



Invesco European High Income Fund (UK)

August 2022

Covering the month of July 2022

On 31 December 2021, Alexandra Ivanova became a co-fund manager of the Invesco European High Income Fund (UK). On 19 August 2022, the Invesco European High Income Fund (UK) will be terminated. From 9 May 2022, no investments will be accepted from new investors. The last dealing point for existing investors is 12 noon on 12 August 2022.



Fund managers: Alexandra Ivanova & Stephanie Butcher

Key facts¹

Alexandra Ivanova	
Managed fund since	December 2021
Industry experience	15 years
Based in	Henley -on- Thames
Stephanie Butcher	
Managed fund since	December 2010
Industry experience	28 years
Based in	Henley -on- Thames
Fund launch date	01 May 2008
Fund size	£20.64m
Legal status	UK authorised ICVC
Yield (Z Accumulation share class)	
Historic yield ²	3.95%
Income distribution date(s)	Each month end
Accounting period ends	30 April 31 October
Available with an ISA?	Yes

Benchmark

Benchmark: Investment Association Mixed Investment 20-60% Shares 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.

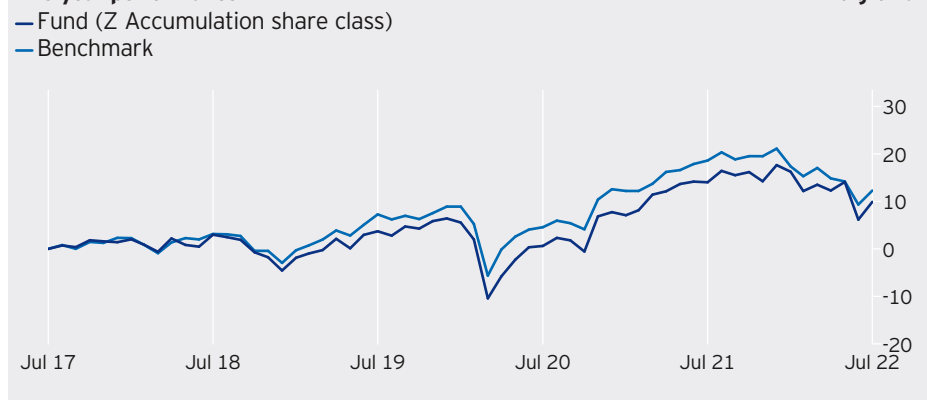
Fund investment objective and policy

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 through a flexible allocation to European government and corporate debt securities (which may be investment grade, non-investment grade or have no credit rating) and shares of European companies. The Fund may invest up to 80% of its assets in debt securities and 60% in shares of companies. 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's bond exposure is focused on higher quality high yield companies that we consider have a lower risk of default. We also currently have a relatively high level of exposure to subordinated bonds within the financial sector. To benefit from the additional income opportunities the fund also has exposure to equities. Our focus for this allocation is on stocks with strong cash flow generation, which we believe can maintain or grow dividends.

Five year performance



Performance

	% growth					
	1 year	3 years	5 years	5 years ACR*	10 years	10 years ACR*
Fund (Z Accumulation share class)	-3.62	5.97	9.90	1.90	96.10	6.96
Benchmark	-5.34	4.67	12.28	2.34	56.75	4.59

*ACR - Annual Compound Return

Standardised rolling 12-month performance

	% growth				
	30.06.17	30.06.18	30.06.19	30.06.20	30.06.21
	30.06.18	30.06.19	30.06.20	30.06.21	30.06.22
Fund (Z Accumulation share class)	1.60	2.47	-2.54	13.78	-7.01
Benchmark	2.54	3.01	-0.95	13.28	-7.18

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 accumulation 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 31 July 2022 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.

Costs and charges of the fund

For a full breakdown of the charges that apply to each share class of the fund, please refer to our ICVC Costs & Charges document www.invesco.com/uk/icvc-charges.

Top 5 bond issuers & equity holdings ¹		Asset type breakdown ¹	
	%		%
Bond issuers		Equities	58.50
Germany	7.15	Fixed Interest	35.70
Unicredit	3.11	Cash	5.80
Deutsche Bank	1.67	Total	100
UBS	1.66		
BNP Paribas	1.55		
Equity holdings			
Roche NES	2.65		
Deutsche Telekom	2.42		
Sanofi	2.35		
Total	2.27		
Carlsberg 'B'	1.87		
Total number of holdings	98		

Credit rating breakdown ¹	
	%
AAA	7.15
BBB	6.38
BB	15.33
B	4.03
CCC	2.81
Equities	58.50
Cash	5.80
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 fund management fee 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.

Contact information

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Telephone calls may be recorded.

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Important information

- ¹ All fund portfolio figures within this leaflet are as at 31 July 2022 (source: Invesco).
- ² The Historic Yield reflects distributions declared over the past twelve months as a percentage of the mid-market price of the fund, as at the date shown. Investors may be subject to tax on their distributions. The fund's ongoing charge is charged to capital. This has the effect of increasing the distributions for the year by the amount of the ongoing charge and constraining the fund's capital performance to an equivalent extent.

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.

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.