

Fund manager(s)



Mike Shiao
Fund Manager

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. As a large portion of the fund is invested in less developed countries, you should be prepared to accept significantly large fluctuations in the value of the fund. As this fund is invested in a particular country, you should be prepared to accept greater fluctuations in the value of the fund than for a fund with a broader investment mandate. The fund may invest in certain securities listed in China which can involve significant regulatory constraints that may affect the liquidity and/or the investment performance of the fund. The fund invests in a limited number of holdings and is less diversified. This may result in large fluctuations in the value of the fund.

Monthly Report July 2024 (covering June)

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Summary of fund objective

The Fund is actively managed. The objective of this Fund is to achieve long-term capital growth by investing in equity or equity-related securities of companies with exposure to China. The investment concerns the acquisition of units in a fund and not in a given underlying asset.

Fund Performance

The Invesco China Focus Equity Fund Z-Acc (USD) returned -0.47% this month, outperforming the reference benchmark by 2.00%. The reference benchmark returned -2.36%, for the month of May 2024. The Fund consistently sits at the first decile of Morningstar peer group. The fund outperformance was mainly attributable to the stock selections across various sectors. In particular, we had strong stock pickings within consumer stocks. Within consumer discretionary, our top contributor is a non-benchmark holding in a footwear manufacturer, where it benefits from the resilient luxury and fashion footwear demand, as well as in the sports and casual footwear segment. Within consumer staples, our top contributor is also a non-benchmark stock, a food & beverage holding. The company benefits from the raw material cost tailwind with declining sugar prices. Stocks within communication services also contributed strongly. Our holding in an online gaming company was rewarded. The new game release in July is expected to be a catalyst to the company. Along with the overseas expansion strategy, we are optimistic towards the future growth of the company. Our holding in a leading internet company was also rewarded, its dominance in the online consumer market continue to bring sustainable revenue growth. Moreover, its ability to effectively monetize social advertisements has further enhanced its financial performance.

Fund Positioning

The team adopts a selective approach to invest in companies across all China share classes representing the complete set of opportunities in Chinese equities. Regarding investment strategy, we focus on companies with sustainable leadership and competitive advantages that we believe are trading at a discount to their fair values. The portfolio reflects where we see underlying opportunities in China. We have decent exposure in consumer discretionary, where we have positioned a wide range of opportunities, including e-commerce, and selected retail. We also have quality exposure in communication services, healthcare and selected financials. This month, we increased exposures within IT, riding on the tech cycle rebound led by the AI theme. We have initiated exposures in semiconductors company and electronics company. Meanwhile, we trimmed exposures to financials, exiting an exposure in bank.

Outlook

China's economic performance in 1H 2024 has been resilient and promising, largely driven by robust exports fueled by strong global demand. We maintain positive views regarding the overall outlook. The ongoing adjustments in the property sector and the expansion of renewable energy have contributed to a moderate increase in carbon emissions, signaling progress towards a greener future and more opportunities in the greenization market. As we approach July 2024, all eyes are on China's two significant meetings: the Third Plenum and the Politburo meeting. These meetings are expected to shape the economic trajectory of the country, where previous meeting have come up with major reforms and policy. We expect the upcoming conference, which stated goal is to "further comprehensively deepening reform" to go on to have impact on the economy. We will closely monitor the announcement and implications of the meeting. China's current market valuations are trading at a relatively low level both in historical terms and compared to developed markets. In fact, the MSCI China index is currently trading at a significant discount of almost half relative to the MSCI US index. We believe this presents an attractive opportunity for investors to potentially capitalize on.

Fund Facts	
Z-share ISIN	LU1701634195
Bloomberg	INVCZUA LX
Domicile	Luxembourg
AuM	249.79m USD
Launch Date	15 Dec 2011
Reference Index**	MSCI China 10/40 Index (Net Total Return)

Fund Managers*** Mike Shiao

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

*** Mike Shiao since December 2011

Fund Characteristics

(Annualised Data)

	3Y	5Y
Alpha (statistical)	1.08	0.23
Batting Average	50.00	51.67
Gain/Loss Ratio	0.71	0.98
Information Ratio	0.42	0.08
Sharpe Ratio	-0.63	-0.23
Tracking Error	6.39	7.28

Awards & Gradings



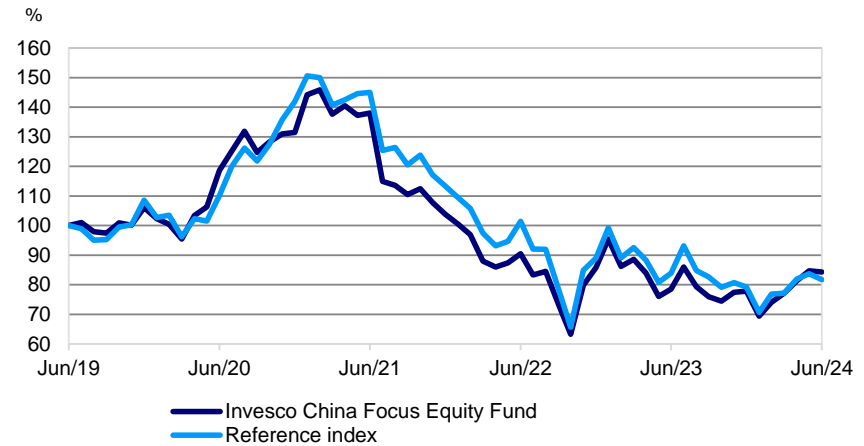
Morningstar Rating 30.06.24

Any reference to a ranking, a rating or an award provides no guarantee for future performance results and is not constant over time.

Past performance does not predict future returns.

Performance (USD) ¹

5 Year Active Return



Cumulative	YTD	YTD	1M	1Y	3Y	5Y
Fund (Z-shares)	8.27	8.27	-0.47	7.31	-38.95	-15.74
Reference Index	3.20	3.20	-2.36	-2.64	-43.64	-18.28
Active return	5.07	5.07	1.89	9.95	4.69	2.54

Calendar Year	2019	2020	2021	2022	2023
Fund (Z-shares)	22.79	23.88	-21.08	-17.27	-9.34
Reference Index	22.18	30.75	-20.14	-21.53	-10.97

Rolling 12 Months	30.06.14	30.06.15	30.06.16	30.06.17	30.06.18
	30.06.15	30.06.16	30.06.17	30.06.18	30.06.19
Fund (Z-shares)	10.98	-10.70	23.46	24.89	-1.27
Reference Index	24.85	-23.98	30.10	19.08	-6.04
Peer Group	30.27	-23.07	27.78	16.17	-5.56

	30.06.19	30.06.20	30.06.21	30.06.22	30.06.23
	30.06.20	30.06.21	30.06.22	30.06.23	30.06.24
Fund (Z-shares)	18.62	16.36	-34.43	-13.24	7.31
Reference Index	10.21	31.58	-30.09	-17.21	-2.64
Peer Group	14.92	33.87	-29.93	-20.00	-6.52

Source fund/sector: Morningstar as of 30 June 2024

Source index: RIMES as at 30 June 2024, on a total return basis in USD

Peer Group: Morningstar Category EAA Fund China Equity

¹Fund returns are inclusive of gross income re-invested and net of the ongoing charge and portfolio transaction costs, cumulative, in fund currency. The figures do not reflect the entry charge payable by individual investors. Returns may increase or decrease as a result of currency fluctuations.

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