Invesco

Data as at 29 February 2024

Invesco Global Financial Capital Fund (UK)

Z-Accumulation Shares | SEDOL: B8N45K9 | ISIN Code GB00B8N45K99 | Bloomberg code INVGZRA:LN

Why invest in this fund

1. We see the financials sector as a key strength of the investment team, with a highly experienced financials fund manager, supported by four dedicated financials analysts.
2. The ability to invest right across the financial capital structure allows us to align risk with reward more effectively.
3. The yields available in subordinated financials allow this to be typically one of our highest yielding products.

Portfolio characteristics

Total number of holdings	124
Weighted avg. effective maturity (years)	8.25
Weighted avg. duration	3.84
Avg. credit rating	BB
Yield to maturity (%)	7.62

Top 5 bond issuers & equity holdings (%)

Bond issuers	
Virgin Money UK PLC	3.01
HSBC Holdings PLC	2.87
Nationwide Building Society	2.80
Intesa Sanpaolo SpA	2.72
Lloyds Banking Group PLC	2.44
Equity holdings	
Co-operative Bank	3.37
NatWest	1.07
BNP Paribas	1.06
ING Groep	0.96
RSA Insurance Pfd	0.73

Investment categories (%)

Sub-Investment grade bonds	43.4
Investment grade bonds	34.4
Cash & cash equivalent	12.5
Equities	7.9
Govt/Agency	1.9

What this fund does

The fund is invested across the capital structure of banks, insurers and other financials, but has a focus on Additional Tier 1 and Tier 1 bank bonds. To fully exploit opportunities in the sector the fund also invests in equities with exposure currently focused on a select group of European banks.

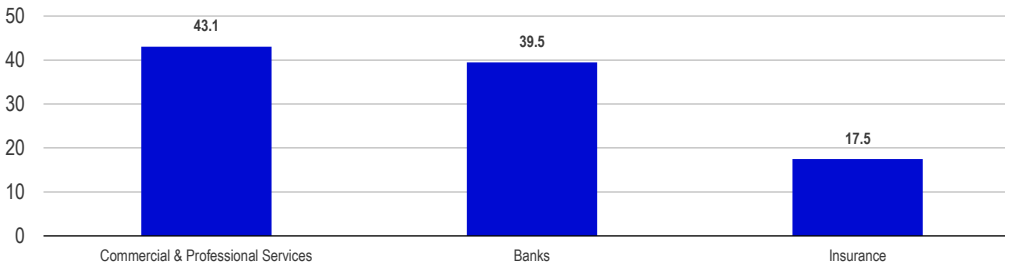
Fund objective

The Fund aims to achieve income and capital growth over the medium to long term (3 to 5 years plus). The Fund may invest up to 80% of its assets globally in government and corporate debt securities (including investment grade, non-investment grade and unrated) and up to 60% of its assets in shares or other equity related securities of companies globally. In pursuing the Fund's investment objective, the fund manager may consider it appropriate to also invest in other transferable securities, money-market instruments, collective investment schemes (including funds managed by the Invesco group), deposits and cash.

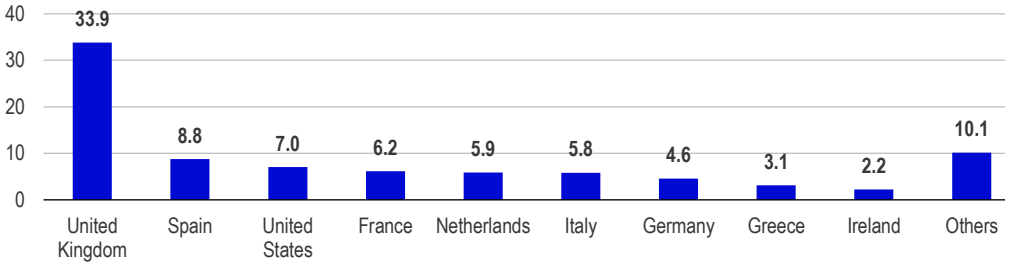
Fund overview

Portfolio managers (Fund tenure)	Julien Eberhardt (2014)
Total net assets	£ 45.05 million
Distribution frequency	Semi-Annual
Fund launch date	25 January 2012
Legal status	UK Authorised ICVC
Share class currency	GBP
Distribution yield (%)	5.80
Investment Association sector	IA Specialist
ISA availability	Yes

Equity sectors (% of total net assets)



Top countries (% of total net assets)



The allocation of stock is based on Country of Risk

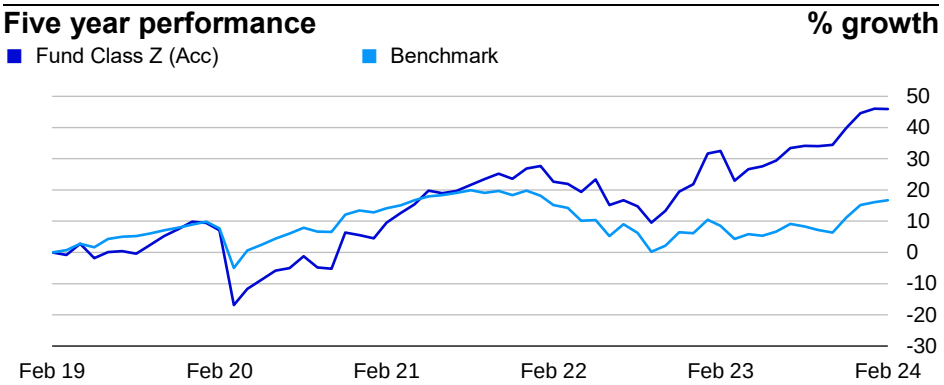
Bond quality (%)

AA	0.55
A	7.77
BBB	36.57
BB	39.99
B	6.09
CCC and below	1.42
Not rated	7.60

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 Fund is theme-based or invests in a specific sector or a small number of sectors and/or industries. Investors should be prepared to accept a higher degree of risk than for a Fund that is more widely diversified across different sectors/industries.
- The debt securities that the Fund invests in may not always make interest and other payments and nor is the solvency of the issuers guaranteed. Market conditions, such as a decrease in market liquidity, may mean that the Fund may not be able to buy or sell debt 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.
- As one of the key objectives of the Fund is to provide income, the ongoing charge 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.
- The Fund is invested in perpetual bonds (bonds without a maturity date) which may be exposed to additional liquidity risk in certain market conditions, and in particular, stressed market environments. This would have a negative impact on the value of these investments which in turn, would have a negative impact on the Fund's performance.
- The Fund may invest in private and unlisted equities which may involve additional risks such as lack of liquidity and concentrated ownership. These investments may result in greater fluctuations of the value of the Fund. The Manager, however, will ensure that any investments in private and unlisted equities do not materially alter the overall risk profile of the Fund.

Five year performance



Performance (%)

	1 year	3 years	5 years	5 years ACR*
Fund	10.18	33.20	45.95	7.85
Benchmark	7.49	2.18	16.67	3.13

*ACR - Annual Compound Return

Standardised rolling 12-month performance (%)

	31.12.2018 31.12.2019	31.12.2019 31.12.2020	31.12.2020 31.12.2021	31.12.2021 31.12.2022	31.12.2022 31.12.2023
Fund	15.94	-3.84	20.12	-3.96	18.73
Benchmark	13.81	4.17	5.54	-11.40	8.59

Past performance is not a guide to future returns

Bond maturity (%)

20+ Yrs	58.70
16-20 Yrs	3.05
11-16 Yrs	1.88
7-11 Yrs	24.36
4-7 Yrs	8.60
0-4 Yrs	3.41

Performance figures are based on the Z Accumulation share class. 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 29 February 2024 unless otherwise stated. The standardised past performance information is updated on a quarterly basis. Source: Lipper.

Benchmark

50% ICE BofAML Global Financial Index GBP- Hedged (Total Return), 30% ICE BofAML Contingent Capital Index GBP-Hedged (Total Return) and 20% FTSE AllWorld Financials Index GBP-Hedged (Total Return)

This is a Comparator Benchmark. The Benchmark is a blend of indices that represent the type of bonds and equities that the Fund may invest in and therefore, the Fund's performance can be compared against it. However, the Fund is actively managed and is not constrained by any benchmark.

Important information

Views and opinions are based on current market conditions and are subject to change.
This is marketing material and not financial advice. It is not intended as a recommendation to buy or sell 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. If investors are unsure if this product is suitable for them, they should seek advice from a financial adviser.
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 financial reports and the Prospectus, which are available using the contact details shown.
The yield shown is expressed as a % per annum of the current NAV of the fund. It is 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. The yield is not guaranteed. Nor does it reflect any charges. Investors may be subject to tax on distributions.

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Telephone calls may be recorded.

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Authorised and regulated by the Financial Conduct Authority.

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.

Cost 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.

Glossary

ACR/ Annual Compound Return: Compound returns represent the cumulative effect that gains and losses have on invested capital over time. Annual Compound Return is the annual rate of return that would be required for an investment to grow from its starting balance to its ending balance.
Benchmark: A standard against which an investment fund or portfolio is measured to give an indication of relative performance.
Collective investment schemes: Pooled investment funds that are managed by professional investment managers.
Contingent convertible bonds: A fixed income instrument that is convertible into stock if a pre-specified event occurs.
Credit Rating/ Quality: The 'quality' of a bond is an indication of the bond issuer's financial strength and/or its ability to pay a bond's face value when it reaches maturity. Quality is rated using a AAA (higher quality) – CCC (lower quality) system.
Developed markets: Countries that have more advanced economies and more mature capital markets.
Distribution frequency: How often dividends and/or interest generated by an investment product are disbursed to investors.
Duration: The weighted average time, in years, it could take for an investor to recoup a bond's value through future cash flows, such as interest and principal payment.
Effective maturity: The average time it takes for a bond's cash flows, including interest and principal payments, to be realised.
Emerging markets: Countries that are in the process of developing their economies to become more advanced.
Financial derivatives: Financial contracts whose value depends on an underlying asset or benchmark.
High yield bond: Bonds rated lower than investment grade by the major credit ratings agencies.
Holdings: The contents of an investment portfolio or fund, including any products like equities, bonds or ETFs.
ICVC: Investment Company with Variable Capital. A type of collective investment portfolio that invests in different equities, bonds and other securities.
Index: A collection of stocks chosen to represent the performance of a particular market or sector, e.g. FTSE 100 or S&P 500.
Investment category: The type of bond issuer relating to bonds held in the portfolio, e.g. corporate, or government issued.
Investment grade bond: Bonds rated Baa3/BBB- or better by the major credit ratings agencies.
Leverage: The ratio of a company's debt to the value of its common stock.
Maturity: How far in the future the bond issuer is set to pay back everything they owe to bondholder
Yield to maturity: The total return anticipated on a bond if the bond is held until it matures.