

## 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 May 2025 (covering April)

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## Summary of fund objective

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. For the full objectives and investment policy please consult the current prospectus.

## Fund Performance

During the month, the Invesco China Focus Equity Fund Z-Acc (USD) returned -5.55%, while the reference benchmark, represented by MSCI China 10/40 Index (Net Total Return), delivered -4.19%. Selected stocks holdings detracted this month. This include our exposure to financials, our holdings in a leading banking group detracted. Nonetheless, we see positive growth outlook regarding the fee income, driven by consumption, wealth management and corporate business. Within IT, our holdings in a PC manufacturer lagged. We see the increase in demand of AI PC driving strong revenue growth for the company, making it a major beneficiary of the PC replacement up-cycle this year. On positive note, some of our stock selections added positive alpha. In particular, within consumer discretionary, our holding in a leading e-commerce giant were rewarded. We see their the inclusion of AI in their platform to contribute to great revenue growth. Furthermore, our holding in a non-benchmark clothing apparels manufacturer, as well as a food and beverage manufacturer also added positive alpha.

## 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, autos, and selected retail. We also have quality exposure in communication services, healthcare and selected financials. This month, we added to consumer discretionary, initiating a new exposure in garment manufacturer. We also added selectively to healthcare, increasing our exposure to a biologics company. Meanwhile we reduced exposure to communication services, online gaming sector.

## Outlook

As we look ahead to Q2 2025, we anticipate short-term volatility driven by external market uncertainties. Nonetheless, we see China and US have recently made progress at trade talks. We will closely monitor the development. The recent April Politburo meeting emphasized the importance of domestic demand as a central focus. We will vigilantly monitor potential domestic policy changes and any stimulus measures China might implement to counteract the economic impact of global dynamics. Moreover, the recent Golden Week data show positive trends, with domestic tourist traffic and total spending increasing by 6.4% and 8% year-on-year, respectively. These figures suggest a recovering consumer sentiment and spending, which could further support economic growth. China's substantial domestic market and record-high national savings rate over recent years provide a robust foundation for economic resilience. The recent policy initiatives are aimed at restoring consumer confidence and are essential for unlocking consumption spending. For instance, The Chinese government PBOC announced 10 easing measures, including a 50bp RRR cut, a 10bp policy rate cut, and a set of relending programs and lending rate cuts. We anticipate additional stimulus measures, which, combined with existing policy support, should drive a recovery in domestic demand throughout 2025. This recovery is expected to enhance spending and investment, fostering a more resilient economic environment and ensuring stable growth moving forward. Chinese equities have rerated back to long-term average after the recent rally. We believe that the AI trend will continue to support the re-rating of Chinese equities and attract further investment into the market.

## Fund Facts

Z-share ISIN	LU1701634195
Bloomberg	INVCZUA LX
Domicile	Luxembourg
AuM	285.63m 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)	0.04	-1.97
Batting Average	50.00	50.00
Gain/Loss Ratio	1.20	1.04
Information Ratio	-0.01	-0.21
Sharpe Ratio	-0.05	-0.18
Tracking Error	9.04	8.68

## Awards & Gradings



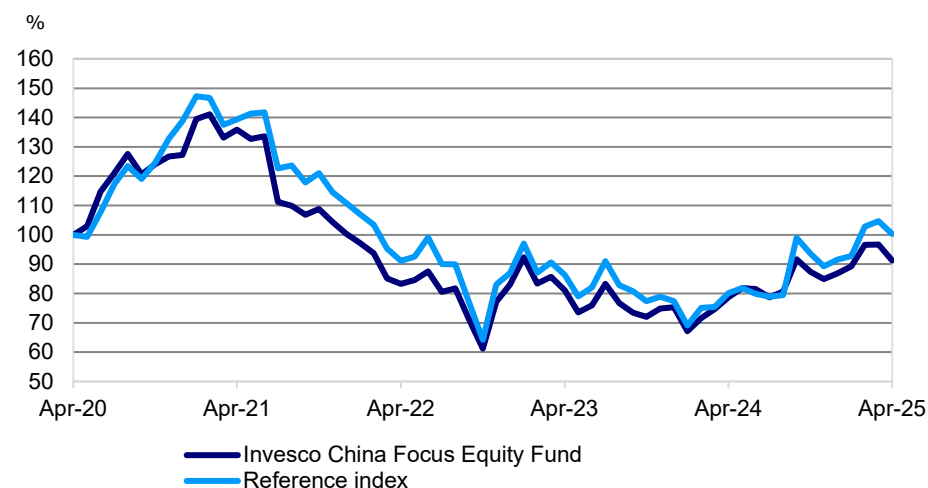
Morningstar Rating 30.04.25

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) <sup>1</sup>

### 5 Year Active Return



Cumulative	YTD	YTQ	1M	1Y	3Y	5Y
Fund (Z-shares)	5.07	11.25	-5.55	16.08	9.67	-8.72
Reference Index	9.52	14.31	-4.19	25.24	10.03	0.28
Active return	-4.45	-3.06	-1.36	-9.16	-0.36	-9.00

Calendar Year	2020	2021	2022	2023	2024
Fund (Z-shares)	23.88	-21.08	-17.27	-9.34	15.39
Reference Index	30.75	-20.14	-21.53	-10.97	18.25

Rolling 12 Months	30.04.15	30.04.16	30.04.17	30.04.18	30.04.19
	30.04.16	30.04.17	30.04.18	30.04.19	30.04.20
Fund (Z-shares)	-14.03	13.98	32.21	3.95	-0.95
Reference Index	-30.92	21.88	32.98	-4.86	-3.47
Peer Group	-27.83	19.35	28.54	-4.93	-0.18

	30.04.20	30.04.21	30.04.22	30.04.23	30.04.24
	30.04.21	30.04.22	30.04.23	30.04.24	30.04.25
Fund (Z-shares)	35.92	-38.76	-2.53	-3.07	16.08
Reference Index	39.32	-34.58	-5.31	-7.21	25.24
Peer Group	44.26	-33.84	-8.42	-10.83	16.69

Source fund/sector: Morningstar as of 30 April 2025

Source index: RIMES as at 30 April 2025, on a total return basis in USD

Peer Group: Morningstar Category EAA Fund China Equity

<sup>1</sup>Fund 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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