

Invesco Sterling Bond Fund

A-Acc Shares

31 December 2022

This marketing communication is for Professional investors in Continental European countries as defined in the important information section, Malta, Jersey, Guernsey and Dubai. 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 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
08 October 2018

Original fund launch¹
24 January 1997

Legal status
Luxembourg SICAV with UCITS status

Share class currency
GBP

Share class type
Accumulation

Fund size
GBP 671.55 mn

Reference Benchmark
ICE BofA Sterling Corporate Total Return Index (GBP)

Bloomberg code
IVSTBAA LX

ISIN code
LU1775980979

Settlement date
Trade Date + 3 Days

Morningstar RatingTM
★★★★★

Risk and Reward Profile



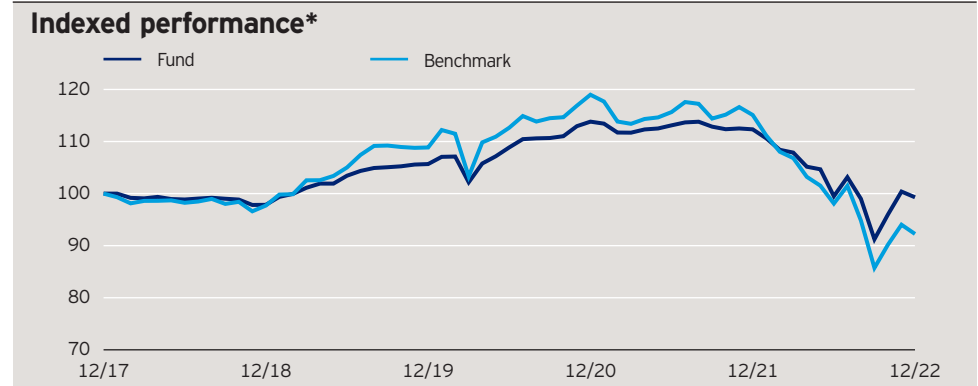
Risk Warnings

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. The fund may invest in contingent convertible bonds which may result in significant risk of capital loss based on certain trigger events. 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. The performance period shown here starts on the last day of the first indicated month and ends on the last day of the last indicated month.



Cumulative performance*

in %	YTD	1 month	1 year	3 years	5 years
Fund	-11.61	-1.09	-11.61	-6.04	-0.71
Benchmark	-19.85	-1.89	-19.85	-15.26	-7.75

Calendar year performance*

in %	2018	2019	2020	2021	2022
Fund	-2.16	8.00	7.71	-1.30	-11.61
Benchmark	-2.30	11.42	9.30	-3.27	-19.85

Standardised rolling 12 month performance*

in %	12.12	12.13	12.14	12.15	12.16	12.17	12.18	12.19	12.20	12.21	12.22
Fund	4.67	6.17	1.57	6.82	5.18	-2.16	8.00	7.71	-1.30	-11.61	
Benchmark	1.76	12.58	0.53	11.91	5.14	-2.30	11.42	9.30	-3.27	-19.85	

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.

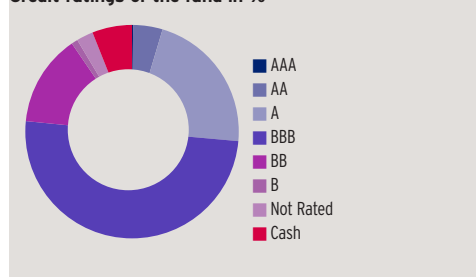
*Source: © 2022 Morningstar. Indexed performance: Performance of an investment of 100 in share class currency. The performance shown in the chart above up to 5 October 2018 relates to the performance of the Irish-domiciled fund, which was merged into the Luxembourg-domiciled fund on that date. Gross income re-invested to 31 December 2022 unless otherwise stated. All performance data on this factsheet is in the currency of the share class. Reference Benchmark Source:-1/4-RIMES. The benchmark index is shown for performance comparison purposes only. The Fund does not track the index.

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A-Acc Shares

31 December 2022

Credit ratings of the fund in %*



NAV and fees

Current NAV

GBP 4.77

12 month price high

GBP 5.38 (04/01/2022)

12 month price low

GBP 4.27 (12/10/2022)

Minimum investment ²

GBP 1,000

Entry charge

Up to 5.00%

Annual management fee

0.75%

Ongoing charges ³

0.98%

Top 10 issuers*

(total holdings: 237)

	in %
Lloyds	3.9
JPM	3.1
Vodafone	3.1
Barclays	3.0
Natwest	3.0
EDF	3.0
BNP Paribas	2.6
Legal & General	2.3
VW	2.1
Intesa	2.0

Credit ratings*

(average rating: BBB)

	in %
AAA	0.2
AA	4.5
A	21.8
BBB	50.1
BB	13.9
B	1.0
Not Rated	2.5
Cash	6.0

Modified duration*

in %

	in %
Modified duration	5.6

Yield %*

Gross Current Yield	4.55
Gross Redemption Yield	5.93

3 year characteristics**

Alpha	1.87
Beta	0.73
Correlation	0.95
Information ratio	0.84
Sharpe ratio	-0.30
Tracking error in %	4.17
Volatility in %	8.83

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

Invesco Sterling Bond Fund

A-Acc Shares

31 December 2022

Important Information

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

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 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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Previous Benchmark: Mstar GIF OS GBP Diversified Bond up to 29 February 2020. 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 marketing communication is not an invitation to subscribe for shares in the fund and is by way of information only, it should not be considered financial advice. Persons interested in acquiring the fund should inform themselves as to (i) the legal requirements in the countries of their nationality, residence, ordinary residence or domicile; (ii) any foreign exchange controls and (iii) any relevant tax consequences. This does not constitute an offer or solicitation by anyone in any jurisdiction in which such an offer is not authorised or to any person to whom it is unlawful to make such an offer or solicitation. As with all investments, there are associated risks. This document is by way of information only. Asset management services are provided by Invesco in accordance with appropriate local legislation and regulations. The fund is available only in jurisdictions where its promotion and sale is permitted. 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. Fee structure and minimum investment levels may vary dependent on share class chosen. Please check the most recent version of the fund prospectus in relation to the criteria for the individual share classes and contact your local Invesco office for full details of the fund registration status in your jurisdiction. Forecasts are not reliable indicators of future performance. The yields shown are expressed as a % per annum of the current NAV of the fund. They are 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. Cash income is estimated coupons from bonds. The gross current yield is an indication of the expected cash income over the next 12 months. The estimated gross redemption yield is a longer-term picture indicating expected annual total return. This means that in addition to expected cash income, it includes the amortised annual value of unrealised capital gains or losses of bond holdings currently held by the fund, calculated with reference to their current market price and expected redemption value made upon maturity of the bonds. Neither of the yields is guaranteed. Nor do they reflect the fund charges or the entry charge of the fund. Investors may be subject to tax on distributions. The yield is not guaranteed and may go down as well as up. For more information on our funds and the relevant risks, please refer to the share class-specific Key Information Documents (available in local language), the Annual or Interim Reports, the Prospectus, and constituent documents, 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. Please be advised that the information provided in this document is referring to the A-Acc Shares exclusively. The Invesco Sterling Bond Fund is domiciled in Luxembourg.

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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.