

Invesco Bond Income Plus Limited

(formerly City Merchants High Yield Trust Limited)



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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Shareholder

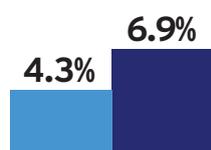
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Financial Information and Performance Statistics

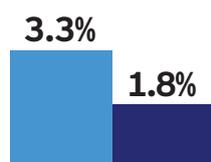
Total Return Statistics⁽¹⁾ (dividends reinvested)

- Six Months to 30 June 2021
- Year Ended 31 December 2020

Net asset value (NAV)⁽²⁾



Share price



Performance Statistics

| | For Six Months to 30 June 2021 | Year Ended 31 Dec 2020 |
|--------------------------------------|--------------------------------|------------------------|
| Total Return⁽¹⁾⁽²⁾ | | |
| Net asset value | +4.3% | +6.9% |
| Share price | +3.3% | +1.8% |
| Dividend for the period/year | 5.25p | 10.00p |

Period End Information

| | At 30 June 2021 | At 31 Dec 2020 |
|---------------------------------------------------|-----------------|----------------|
| Net Assets (£'000)⁽³⁾ | 333,020 | 197,675 |
| Net asset value per ordinary share ⁽²⁾ | 197.55p | 194.29p |
| Share price ⁽¹⁾ | 191.00p | 189.75p |
| Discount ⁽²⁾ | (3.3)% | (2.3)% |
| Gearing⁽²⁾ | | |
| Gross gearing | 10.4% | 6.8% |
| Net gearing | 7.3% | 5.4% |

(1) Source: Refinitiv.

(2) Alternative Performance Measures (APM). See pages 18 and 19 for the explanation and calculation of APMs. Further details are provided in the Glossary of Terms and Alternative Performance Measures in the Company's 2020 annual financial report.

(3) The change in net assets reflects the new ordinary shares issued in respect of assets received pursuant to a scheme of reconstruction of Invesco Enhanced Income Limited. Further details of this transaction are provided in Note 1 on page 15 and notes 6 and 7 on page 16.



Chairman's Statement

Highlights

- Successful merger with Invesco Enhanced Income Limited increasing net assets to £333 million.
- Share price total return increased by 3.3% and NAV total return up by 4.3%.
- On track to achieve the full year dividend target of 10.75 pence per share.

High yield markets made steady progress during the first six months of the year buoyed by continued supportive central bank action and a recovery in economic activity as Covid-19 restrictions were gradually eased. Against this backdrop the Company's Net Asset Value (NAV) returned 4.3% compared to the 3.3% return achieved by the ICE BofA European Currency High Yield Index.

In May the shareholders of both City Merchants High Yield Trust Limited and Invesco Enhanced Income Limited voted overwhelmingly in favour of a proposal to merge the two companies. The combined company, named Invesco Bond Income Plus Limited, is the largest in the AIC sector (Debt - Loans and Bonds) and provides shareholders with continuity of investment management, the prospect of a significantly reduced ongoing charges ratio and increased share liquidity.

As a result of the merger I am delighted to welcome two former board members of Invesco Enhanced Income Limited, Kate Bolsover and Christine Johnson, to the board of Invesco Bond Income Plus Limited. I would also like to thank Stuart McMaster, who stepped down, for his valued contribution as a non-executive director of City Merchants High Yield Trust Limited.

I am pleased to report that the Company remains on track to achieve its full year dividend target of 10.75 pence per share and we have declared first and second interim dividends of 2.50 and 2.75 pence per share in respect of the current financial year. The Board will target a dividend of 11 pence per share for the three years following the merger.

The Company's share price traded at a small discount for much of the first six months of the year albeit reaching a premium to NAV on several occasions. The Board believes that this outcome largely reflected broader macroeconomic uncertainty. The share price ended the review period at a discount of 3.3% to NAV.

I'd like to conclude by highlighting a number of themes which shape the outlook for high yield markets and are discussed in more detail in the Manager's Report which follows my comments. It is clear that Covid-19 will continue to dominate the market environment for the foreseeable future and we have learnt from the experience of the past 18 months that it is impossible to predict with any confidence how the pandemic will evolve. The vaccine roll-out should allow the removal of restrictions on social movement however it seems likely that the path to some sort of economic normality under Covid-19 will be by no means a smooth one.

Supply-side disruption around the world has resulted in significant increases in prices and inflation is set to exceed central bank targets in the months to come; we can expect markets to be very sensitive to any suggestion that the rise in inflation is sustained rather than merely transitory. We can also expect markets to be unsettled once central banks start to remove the support introduced in response to Covid-19.

Hence there are good reasons for expecting a more volatile market period now lies ahead of us. That said, volatility creates opportunity for the longer term, disciplined investor and I am confident that the Company's Manager is well-placed to make the most of any increase in market nervousness during the remainder of the year.

Tim Scholefield
Chairman

23 August 2021

Portfolio Manager's Report

Portfolio Managers



Rhys is a portfolio manager and senior credit analyst within the Henley Investment Centre's Fixed Interest team.

Rhys began his investment career within the Henley-based Product Support team in January 2002 before moving to the Fixed Interest team in November 2003. In 2014 he was appointed deputy fund manager for the City Merchants High Yield Trust Limited and Invesco Enhanced Income Limited.

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



Edward is a Fund Manager in the Henley Investment Centre's Fixed Interest team.

Edward began his career with KPMG in 2003 working in Assurance Services before transferring to their Corporate Finance department in 2006. In 2008 he moved to The Royal Bank of Scotland, where he worked in structured finance executing leveraged transactions for mid-market corporate and private equity backed businesses before joining Invesco in 2011.

He is an FCA qualified Chartered Accountant and holds a Masters Degree in Physics, MPhys, from the University of Bath.

Market background

It has been a solid start to 2021 for high yield bond markets. The ICE BofA European Currency High Yield Index delivered 3.3% in sterling terms, with a positive return in each calendar month.

High yield bond markets benefitted from the positive economic outlook combined with the prospect of ongoing central bank support. This backdrop has led some commentators to revive the 'goldilocks' analogy for risk markets.

Nonetheless markets have continued to see periods of volatility. Much of this was caused by fears that the huge stimulus programmes from governments and central banks in response to Covid-19 would lead to a significant and protracted increase in inflation. There was also much debate around the possibility of central banks removing support and the potential timing of future interest rate hikes. Comments from central bankers at times exacerbated, and at other times soothed, these concerns. In addition, fears of further lockdowns in response to new Covid-19 variants weighed on markets.

It was the better-quality end of bond markets that fared worst as this tends to be more sensitive to changes in interest rates. According to ICE, sterling investment grade corporate bonds returned -2.80% and UK Gilts -5.82% for the six-month period.

High yield markets did see a significant dispersion of returns with the high yielding bonds that are lower rated significantly outperforming those with higher ratings. According to ICE, BB-rated bonds returned 2.52%, B-rated 4.0% and CCC and lower returned 9.84% (all returns in sterling terms).

The yield on the ICE BofA European Currency High Yield Index fell from 3.34% to 3.04% over the period and saw an all-time low of 2.96% in early June. Spreads (the additional yield over government bonds) continued to narrow, falling from 365bps to 304bps. While spreads are now low, they compare favourably with investment grade spreads. The spread on the ICE BofA Sterling Investment Grade Corporate Index fell from 113bps to 106bps.

With yields back at or below pre-Covid-19 levels demand for income generating assets remains high. This has led to record levels of high yield issuance as companies seek to build up cash surpluses, repair their balance

sheets or simply re-finance at a significantly lower cost. According to data from JPMorgan, European high yield issuance over the past six months was €93.1 billion, almost as high as seen for the whole of 2020, which at €103.3 billion was a record year.

With most companies once again able to access finance and the global economy continuing to recover, default rates continue to fall. According to Moody's, as at the end of June only 28 issuers have defaulted year to date, roughly a quarter of the 114 defaults in the same period last year. Moody's go on to forecast that their baseline trailing 12-month default rate will fall from the current 3.9% to 2.2% in June 2022.

Merger

During the period under review, Invesco Enhanced Income Limited was merged with City Merchants High Yield Trust Limited and the combined company renamed to Invesco Bond Income Plus Limited. I would like to take this opportunity to thank investors for supporting the merger, the respective Boards for driving this and colleagues at Invesco for their assistance.

Invesco Bond Income Plus will target an annual dividend of 11.00 pence per share for the three years following the merger. Despite the current low yield environment, I believe this dividend is achievable and sustainable.

Strategy

The Company was active during the period taking profits on bonds where we thought value had been realised and adding exposure to bonds that offered a good level of risk and reward.

Sales included bonds where we thought the balance of risks had changed. Examples were retailers Matalan and El Corte Ingles, the Spanish department store. Although in our view these remain good companies, they will be significantly impacted should any further lockdowns be required. Although high yield has less interest rate sensitivity than investment grade or government bonds, this year within the Company we have been selling bonds that have higher sensitivity to interest rate changes. The modified duration (a measure of interest-rate sensitivity) was reduced from 3.83 at the start of the period to 3.58. As the year progressed and pressure on interest rates increased, we reduced the Company's exposure to more interest rate

Portfolio Manager's Report (continued)

sensitive bonds. Bonds sold included Volvo, packaging business Crown European Holdings and medical-tech business Avantor.

Although we have been seeing fewer attractive bonds as deal terms have generally tightened with strong demand, we did find several opportunities to add income to the portfolio. These included relatively stable issuers such as Bellis Finco (Asda), which offered a coupon of 4% for a 6-year bond and Spanish bank Banco Sabadell which has a 5.75% coupon. Higher risk positions, such as the bond issued by containership operator Danaos, which had a coupon of 8.5% for a 7-year bond and Tullow Oil 10.25% for a 5-year bond were also added.

We also added to opportunities in the secondary market such as Boparan 7.625%, Enquest 7%, Virgin Media O2 4.25% and car parts distributor, Parts Holding Europe 6.5%.

After these adjustments the Company's largest industry exposure remained financials (both subordinated bank and insurance bonds). Elsewhere the largest allocations are to telecoms, autos and food. The Company continues to exploit opportunities in both the euro and US dollar markets. Most of the currency exposure from these positions is hedged back to sterling.

While the maximum gearing level for the Company will remain at the same level as that previously available on City Merchants High Yield Trust at 30% of total assets, the net gearing of the portfolio is currently approximately 10% of net assets.

Performance

Over the six-months to 30 June 2021 the NAV per share total return was 4.3%, comparing favourably with the return seen by the ICE BofA European Currency High Yield Index of 3.3%.

During the period the Company benefitted from tightening spreads and good credit selection. This was more than enough to offset the impact of rising government bond yields.

At the individual company level, the top performers included Petra Diamonds and Codere Finance, both examples of companies whose bonds we purchased with a view to going through a restructure.

There were no significant detractors to performance.

Outlook

With yields currently available at generally low levels, valuations are quite stretched in many cases, especially when you consider that a lot of companies increased their borrowings last year. Nonetheless, the backdrop for high yield bond markets remains supportive in many ways. Fiscal and monetary policy support remain in place and the improving trajectory of economies as they slowly re-open supports the asset class. Defaults are low and forecast to drop further.

The potential for central banks to reduce support, or even talk about it, continues to unsettle markets. From my perspective, given the low level of yields, some volatility would be welcome as the portfolio is well-positioned for such a backdrop.

And then of course, inflation is an important risk factor to monitor. I've responded to that by keeping interest rate sensitivity low in the portfolio and being very disciplined in sticking to the types of higher yielding bonds that the Company normally holds.

Rhys Davies **Edward Craven**
Portfolio Managers

23 August 2021

Principal 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, new and emerging risks are considered. These are not necessarily principal risks for the Company, but may have the potential to be in the future. The principal risks that follow are those identified by the Board after consideration of mitigating factors. In carrying out this assessment, consideration was given to market uncertainty in relation to the continuing impact of Covid-19.

| Category and Principal Risk Description | Mitigating Procedures and Controls |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Strategic Risks | |
| <p>Market Risk</p> <p>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, contemporary examples being the market uncertainty in relation to Brexit and the Covid-19 outbreak during 2020. 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.</p> | <p>An explanation of market risk and how this is addressed is given in note 19.1 of the 2020 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.</p> |
| <p>Investment Objectives</p> <p>The Company's investment objectives and strategy no longer meet investors' demands.</p> | <p>The Board receives regular reports reviewing the Company's investment performance against its stated objectives and peer groups, and reports from discussion with its broker and major shareholders. The Board also has a periodic strategy meeting.</p> |
| <p>Lack of Liquidity in the Company's Shares</p> <p>Lack of liquidity and lack of marketability of the Company's shares leading to stagnant share price and wide discount.</p> | <p>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. During the period, the Company merged with Invesco Enhanced Income Limited, significantly increasing shareholder base and size of the Company.</p> |
| Investment Management Risk | |
| <p>Performance</p> <p>The portfolio persistently underperforms relevant indices and/or peers because of the investments selected. Performance will also be affected by market risk, which is addressed above, and by credit risk. A significant portion of the Company's portfolio consists of non-investment grade securities which by their nature have a higher risk of default as well as the likelihood of greater price volatility.</p> | <p>The Company does not have a formal benchmark, however, the ICE BofA European Currency High Yield Index ('the Index') is used in contribution analysis. This index tracks the performance of EUR and GBP denominated sub-investment grade corporate debt publicly issued in the Eurobond, Sterling domestic and Euro domestic markets. The Board regularly compares the Company's NAV performance over both the short and long term to that of the Index and relevant peers as well as reviewing analyses breaking out contributory elements of the portfolio's performance compared with the Index. The Board also receives reports on and reviews: the constituents of the portfolio, transactions in the period and, if applicable, gearing and hedging. The investment process the portfolio managers employ to address risk versus return is explained in the 2020 annual financial report.</p> |

Category and Principal Risk Description

Mitigating Procedures and Controls

Investment Management Risks continued

Borrowing Risk

Borrowings for investment purposes will amplify the reduction in NAV in a falling market, which in turn is likely to adversely affect the Company's share price. There is no guarantee that it will be possible to re-finance repo financing arrangements on their maturity either at all or on terms that are acceptable to the Company, in which case any amounts owing by the Company would need to be funded by the sale of investments and the Company may not be able to realise the expected value of those assets. Repo financing introduces an element of counterparty risk. Repo financing transactions require the counterparty to sell the relevant assets to the Company on the repurchase date at a fixed price but if a counterparty failed to do so, the Company would be left with a contractual claim against the defaulting counterparty and there is no guarantee the Company would be able to recover all of the value of the assets from that counterparty. In adverse market conditions, the risks of counterparty default may be greater than at other times.

All borrowings are actively managed by the Manager and monitored by the Board. The Company will only enter into repo arrangements with counterparties who are authorised or regulated by an appropriate regulator and whose credit rating is not less than the minimum investment grade credit ratings issued by internationally recognised agencies. There is a maximum limit allowed with any one counterparty, and transactions typically have a maturity tenor of three months or less.

Third Party Service Providers Risks

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 pages 11 and 12 of the 2020 annual financial report.

Information Technology Resilience and Security

The Company's operational structure means that all cyber risk (information technology and physical security) arises at its TPPs. This cyber risk includes fraud, sabotage or crime perpetrated against the Company or any of its TPPs.

The Audit Committee on behalf of the Board regularly reviews TPPs' audited 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 regular updates on the Manager's and the Secretary's information security. 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 an ongoing 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 Manager has mandated work from home arrangements and implemented split team working for those whose work is deemed necessary to be carried out on business premises. Any meetings are being held virtually or via conference calls.

Other similar working arrangements are in place for the Company's other third-party service providers. The Directors remain confident that with these measures in place, the Company is in a good position to continue operating as normal in these extreme market conditions. In addition, due to the nature of the Company being a closed end investment company, the portfolio managers are not presented with regular daily inflows and outflows that require managing.

Regulation and Corporate Governance Risk

Failure to Comply With or Adverse Changes to Law or Regulation

A serious breach of law or regulation could lead to suspension from the Official List and from trading on the London Stock Exchange, a fine or a qualified audit report. Adverse changes to law or regulation could affect the ability of the Company to operate or the practicality of its domicile.

The Board, the Company Secretary and the Manager monitor compliance with and changes to government policy, legislation and other regulations relevant to the Company.

Thirty Largest Investments

AT 30 JUNE 2021

| Issuer/issue | Rating ⁽¹⁾ | Industry | Country of Incorporation | Market Value £'000 | % of Portfolio |
|--------------------------------------|-----------------------|-------------------|--------------------------|-----------------------|----------------|
| Codere Finance | | Consumer Services | Luxembourg | | |
| 10.75% 30 Sep 2023 | Caa1/D/CC | | | 4,410 | |
| 6.75% 01 Nov 2021 (SNR) | Ca/CC/CC | | | 2,484 | |
| 7.625% 01 Nov 2021 (SNR) | Ca/CC/CC | | | 2,127 | |
| 10.75% 30 Sep 2023 (SNR) | Caa1/NR/CCC | | | 985 | |
| | | | | 10,006 | 2.8 |
| Barclays | | Financials | UK | | |
| 7.875% FRN Perpetual | Ba2/B+/BB | | | 5,360 | |
| 6.375% FRN Perpetual | Ba2/B+/BB | | | 1,339 | |
| 9.25% Perpetual | Ba1/BB+/BB | | | 1,030 | |
| 3.375% FRN 02 Apr 2025 (SNR) | Baa2/BBB/BBB | | | 964 | |
| 8% FRN Perpetual | Ba2/B+/BB | | | 577 | |
| 2.75% FRN Perpetual | Ba1/BB+/BB | | | 291 | |
| | | | | 9,561 | 2.6 |
| Lloyds Banking Group | | Financials | UK | | |
| 7.875% FRN Perpetual | Baa3/BB-/BBB | | | 5,115 | |
| 7.5% FRN Perpetual | Baa3/BB-/BBB | | | 2,827 | |
| 7.625% FRN Perpetual | Baa3/BB-/BBB | | | 656 | |
| 3.5% FRN 01 Apr 2026 (SNR) | A3/BBB+/A | | | 432 | |
| 6.375% FRN Perpetual | Baa3/BB-/BBB | | | 152 | |
| | | | | 9,182 | 2.5 |
| Aviva | | Financials | UK | | |
| 6.125% FRN Perpetual | A3/BBB+/BBB | | | 5,460 | |
| 8.875% Preference | NR/NR/NR | | | 1,817 | |
| 6.125% FRN 05 Jul 2043 | A3/BBB+/BBB | | | 230 | |
| | | | | 7,507 | 2.1 |
| Teva Pharmaceutical Finance | | Health Care | Netherlands | | |
| 6.75% 01 Mar 2028 (SNR) | Ba2/BB-/BB | | | 3,502 | |
| 7.125% 31 Jan 2025 (SNR) | Ba2/BB-/BB | | | 2,474 | |
| 6% 31 Jan 2025 (SNR) | Ba2/BB-/BB | | | 989 | |
| | | | | 6,965 | 1.9 |
| Volkswagen Financial Services | | Consumer Goods | Netherlands | | |
| 4.25% 09 Oct 2025 (SNR) | A3/BBB+/BBB | | | 2,826 | |
| 3.5% FRN Perpetual | Baa2/BBB-/BBB | | | 2,037 | |
| 3.875% FRN Perpetual | Baa2/BBB-/BBB | | | 1,428 | |
| | | | | 6,291 | 1.7 |
| Dell International | | Technology | USA | | |
| 6.1% 15 Jul 2027 (SNR) | Baa3/BBB-/BBB | | | 3,543 | |
| 6.2% 15 Jul 2030 (SNR) | Baa3/BBB-/BBB | | | 1,621 | |
| 5.45% 15 Jun 2023 (SNR) | Baa3/BBB-/BBB | | | 784 | |
| | | | | 5,948 | 1.6 |

| Issuer/issue | Rating ⁽¹⁾ | Industry | Country of Incorporation | Market Value £'000 | % of Portfolio |
|---------------------------------|-----------------------|--------------------|--------------------------|-----------------------|----------------|
| Vodafone Group | | Telecommunications | UK | | |
| 6.25% 03 Oct 2078 | Ba1/BB+/BB | | | 2,720 | |
| 7% FRN 04 Apr 2079 | Ba1/BB+/BB | | | 1,494 | |
| 4.875% 03 Oct 2078 | Ba1/BB+/BB | | | 1,195 | |
| 1.5% Cnv 12 Mar 2022 | NR/NR/NR | | | 512 | |
| | | | | 5,921 | 1.6 |
| Virgin Media O2 | | Telecommunications | UK | | |
| 4% 31 Jan 2029 (SNR) | Ba3/BB-/BB | | | 3,758 | |
| 5% 15 Apr 2027 (SNR) | Ba3/BB-/BB | | | 1,038 | |
| 4.25% 15 Jan 2030 (SNR) | Ba3/BB-/BB | | | 995 | |
| | | | | 5,791 | 1.6 |
| Telecom Italia | | Telecommunications | Italy | | |
| 5.303% 30 May 2024 | Ba2/BB+/BB | | | 2,771 | |
| 7.721% 04 Jun 2038 | Ba2/BB+/BB | | | 1,970 | |
| 5.25% 17 Mar 2055 | Ba2/BB+/BB | | | 1,046 | |
| | | | | 5,787 | 1.6 |
| NatWest | | Financials | UK | | |
| 2.62788% FRN Perpetual | Ba2/BB-/BB | | | 2,888 | |
| 8.625% FRN Perpetual | Ba2u/B+/BB | | | 1,739 | |
| 8% Cnv FRN Perpetual | Ba2u/B+/BB | | | 1,028 | |
| | | | | 5,655 | 1.6 |
| Ziggo Bond Finance | | Telecommunications | Netherlands | | |
| 6% 15 Jan 2027 (SNR) | B3/B-/B | | | 3,784 | |
| 3.375% 28 Feb 2030 (SNR) | B3/B-/B | | | 1,226 | |
| Ziggo Bond Finance | B1/B+/B | | | 488 | |
| | | | | 5,498 | 1.5 |
| Banco BPM | | Financials | Italy | | |
| 5% FRN 14 Sep 2030 | B1/NR/B | | | 3,282 | |
| 8.75% FRN Perpetual | B3/NR/B | | | 1,761 | |
| | | | | 5,043 | 1.4 |
| Arqiva Broadcast Finance | | Telecommunications | UK | | |
| 6.75% 30 Sep 2023 | B1/NR/B | | | 5,030 | 1.4 |
| DKT Finance | | Financials | Denmark | | |
| 9.375% 17 Jun 2023 (SNR) | Caa1/CCC+/CCC | | | 3,189 | |
| 7% 17 Jun 2023 (SNR) | Caa1/CCC+/CCC | | | 1,832 | |
| | | | | 5,021 | 1.4 |
| Petra Diamonds | | Basic Materials | UK | | |
| 10.5% 08 Mar 2026 | Caa2/B-/CCC | | | 3,050 | |
| Common Stock | NR/NR/NR | | | 1,682 | |
| | | | | 4,732 | 1.3 |
| Banco Santander | | Financials | Spain | | |
| 6.25% FRN Perpetual | Ba1/NR/BB | | | 4,335 | |
| 4.375% FRN Perpetual | Ba1/NR/BB | | | 354 | |
| | | | | 4,689 | 1.3 |
| Virgin Money | | Financials | UK | | |
| 8.75% FRN Perpetual | Ba2/B/BB | | | 3,685 | |
| 9.25% Perpetual | Ba2u/B/BB | | | 967 | |
| | | | | 4,652 | 1.3 |
| Co-Operative Bank | | Financials | UK | | |
| 9.5% FRN 25 Apr 2029 | Caa1/NR/CCC | | | 3,411 | |
| 5.125% 17 May 2024 (SNR) | NR/BB/BB | | | 977 | |
| | | | | 4,388 | 1.2 |

Thirty Largest Investments (continued)

| Issuer/issue | Rating ⁽¹⁾ | Industry | Country of Incorporation | Market Value £'000 | % of Portfolio |
|------------------------------|-----------------------|-------------------|--------------------------|-----------------------|----------------|
| Eléctricité De France | | Utilities | France | | |
| 6% Perpetual | Baa3/BB-/BBB | | | 2,902 | |
| 5.875% Perpetual | Baa3/BB-/BBB | | | 1,361 | |
| | | | | 4,263 | 1.2 |
| Clarios | | Basic Materials | USA | | |
| 8.5% 15 May 2027 (SNR) | Caa1/CCC+/CCC | | | 4,014 | |
| 6.75% 15 May 2025 (SNR) | B1/B/B | | | 107 | |
| | | | | 4,121 | 1.1 |
| Ford | | Consumer Goods | USA | | |
| 2.748% 14 Jun 2024 (SNR) | Ba2/BB+/BB | | | 1,809 | |
| 9% 22 Apr 2025 (SNR) | Ba2/BB+/BB | | | 1,157 | |
| 8.5% 21 Apr 2023 (SNR) | Ba2/BB+/BB | | | 974 | |
| | | | | 3,940 | 1.1 |
| Picard | | Consumer Services | France | | |
| FRN 30 Nov 2023 | B3/B/B | | | 2,247 | |
| 3.875% 01 Jul 2026 (SNR) | NR/NR/NR | | | 1,640 | |
| | | | | 3,887 | 1.0 |
| Pension Insurance | | Financials | UK | | |
| 7.375% FRN Perpetual | NR/NR/BBB | | | 3,844 | 1.0 |
| Deutsche Bank | | Financials | Germany | | |
| 5.625% FRN 19 May 2031 | Ba2/BB+/BB | | | 2,030 | |
| 7.125% 30 Apr 2070 | B1/BB-/BB | | | 1,748 | |
| | | | | 3,778 | 1.0 |
| Tesla | | Consumer Goods | USA | | |
| 5.3% 15 Aug 2025 | B1/BB/B | | | 3,730 | 1.0 |
| Algeco Scotsman | | Consumer Services | UK | | |
| 8% 15 Feb 2023 (SNR) | B2/B-/B | | | 2,468 | |
| 10% 15 Aug 2023 (SNR) | Caa1/CCC/CCC | | | 1,143 | |
| | | | | 3,611 | 1.0 |
| Burger King France | | Consumer Services | France | | |
| 8% 15 Dec 2022 (SNR) | NR/CCC/CCC | | | 2,483 | |
| FRN 01 May 2023 | B3/B-/B | | | 893 | |
| 6% 01 May 2024 (SNR) | B3/B-/B | | | 209 | |
| | | | | 3,585 | 1.0 |
| XPO Logistics | | Industrials | USA | | |
| 6.125% 01 Sep 2023 | Ba3/BB-/BB | | | 1,951 | |
| 6.25% 01 May 2025 (SNR) | Ba3/BB-/BB | | | 1,588 | |
| | | | | 3,539 | 1.0 |
| Commerzbank | | Financials | Germany | | |
| 6.125% FRN Perpetual | Ba2/BB-/BB | | | 2,461 | |
| 4% FRN 05 Dec 2030 | Baa3/BB+/BB | | | 570 | |
| 8.125% 19 Sep 2023 | Baa3/BB+/BB | | | 494 | |
| | | | | 3,525 | 0.9 |
| Top 30 Investments | | | | 159,490 | 43.7 |
| Other investments | | | | 205,556 | 56.3 |
| Total investments | | | | 365,046 | 100.0 |

⁽¹⁾ Moody's/Standard & Poor's (S&P)/Equivalent average rating.

Governance

Related Parties

Note 23 of the Company's 2020 annual financial report gives details of related party transactions. The basis of these has not changed for the six months being reported. The 2020 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 are prepared on a going concern basis. The Directors consider that going concern is the appropriate basis as they have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. In reaching this conclusion, the Directors have taken into account the Company's annual shareholder continuation vote, investment objective, its risk management policies, the diversified nature of its investment portfolio, the liquidity of its investments which could be used to meet short-term funding commitments, and the ability of the Company to meet all of its liabilities and ongoing expenses from its assets.

Bond Rating Analysis

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 71 of the Company's 2020 annual financial report.

| Rating | 30 June 2021 | | 31 December 2020 | |
|------------------------------|--------------|-------------------------|------------------|-------------------------|
| | Portfolio | % of Cumulative Total % | Portfolio | % of Cumulative Total % |
| Investment Grade: | | | | |
| A | 0.9 | 0.9 | 1.2 | 1.2 |
| BBB+ | 2.8 | 3.7 | 3.7 | 4.9 |
| BBB | 6.4 | 10.1 | 6.3 | 11.2 |
| BBB- | 6.3 | 16.4 | 7.6 | 18.8 |
| Non-investment Grade: | | | | |
| BB+ | 9.8 | 26.2 | 9.6 | 28.4 |
| BB | 8.0 | 34.2 | 6.8 | 35.2 |
| BB- | 16.6 | 50.8 | 16.9 | 52.1 |
| B+ | 7.3 | 58.1 | 7.7 | 59.8 |
| B | 15.4 | 73.5 | 13.8 | 73.6 |
| B- | 10.2 | 83.7 | 6.4 | 80.0 |
| CCC+ | 5.2 | 88.9 | 6.6 | 86.6 |
| CCC | 2.6 | 91.5 | 4.7 | 91.3 |
| CCC- | 0.9 | 92.4 | 1.0 | 92.3 |
| CC | 1.3 | 93.7 | 0.4 | 92.7 |
| D | 1.2 | 94.9 | 0.7 | 93.4 |
| NR* (including equity) | 5.1 | 100.0 | 6.6 | 100.0 |
| | 100.0 | | 100.0 | |
| Summary of Analysis | | | | |
| Investment Grade | 16.4 | | 18.8 | |
| Non-investment Grade | 78.5 | | 74.6 | |
| NR (including equity) | 5.1 | | 6.6 | |
| | 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.

Tim Scholefield
Chairman

23 August 2021

Condensed Income Statement

FOR THE SIX MONTHS ENDED

| | 30 June 2021 | | | 30 June 2020 | | |
|----------------------------------------------------------------|------------------|------------------|--------------------|------------------|------------------|--------------------|
| | Revenue £'000 | Capital £'000 | Total £'000 | Revenue £'000 | Capital £'000 | Total £'000 |
| Profit/(loss) on investments held at fair value - note 6 | - | 2,383 | 2,383 | - | (3,272) | (3,272) |
| Profit/(loss) on derivative instruments - currency hedges | - | 1,968 | 1,968 | - | (5,980) | (5,980) |
| Exchange differences | - | (56) | (56) | - | (726) | (726) |
| Income - note 2 | 7,104 | - | 7,104 | 5,952 | - | 5,952 |
| Investment management fees - note 3 | (411) | (411) | (822) | (427) | (230) | (657) |
| Other expenses | (247) | (1) | (248) | (327) | (2) | (329) |
| Profit/(loss) before finance costs and taxation | 6,446 | 3,883 | 10,329 | 5,198 | (10,210) | (5,012) |
| Finance costs - note 3 | 10 | 10 | 20 | (2) | (1) | (3) |
| Profit/(loss) before taxation | 6,456 | 3,893 | 10,349 | 5,196 | (10,211) | (5,015) |
| Taxation - note 4 | (8) | - | (8) | (9) | - | (9) |
| Profit/(loss) after taxation | 6,448 | 3,893 | 10,341 | 5,187 | (10,211) | (5,024) |
| Return per ordinary share | 5.52p | 3.33p | 8.85p | 5.12p | (10.08)p | (4.96)p |
| Weighted average number of ordinary shares in issue | | | 116,880,939 | | | 101,364,693 |

The total column of this statement represents 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. 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. On 19 May 2021 the Company acquired the assets of Invesco Enhanced Income Limited. No other 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 2021 | | | | |
| At 31 December 2020 | 167,234 | 26,225 | 4,216 | 197,675 |
| Total comprehensive income for the period | - | 3,893 | 6,448 | 10,341 |
| Dividends paid - note 5 | - | - | (5,088) | (5,088) |
| Net proceeds from issue of new shares - note 7 | 130,236 | - | - | 130,236 |
| Cost of shares issued in respect of the merger | (144) | - | - | (144) |
| At 30 June 2021 | 297,326 | 30,118 | 5,576 | 333,020 |
| For the six months ended 30 June 2020 | | | | |
| At 31 December 2019 | 164,013 | 24,290 | 3,883 | 192,186 |
| Total comprehensive loss for the period | - | (10,211) | 5,187 | (5,024) |
| Dividends paid - note 5 | (49) | - | (5,005) | (5,054) |
| Net proceeds from issue of new shares - note 7 | 3,271 | - | - | 3,271 |
| At 30 June 2020 | 167,235 | 14,079 | 4,065 | 185,379 |

Condensed Balance Sheet

| | At 30 June 2021 £'000 | At 31 December 2020 £'000 |
|-------------------------------------------------------------|--------------------------------|------------------------------------|
| Non-current assets | | |
| Investments held at fair value through profit or loss | 365,046 | 202,229 |
| Current assets | | |
| Derivative financial instruments - unrealised net profit | - | 3,175 |
| Amounts due from brokers | 304 | - |
| Prepayments and accrued income | 6,410 | 3,334 |
| Cash and cash equivalents | 10,553 | 2,940 |
| | 17,267 | 9,449 |
| Current liabilities | | |
| Amounts due to brokers | (12,771) | - |
| Bank overdraft | (267) | - |
| Accruals | (528) | (463) |
| Derivative financial instruments - unrealised net loss | (1,199) | - |
| Securities sold under agreements to repurchase | (34,528) | (13,540) |
| | (49,293) | (14,003) |
| Net current liabilities | (32,026) | (4,554) |
| Net assets | 333,020 | 197,675 |
| Capital and reserves | | |
| Stated capital | 297,326 | 167,234 |
| Capital reserve | 30,118 | 26,225 |
| Revenue reserve | 5,576 | 4,216 |
| Shareholders' funds | 333,020 | 197,675 |
| Net asset value per ordinary share | 197.55p | 194.29p |
| Number of shares in issue at the period end - note 7 | 168,577,596 | 101,741,204 |

Condensed Statement of Cash Flows

| | Six months to 30 June 2021 £'000 | Six months to 30 June 2020 £'000 | |
|---------------------------------------------------------------------------------|-------------------------------------------|-------------------------------------------|--------------------------------|
| Cash flow from operating activities | | | |
| Profit/(loss) before finance costs and taxation | 10,329 | (5,012) | |
| Tax on overseas income | (8) | (9) | |
| Adjustment for: | | | |
| Purchases of investments | (45,102) | (60,978) | |
| Sales of investments | 39,896 | 43,501 | |
| | (5,206) | (17,477) | |
| Increase from securities sold under agreements to repurchase | 388 | 13,202 | |
| (Profit)/loss on investments held at fair value | (2,383) | 3,272 | |
| Net movement from derivative instruments - currency hedges | 5,103 | 2,281 | |
| Increase in receivables | (17) | (423) | |
| Increase/(decrease) in payables | 62 | (36) | |
| Net cash inflow/(outflow) from operating activities | 8,268 | (4,202) | |
| Cash flow from investing activities | | | |
| Net cash acquired following merger - note 7 | 4,287 | - | |
| Net cash inflow from investing activities | 4,287 | - | |
| Cash flow from financing activities | | | |
| Finance costs received/(paid) ⁽¹⁾ | 23 | (3) | |
| Shares bought back and held in treasury | - | 3,466 | |
| Dividends paid - note 5 | (5,088) | (5,054) | |
| Share issue costs associated with the merger - note 7 | (144) | - | |
| Net cash outflow from financing activities | (5,209) | (1,591) | |
| Net increase/(decrease) in cash and cash equivalents | 7,346 | (5,793) | |
| Cash and cash equivalents at the start of the period | 2,940 | 8,321 | |
| Cash and cash equivalents at the end of the period | 10,286 | 2,528 | |
| Reconciliation of cash and cash equivalents to the Balance Sheet is as follows: | | | |
| Cash held at custodian | 1,133 | 2,238 | |
| Invesco Liquidity Funds plc - Sterling | 9,420 | 290 | |
| Bank overdraft | (267) | - | |
| Cash and cash equivalents | 10,286 | 2,528 | |
| Cash flow from operating activities includes: | | | |
| Dividends received | 120 | 269 | |
| Interest received | 4,322 | 5,250 | |
| | | | |
| | At 1 January 2021 £'000 | Cash flows £'000 | At 30 June 2021 £'000 |
| Reconciliation of net debt: | | | |
| Cash and cash equivalents | 2,940 | 7,613 | 10,553 |
| Bank overdraft | - | (267) | (267) |
| Securities sold under agreements to repurchase ⁽²⁾ | (13,540) | (20,988) | (34,528) |
| Total | (10,600) | (13,642) | (24,242) |

(1) Finance costs received relate to the negative interest rates on the Euro denominated financing of securities sold under agreements to repurchase (Repo financing).

(2) Securities sold under agreements to repurchase (Repo financing) include £20,600,000 transferred from Invesco Enhanced Income Limited on 19 May 2021.

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 2020 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, issued by the Association of Investment Companies in April 2021 ('SORP').

The revised SORP issued in April 2021 is applicable for accounting periods beginning on or after 1 January 2021. The SORP has no substantive changes but has been updated to reflect changes to IFRS standards and regulatory requirements. No accounting policies or disclosures have changed as a result of the adoption of the revised SORP.

Issue of Shares Pursuant to a Scheme of Reconstruction of Invesco Enhanced Income Limited ("merger")

On 19 May 2021, City Merchants High Yield Trust Limited ('CMHY') issued new ordinary shares to shareholders of Invesco Enhanced Income Limited ('IPE') in consideration for the receipt by CMHY of assets pursuant to a scheme of reconstruction and liquidation of IPE. The enlarged Company was renamed Invesco Bond Income Plus Limited following the transaction. Further details of the scheme, and background to it, are provided in the market announcement on 22 April 2021.

The Directors have considered the substance of the assets and activities of IPE in determining whether this acquisition represents the acquisition of a business. In this case the acquisition is not judged to be an acquisition of a business, and therefore has not been treated as a business combination. Rather, the cost to acquire the assets and liabilities of IPE has been allocated between the acquired identifiable assets and liabilities based on their relative fair values on the acquisition date without attributing any amount to goodwill or to deferred taxes. Investments, accrued income, and cash were transferred from IPE, together with the obligation to purchase securities sold under repurchase agreements ('repo financing'), including accrued interest thereon. All assets apart from the repos were transferred at fair value, with the liability associated with the repo recognised at amortised cost, being the capital amounts owing under the repo financing arrangements. These assets have been recognised in stated capital, as disclosed in note 7 of the financial statements. Direct costs in respect of the shares issued have been recognised in stated capital, whereas other professional costs in relation to the merger have been recognised as transaction costs included within profit/(loss) on investments held at fair value.

2. Income

| | Six months to 30 June 2021 £'000 | Six months to 30 June 2020 £'000 |
|---------------------------------------|-------------------------------------------|-------------------------------------------|
| Income from investments: | | |
| UK dividends | 99 | 224 |
| UK investment income - interest | 2,482 | 2,310 |
| Overseas dividends | 33 | 53 |
| Overseas investment income - interest | 4,490 | 3,363 |
| Deposit interest | - | 2 |
| | 7,104 | 5,952 |

3. Management Fee and Finance costs

Investment management fees and finance costs are allocated 50% capital and 50% revenue (2020: 35% to capital and 65% to revenue) with effect from 1 January 2021.

Following the merger and with effect from 19 May 2021 the management fee has been reduced from an annual fee of 0.75% to 0.65% of total assets less current liabilities, which remains payable quarterly at the reduced rate of 0.1625% (previously 0.1875%) in arrears at the end of each quarter.

In addition, and with effect from 19 May 2021, the Manager's administration fee was removed which was paid based on an initial fee of £22,500 plus RPI increases per annum. A fixed fee of £45,000 per annum is now payable to the Manager for marketing services on behalf of the Company.

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% (2020: 0%). The overseas tax charge consists of irrecoverable withholding tax.

5. Dividends paid on Ordinary Shares

| | Six months to 30 June 2021 | | Six months to 30 June 2020 | |
|-------------------------------------------------|-------------------------------|-------|-------------------------------|-------|
| | pence | £'000 | pence | £'000 |
| Interim dividends in respect of previous period | 2.50 | 2,544 | 2.50 | 2,513 |
| First interim dividend | 2.50 | 2,544 | 2.50 | 2,541 |
| | 5.00 | 5,088 | 5.00 | 5,054 |

Dividends paid in the period have been charged to revenue (six months to 30 June 2020: £49,000 charged to stated capital). This amount charged to stated capital in the prior period is equivalent to the income accrued on the new shares issued in the period (see note 7)

A second interim dividend of 2.75p (2020: 2.50p) has been declared and will be paid on 18 August 2021 to ordinary shareholders on the register on 15 July 2021.

6. Profit and loss on investments held at fair value - Merger transaction costs

Professional costs, associated with acquisition of assets from the merger with Invesco Enhanced Income Limited, of £544,000 have been recognised as a transaction cost and included within profit/(loss) on investments held at fair value within the condensed income statement.

7. Stated Capital, including Movements

Allotted ordinary shares of no par value.

| | Six months to 30 June 2021 | Year to 31 December 2020 |
|-------------------------------------------------------------------------|----------------------------------|--------------------------------|
| Stated capital: | | |
| Brought forward | £167,234,000 | £164,013,000 |
| Net proceeds from shares issued | - | £3,271,000 |
| Net proceeds from shares issued in respect of the merger ⁽¹⁾ | £130,092,000 | - |
| Dividend paid from stated capital | - | £(50,000) |
| Carried forward | £297,326,000 | £167,234,000 |
| Number of ordinary shares: | | |
| Brought forward | 101,741,204 | 100,041,204 |
| Issued in the period | 66,836,392 | 1,700,000 |
| Carried forward | 168,577,596 | 101,741,204 |
| Per share: | | |
| - average issue price | 194.86p | 194.91p |

On 19 May 2021 and following a contractual scheme of reconstruction, 66,836,392 new ordinary shares were issued to all shareholders of Invesco Enhanced Income Limited, in lieu of their investment in that company. The consideration received for the issue of the new ordinary shares are set out below:

| | £'000 |
|-----------------------------------------------------------------|----------|
| Investments | 142,754 |
| Cash | 4,287 |
| Currency forwards contracts outstanding | 729 |
| Accrued income | 3,066 |
| Securities sold under agreements to repurchase (Repo financing) | (20,600) |
| Net assets acquired ⁽¹⁾ | 130,236 |

No shares have been issued since the period end.

(1) The difference of £144,000 between net assets acquired of £130,236,000 and net proceeds from shares issued in respect of the merger of £130,092,000 relates to share issue costs.

8. Classification Under Fair Value Hierarchy

Note 20 of the 2020 annual financial report sets out the basis of classification.

There were no Level 3 holdings at any period end, and the total (not shown) is therefore the aggregated of Level 1 and Level 2.

| | At 30 June 2021 | | At 31 December 2020 | |
|-------------------------------------------------------------------------------|------------------|------------------|---------------------|------------------|
| | Level 1 £'000 | Level 2 £'000 | Level 1 £'000 | Level 2 £'000 |
| <i>Financial assets designated at fair value through profit or loss:</i> | | | | |
| - Fixed interest securities ⁽¹⁾ | - | 355,332 | - | 195,835 |
| - Convertibles | - | 2,084 | - | 2,016 |
| - Preference | 3,447 | - | 3,339 | - |
| - Equities | 4,183 | - | 1,039 | - |
| - Derivative financial instruments: Currency hedges | - | - | - | 3,175 |
| Total for financial assets | 7,630 | 357,416 | 4,378 | 201,026 |
| <i>Financial liabilities designated at fair value through profit or loss:</i> | | | | |
| - Derivative financial instruments: Currency hedges | - | (1,199) | - | - |
| Total for financial liabilities | - | (1,199) | - | - |

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

9. Status of Half-Yearly Financial Report

The financial information contained in this half-yearly 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 2021 and the half year ended 30 June 2020 has not been audited. The figures and financial information for the year ended 31 December 2020 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

23 August 2021

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 to 30 June 2021 and the year ended 31 December 2020. The APMs listed here are widely used in reporting within the investment company sector and consequently aid comparability.

(Discount)/Premium (APM)

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. Conversely, 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. In this half-yearly financial report the discount is expressed as a percentage of the net asset value per share and is calculated according to the formula set out below. 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.

| | | 30 June 2021 | 31 December 2020 |
|---------------------------|---------------|-----------------|---------------------|
| Share price | a | 191.00p | 189.75p |
| Net asset value per share | b | 197.55p | 194.29p |
| Discount | $c = (a-b)/b$ | (3.3)% | (2.3)% |

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 2021 £'000 | 31 December 2020 £'000 |
|-----------------------------------------------------------------|-----------|--------------------------|------------------------------|
| Securities sold under agreements to repurchase (Repo financing) | | 34,528 | 13,540 |
| Bank overdraft | | 267 | - |
| Gross borrowings | a | 34,795 | 13,540 |
| Net asset value | b | 333,020 | 197,675 |
| Gross gearing | $c = a/b$ | 10.4% | 6.8% |

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 2021 £'000 | 31 December 2020 £'000 |
|-----------------------------------------------------------------|-----------|--------------------------|------------------------------|
| Securities sold under agreements to repurchase (Repo financing) | | 34,528 | 13,540 |
| Bank overdraft | | 267 | - |
| Less: cash and cash equivalents | | (10,553) | (2,940) |
| Net borrowings | a | 24,242 | 10,600 |
| Net asset value | b | 333,020 | 197,675 |
| Net gearing | $c = a/b$ | 7.3% | 5.4% |

Glossary of Terms and Alternative Performance Measures (continued)

Merger

Refers to the issue of new shares, by the Company, in exchange for assets acquired pursuant to a contractual scheme of reconstruction of Invesco Enhanced Income Limited as announced on 22 April 2021 and completed on 19 May 2021.

Net Asset Value (NAV)

Also described as shareholder's 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.

Capital Return

Reflects the return on NAV, from the increase and decrease in the value of investments, but excluding any dividends reinvested.

Net Asset Value Total Return (APM)

Total return on net asset value per share, 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.

| | | Net Asset Value | Share Price |
|-------------------------------------------------|----------------|-----------------|-------------|
| Six Months Ended 30 June 2021 | | | |
| As at 30 June 2021 | | 197.55p | 191.00p |
| As at 31 December 2020 | | 194.29p | 189.75p |
| Change in period | a | 1.7% | 0.7% |
| Impact of dividend reinvestments ⁽¹⁾ | b | 2.6% | 2.6% |
| Total return for the period | c = a+b | 4.3% | 3.3% |
| Year Ended 31 December 2020 | | | |
| As at 31 December 2020 | | 194.29p | 189.75p |
| As at 31 December 2019 | | 192.11p | 197.00p |
| Change in year | a | 1.1% | -3.7% |
| Impact of dividend reinvestments ⁽¹⁾ | b | 5.8% | 5.5% |
| Total return for the year | c = a+b | 6.9% | 1.8% |

(1) Total dividends paid during the period of 5.00p (30 June 2020: 5.00p; 31 December 2020: 10.00p) 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 Committee Chair)
Stuart McMaster (resigned 19 May 2021)
Kate Bolsover (Senior Independent Director, appointed 19 May 2021)
Christine Johnson (appointed 19 May 2021)
Caroline Dutot
Tom Quigley

Alternative Investment Fund Manager (Manager)

Invesco Fund Managers Limited
Perpetual Park, Perpetual Park Drive
Henley-on-Thames, Oxfordshire RG9 1HH
☎ 01491 417 000
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

JTC Fund Solutions (Jersey) Limited
28 Esplanade, St. Helier, Jersey JE2 3QA
Company Secretarial Contact: Hilary Jones
☎ 01534 700000
Registered in Jersey: Number 109714

General Data Protection Regulation

The Company's privacy notice can be found at:
www.invesco.co.uk/bips

Corporate Broker

Winterflood Investment Trusts
The Atrium Building, Cannon Bridge
25 Dowgate Hill, London EC4R 2GA

Independent Auditor

PricewaterhouseCoopers CI LLP
37 Esplanade, St Helier, Jersey JE1 4XA

Depository, Custodian & Banker

The Bank of New York Mellon (International) Limited
One Canada Square
London E14 5AL

Invesco Client Services

Invesco has a Client Services Team available from 8.30am to 6pm, Monday to Friday (excluding UK bank holidays). Please note that the Team cannot give investment advice.
☎ 0800 085 8677
www.invesco.co.uk/investmenttrusts

Registrar

Link Market Services (Jersey) Limited
12 Castle Street, St. Helier, Jersey JE2 3RT

If you hold your shares directly and have any queries you should contact the registrar on: ☎ 0371 664 0300

Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the UK will be charged at the applicable international rate.

Lines are open 9am to 5.30pm, Monday to Friday, excluding Public Holidays in England and Wales.

Shareholders can also access their holding details via Link's website at:
www.signalshares.com

Dividend Re-Investment Plan

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

The Company's shares qualify to be considered as a mainstream product suitable for promotion to retail investors.

Be ScamSmart

Investment scams are designed to look like genuine investments

Spot the warning signs

Have you been:

- contacted out of the blue
- promised tempting returns and told the investment is safe
- called repeatedly, or
- told the offer is only available for a limited time?

If so, you might have been contacted by fraudsters.

Avoid investment fraud

1 Reject cold calls

If you've received unsolicited contact about an investment opportunity, chances are it's a high risk investment or a scam. You should treat the call with extreme caution. The safest thing to do is to hang up.

2 Check the FCA Warning List

The FCA Warning List is a list of firms and individuals we know are operating without our authorisation.

3 Get impartial advice

Think about getting impartial financial advice before you hand over any money. Seek advice from someone unconnected to the firm that has approached you.

Remember: if it sounds too good to be true, it probably is!

Report a Scam

If you suspect that you have been approached by fraudsters please tell the FCA using the reporting form at www.fca.org.uk/consumers/report-scam-unauthorised-firm. You can also call the FCA Consumer Helpline on **0800 111 6768**

If you have lost money to investment fraud, you should report it to Action Fraud on 0300 123 2040 or online at www.actionfraud.police.uk

Find out more at www.fca.org.uk/scamsmart

