

Invesco Sterling Bond Fund

A-QD 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 invest a minimum of 50% of its net assets in debt instruments denominated in Pounds Sterling and may invest up to 50% in non-investment grade debt instruments. For the full objectives and investment policy please consult the current prospectus.

Key facts



Michael Matthews
Managed fund since
April 2006



Tom Hemmant
Managed fund since
October 2023

Share class launch

08 October 2018

Original fund launch ¹

24 January 1997

Legal status

Luxembourg SICAV with UCITS status

Share class currency

GBP

Share class type

Income

Fund size

GBP 875.98 mn

Reference Benchmark ²

ICE BofA Sterling Corporate Total Return Index (GBP)

Bloomberg code

IVSTAQD LX

ISIN code

LU1775981274

Settlement date

Trade Date + 3 Days

Morningstar Rating™

★★★★

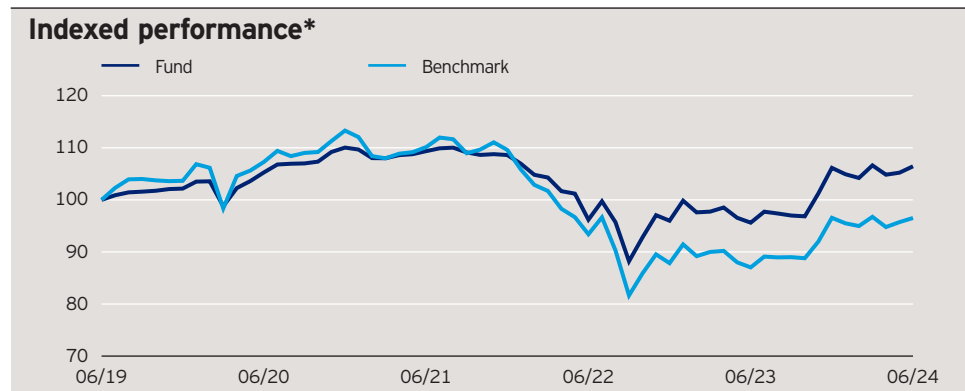
Investment risks

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. The fund may invest extensively in contingent convertible bonds which may result in significant risk of capital loss based on certain trigger events. 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 is invested across a broad range of corporate bonds, including some sub-investment grade instruments. The highest allocation by sector is to financials, including subordinated debt. The fund retains a slightly lower level of interest rate risk, compared to the broader sterling investment grade corporate bond market. We also hold some exposure to US dollar denominated corporates. The majority of the currency exposure from this position is hedged back to sterling.

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	5 years
Fund	0.28	0.28	1.16	11.32	-2.66	6.45
Benchmark	-0.04	-0.04	0.83	10.90	-12.36	-3.48

Calendar year performance*

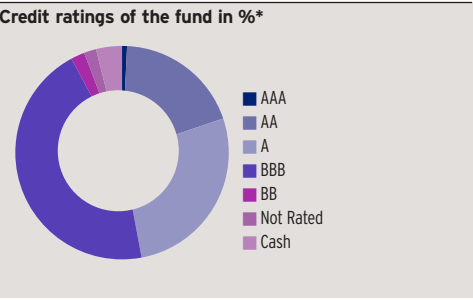
in %	2019	2020	2021	2022	2023
Fund	8.00	7.71	-1.30	-11.62	10.57
Benchmark	11.42	9.30	-3.27	-19.85	9.92

Standardised rolling 12 month performance*

in %	06.14 06.15	06.15 06.16	06.16 06.17	06.17 06.18	06.18 06.19	06.19 06.20	06.20 06.21	06.21 06.22	06.22 06.23	06.23 06.24
Fund	2.56	4.53	6.88	0.57	4.61	5.26	3.89	-12.04	-0.59	11.32
Benchmark	6.18	8.99	7.12	0.53	6.90	7.28	2.66	-15.19	-6.82	10.90

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
GBP 2.49
12 month price high
GBP 2.55 (27/12/2023)
12 month price low
GBP 2.30 (23/10/2023)
Minimum investment ³
GBP 1,000
Entry charge
Up to 5.00%
Annual management fee
0.75%
Ongoing costs ⁴
0.97%

Top 10 issuers*

(total holdings: 202)	
	in %
UK	9.5
JPM	3.6
Natwest	2.7
Barclays	2.5
Lloyds	2.5
Santander	2.3
Nestle	2.3
BNP Paribas	2.3
VW	2.1
Nationwide	2.0

Credit ratings*

(average rating: BBB+)	
	in %
AAA	0.8
AA	19.1
A	27.2
BBB	45.0
BB	2.1
Not Rated	1.8
Cash	3.9

Modified duration*

Modified duration	6.1
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Yield %*

Gross Current Yield	4.01
Gross Redemption Yield	5.04

3 year characteristics**

Alpha	2.86
Beta	0.86
Correlation	0.96
Information ratio	1.17
Sharpe ratio	-0.39
Tracking error in %	3.08
Volatility in %	9.56

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

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.

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Important Information

¹The Original Fund Launch date indicates the launch date of the Irish domiciled fund, which was merged into this Luxembourg-domiciled fund on 5 October 2018. Performance shown up to 5 October 2018 relates to the performance of the Irish-domiciled fund.

²Previous Benchmark: Mstar GIF OS GBP Diversified Bond up to 29 February 2020.

³The 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.

⁴The 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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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: >=5% of revenue - Thermal Coal Power Generation: >=10% of revenue
Unconventional oil & gas	- >= 5% of revenue on each of the following: Arctic oil & gas exploration; Oil sands extraction; Shale energy extraction;
Tobacco	- Tobacco Products production: >=5% of revenue - Tobacco related products and services: >=5% of revenue
Others	- Recreational cannabis: >=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
Sustainable Investments	- The Fund has a 10% minimum allocation to sustainable investments (as further described in the prospectus and Sustainability Related Disclosure documents)

*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.