

Invesco Emerging Markets Local Debt Fund

A-FixMD Shares

30 June 2024

This marketing communication is directed at retail clients in the UK. Investors should read the legal documents prior to investing.

Summary of fund objective

The Fund aims to generate income, together with long term capital growth. The Fund seeks to achieve its objective by investing a minimum of 80% of the NAV of the Fund in debt securities of issuers that are economically tied to emerging market countries and which are denominated in local currencies. For the full objectives and investment policy please consult the current prospectus.

Key facts



Hemant Bajjal
Managed fund since
August 2019



Wim Vandenhoeck
Managed fund since
August 2019

Share class launch

20 November 2019

Original fund launch ¹

26 August 2019

Legal status

Luxembourg SICAV with UCITS status

Share class currency

USD

Share class type

Income

Fund size

USD 977.22 mn

Reference Benchmark

J.P. Morgan GBI-EM Global Diversified Total Return Index (USD)

Bloomberg code

IVEMAFM LX

ISIN code

LU2065166584

Settlement date

Trade Date + 3 Days

Morningstar Rating™

★★★

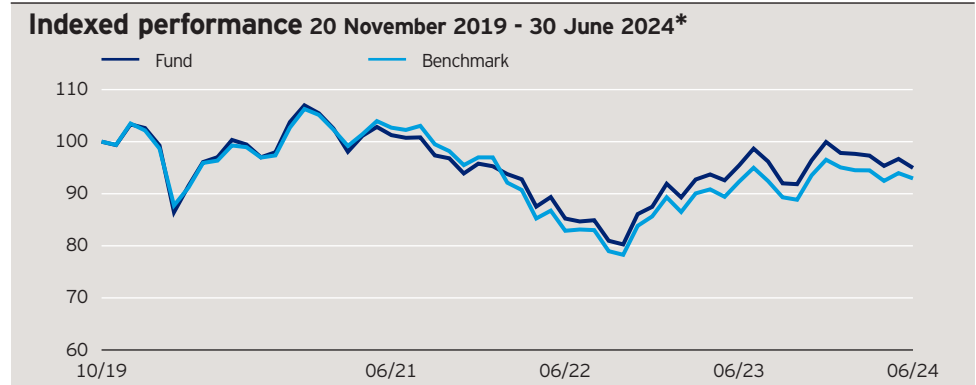
Investment risks

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. Debt instruments are exposed to credit risk which is the ability of the borrower to repay the interest and capital on the redemption date. Changes in interest rates will result in fluctuations in the value of the fund. The fund uses derivatives (complex instruments) for investment purposes, which may result in the fund being significantly leveraged and may result in large fluctuations in the value of the fund. The fund may invest in distressed securities which carry a significant risk of capital loss. 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. 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. Investments in debt instruments which are of lower credit quality may result in large fluctuations in the value of the fund.

Fund Strategy

The fund manager believes the key to better absolute and risk-adjusted returns in emerging markets is combining top-down macroeconomic analysis and bottom-up country analysis to allocate risk across interest rates and foreign currencies. With an investment horizon of 9 to 18 months, the fund manager believes that while the macroeconomic base case changes slowly, market pricing changes more rapidly, providing opportunities to take advantage of shifting risk premia.

Past performance does not predict future returns. Data points are as at month end.



Cumulative performance*

in %	YTD	YTD	1 month	1 year	3 years	Since inception
Fund	-4.98	-4.98	-1.78	-0.50	-6.21	-5.03
Benchmark	-3.71	-3.71	-1.08	0.67	-9.49	-7.06

Calendar year performance*

in %	2019	2020	2021	2022	2023
Fund	-	3.54	-10.47	-8.65	14.23
Benchmark	-	2.69	-8.75	-11.68	12.70

Standardised rolling 12 month performance*

in %	06.14	06.15	06.16	06.17	06.18	06.19	06.20	06.21	06.22	06.23	06.24
Fund	-	-	-	-	-	0.00	4.38	-15.82	11.97	-0.50	
Benchmark	-	-	-	-	-	0.00	6.57	-19.28	11.38	0.67	

The performance data shown does not take account of the commissions and costs incurred on the issue and redemption of units. Returns may increase or decrease as a result of currency fluctuations. The investment concerns the acquisition of units in an actively managed fund and not in a given underlying asset.

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NAV and fees

Current NAV

USD 7.49

12 month price high

USD 8.24 (27/07/2023)

12 month price low

USD 7.39 (04/10/2023)

Minimum investment ²

USD 1,500

Entry charge

Up to 5.00%

Annual management fee

1.2%

Ongoing costs ³

1.50%

Fixed distribution rate

6.00%

Credit ratings*

(average rating: BBB)

in %	Fund	Bench mark
AAA	2.2	-
AA	4.3	5.0
A	19.2	27.2
BBB	39.8	48.0
BB	20.8	16.8
B	1.8	1.4
Not Rated	1.3	1.6
Derivative	0.0	-
Cash	10.4	-

Duration distribution*

(average duration: 5.1)

in %	Fund	Bench mark
0-1 year	12.2	5.3
1-3 years	20.2	24.0
3-5 years	27.4	21.7
5-7 years	20.3	24.3
7-10 years	14.2	16.1
10-20 years	5.7	8.7

Yield %*

Gross Current Yield	5.96
Gross Redemption Yield	7.70

Geographical weightings*

in %	Fund	Bench mark
Colombia	11.3	4.0
South Africa	11.1	8.1
Poland	10.4	7.3
Indonesia	8.3	9.2
Malaysia	7.7	9.2
Brazil	7.7	8.1
Mexico	6.0	9.2
Thailand	5.3	8.5
Others	21.6	36.5
Cash	10.4	0.0

Maturity distribution*

in %	Fund	Bench mark
0-3 years	30.1	26.7
3-7 years	35.8	32.5
7-10 years	20.3	17.0
10-15 years	4.9	11.3
15+ years	8.9	12.5

3 year characteristics**

Alpha	1.04
Beta	0.96
Correlation	0.97
Information ratio	0.47
Sharpe ratio	-0.52
Tracking error in %	2.53
Volatility in %	10.37

For detailed information about the 3 year characteristics please see <http://assets.invescohub.com/invesco-eu/glossary.pdf>.

Please note: Factsheets issued for this share class between 30 September 2023 to 30 April 2024 displayed incorrect Morningstar 3 year characteristics data, which had been rectified from, and including 30 June 2024. Source: *Invesco. Costs may increase or decrease as result of currency and exchange rate fluctuations. Consult the legal documents for further information on costs. Portfolio weightings and allocations are subject to change. The weightings for each breakdown are rounded to the nearest tenth or hundredth of a percent; therefore, the aggregate weights for each breakdown may not equal 100%. **Morningstar. A discretionary cap on multiple components of the total costs is maintained. This discretionary cap may positively impact the performance of the Share Class. -2/4-

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Important Information

¹On 21 February 2020, a Luxembourg-domiciled SICAV named Invesco Emerging Local Currencies Debt Fund was merged into Invesco Emerging Markets Local Debt Fund, a sub-fund within the same fund umbrella.

²The minimum investment amounts are: USD 1,500 / EUR 1,000 / GBP 1,000 / CHF 1,500 / SEK 10,000. Please contact us or refer to the most up to date Prospectus for details of minimum investment amounts in other currencies.

³The Ongoing costs represent management fee and operating fee of the Share class (including the operational expenses of the underlying funds). It excludes portfolio transaction costs. It is a percentage of the value of your investment per year. This is an estimate based on actual costs over the last year, or on expected costs if newly launched. For the ongoing charges calculated under the UCITS KIID UK methodology, please refer to the UK UCITS KIID available on the website here: <https://www.invesco.co.uk/uk/resources/literature>

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If the fund's investments do not generate sufficient income, the fixed distribution rate may be reduced. A portion or all of the fees and expenses payable by and attributable to the fixed distribution share classes may be charged against capital in order to ensure there is sufficient income to meet the fixed distribution payments. Investors should note that the charging of fees to capital in this manner will result in capital erosion and constrain future capital growth for such share classes. Effective 30 September 2022, the distribution rate is set at 6.00%. This is marketing material and not financial advice. It is not intended as a recommendation to buy or sell 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. Views and opinions are based on current market conditions and are subject to change. The yield shown is expressed as a % per annum of the current NAV of the fund. It is an estimate for the next 12 months, assuming that the fund's portfolio remains unchanged and there are no defaults or deferrals of coupon payments or capital repayments. The yield is not guaranteed. Nor does it reflect any charges. Investors may be subject to tax on distributions. For information on our funds and the relevant risks, refer to the Key Information Documents/Key Investor Information Documents (local languages) and Prospectus (English, French, German, Spanish, Italian), and the financial reports, available from www.invesco.eu. A summary of investor rights is available in English from www.invescomanagementcompany.lu. The management company may terminate marketing arrangements. Not all share classes of this fund may be available for public sale in all jurisdictions and not all share classes are the same nor do they necessarily suit every investor. If investors are unsure if this product is suitable for them, they should seek advice from a financial adviser.

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SFDR (Sustainable Finance Disclosure Regulation)

The Fund complies with Article 8 with respect to the EU's Sustainable Finance Disclosure Regulation*. As such, the fund promotes, among other characteristics, environmental or social characteristics or a combination of those characteristics. In addition, the companies in which the fund invests follow good governance practices. *Regulation (EU) 2019/2088 on sustainability - related disclosures in the financial services sector.

Exclusion Framework

The Fund embeds an exclusionary framework to specific activities based on UN Global Compact, severe governmental sanctions, revenue thresholds for certain activities linked to environmental and/or social criteria, as well as ensuring that companies follow good governance practices. The list of activities and their thresholds are listed below. For further details on the exclusion framework and characteristics applied by the fund please refer to the website of the manager <https://www.invescomanagementcompany.lu>:

UN Global Compact	- Non-Compliant
Country sanctions	- Sanctioned investments are prohibited*
Controversial weapons	- 0% of revenue including companies involved in the manufacture of nuclear warheads or whole nuclear missiles outside of the Non-Proliferation Treaty (NPT)
Coal	- Thermal Coal extraction: $\geq 5\%$ of revenue - Thermal Coal Power Generation: $\geq 10\%$ of revenue
Unconventional oil & gas	- $\geq 5\%$ of revenue on each of the following: Arctic oil & gas exploration; Oil sands extraction; Shale energy extraction;
Tobacco	- Tobacco Products production: $\geq 5\%$ of revenue - Tobacco related products and services: $\geq 5\%$ of revenue
Others	- Recreational cannabis: $\geq 5\%$ of revenue
Good governance	- Ensure that companies follow good governance practices in the areas of sound management structures, employee relations, remuneration and tax compliance
Sovereign Exclusions	- Sovereign issuers rated E (on a scale of A-E) by the investment manager's qualitative assessment

*At Invesco we continuously monitor any applicable sanctions, including those imposed by the UN/US/EU and UK. These sanctions may preclude investments in the securities of various governments/regimes/entities and as such will be included in our compliance guidelines and workflows (designed to ensure compliance with such sanctions). The wording of international sanctions is something that we pay particular attention to as there are occasions where sanctions can exist in limited form, for example allowing investments in the secondary market. In addition to sanctions targeting entire countries, there are other thematic regimes, which may focus for example on human rights, cyber attacks, terrorist financing and corruption, which may apply to both individuals and/or entities/corporations.

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: <https://www.invescomanagementcompany.lu/lux-manco/literature>.

Invesco's Commitment to ESG

Invesco has an investment-led ESG approach. We provide a comprehensive range of ESG-focused capabilities that enable clients to express their values through investing. We also integrate financially material ESG considerations across our investment platform, taking into account critical factors that help us deliver strong outcomes to clients.