

Invesco Euro Bond Fund

A-SD Shares

30 September 2022

This marketing communication is directed at retail clients in the UK, as well as Professional investors in Jersey, Guernsey and Dubai. Investors should read the legal documents prior to investing.

Summary of fund objective

The Fund is actively managed. The Fund aims to provide long-term capital growth, together with income. The Fund seeks to achieve its objective by investing primarily in a diversified portfolio of debt securities denominated in Euro, issued worldwide by corporations, and governments, supranational bodies, local authorities and national public bodies. For the full objectives and investment policy please consult the current prospectus.

Key facts



Lyndon Man
London
Managed fund since
September 2013



Luke Greenwood
London
Managed fund since
April 2016



Gareth Isaac
London
Managed fund since
April 2020



Thomas Sartain
London
Managed fund since
April 2020

Share class launch

01 August 2007

Original fund launch

01 April 1996

Legal status

Luxembourg SICAV with UCITS status

Share class currency

EUR

Share class type

Income

Fund size

EUR 397.10 mn

Reference Benchmark

Bloomberg Euro Aggregate Total Return Index (EUR)

Bloomberg code

INVPEBA LX

ISIN code

LU0307019926

Settlement date

Trade Date + 3 Days

Morningstar Rating™

★★★

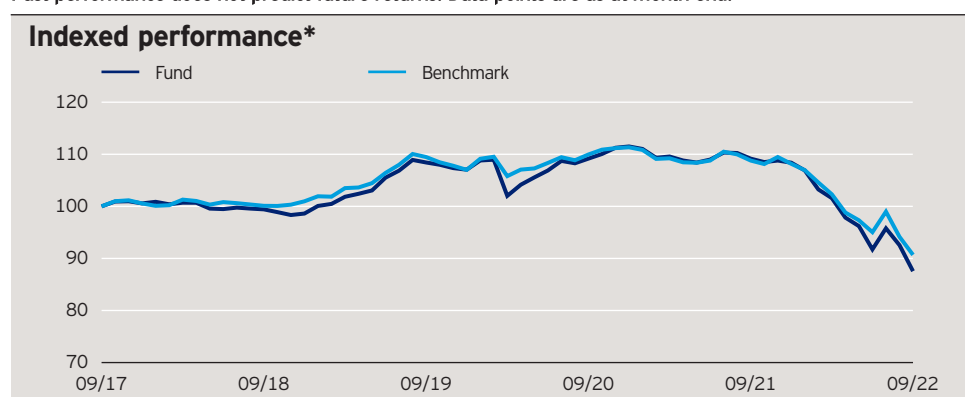
Risk Warnings

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 hold a large amount of Asset Backed Securities (ABS) (complex instruments) as well as other lower quality debt securities which may impact the liquidity of the fund under certain circumstances. 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.

Fund Strategy

The fund is primarily invested in Euro denominated, investment grade government and corporate bonds. It also has the flexibility to invest in non-Euro denominated and high yield bonds. Non-Euro denominated bonds are currency hedged to Euro. Investments in the fund are highly diversified and seek to help in the fund's aim of providing long-term capital growth and income. High yield bonds are typically invested in the subordinated bonds, those repaid after other debts following company liquidation, of high-quality companies and rising star opportunities. Rising stars are bonds which were considered speculative when issued, but have since improved their investment rating.

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	-19.22	-5.40	-19.80	-19.25	-12.45
Benchmark	-16.16	-3.69	-16.65	-17.16	-9.32

Calendar year performance*

in %	2017	2018	2019	2020	2021
Fund	2.31	-1.94	8.54	4.17	-2.80
Benchmark	0.68	0.41	5.98	4.05	-2.85

Standardised rolling 12 month performance*

	09.12	09.13	09.14	09.15	09.16	09.17	09.18	09.19	09.20	09.21	09.22
in %	09.13	09.14	09.15	09.16	09.17	09.18	09.19	09.20	09.21	09.22	
Fund	2.01	12.96	5.32	6.89	-0.38	-0.58	9.05	0.69	-0.01	-19.80	
Benchmark	3.99	9.82	2.67	6.45	-2.29	0.10	9.36	0.45	-1.06	-16.65	

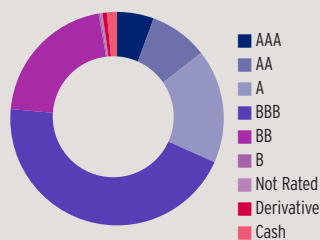
The performance data shown does not take account of the commissions and costs incurred on the issue and redemption of units. Returns may increase or decrease as a result of currency fluctuations. The investment concerns the acquisition of units in a fund and not in a given underlying asset.

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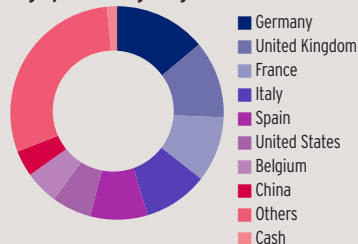
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Credit ratings of the fund in %*



Geographical weightings of the fund in %*



NAV and fees

Current NAV

EUR 5.20

12 month price high

EUR 6.61 (08/12/2021)

12 month price low

EUR 5.19 (29/09/2022)

Minimum investment ¹

EUR 1,000

Entry charge

Up to 5.00%

Annual management fee

0.75%

Ongoing charges ²

1.02%

Credit ratings*

(average rating: BBB+)

	in %
AAA	5.6
AA	8.9
A	17.3
BBB	44.7
BB	20.8
B	0.2
Not Rated	0.4
Derivative	0.6
Cash	1.5

Duration distribution*

(average duration: 6.2)

	in %
0-1 year	19.2
1-3 years	12.6
3-5 years	23.5
5-7 years	8.8
7-10 years	17.5
10-20 years	17.1
20+ years	1.2

Sector weightings*

	in %
Corporate	61.7
Financials	33.8
Industrial	23.9
Utility	3.9
Derivatives	0.6
Fund	0.2
Non-US Govt/Agency	36.0
Cash	1.5

Yield %*

Gross Current Yield	3.20
Gross Redemption Yield	4.88

Geographical weightings*

	in %
Germany	13.9
United Kingdom	11.7
France	9.9
Italy	9.8
Spain	8.7
United States	6.0
Belgium	5.1
China	4.0
Others	29.4
Cash	1.5

Maturity distribution*

	in %
0-3 years	10.7
3-7 years	20.5
7-10 years	13.3
10-15 years	11.0
15+ years	44.5

Currency exposure*

	in %
Euro	99.8
Japanese Yen	1.1
Norwegian Krone	0.1
Danish Krone	0.1
Others	-1.1

3 year characteristics**

Alpha	0.09
Beta	1.14
Correlation	0.92
Information ratio	-0.28
Sharpe ratio	-0.86
Tracking error in %	3.06
Volatility in %	7.55

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

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Important Information

¹The 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.

²The ongoing charges figure is based on expenses for the year ending February 2022. This figure may vary from year to 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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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:

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

*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>.

At Invesco we have looked to put in place minimum safeguards across multiple sub-funds of Invesco Funds (as listed above) to allow them to meet Article 8 requirements of the SFDR Regulation as of 2 November 2021. To be classified as a so-called Article 8 product, the sub-funds need to promote, among other things, environmental and/or social characteristics while also ensuring that investee companies follow good governance practices. In order to meet such requirements, it was determined that we would look to exclude certain activities based on certain thresholds, which may be updated from time to time. For further details please refer to the website of the management company at <https://www.invescomanagementcompany.lu>.

As noted above this is a proprietary framework developed by Invesco in line with Article 8 requirements of the Regulation (EU) 2019/2088 on sustainability. The framework is developed, maintained and monitored by Invesco. In order to assess companies against the noted criteria, Invesco uses a combination of Sustainalytics and ISS (Institutional Shareholder Services) to assess compliance, however, this can be supplemented with other service providers where appropriate. While there is a broad coverage across the various systems, there is no one system that has complete coverage of the entire investment universe. As a result, investment teams will be responsible for conducting an assessment of companies for which data is not available, under the appropriate supervision and oversight of our investment compliance and ESG teams.

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.