Invesco

Half-Yearly Financial Report
for the six months to
30 June 2023

Invesco Bond Income Plus Limited

Uncovering income opportunities in the high yield bond market

Investment Objective

The Company's investment objective is to seek to obtain capital growth and high income from investment, predominantly in high-yielding fixed-interest securities.

Investment Policy

The Company seeks to provide a high level of dividend income relative to prevailing interest rates mainly through investment in bonds and other fixed-interest securities. The Company also invests in equities and other equity-like instruments consistent with the overall objective.

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Financial Information and Performance Statistics

Total Return Statistics[1][2] with dividends reinvested

- Six Months to 30 June 2023
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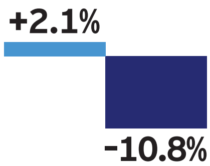
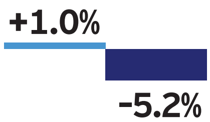
Net asset value – total return with dividends reinvested



Share price – total return with dividends reinvested



Capital Statistics

	At 30 June 2023	At 31 December 2022
Net assets (£'000)	284,145	281,089
Net asset value per ordinary share[2]	159.90p	162.20p
Share price[1]	162.00p	166.00p
Premium[2]	1.3%	2.3%
Gearing[2]		
Gross gearing	20.5%	19.1%
Net gearing	16.9%	15.7%

Performance Statistics

	For Six Months to 30 June 2023	For Six Months to 30 June 2022
Revenue return per share	6.16p	5.97p
Capital return per share	(2.77)p	(28.62)p
Total return per ordinary share	3.39p	(22.65p)
Dividend for the period	5.75p	5.50p

(1) Source: Refinitiv.

(2) Alternative Performance Measures (APM). See pages 15 and 16 for the explanation and calculation of APMs. Further details are provided in the Glossary of Terms and Alternative Performance Measures in the Company's 2022 annual financial report.

Chairman's Statement

Highlights

- Positive Net Asset Value total return of 2.1% in a challenging market environment.
- Dividend increased to 5.75p.
- Share issuances continued in the period.

2023 began where 2022 left off with the outlook for inflation and hence interest rates dominating the financial landscape. Those looking for signs that an end to the aggressive tightening in monetary policy was close at hand found little grounds for optimism as inflation showed worrying signs of being 'sticky' and markets priced in the prospect of interest rates remaining 'higher for longer.'

Economic growth was anaemic, however the recession predicted by more hawkish commentators was thankfully avoided. Economic theory suggests that changes in monetary policy may well take effect over 'long and variable lags' and so it is too early to conclude that the risk of a so-called 'hard landing' has passed.

Market confidence was challenged by the failure of several weaker financial institutions. Signs that a number of weaker firms were struggling to adjust to the impact of higher rates became apparent both in the US and in Europe, where a clumsily-handled rescue by Swiss authorities of Credit Suisse unsettled confidence in Additional Tier 1 (AT1) bank capital. Thankfully calm returned to the sector as European financial authorities distanced themselves from the approach taken by the Swiss.

The Company's Net Asset Value (NAV) total return rose by 2.1% during the first six months of the year. Our NAV performance fell short of that of our reference index, the ICE BofA European Currency High Yield Index (sterling hedged) total return, which rose by 5.0%. This was in part the result of the weaker performance of AT1 securities during the period under review. Our share price total return rose by 1.0% reflecting the fact that we while traded at a premium to NAV, our premium narrowed slightly from 2.3% to 1.3% during the six months. It was pleasing to see demand for shares remaining robust, particularly against a backdrop in which investment trust discounts were wide by historical standards. We were able to issue a total of 4.4 million shares to meet demand.

Our AGM in June saw Kate Bolsover, our Senior Independent Director, retire from the Board. As Chairman of Invesco Enhanced Income Limited (IPE) Kate played a key role in the successful merger of IPE and City Merchants High Yield Trust in 2021. I would like to thank Kate on behalf of shareholders and the Board for her fantastic contribution to the Company.

The Manager's Report, which follows my comments, provides shareholders with information on the portfolio and the outlook for the high yield market. There seems little doubt that inflation will continue to preoccupy markets during the second half of the year and that the risk of a 'hard landing' cannot be dismissed. Nevertheless I believe it is important to keep in mind that the high yields are elevated by historical standards and therefore provide a degree of compensation for the uncertainty surrounding the macroeconomic outlook. Lastly, at the half way point of our financial year, I am pleased to confirm that we remain firmly on course to achieve our full year dividend target of 11.5 pence per share, having declared first and second interim dividends of 2.875 pence per share in respect of the current financial year.

Tim Scholefield
Chairman

22 August 2023

Portfolio Managers' Report

Portfolio Manager

Rhys Davies, CFA, Fund Manager

Rhys is a fund manager and senior credit analyst for the Henley-based Fixed Interest team.

He began his investment career with Invesco in 2002, moving to the Henley Fixed Interest team in 2003. He became a fund manager in 2014. He manages high yield credit portfolios.

He holds a BSc (Honours) in Management Science from the University of Manchester Management School. He is a CFA charterholder.

Deputy Portfolio Manager

Edward Craven, FCA, Fund Manager

Edward is a fund manager and senior credit analyst for the Henley-based Fixed Interest team.

He began his career with KPMG in 2003. In 2008 he moved to The Royal Bank of Scotland, where he worked in structured finance. He joined the team at Invesco in 2011 as a credit analyst and became a fund manager in 2020, managing multi-asset and high yield funds.

He holds a Master's degree in Physics from the University of Bath. He is an FCA qualified chartered accountant.

Q What happened to bond markets in the period?

A Bond markets faced the headwinds of elevated interest rates and recession fears. Given their greater sensitivity to changes in monetary policy, government bonds came under the most pressure, especially UK gilts, as central banks took action to tackle sticky inflation. Higher quality corporate bonds also struggled to gain ground. High yield bonds displayed greater resilience, outperforming cohorts higher up the ratings scale. The ICE BofA European Currency High Yield Index (sterling hedged) total return was 5.0% over the six-month period. B rated bonds were the strongest part of the high yield market, returning 6.2% versus a 4.8% gain for BB rated debt. Weaker/riskier CCC and lower rated bonds generated a return of 1.2%. By comparison, sterling investment grade finished the period in negative territory, down 1.0%, with UK gilts faring even worse with a 3.9% decline.

The yield on the ICE BofA European Currency High Yield Index edged down from 8.00% to 7.87%. The yield declined because the impact of rising rates was more than offset by a tightening in spreads. The credit spread fell from 515bps to 458bps. While this may give the impression of benign credit conditions, there were bouts of volatility within the period, particularly around March when the spread spiked from 415bps to 562bps as concerns over the banking system in the US spread to Europe. This period of volatility peaked in the days after the acquisition of Credit Suisse by UBS.

While uncertainties about the state of US regional banks following the closure of First Republic Bank resurfaced in May, credit spreads continued to tighten. More widely, bond market valuations were weakened by further expected rises in interest rates as the projected end of the hiking phase of the cycle was pushed out in reaction to worse than expected inflation data. Rate expectations rose more in the UK, where inflation remained stubbornly high.

Q How did the Company perform?

A Over the six months to 30 June 2023 the share price fell from 166p to 162p, but with dividends reinvested, the Company delivered a positive share price total return of 1.0%. The net asset value per share total return (with dividends reinvested) was 2.1%.

Q What were the key contributors and detractors of performance?

A The portfolio's exposure to credit risk was the main driver of the positive return. Within this, high yield bonds were the largest contributor. Investment grade, corporate hybrids and senior bank debt also contributed. Exposure to subordinated financial debt was a small negative. The portfolio's duration (sensitivity to interest rates) was a negative factor as interest rate expectations rose. A rise in the value of sterling meant that the modest non-sterling exposure in the portfolio was also negative.

The unexpected write-down of Credit Suisse Additional Tier 1 (AT1) bonds when the bank was acquired by UBS was a negative factor. The portfolio holding in Credit Suisse as of the end of February was 0.54%. However, the portfolio's other holdings in AT1 and its holdings in Credit Suisse senior debt recovered strongly after this event. While two Credit Suisse AT1s were in the bottom 10 performing bonds in the portfolio, some other financials such as Banco Comercial Portugues and Piraeus Financial were among the portfolio's top five contributors.

Q What changes were made to the portfolio?

A The Company was active in the period with a mixture of primary and secondary market purchases. The focus of purchases was on higher quality BB rated bonds that we feel offer a relatively attractive balance of return to risk.

We participated in a new issue from generics drug manufacturer Teva Pharmaceutical Finance, a company that we have invested in for several years. Other new issues purchased included lottery operator Allwyn Entertainment and car battery manufacturer Clarios. Although these are two very different businesses, we believe that both are well placed to weather any economic downturn. We also bought new hybrid corporate bonds from Swedish state-owned utility Vattenfall, Portuguese utility company EDP, Vodafone Group and BT.

In the secondary market we added to existing positions in UK holiday park operator Center Parcs and retailer Ocado. Center Parcs is expected to perform well again in 2023. Ocado's bonds earn an attractive yield but also have, in our view, good potential capital upside from any good news around the company's technology licensing. During the period of weakness in bank bonds following the write-down of Credit Suisse's AT1s, we added to the position in Nationwide AT1.

Portfolio Managers' Report (continued)

Several bonds of companies with weaker balance sheets were sold. These included telecom and retail names. Credit concerns led us to sell French furniture retailer Mobilux Finance and European residential landlord Heimstaden. Heimstaden is an example of a credit where the investment case has changed dramatically due to a rising rate environment. The European real estate sector is an area about which we remain cautious. We fear that some business models built on low borrowing costs are no longer commercially viable.

Following these transactions, the allocation to corporate high yield was reduced from 48.4% to 43.7%. Exposure to subordinated bank and insurance was gradually increased from 30.7% to 33.7%.

We view financials as providing a more favourable risk-reward profile than similar-rated high yield bonds with the Company holding a well-diversified portfolio of more than 20 European banks. We continue to assess and adjust exposures to the banking sector and while we believe fundamentals are strong for the banks held in the trust, we are aware of the risks that a crisis of confidence can pose to the sector and to individual banks.

In other activity, long-dated UK gilts were added and now account for 1.6% of the portfolio.

Net gearing was increased from 15.7% to 16.9%. Gearing is one of the tools we can use to adjust the level of risk in the portfolio to align it with the level of opportunity we see in the market. Although the cost of borrowing has gone up, we believe gearing is still an attractive option given the higher level of yield we can now receive from the bonds we want to buy.

Q **What were conditions like in the primary market?**

A European high yield corporate supply totalled €33 billion in the period, according to data from JPMorgan. This is a higher level than in the whole of 2022 but not unusual compared to earlier years. Net supply was light at around €2 billion, with the bulk of the issuance used for refinancing purposes. BB rated bonds accounted for the majority of the deal flow with a 55% market share. Single B bonds accounted for 36%. Sterling-denominated issuance was boosted by Vodafone Group and BT hybrids in the second quarter of 2023.

This low level of bond supply was a technical support for the market and helps to explain the relatively strong performance of high yield bonds despite a weakening growth environment.

Q **What is your outlook from here?**

A Uncertainty around the outlook for the economy and inflation, combined with the ongoing impact of the interest rate hiking phase of the cycle has fuelled volatility in financial markets, leading to market strain, as seen most clearly in the banking sector. We will continue to monitor our allocations within the banking sector. For now, we are comfortable that the levels of yield provide an attractive reward for the credit risks, especially with a well-diversified spread of risk across many banks. It is certainly encouraging that attractive yields are available from so many more sources today, but we also expect volatility to be a defining feature of 2023. It is therefore important to remain nimble and be prepared to sell bonds that have performed well, especially whilst our outlook for the global economy and high yield bond markets, particularly the weaker parts, remains cautious.

Rhys Davies **Edward Craven**
Portfolio Managers

22 August 2023

Principal and Emerging Risks and Uncertainties

The Board has carried out a robust assessment of the risks facing the Company, including those that would threaten its business model, future performance, solvency and liquidity. As part of this process, the Board conducted a full review of the Company's risk control summary and considered new and emerging risks. These are not necessarily principal risks for the Company at present but may have the potential to be in the future. In carrying out this assessment, the Board considered the emerging risks facing the Company including geopolitical risks such as the invasion of Ukraine by Russia, evolving cyber threats and ESG, including climate risk. The principal risks that follow are those identified by the Board as the most significant after consideration of mitigating factors and are not intended to cover all the risk categories as shown in the Internal Control and Risk Management section on page 13 of the 2022 annual financial report.

Category and Principal Risk Description	Mitigating Procedures and Controls
Strategic Risks	
Market and Political Risk The Company invests primarily in fixed interest securities, the majority of which are traded on global security markets. The principal risk for investors in the Company is a significant fall and/or a prolonged period of decline in these markets. This could be triggered by unfavourable developments globally and/or in one or more regions, such as the current conflict in Ukraine, the ongoing effects of the Covid-19 pandemic and other geopolitical tensions and uncertainties and their impact on the global economy. The Board cannot control the effect of such external influences on the portfolio. Market risk also arises from movements in foreign currency exchange rates and interest rates.	An explanation of market risk and how this is addressed is given in note 19.1 to the financial statements within the 2022 annual financial report. The Portfolio Managers' Report summarises particular macro economic factors affecting performance during the period and the portfolio managers' views on those most relevant to the outlook for the portfolio.
Regulatory or Fiscal Changes The Company is incorporated in Jersey which is a low tax jurisdiction subject to global scrutiny. Any adverse global regulatory or fiscal measures taken against such low tax jurisdictions, could negatively impact the Company.	The Board receives regular reports from the Manager and Company Secretary which highlight any proposed changes to the regulatory/fiscal regimes which might impact the Company.
Wide Discount leading to Shareholder Dissatisfaction The Company's shares are subject to market movements and can trade at a premium or discount to NAV. Should the Company's shares trade at a significant discount compared to its peers, then shareholder dissatisfaction may result if shareholders cannot realise the value of their investment close to NAV, with the ultimate risk that arbitragers join the share register.	The Board receives regular reports from both the Manager and the Company's broker on the Company's share price performance and level of discount (or premium), together with regular reports on marketing and meetings with shareholders and prospective investors. The Board recognises the importance of the Company's scale in terms of the aggregate value of its shares in the market ('market cap') in creating liquidity and the benefit of a wide shareholder base, and has the ability to both issue and buy back shares to assist with market volatility. The foundation to this lies in solid investment performance and an attractive level of dividend.
Third Party Service Providers Risks	
Lack of Control over, or Unsatisfactory Performance of Third Party Service Providers ('TPPs') Failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment could have a materially detrimental impact on the operations of the Company and affect its ability to pursue successfully its investment policy and expose it to reputational risk. Disruption to the accounting, payment systems or custody records could prevent the accurate reporting and monitoring of the Company's financial position.	Details of how the Board monitors the services provided by the Manager and the other TPPs, and the key elements designed to provide effective internal control, are included in the internal control and risk management section on page 13 of the 2022 annual financial report.

Principal and Emerging Risks and Uncertainties (continued)

Category and Principal Risk Description	Mitigating Procedures and Controls
Third Party Service Providers Risks (continued)	
Cyber Risk The Company's operational structure means that cyber risk (information technology and physical security) predominantly arises at its TPPs. This cyber risk includes fraud, sabotage or crime perpetrated against the Company or any of its TPPs.	The Audit & Risk Committee on behalf of the Board periodically reviews TPPs' service organisation control reports and meets with representatives of the Manager's Investment Management, Compliance, Internal Audit and Investment Trust teams as well as the Company Secretary's senior staff and Compliance team. The Board receives periodic updates on the Manager's and the Company Secretary's information security arrangements. The Board monitors TPPs' business continuity plans and testing – including their regular 'live' testing of workplace recovery arrangements.
Business Continuity Risk Impact of a major event, such as Covid-19, on the operations of the service providers, including any prolonged disruption.	The Manager's business continuity plans are reviewed on a regular basis and the Directors are satisfied that the Manager has in place robust plans and infrastructure to minimise the impact on its operations so that the Company can continue to trade, meet regulatory obligations, report and meet shareholder requirements. The Board receives periodic reports from the Manager and TPPs on business continuity processes and has been provided with assurance from them all insofar as possible that measures are in place for them to continue to provide contracted services to the Company.

In the view of the Board, these principal and emerging risks and uncertainties are as applicable to the remaining six months of the financial year as they were to the period under review.

Thirty Largest Investment Issuers

AT 30 JUNE 2023

Issuer	Industry	Country of Incorporation	Market Value £'000	% of Portfolio
Lloyds Banking Group	Financials	UK	10,362	3.2
Barclays	Financials	UK	10,326	3.2
Co-Operative Bank	Financials	UK	6,920	2.1
BNP Paribas	Financials	France	6,155	1.9
Aviva	Financials	UK	5,947	1.8
Teva Pharmaceutical Finance	Health Care	Netherlands	5,685	1.7
Codere New Topco	Consumer Services	Luxembourg	5,456	1.7
UK Treasury Bill	Government Bonds	UK	5,216	1.6
Albion Finance	Consumer Services	Luxembourg	5,153	1.6
Ziggo Bond Finance	Telecommunications	Netherlands	5,137	1.6
Vodafone Group	Telecommunications	UK	5,058	1.5
Virgin Media O2	Telecommunications	UK	4,893	1.5
Eléctricité De France	Utilities	France	4,707	1.4
Petra Diamonds	Basic Materials	Bermuda	4,603	1.4
Banco BPM	Financials	Italy	4,484	1.4
Nationwide	Financials	UK	4,239	1.3
Virgin Money	Financials	UK	4,127	1.3
Rothschilds Continuation Finance	Financials	Guernsey	4,019	1.2
Clarios	Basic Materials	USA	4,007	1.2
Deutsche Bank	Financials	Germany	4,003	1.2
Bellis	Consumer Goods	UK	3,829	1.2
Sainsbury's Bank	Financials	UK	3,826	1.2
Legal & General	Financials	UK	3,502	1.1
Frigoglass Finance	Industrials	Netherlands	3,494	1.1
Parts Europe	Consumer Goods	France	3,479	1.1
Ford Motor Credit	Consumer Goods	USA	3,436	1.1
BCP V Modular Services	Consumer Services	UK	3,361	1.0
ING	Financials	Netherlands	3,238	1.0
Ocado	Consumer Goods	UK	3,157	1.0
RL Finance	Financials	UK	3,122	1.0
Top 30 investments			**144,941**	**44.6**
Other investments			180,403	55.4
Total investments			**325,344**	**100.0**

Governance

Invesco Bond Income Plus Limited is a Jersey domiciled investment company and is regulated by the Jersey Financial Services Commission.

Related Parties

Note 23 to the financial statements within the Company's 2022 annual financial report gives details of related party transactions. The basis of these has not changed for the six months being reported. The 2022 annual financial report is available on the Company's section of the Manager's website at: www.invesco.co.uk/bips.

Going Concern

The financial statements have been prepared on a going concern basis. When considering this, the Directors took into account the annual shareholders' continuation vote and the following: the Company's investment objective and risk management policies, the nature of the portfolio and expenditure and cash flow projections. As a result, they determined that the Company has adequate resources, an appropriate financial structure, readily realisable fixed assets to repay current liabilities and suitable management arrangements in place to continue in operational existence for the foreseeable future.

Bond Rating Analysis

The table below reflects Standard and Poor's ('S&P') ratings. Where an S&P rating is not available, an equivalent average rating has been used. Investment grade is BBB- and above.

For the definitions of these ratings see the Glossary of Terms and Alternative Performance Measures on page 81 of the Company's 2022 annual financial report.

	30 June 2023		31 December 2022	
Rating	Portfolio %	Cumulative Total %	Portfolio %	Cumulative Total %
Investment Grade:				
AA	1.6	1.6	-	-
A+	0.6	2.2	0.2	0.2
A-	1.2	3.4	0.8	1.0
BBB+	1.9	5.3	2.0	3.0
BBB	12.0	17.3	10.1	13.1
BBB-	4.2	21.5	4.5	17.6
Non-investment Grade:				
BB+	8.9	30.4	6.2	23.8
BB	10.4	40.8	9.8	33.6
BB-	17.9	58.7	14.5	48.1
B+	8.7	67.4	10.7	58.8
B	13.4	80.8	21.0	79.8
B-	7.8	88.6	5.6	85.4
CCC+	2.5	91.1	5.5	90.9
CCC	1.4	92.5	2.8	93.7
CCC-	0.7	93.2	0.6	94.3
CC	1.6	94.8	0.6	94.9
NR* (including equity)	5.2	100.0	5.1	100.0
	100.0		100.0	
Summary of Analysis				
Investment Grade	21.5		17.6	
Non-investment Grade	73.3		77.3	
NR (including equity)	5.2		5.1	
	100.0		100.0	

* NR: not rated.

Directors' Responsibility Statement

in respect of the preparation of the Half-Yearly Financial Report

The Directors are responsible for preparing the financial report, using accounting policies consistent with applicable law and International Financial Reporting Standards.

The Directors confirm that to the best of their knowledge:

- the condensed set of financial statements contained within the Half-Yearly Financial Report have been prepared in accordance with International Accounting Standards 34 'Interim Financial Reporting';
- the interim management report includes a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R of the FCA's Disclosure Guidance and Transparency Rules; and
- the interim management report includes a fair review of the information required on related party transactions.

The Half-Yearly Financial Report has not been audited or reviewed by the Company's auditor.

Signed on behalf of the Board of Directors.

Heather MacCallum
Audit & Risk Committee Chair

22 August 2023

Condensed Statement of Comprehensive Income

FOR THE SIX MONTHS ENDED

	30 June 2023 Revenue £'000	30 June 2023 Capital £'000	30 June 2023 Total £'000	30 June 2022 Revenue £'000	30 June 2022 Capital £'000	30 June 2022 Total £'000
Loss on investments held at fair value	-	(9,688)	(9,688)	-	(35,983)	(35,983)
Profit/(loss) on derivative instruments						
– currency hedges and CDS	-	4,130	4,130	-	(10,990)	(10,990)
Exchange differences	-	1,575	1,575	-	(817)	(817)
Income – note 2	12,113	-	12,113	10,962	-	10,962
Investment management fees – note 3	(461)	(461)	(922)	(480)	(480)	(960)
Other expenses	(386)	(2)	(388)	(417)	(2)	(419)
Profit/(loss) before finance costs and taxation	11,266	(4,446)	6,820	10,065	(48,272)	(38,207)
Finance costs – note 3	(420)	(420)	(840)	29	29	58
Profit/(loss) before taxation	10,846	(4,866)	5,980	10,094	(48,243)	(38,149)
Taxation – note 4	-	-	-	(29)	-	(29)
Profit/(loss) after taxation	10,846	(4,866)	5,980	10,065	(48,243)	(38,178)
Return per ordinary share	6.16p	(2.77)p	3.39p	5.97p	(28.62)p	(22.65)p
Weighted average number of ordinary shares in issue during the period			176,159,363			168,577,596

The total columns of this statement represent the Company's statement of comprehensive income, prepared in accordance with International Financial Reporting Standards as adopted by the European Union. The profit/(loss) after taxation is the total comprehensive income/(loss). The supplementary revenue and capital columns are both prepared in accordance with the Statement of Recommended Practice issued by the Association of Investment Companies. All items in the above statement derive from continuing operations of the Company. No operations were acquired or discontinued in the period.

Condensed Statement of Changes in Equity

	Stated Capital £'000	Capital Reserve £'000	Revenue Reserve £'000	Total £'000
For the six months ended 30 June 2023				
At 31 December 2022	305,062	(32,141)	8,168	281,089
(Loss)/profit after taxation	-	(4,866)	10,846	5,980
Dividends paid - note 5	(279)	-	(9,817)	(10,096)
Net proceeds from issue of new shares - note 6	7,172	-	-	7,172
At 30 June 2023	311,955	(37,007)	9,197	284,145
For the six months ended 30 June 2022				
At 31 December 2021	297,326	23,531	5,873	326,730
(Loss)/profit after taxation	-	(48,243)	10,065	(38,178)
Dividends paid - note 5	-	-	(9,272)	(9,272)
At 30 June 2022	297,326	(24,712)	6,666	279,280

Condensed Balance Sheet

	At 30 June 2023 £'000	At 31 December 2022 £'000
Non-current assets		
Investments held at fair value through profit or loss	325,344	317,870
Current assets		
Derivative financial instruments – receivable	121,478	106,588
Margin held at brokers	1,696	582
Proceeds due from issue of new shares	-	206
Income tax recoverable	3	3
Prepayments and accrued income	5,795	6,403
Cash and cash equivalents	8,546	9,082
	137,518	122,864
Current liabilities		
Amounts payable relating to issue of new shares	-	(1)
Accruals	(846)	(745)
Derivative financial instruments – payable	(119,710)	(105,148)
Securities sold under agreements to repurchase	(58,161)	(53,751)
	(178,717)	(159,645)
Net current liabilities	(41,199)	(36,781)
Net assets	284,145	281,089
Capital and reserves		
Stated capital	311,955	305,062
Capital reserve	(37,007)	(32,141)
Revenue reserve	9,197	8,168
Total shareholders' funds	284,145	281,089
Net asset value per ordinary share	159.90p	162.20p
Number of shares in issue at the period end – note 6	177,702,596	173,302,596

Condensed Statement of Cash Flows

	Six months to 30 June 2023 £'000	Six months to 30 June 2022 £'000
Cash flow from operating activities		
Profit/(loss) before finance costs and taxation	6,820	(38,207)
Tax on overseas income	-	(29)
Adjustment for:		
Purchases of investments	(83,043)	(61,544)
Sales of investments	65,881	50,557
	(17,162)	(10,987)
Increase from securities sold under agreements to repurchase	4,410	15,012
Loss on investments held at fair value	9,688	35,983
Net movement from derivative instruments – currency hedges	(328)	5,194
Increase in receivables	(506)	(2,823)
Decrease in payables	(3)	(105)
Net cash inflow from operating activities	2,919	4,038
Cash flow from financing activities		
Finance cost (paid)/received[1]	(736)	64
Net proceeds from issue of new shares	7,377	-
Dividends paid - note 5	(10,096)	(9,272)
Net cash outflow from financing activities	(3,455)	(9,208)
Net decrease in cash and cash equivalents	(536)	(5,170)
Cash and cash equivalents at the start of the period	9,082	8,168
Cash and cash equivalents at the end of the period	8,546	2,998
Reconciliation of cash and cash equivalents to the Balance Sheet is as follows:		
Cash held at custodian	4,826	2,448
Invesco Liquidity Funds plc – Sterling	3,720	550
Cash and cash equivalents	8,546	2,998
Cash flow from operating activities includes:		
Dividends received	191	115
Interest received	12,535	10,738

(1) Finance costs received in the six months ended 30 June 2022 relate to the negative interest rates on the Euro denominated financing of securities sold under agreements to repurchase (repo financing).

Reconciliation of net debt	At 1 January 2023 £'000	Cash flows £'000	At 30 June 2023 £'000
Cash and cash equivalents	9,082	(536)	8,546
Securities sold under agreements to repurchase	(53,751)	(4,410)	(58,161)
Total	(44,669)	(4,946)	(49,615)

Notes to the Condensed Financial Statements

1. Basis of Preparation

The condensed financial statements have been prepared using the same accounting policies as those adopted in the Company's 2022 annual financial report. They have been prepared on an historical cost basis, in accordance with the applicable International Financial Reporting Standards (IFRS), as adopted by the European Union and, where possible, in accordance with the Statement of Recommended Practice for Financial Statements of Investment Trust Companies and Venture Capital Trusts, updated by the Association of Investment Companies in July 2022 (AIC SORP).

2. Income

	Six months to 30 June 2023 £'000	Six months to 30 June 2022 £'000
Income from investments:		
UK dividends	95	112
UK investment income – interest	4,280	3,894
Overseas dividends	53	4
Overseas investment income – interest	7,609	6,950
	12,037	10,960
Other income:		
Deposit interest	50	2
Other income	26	-
	76	2
Total income	12,113	10,962

3. Management Fee and Finance costs

Investment management fees and finance costs are allocated 50% to capital and 50% to revenue (2022: 50% to capital and 50% to revenue).

Finance costs relate to interest payable on borrowings from securities sold under agreements to repurchase (repo) or bank overdrafts. In some instances, interest on repo is negative i.e. receivable and has been netted against interest payable, shown within finance costs, as they relate to borrowings utilised by the Company.

4. Taxation

The Company is subject to Jersey income tax at the rate of 0% (2022: 0%). The prior period overseas tax charge consists of irrecoverable withholding tax.

5. Dividends paid on Ordinary Shares

	Six months to 30 June 2023 pence	Six months to 30 June 2023 £'000	Six months to 30 June 2022 pence	Six months to 30 June 2022 £'000
Interim dividends in respect of previous period	2.875	5,008	2.750	4,636
First interim dividend	2.875	5,088	2.750	4,636
	5.750	10,096	5.500	9,272

Dividends paid in the period have been charged to revenue except for £279,000 which was charged to stated capital (six months to 30 June 2022: £nil). This amount is equivalent to the income accrued on the new shares issued in the period (see note 6).

A second interim dividend of 2.875p (2022: 2.750p) has been declared and was paid on 18 August 2023 to ordinary shareholders on the register on 14 July 2023.

6. Stated Capital, including Movements

Allotted ordinary shares of no par value.

	Six months to 30 June 2023	Year to 31 December 2022
Stated capital:		
Brought forward	£305,062,000	£297,326,000
Net proceeds from shares issued	£7,172,000	£7,736,000
Dividends paid from stated capital	£(279,000)	-
Carried forward	£311,955,000	£305,062,000
Number of ordinary shares:		
Brought forward	173,302,596	168,577,596
Issued in the period	4,400,000	4,725,000
Carried forward	177,702,596	173,302,596
Per share:		
- average issue price	165.95p	164.54p

7. Classification Under Fair Value Hierarchy

Note 20 of the 2022 annual financial report sets out the basis of classification.

There were no Level 3 holdings at 30 June 2023 (31 December 2022: one) and the total (not shown) is therefore the aggregate of Level 1, Level 2 and Level 3.

	At 30 June 2023			At 31 December 2022		
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000
Financial assets designated at fair value through profit or loss:						
- Fixed interest securities(1)	-	280,213	-	-	294,154	1,165
- Convertibles	-	36,481	-	-	18,614	-
- Government	-	5,451	-	-	216	-
- Preference	2,441	-	-	2,641	-	-
- Equities	758	-	-	1,080	-	-
Derivative financial instruments:						
- Forward currency contract	-	1,768	-	-	1,440	-
Total for financial assets	3,199	323,913	-	3,721	314,424	1,165

(1) Fixed interest securities include both fixed and floating rate securities.

8. Status of Half-Yearly Financial Report

The financial information contained in this Half-Yearly Financial Report, which has not been audited by the Company's auditor, does not constitute statutory accounts as defined in Article 104 of Companies (Jersey) Law 1991. The financial information for the half year ended 30 June 2023 and the half year ended 30 June 2022 has not been audited. The figures and financial information for the year ended 31 December 2022 are extracted and abridged from the latest audited accounts and do not constitute the statutory accounts for that year.

By order of the Board
JTC Fund Solutions (Jersey) Limited
Company Secretary

22 August 2023

Glossary of Terms and Alternative Performance Measures

Alternative Performance Measure ('APM')

An APM is a measure of performance or financial position that is not defined in applicable accounting standards and cannot be directly derived from the financial statements. The calculations shown in the corresponding tables are for the six months ended 30 June 2023 and the year ended 31 December 2022. The APMs listed here are widely used in reporting within the investment company sector and consequently aid comparability, providing useful additional information.

Premium/(discount) ('APM')

Premium is a measure of the amount by which the mid-market price of an investment company share is higher than the underlying net asset value of that share. Discount is a measure of the amount by which the mid-market price of an investment company share is lower than the underlying net asset value ('NAV') of that share. If the shares are trading at a premium the result of the below calculation will be positive and if they are trading at a discount it will be negative. In this Half-Yearly Financial Report the premium/(discount) is expressed as a percentage of the net asset value per share and is calculated according to the formula set out below.

		30 June 2023	31 December 2022
Share price	a	162.00p	166.00p
Net asset value per share	b	159.90p	162.20p
Premium	c = (a-b)/b	1.3%	2.3%

Modified Duration

Modified Duration is regarded as a measure of the volatility of a portfolio, as, with all other risk factors being equal, bonds with higher durations have greater price volatility than bonds with lower durations. Modified duration measures the change in the value of a bond (or portfolio) in response to a change in 100 basis-point (1%) change in interest rates. For example, in general this would mean that a 1% rise in interest rates leads to a 1% fall in the value of the bond or portfolio.

Gearing

The gearing percentage reflects the amount of borrowings that a company has invested. This figure indicates the extra amount by which net assets, or shareholders' funds, would move if the value of a company's investments were to rise or fall. A positive percentage indicates the extent to which net assets are geared; a nil gearing percentage, or 'nil', shows a company is ungeared. A negative percentage indicates that a company is not fully invested and is holding net cash as described below.

There are several methods of calculating gearing and the following has been used in this report:

Gross Gearing ('APM')

This reflects the amount of gross borrowings in use by a company and takes no account of any cash balances. It is based on gross borrowings as a percentage of net assets.

		30 June 2023 £'000	31 December 2022 £'000
Securities sold under agreements to repurchase (repo financing)		58,161	53,751
Gross borrowings	a	58,161	53,751
Net asset value	b	284,145	281,089
Gross gearing	c = a/b	20.5%	19.1%

Net Gearing or Net Cash ('APM')

Net gearing reflects the amount of net borrowings invested, i.e. borrowings less cash and cash equivalents (incl. investments in money market funds). It is based on net borrowings as a percentage of net assets. Net cash reflects the net exposure to cash and cash equivalents, as a percentage of net assets, after any offset against total borrowings.

		30 June 2023 £'000	31 December 2022 £'000
Securities sold under agreement to repurchase (repo financing)		58,161	53,751
Less: cash and cash equivalents including margin		(10,242)	(9,664)
Net borrowings	a	47,919	44,087
Net asset value	b	284,145	281,089
Net gearing	c = a/b	16.9%	15.7%

Glossary of Terms and Alternative Performance Measures (continued)

Net Asset Value ('NAV')

Also described as shareholders' funds, the NAV is the value of total assets less liabilities. Liabilities for this purpose include current and long-term liabilities. The NAV per ordinary share is calculated by dividing the net assets by the number of ordinary shares in issue. For accounting purposes assets are valued at fair (usually market) value and liabilities are valued at par (their repayment – often nominal – value).

Return

The return generated in a period from the investments including the increase and decrease in the value of investments over time and the income received.

Total Return

Total return is the theoretical return to shareholders that measures the combined effect of any dividends paid together with the rise or fall in the share price or NAV. In this Half-Yearly Financial Report these return figures have been sourced from Refinitiv who calculate returns on an industry comparative basis, taking the Net Asset Values and Share Prices for the opening and closing periods and adding the impact of dividend reinvestments for the relevant periods.

Net Asset Value Total Return ('APM')

Total return on net asset value per share, with debt at market value, assuming dividends paid by the Company were reinvested into the shares of the Company at the NAV per share at the time the shares were quoted ex-dividend.

Share Price Total Return ('APM')

Total return to shareholders, on a mid-market price basis, assuming all dividends received were reinvested, without transaction costs, into the shares of the Company at the time the shares were quoted ex-dividend.

Six Months Ended 30 June 2023		**Net Asset Value**	**Share Price**
As at 30 June 2023		159.90p	162.00p
As at 31 December 2022		162.20p	166.00p
Change in period	a	-1.4%	-2.4%
Impact of dividend reinvestments(1)	b	3.5%	3.4%
Total return for the period	c = a+b	2.1%	1.0%

Year Ended 31 December 2022		**Net Asset Value**	**Share Price**
As at 31 December 2022		162.20p	166.00p
As at 31 December 2021		193.82p	187.25p
Change in year	a	-16.3%	-11.3%
Impact of dividend reinvestments(1)	b	5.5%	6.1%
Total return for the year	c = a+b	-10.8%	-5.2%

(1) Total dividends paid during the period of 5.75p (31 December 2022: 11.25p) reinvested at the NAV or share price on the ex-dividend date. NAV or share price falls subsequent to the reinvestment date consequently further reduce the returns, vice versa if the NAV or share price rises.

Directors, Investment Manager and Administration

Directors

Tim Scholefield (Chairman)
Heather MacCallum (Audit & Risk Committee Chair and Senior Independent Director)
Christine Johnson
Caroline Dutot
Tom Quigley

Alternative Investment Fund Manager (Manager)

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www.invesco.co.uk/investmenttrusts

Manager's Website

Information relating to the Company can be found on the Manager's website, at www.invesco.co.uk/bips

The contents of websites referred to in this document, or accessible from links within those websites, are not incorporated into, nor do they form part of, this interim report.

Company Secretary, Administrator and Registered Office

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Company Secretarial Contact: Hilary Jones
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General Data Protection Regulation

The Company's privacy notice can be found at:
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Invesco Client Services

Invesco has a Client Services Team available from 8.30am to 6.00pm every working day. Please feel free to take advantage of their expertise by ringing:
☎ 0800 085 8677
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Registrar

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Shareholders who hold shares directly and not through a Savings Scheme or ISA and have queries relating to their shareholding should contact the Registrar's call centre on the above number.

Calls are charged at the standard geographic rate and will vary by provider.

Calls from outside the United Kingdom will be charged at the applicable international rate. Lines are open 8.30am to 5.30pm Monday to Friday (excluding UK public holidays).

Shareholders holding shares directly can also access their holding details via Computershare's website:

http://www.investorcentre.co.uk/je

The Registrar provides an on-line share dealing service to existing shareholders who are not seeking advice on buying or selling via Computershare's website http://www.investorcentre.co.uk/je

For queries relating to shareholder dealing contact

☎ +44 (0) 370 703 0084

Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. Lines are open 8.30am to 5.30pm Monday to Friday (excluding UK public holidays).

Dividend Re-Investment Plan

The Registrar also manages a Dividend Re-Investment Plan for the Company. Shareholders wishing to re-invest their dividends should contact the Registrar.