# Invesco Monthly Income Plus Fund (UK)

July 2021

**Covering the month of June 2021**

**On 31 August 2020, Rhys Davies became a co-fund manager of the Invesco Monthly Income Plus Fund (UK).**



**Fund managers:** Paul Causer, Rhys Davies & Ciaran Mallon

| Key facts[1] | |
|---|---|
| **Paul Causer** | |
| Managed fund since | February 1999 |
| Industry experience | 37 years |
| Based in | Henley -on- Thames |
| **Rhys Davies** | |
| Managed fund since | August 2020 |
| Industry experience | 18 years |
| Based in | Henley -on- Thames |
| **Ciaran Mallon** | |
| Managed fund since | October 2013 |
| Industry experience | 26 years |
| Based in | Henley -on- Thames |
| Fund launch date | 06 February 1999 |
| Fund size | £2,326.82m |
| Legal status | UK authorised ICVC |
| Yield (Z Accumulation share class) | |
| Distribution yield[2] | 4.57% |
| Underlying yield[2] | 3.85% |
| Income distribution date(s) | Each month end |
| Accounting period ends | 30 April 31 October |
| Available with an ISA? | Yes |

## Benchmark

Benchmark: Investment Association Sterling Strategic Bond Sector*

This is a Comparator Benchmark. Given its asset allocation the Fund's performance can be compared against the Benchmark. However, the Fund is actively managed and is not constrained by any benchmark.

* Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to facilitate comparison between funds with broadly similar characteristics.

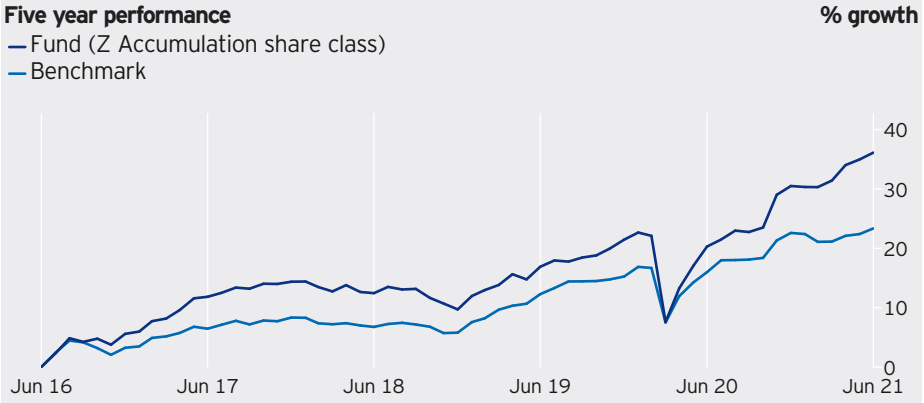
## Fund investment objective and policy

The objective of the Fund is to achieve income and capital growth over the medium to long-term (3 to 5 years plus). The Fund invests at least 80% of its assets in corporate and government debt securities (which may be investment grade, non-investment grade or have no credit rating) and shares of companies globally. The Fund may use derivatives (complex instruments) for investment purposes and to manage the Fund more efficiently, with the aim of reducing risk, reducing costs and/or generating additional capital or income.

## Fund strategy

The fund invests in a portfolio of high yield, investment grade and subordinated bonds. Financials, including subordinated debt, are currently the largest allocation by sector. The fund also has an allocation to equities. 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.

**Five year performance** **% growth**




| Performance | | | | | | % growth |
|---|---|---|---|---|---|---|
| | 1 year | 3 years | 5 years | 5 years ACR* | 10 years | 10 years ACR* |
| Fund (Z Accumulation share class) | 13.16 | 21.07 | 36.13 | 6.36 | 78.85 | 5.98 |
| Benchmark | 6.35 | 15.55 | 23.36 | 4.29 | 57.78 | 4.66 |

*ACR - Annual Compound Return

| Standardised rolling 12-month performance | | | | | % growth |
|---|---|---|---|---|---|
| | 30.06.16 30.06.17 | 30.06.17 30.06.18 | 30.06.18 30.06.19 | 30.06.19 30.06.20 | 30.06.20 30.06.21 |
| Fund (Z Accumulation share class) | 11.84 | 0.54 | 3.96 | 2.91 | 13.16 |
| Benchmark | 6.46 | 0.28 | 5.17 | 3.31 | 6.35 |

**Past performance is not a guide to future returns.** Performance figures are based on the Z Accumulation share class. As this was launched on 12 November 2012, for the periods prior to this launch date, performance figures are based on the income share class, without any adjustment for fees. 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 30 June 2021 unless otherwise stated. Sector average performance is calculated on an equivalent basis. The standardised past performance information is updated on a quarterly basis. Source: Lipper.

| Top 5 bond issuers & equity holdings[1] | % |
|---|---|
| **Bond issuers** | |
| US | 12.21 |
| Lloyds | 5.15 |
| Barclays | 2.97 |
| Nationwide | 2.80 |
| Unicredit | 2.68 |
| **Equity holdings** | |
| Invesco Bond Income Plus | 0.99 |
| General Accident Pfd | 0.83 |
| Co-operative Bank | 0.73 |
| Yew Grove REIT | 0.35 |
| Croda | 0.35 |
| **Total number of holdings** | **426** |

| Asset type breakdown[1] | % |
|---|---|
| Fixed Interest | 86.28 |
| Equities | 8.22 |
| Derivatives | 0.10 |
| Cash | 5.40 |
| **Total** | **100** |

| Credit rating breakdown[1] | % |
|---|---|
| AAA | 13.30 |
| AA | 0.12 |
| A | 0.28 |
| BBB | 18.83 |
| BB | 26.94 |
| B | 14.18 |
| CCC | 6.15 |
| CC | 1.41 |
| Not Rated | 5.06 |
| Equities | 8.22 |
| Derivatives | 0.10 |
| Cash | 5.40 |
| **Total** | **100** |

## 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 securities that the Fund invests in may not always make interest and other payments nor is the solvency of the issuers guaranteed. Market conditions, such as a decrease in market liquidity for the securities in which the Fund invests, may mean that the Fund may not be able to sell those 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.
- The fund may be exposed to counterparty risk should an entity with which the fund does business become insolvent resulting in financial loss.
- 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.
- As a result of COVID-19, markets have seen a noticeable increase in volatility as well as, in some cases, lower liquidity levels; this may continue and may increase these risks in the future.

## Contact information

**Client services**
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www.invesco.co.uk

Telephone calls may be recorded.

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## Important information

[1] All fund portfolio figures within this leaflet are as at 30 June 2021 (source: Invesco).

[2] The yields shown are expressed as % per annum of current NAV of the fund. They are estimates 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. They are not guaranteed. They do not reflect the entry charge of the fund. Investors may be subject to tax on distributions. Cash income is estimated coupons from bonds and, where applicable, estimated dividends from equities.

The distribution yield estimates the cash distribution to the shareholders: in addition to expected cash income, it includes the amortised annual value of unrealised capital gains/losses of current bond holdings, calculated with reference to their historic purchase price and expected redemption value (known as 'effective yield from purchase price' method). The distribution yield for this fund is gross of the ongoing charge, which is charged to capital.

The underlying yield is calculated in the same way as the distribution yield, but is always net of the ongoing charge. The underlying yield for this fund is, therefore, lower than the distribution yield by the amount of the ongoing charge.

Where, in the Manager's judgement, there is significant uncertainty that a bond holding will be redeemed at par, the amortised capital component for that holding is retained in the fund's capital and not distributed. This has the effect of reducing the estimated distribution and underlying yields and the actual distribution rate.

Where individuals or the business have expressed opinions, they are based on current market conditions, they may differ from those of other investment professionals and are subject to change without notice. This document is marketing material and is not intended as a recommendation to invest in 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. The information provided is for illustrative purposes only, it should not be relied upon as recommendations to buy or sell securities.

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 ICVC ISA Terms and Conditions, the Annual or Interim Reports and the Prospectus, which are available using the contact details shown.

## 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.