

Invesco Sterling Bond Fund

A-QD Shares

30 September 2018

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
Henley -on- Thames
Managed fund since
April 2006

Share class launch

14 March 2005

Original fund launch ¹

24 January 1997

Legal status

Mutual Fund - Irish Unit Trust authorised
as UCITS

Share class currency

GBP

Share class type

Income

Fund size

GBP 728.26 mn

Reference index

Mstar GIF OS GBP Diversified Bond

Bloomberg code

INVSBAQ ID

ISIN code

IE00B06BX294

Settlement date

Trade Date + 3 Days

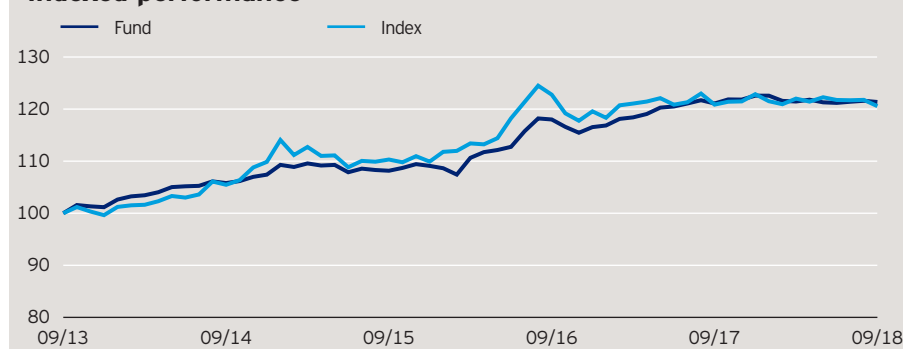
Morningstar Rating™

★★★★

Quarterly fund commentary

The fund will be merged from an Irish to a Luxembourg-domiciled fund vehicle on 5 October 2018. Sterling corporate bonds were negatively affected by rising Gilt yields during the third quarter of 2018. However, after narrowing during July, the premium over Gilts that companies need to pay to borrow in sterling remained relatively constant through August and September. The best performing area of the market was healthcare while services and transportation were the weakest sectors. Performance was strongest for higher yielding corporates with subordinated financials and non-financial high yield bonds both posting positive returns over the three-month period. The subordinated bonds of companies within the financial sector remain the fund's largest sectoral allocation. These are junior bonds within a company's capital structure that may have some equity like characteristics. The two largest non-financial exposures are to the utility and telecom sectors. Interest rate sensitivity (duration) remains low. To benefit from the additional yield currently available, the fund holds around 13% in US dollar denominated bonds. The majority of this exposure is hedged back to sterling. As at 30 September 2018, the fund had a modified duration of 3.9 compared to the sterling corporate bond market, which had a modified duration of 8.0.

Indexed performance*



Data points are as at month end.

Cumulative performance*

in %	YTD	1 month	1 year	3 years	5 years
Fund	-0.99	-0.19	0.24	12.21	21.36
Index	-1.87	-0.99	-0.25	9.29	20.56

Calendar year performance*

in %	2013	2014	2015	2016	2017
Fund	4.67	6.17	1.57	6.83	5.18
Index	-1.48	10.26	0.05	8.78	2.76

Standardised rolling 12 month performance*

in %	30.09.13	30.09.14	30.09.15	30.09.16	30.09.17
Fund	5.79	2.24	9.10	2.60	0.24
Index	5.46	4.60	11.29	-1.55	-0.25

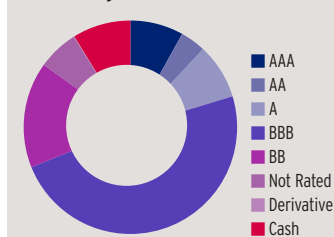
Past performance is not a guide to future returns.

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Credit ratings of the fund in %*



NAV and fees

Current NAV

GBP 2.62

12 month price high

GBP 2.72 (08/11/2017)

12 month price low

GBP 2.62 (25/09/2018)

Minimum investment ²

GBP 1,000

Entry charge

Up to 5.00%

Annual management fee

0.75%

Ongoing charges

0.97% (30/11/2017)

Top 10 issuers*

(total holdings: 193)

	in %
Barclays	5.2
Lloyds	4.0
Vodafone	4.0
Nat West	3.8
Tesco	3.3
EIB	2.8
Santander UK	2.6
John Lewis	2.4
Std Life	2.2
RWE	1.7

Credit ratings*

(average rating: BBB-)

	in %
AAA	8.1
AA	3.9
A	8.4
BBB	48.6
BB	16.0
Not Rated	6.1
Derivative	0.1
Cash	8.8

Modified duration*

in %

Modified duration	3.9
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Yield %*

Gross Current Yield	4.42
Gross Redemption Yield	3.46

3 year characteristics**

Alpha	2.55
Beta	0.44
Correlation	0.64
Information ratio	0.25
Sharpe ratio	1.10
Tracking error in %	3.55
Volatility in %	3.15

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

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Risk Warnings

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 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.

Important Information

¹The Original Fund Launch date shown herein is different from the fund launch date shown in the KIID, as it indicates the launch date of a previous fund that was merged into the fund shown and therefore the track record starts with this previous fund. Further information can be found on our website: www.invescointernational.co.uk.

²The 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.

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