

Invesco Emerging Markets Local Debt Fund

Z (EUR Hgd)-AD Shares

28 February 2022

This marketing communication is for Professional investors in Continental European countries as defined in the important information section. Investors should read the legal documents prior to investing. This document may also be used by financial intermediaries in the United States as defined in the important information section.

Summary of fund objective

The Fund is actively managed. The Fund aims to generate income, together with long term capital growth. The Fund seeks to achieve its objective by investing a minimum of 80% of the NAV of the Fund in debt securities of issuers that are economically tied to emerging market countries and which are denominated in local currencies. For the full objectives and investment policy please consult the current prospectus.

Key facts



Hemant Bajjal
New York
Managed fund since
August 2019



Wim Vandenhoeck
New York
Managed fund since
August 2019

Share class launch

20 November 2019

Original fund launch ¹

26 August 2019

Legal status

Luxembourg SICAV with UCITS status

Share class currency

EUR

Share class type

Income

Fund size

USD 797.73 mn

Bloomberg code

IVEMZEH LX

ISIN code

LU2065167392

Settlement date

Trade Date + 3 Days

Risk Warnings

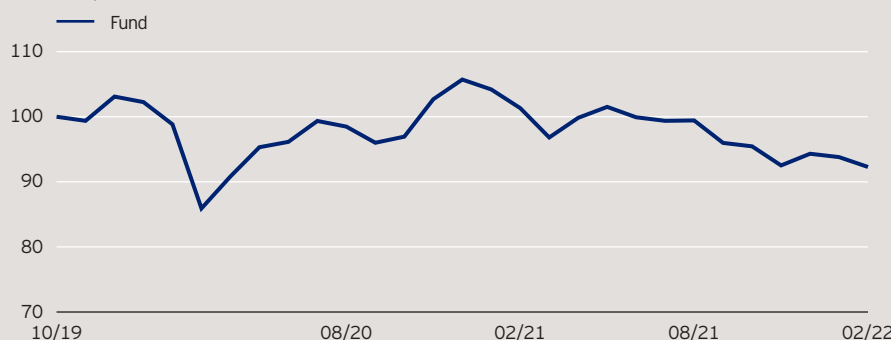
For complete information on risks, refer to the legal documents. The value of investments and any income will fluctuate (this may partly be the result of exchange rate fluctuations) and investors may not get back the full amount invested. Debt instruments are exposed to credit risk which is the ability 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 invest in distressed securities which carry a significant risk of capital loss. As a large portion of the fund is invested in less developed countries, you should be prepared to accept significantly large fluctuations in the value of the fund. The fund may invest in certain securities listed in China which can involve significant regulatory constraints that may affect the liquidity and/or the investment performance of the fund. 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 manager believes the key to better absolute and risk-adjusted returns in emerging markets is combining top-down macroeconomic analysis and bottom-up country analysis to allocate risk across interest rates and foreign currencies. With an investment horizon of 9 to 18 months, the fund manager believes that while the macroeconomic base case changes slowly, market pricing changes more rapidly, providing opportunities to take advantage of shifting risk premia.

Past performance does not predict future returns. Each period starts at the end of the indicated month. The first indicated month may not represent a full month and may start only on the launch/restructuring date indicated in the headline.

Indexed performance 20 November 2019 - 28 February 2022*



Cumulative performance*

in %	YTD	1 year	3 years	5 years	Since inception
Fund	-2.15	-8.92	-	-	-7.72

Calendar year performance*

in %	2017	2018	2019	2020	2021
Fund	-	-	-	2.54	-10.78

Standardised rolling 12 month performance*

in %	02.12	02.13	02.14	02.15	02.16	02.17	02.18	02.19	02.20	02.21	02.22
Fund	-	-	-	-	-	-	-	-	2.52	-8.92	

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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NAV and fees

Current NAV

EUR 8.74

12 month price high

EUR 9.75 (09/06/2021)

12 month price low

EUR 8.71 (26/11/2021)

Minimum investment ²

EUR 1,000

Entry charge

Up to 5.00%

Annual management fee

0.6%

Ongoing charges ³

0.73%

Credit ratings*

(average rating: BBB)

	in %
AAA	0.6
AA	2.0
A	15.5
BBB	40.4
BB	21.4
B	3.9
Not Rated	9.6
Derivative	-0.5
Cash	7.1

Duration distribution*

(average duration: 5.8)

	in %
0-1 year	7.4
1-3 years	13.2
3-5 years	31.4
5-7 years	21.0
7-10 years	18.3
10-20 years	8.0
20+ years	0.6

Yield %*

Gross Current Yield	5.51
Gross Redemption Yield	6.68

Geographical weightings*

	in %
Mexico	15.4
South Africa	12.3
China	11.4
Malaysia	9.2
Indonesia	8.3
Brazil	7.4
Thailand	7.3
Colombia	5.4
Others	16.2
Cash	7.1

Maturity distribution*

	in %
0-3 years	17.0
3-7 years	47.3
7-10 years	10.1
10-15 years	12.5
15+ years	13.2

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%. **There is currently a discretionary cap on the ongoing charge of 0.73% in place. This discretionary cap may positively impact the performance of the Share Class.**

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Important Information

¹On 21 February 2020, a Luxembourg-domiciled SICAV named Invesco Emerging Local Currencies Debt Fund was merged into Invesco Emerging Markets Local Debt Fund, a sub-fund within the same fund umbrella.

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.

³The ongoing charges figure is based on annualised expenses for the period ending August 2021. 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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Invesco's Commitment to ESG Investing

At Invesco, we've been implementing ESG strategies for more than 30 years, with an approach that is both investor-led and investor-driven. We integrate ESG risk and opportunity factors directly into our investment decisions across asset classes. We believe that incorporating environmental, social and governance (ESG) practices into our investment activities can positively impact the value we provide clients - and help ensure a sustainable environment for future generations.

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	- Severe violations
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: Artic 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

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.