

Invesco Sterling Bond Fund

Z-QD Shares

29 February 2024

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

Summary of fund objective

The Fund aims to generate income together with long term capital growth. The Fund invest a minimum of 50% of its net assets in debt instruments denominated in Pounds Sterling and may invest up to 50% in non-investment grade debt instruments. For the full objectives and investment policy please consult the current prospectus.

Key facts



Michael Matthews
Managed fund since
April 2006



Tom Hemmant
Managed fund since
October 2023

Share class launch

08 October 2018

Original fund launch ¹

24 January 1997

Legal status

Luxembourg SICAV with UCITS status

Share class currency

GBP

Share class type

Income

Fund size

GBP 725.80 mn

Reference Benchmark ²

ICE BofA Sterling Corporate Total Return Index (GBP)

Bloomberg code

IVSTZQD LX

ISIN code

LU1775982082

Settlement date

Trade Date + 3 Days

Morningstar Rating™

★★★★★

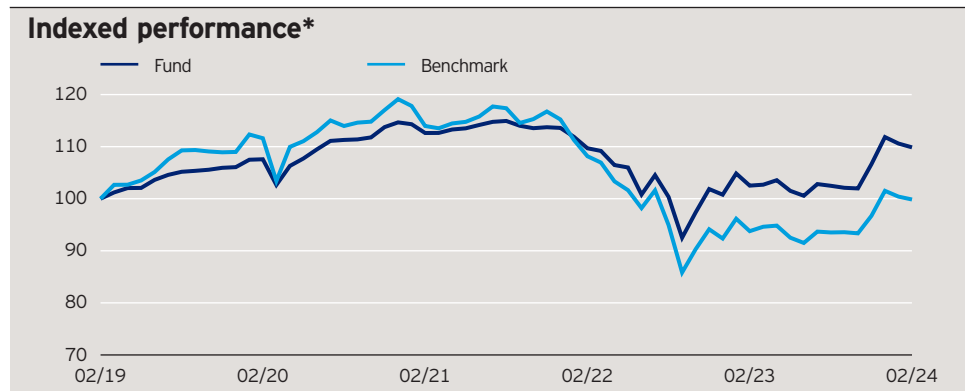
Investment risks

For complete information on risks, refer to the legal documents. The value of investments and any income will fluctuate (this may partly be the result of exchange rate fluctuations) and investors may not get back the full amount invested. Debt instruments are exposed to credit risk which is the ability of the borrower to repay the interest and capital on the redemption date. Changes in interest rates will result in fluctuations in the value of the fund. The fund uses derivatives (complex instruments) for investment purposes, which may result in the fund being significantly leveraged and may result in large fluctuations in the value of the fund. The fund may invest in distressed securities which carry a significant risk of capital loss. The fund may invest extensively in contingent convertible bonds which may result in significant risk of capital loss based on certain trigger events. Investments in debt instruments which are of lower credit quality may result in large fluctuations in the value of the fund.

Fund Strategy

The fund is invested across a broad range of corporate bonds, including some sub-investment grade instruments. The highest allocation by sector is to financials, including subordinated debt. The fund retains a slightly lower level of interest rate risk, compared to the broader sterling investment grade corporate bond market. We also hold some exposure to US dollar denominated corporates. The majority of the currency exposure from this position is hedged back to sterling.

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



Cumulative performance*

in %	YTD	1 month	1 year	3 years	5 years
Fund	-1.77	-0.66	7.17	-2.45	9.86
Benchmark	-1.64	-0.55	6.48	-12.39	-0.15

Calendar year performance*

in %	2019	2020	2021	2022	2023
Fund	8.40	8.11	-0.93	-11.29	10.98
Benchmark	11.42	9.30	-3.27	-19.85	9.92

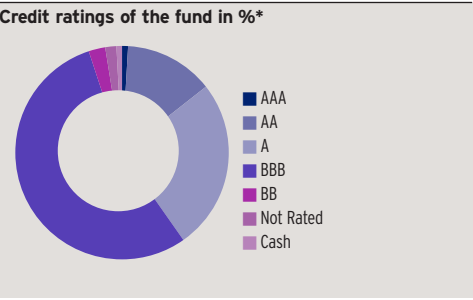
Standardised rolling 12 month performance*

in %	02.14 02.15	02.15 02.16	02.16 02.17	02.17 02.18	02.18 02.19	02.19 02.20	02.20 02.21	02.21 02.22	02.22 02.23	02.23 02.24
Fund	5.85	-0.98	10.36	3.31	1.14	7.58	4.69	-2.60	-6.54	7.17
Benchmark	12.10	-1.95	14.13	1.47	1.79	11.62	2.11	-5.09	-13.31	6.48

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

*Source: © 2024 Morningstar. The performance shown in the chart above up to 5 October 2018 relates to the performance of the Irish-domiciled fund, which was merged into the Luxembourg-domiciled fund on that date. Gross income re-invested to 29 February 2024 unless otherwise stated. All performance data on this factsheet is in the currency of the share class. Reference Benchmark Source: RIMES. The benchmark index is shown for performance comparison purposes only. The Fund does not track the index. Please refer to Page 3 for Important Information.

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NAV and fees

Current NAV
GBP 9.83
12 month price high
GBP 10.04 (27/12/2023)
12 month price low
GBP 9.06 (23/10/2023)
Minimum investment ³
GBP 1,000
Entry charge
Up to 5.00%
Annual management fee
0.38%
Ongoing charges ⁴
0.60%

Top 10 issuers*

(total holdings: 204)	
	in %
UK	6.1
VW	3.2
Natwest	3.0
Barclays	3.0
Lloyds	3.0
JPM	2.9
Santander	2.6
Intesa	2.5
BNP Paribas	2.5
Ford	2.4

Credit ratings*

(average rating: BBB+)	
	in %
AAA	0.9
AA	13.5
A	25.9
BBB	54.7
BB	2.5
Not Rated	1.7
Cash	0.8

Modified duration*

Modified duration	6.6
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Yield %*

Gross Current Yield	4.42
Gross Redemption Yield	5.46

3 year characteristics**

Alpha	2.91
Beta	0.85
Correlation	0.96
Information ratio	1.20
Sharpe ratio	-0.37
Tracking error in %	3.08
Volatility in %	9.40

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

Source: *Invesco. Costs may increase or decrease as result of currency and exchange rate fluctuations. Consult the legal documents for further information on costs. Portfolio weightings and allocations are subject to change. The weightings for each breakdown are rounded to the nearest tenth or hundredth of a percent; therefore, the aggregate weights for each breakdown may not equal 100%. **Morningstar.

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Important Information

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

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

³The minimum investment amounts are: USD 1,500 / EUR 1,000 / GBP 1,000 / CHF 1,500 / SEK 10,000. Please contact us or refer to the most up to date Prospectus for details of minimum investment amounts in other currencies.

⁴The Ongoing Charges figure includes the annual management fee and other administrative or operating costs. It is a percentage of the value of your investment per year. This is an estimate based on actual costs over the last year. It excludes portfolio transaction costs except in the case of an entry or exit charge paid by the Fund when buying or selling shares/units in another fund.

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This is marketing material and not financial advice. It is not intended as a recommendation to buy or sell any particular asset class, security or strategy. Regulatory requirements that require impartiality of investment/investment strategy recommendations are therefore not applicable nor are any prohibitions to trade before publication. Views and opinions are based on current market conditions and are subject to change. The yield shown is expressed as a % per annum of the current NAV of the fund. It is an estimate for the next 12 months, assuming that the fund's portfolio remains unchanged and there are no defaults or deferrals of coupon payments or capital repayments. The yield is not guaranteed. Nor does it reflect any charges. Investors may be subject to tax on distributions. For information on our funds and the relevant risks, refer to the Key Information Documents/Key Investor Information Documents (local languages) and Prospectus (English, French, German, Spanish, Italian), and the financial reports, available from www.invesco.eu. A summary of investor rights is available in English from www.invescomanagementcompany.lu. The management company may terminate marketing arrangements. Not all share classes of this fund may be available for public sale in all jurisdictions and not all share classes are the same nor do they necessarily suit every investor. If investors are unsure if this product is suitable for them, they should seek advice from a financial adviser.

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SFDR (Sustainable Finance Disclosure Regulation)

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

Exclusion Framework

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

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

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

Any investment decision should take into account all the characteristics of the fund as described in the legal documents. For sustainability related aspects, please refer to: <https://www.invescomanagementcompany.lu/lux-manco/literature>.

Invesco's Commitment to ESG

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