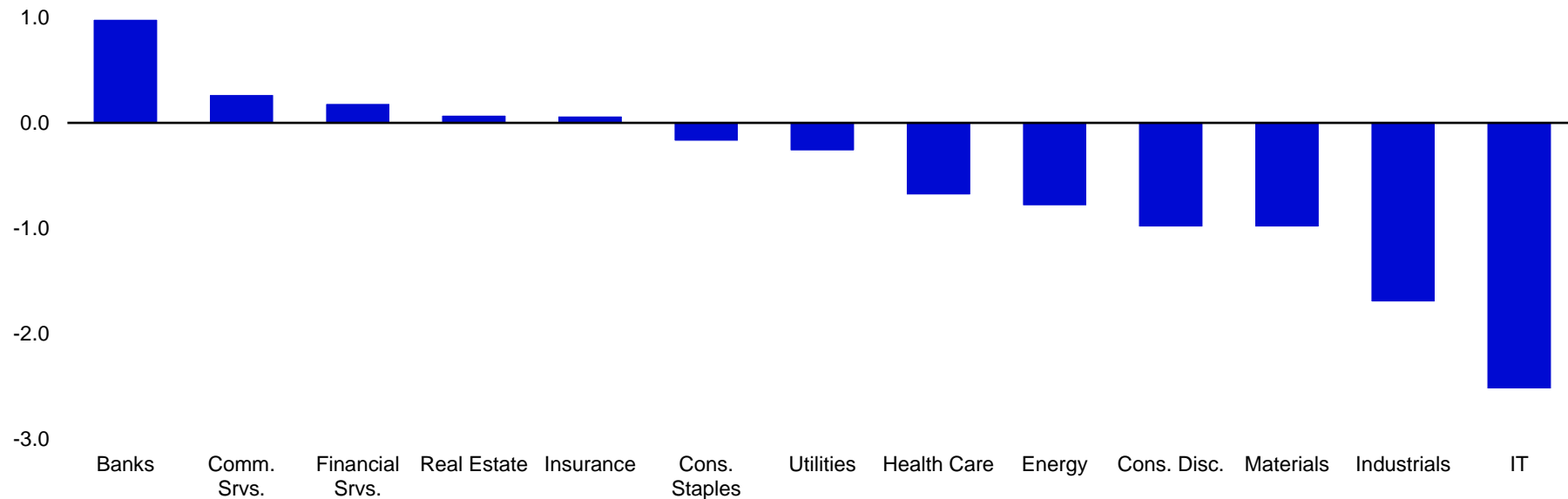
As the Fund is actively managed, it is not intended that the performance of the Share Class will track the performance of MSCI Europe Index (Net Total Return) (the "Benchmark").

As at 2 August 2021, this share class is now the Primary share class for this fund. As this share class was launched on 28 June 2017, for the periods prior to this launch date, performance figures are that of the A share class, without any adjustment for fees.

# Invesco Pan European Equity Fund

## Key attributing sectors – YTD (%)

Past performance does not predict future returns. Returns may increase or decrease as a result of currency fluctuations.



Source: Bloomberg, Invesco as at 31 July 2024. Calculated using gross performance data and reported on annualised. Reference benchmark: MSCI Europe NR. Fund: Invesco Pan European Equity Fund.

# Invesco Pan European Equity Fund

## Top and bottom attribution companies – YTD

Past performance does not predict future returns.

Attribution by company	Portfolio weight (%)	Reference index weight (%)	Total attrib (%)
<b>Top companies</b>			
UniCredit	2.68	0.51	0.88
CaixaBank	2.08	0.18	0.69
Nestle	0.00	2.63	0.54
LVMH	0.00	2.10	0.43
ING	2.03	0.50	0.27
<b>Bottom companies</b>			
Infineon	2.32	0.45	-0.53
Vestas	1.96	0.25	-0.58
Novo Nordisk	0.00	3.82	-0.66
STMicroelectronics	1.75	0.27	-0.73
Neste	1.49	0.10	-0.90

Source: Factset, Invesco as at 31 July 2024. Based on the Brinson Model as provided by Factset with Invesco inputs. Calculated on gross and arithmetic basis. Reference index: MSCI Europe (NRI). Fund: Invesco Pan European Equity Fund. Cash is excluded. Portfolio and reference index weights are averages over the period.

# Summary

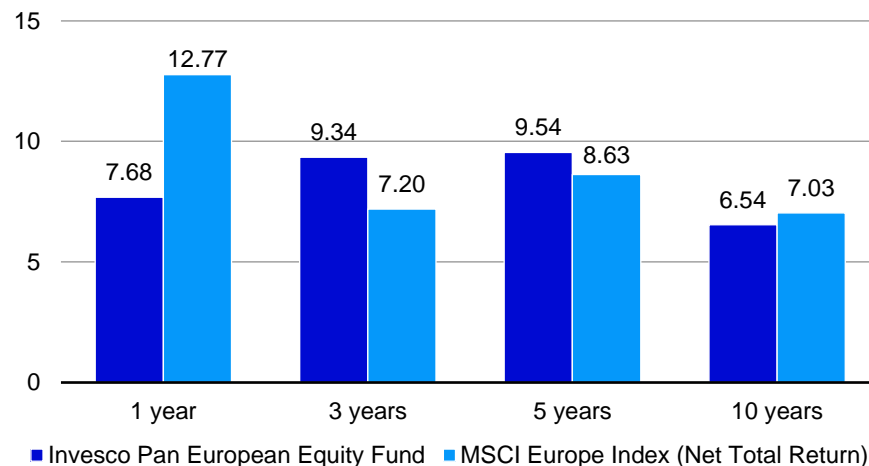
# Invesco Pan European Equity Fund

## Fund characteristics

Past performance does not predict future returns.

<b>Investment approach</b>	Active, valuation-led, bottom up investment approach with macro overlay Strong emphasis on valuation, a key determinant of future returns Long-term approach, typically with 3 to 5 year investment time horizon The Fund aims to provide long-term capital growth by investing in a portfolio of equity or equity related instruments of European companies with an emphasis on larger companies
<b>Investment style</b>	No style bias. Investment team try to target the best mix of individual risk / reward opportunities at any point in time
<b>Reference benchmark</b>	MSCI Europe Index (Net Total Return) Flexibility to have off reference index exposure
<b>No. of holdings</b>	57
<b>Current fund size</b>	€1.36 billion
<b>Market cap size</b>	Holdings typically range from €1bn to over €50bn. Flexibility to invest in companies with a market cap of less than €1bn

**Invesco Pan European Equity Fund**  
Annualised returns, gross of fees in EUR (%)



Source: Invesco as at 31 July 2024. Fund performance figures are shown in EUR, inclusive of reinvested income, gross of ongoing charges and net of portfolio transaction costs. The figures do not reflect the entry charge paid by individual investors. Index: total return, in EUR. Please see Net Performance slide for the impact of ongoing charges.

As the Fund is actively managed, it is not intended that the performance of the Share Class will track the performance of MSCI Europe Index (Net Total Return) (the "Benchmark").

The investment concerns the acquisition of units in an actively managed fund and not in a given underlying asset. Returns may increase or decrease as a result of currency fluctuations.



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