

# Invesco Distribution Fund (UK)

Z-Accumulation Shares | SEDOL: B8N4532 | ISIN Code GB00B8N45329 | Bloomberg code INPDZRA:LN

## Why invest in this fund

- 1 Our fund generates income from a range of credit markets, including corporate and government debt securities. A part of the portfolio is also invested in equities.
- 2 Our investment strategy looks at both economic factors like inflation and interest rates as well as credit research to understand a company's balance sheet, cash flows and business outlook.
- 3 Sharing portfolio management with equity income expertise in Henley also enhances the income diversification: the equity focus is tilted towards businesses that can generate income and income growth.

## Portfolio characteristics

Total number of holdings	456
Weighted avg. effective maturity (years)	5.50
Weighted avg. duration	3.68
Avg. credit rating	BB+
Yield to maturity (%)	7.63

## Top 5 bond issuers & equity holdings (%)

### Bond issuers

United States Treasury Note/Bond	7.09
Nationwide Building Society	2.30
Intesa Sanpaolo SpA	1.88
Lloyds Banking Group PLC	1.79
Mexican Bonos	1.60

### Equity holdings

Co-Operative Bank Holdings	1.39
RELX	1.33
Experian	1.19
Ferguson	1.06
Informa	1.05

## Investment categories (%)

Equities	30.0
Sub-Investment grade bonds	28.9
Investment grade bonds	25.7
Derivatives	14.9
Govt/Agency	12.3
Securitized	1.1
Others	0.2
Cash & cash equivalent	-13.0

## What this fund does

The fund's fixed income allocation is invested in a diversified portfolio of high yield and investment grade bonds. Within the equity allocation we favour companies with visibility of revenues, profits and cash flows, which are managed for the primary purpose of delivering shareholder value in the form of a sustainable and growing dividend.

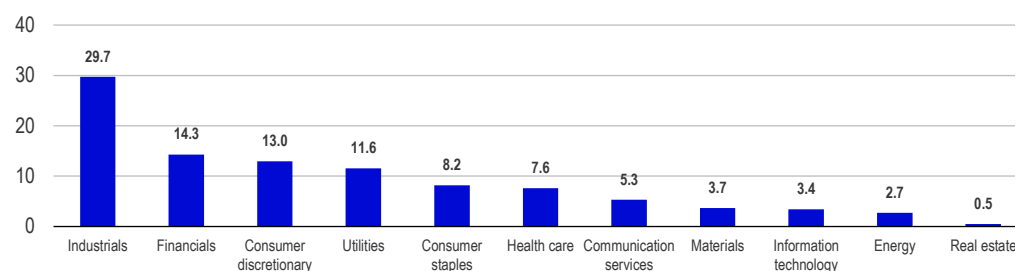
## Fund objective

The fund aims to achieve income and capital growth over the medium to long term. The Fund may invest up to 80% of its assets globally in corporate and government debt securities (including investment grade, non-investment grade and unrated) and up to 40% of its assets in shares or other equity related securities of companies globally. The fund may consider it appropriate to also invest in other transferable securities, money-market instruments, collective investment schemes (including funds managed by the Invesco group), deposits and cash.

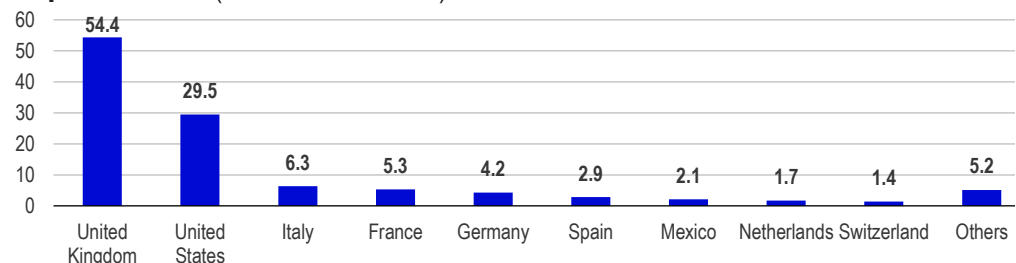
## Fund overview

Portfolio managers (Fund tenure)	Ciaran Mallon (2013), Edward Craven (2020)
Total net assets	£ 1,584.02 million
Distribution frequency	Monthly
Fund launch date	26 January 2004
Legal status	UK Authorised ICVC
Share class currency	GBP
Distribution yield (%)	4.86
Investment Association sector	IA Mixed Investment 20-60% Shares
ISA availability	Yes

## Equity sectors (% of total net assets)



## Top countries (% of total net assets)



The allocation of stock is based on Country of Risk

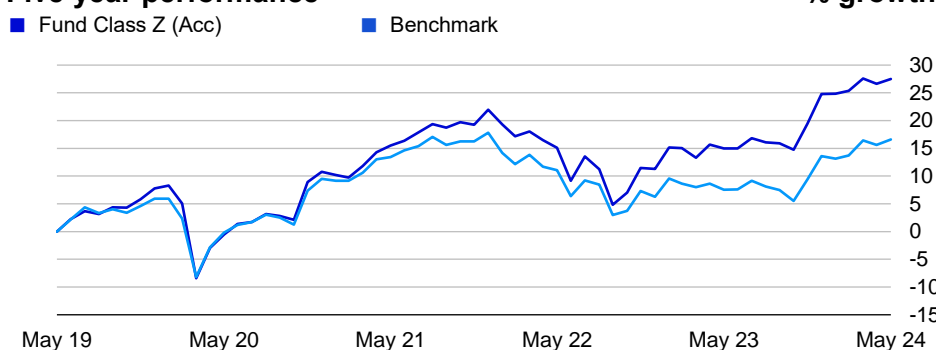
## Bond quality (%)

AA	14.63
A	7.82
BBB	33.62
BB	29.58
B	7.75
CCC and below	0.92
Not rated	5.45

## Investment risks

- 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.
- The debt securities that the Fund invests in may not always make interest and other payments and nor is the solvency of the issuers guaranteed. Market conditions, such as a decrease in market liquidity, may mean that the Fund may not be able to buy or sell debt securities at their true value. These risks increase where the Fund invests in high yield, or lower credit quality, bonds.
- The Fund has the ability to make use of financial derivatives (complex instruments) which may result in the Fund being leveraged and can result in large fluctuations in the value of the Fund. Leverage on certain types of transactions including derivatives may impair the Fund's liquidity, cause it to liquidate positions at unfavourable times or otherwise cause the Fund not to achieve its intended objective. Leverage occurs when the economic exposure created by the use of derivatives is greater than the amount invested resulting in the Fund being exposed to a greater loss than the initial investment.
- As the Fund has wide discretion to dynamically allocate across the debt securities spectrum and between that asset class and shares of companies, the risks relevant to the Fund will fluctuate over time, which may result in periodic changes to the Fund's risk profile.
- As one of the key objectives of the Fund is to provide income, the ongoing charge is taken from capital rather than income. This can erode capital and reduce the potential for capital growth.
- The Fund may invest in contingent convertible bonds which may result in significant risk of capital loss based on certain trigger events.
- The Fund's performance may be adversely affected by variations in interest rates.
- The Fund is invested in perpetual bonds (bonds without a maturity date) which may be exposed to additional liquidity risk in certain market conditions, and in particular, stressed market environments. This would have a negative impact on the value of these investments which in turn, would have a negative impact on the Fund's performance.

## Five year performance



## Bond maturity (%)

20+ Yrs	33.63
16-20 Yrs	2.53
11-16 Yrs	4.86
7-11 Yrs	13.55
4-7 Yrs	18.68
0-4 Yrs	26.75

Performance figures are based on the Z Accumulation share class. Performance figures for all share classes can be found in the relevant Key Investor Information Document. Fund performance figures are shown in sterling, inclusive of reinvested income and net of the ongoing charge and portfolio transaction costs to 31 May 2024 unless otherwise stated. Sector average performance is calculated on an equivalent basis. Source: Fund – Invesco, Benchmark - Lipper.

## Performance (%)

	1 year	3 years	5 years	5 years ACR*
Fund	10.92	10.39	27.51	4.98
Benchmark	8.42	2.83	16.61	3.12

\*ACR - Annual Compound Return

## Standardised rolling 12-month performance (%)

	31.05.2019	31.05.2020	31.05.2021	31.05.2022	31.05.2023	31.05.2024
Fund	-0.54	16.14	-0.38	-0.09	10.92	
Benchmark	-0.21	13.64	-2.05	-3.17	8.42	

Past performance is not a guide to future returns

## Important information

Views and opinions are based on current market conditions and are subject to change.

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. If investors are unsure if this product is suitable for them, they should seek advice from a financial adviser.

For the most up to date information on our funds, please refer to the relevant fund and share class-specific Key Investor Information Documents, the Supplementary Information Document, the financial reports and the Prospectus, which are available using the contact details shown.

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.

## Contact information

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Telephone calls may be recorded.

Issued by Invesco Fund Managers Limited.  
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Authorised and regulated by the Financial Conduct Authority.

## Who is this fund for?

The fund might be right for you if you:

Are a private or professional investor looking for income and growth over the medium to long term.  
Are able to make an informed investment decision based on this document and the Key Investor Information Document (KIID).

Are willing to accept that your capital is at risk and you may not get back the amount invested.

The fund will not be right for you if you:

Require capital protection or have no appetite for risk.

## Cost and charges of the Fund

For a full breakdown of the charges that apply to each share class of the fund, please refer to our ICVC Costs & Charges document [www.invesco.com/uk/icvc-charges](http://www.invesco.com/uk/icvc-charges).

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## Glossary

**ACR/ Annual Compound Return:** Compound returns represent the cumulative effect that gains and losses have on invested capital over time. Annual Compound Return is the annual rate of return that would be required for an investment to grow from its starting balance to its ending balance.

**Benchmark:** A standard against which an investment fund or portfolio is measured to give an indication of relative performance.

**Collective investment schemes:** Pooled investment funds that are managed by professional investment managers.

**Contingent convertible bonds:** A fixed income instrument that is convertible into stock if a pre-specified event occurs.

**Credit Rating/ Quality:** The 'quality' of a bond is an indication of the bond issuer's financial strength and/or its ability to pay a bond's face value when it reaches maturity. Quality is rated using a AAA (higher quality) – CCC (lower quality) system.

**Developed markets:** Countries that have more advanced economies and more mature capital markets.

**Distribution frequency:** How often dividends and/or interest generated by an investment product are disbursed to investors.

**Duration:** The weighted average time, in years, it could take for an investor to recoup a bond's value through future cash flows, such as interest and principal payment.

**Effective maturity:** The average time it takes for a bond's cash flows, including interest and principal payments, to be realised.

**Emerging markets:** Countries that are in the process of developing their economies to become more advanced.

**Financial derivatives:** Financial contracts whose value depends on an underlying asset or benchmark.

**High yield bond:** Bonds rated lower than investment grade by the major credit ratings agencies.

**Holdings:** The contents of an investment portfolio or fund, including any products like equities, bonds or ETFs.

**ICVC:** Investment Company with Variable Capital. A type of collective investment portfolio that invests in different equities, bonds and other securities.

**Index:** A collection of stocks chosen to represent the performance of a particular market or sector, e.g. FTSE 100 or S&P 500.

**Investment category:** The type of bond issuer relating to bonds held in the portfolio, e.g. corporate, or government issued.

**Investment grade bond:** Bonds rated Baa3/BBB- or better by the major credit ratings agencies.

**Leverage:** The ratio of a company's debt to the value of its common stock.

**Maturity:** How far in the future the bond issuer is set to pay back everything they owe to bondholder

**Yield to maturity:** The total return anticipated on a bond if the bond is held until it matures.