



# Invesco India Bond Fund

## A (EUR Hgd)-Gross-AD Shares

28 February 2019

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### Summary of fund objective

The objective of the Fund is to generate income and long-term capital appreciation by investing primarily in a flexible allocation of Indian debt securities and Indian money-market instruments. For the full objectives and investment policy please consult the current prospectus.

### Key facts



**Ken Hu**  
Hong Kong  
Managed fund since  
May 2014



**Jackson Leung**  
Hong Kong  
Managed fund since  
July 2015

#### Share class launch

23 April 2014

#### Original fund launch

23 April 2014

#### Legal status

Luxembourg SICAV with UCITS status

#### Share class currency

EUR

#### Share class type

Income

#### Fund size

USD 574.11 mn

#### Reference index

CRISIL 91 Day Treasury Bill Index

#### Bloomberg code

IIBADG LX

#### ISIN code

LU0996662184

#### Settlement date

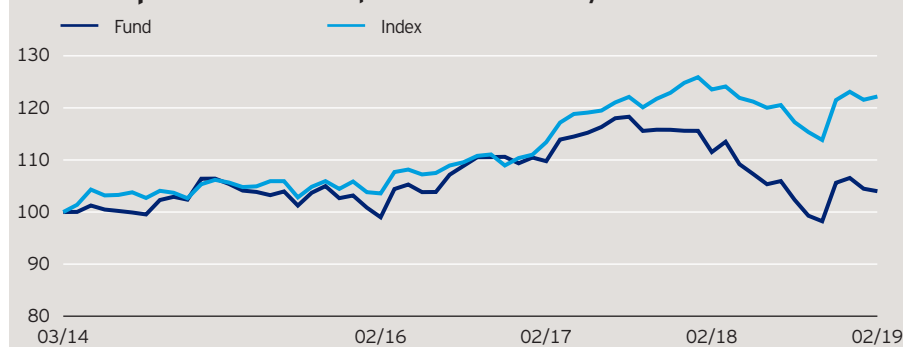
Trade Date + 3 Days



### Quarterly fund commentary

During the fourth quarter, Indian fixed income markets experienced volatility due to a fall in crude oil prices, fluctuations in currency valuations and the release of weaker than anticipated inflation data. In October, the 10-year Indian Government Securities Index yield touched a high of 8.22%, before closing 80 basis points lower at 7.40% in December. However, the fund yield remained closer to 8.50% as around 5% of the sovereign bond allocation was replaced with higher yielding 'AAA' rated bonds. With the reduction of sovereign bond yields, we have also increased our overweight position in local currency 'AAA' rated corporate bonds. The new Reserve Bank of India Governor was able to manage the ongoing market concerns reasonably well. The Indian bond market remains evenly placed and poised to benefit from the positives of economic reforms, a contained fiscal policy (government budget is in surplus), and a well-regulated market. The sharp drop in food prices dragged down the CPI to 2.31%, opening up opportunities for a change in stance along with options of rate reductions during 2019. Indian Rupee has appreciated against other currencies since October, and emerged as the best performing Emerging Market currency, bringing down hedging costs to close to 4.0%. The fund maintains a modified duration (sensitivity to interest rate change) ~4.8 years to mitigate the effect of higher rates.

#### Indexed performance 23 April 2014 - 28 February 2019\*



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.

### Cumulative performance\*

in %	YTD	1 month	1 year	3 years	Since inception
Fund	-2.39	-0.46	-6.74	5.06	4.00
Index	-0.74	0.52	-1.10	17.97	22.18

### Calendar year performance\*

in %	2014	2015	2016	2017	2018
Fund	-	0.78	5.99	5.71	-7.84
Index	-	3.13	4.26	13.08	-1.37

### Standardised rolling 12 month performance\*

in %	28.02.14	28.02.15	28.02.16	28.02.17	28.02.18
Fund	-	-6.98	10.88	1.59	-6.74
Index	-	-2.45	9.50	8.93	-1.10

Past performance is not a guide to future returns. The performance shown does not take account of the commissions and costs incurred on the issue and redemption of units.

\*Source: © 2019 Morningstar. Indexed performance: Performance of an investment of 100 in share class currency. Gross income re-invested to 28 February 2019 unless otherwise stated. The figures do not reflect the entry charge payable by individual investors. All performance data on this factsheet is in the currency of the share class, apart from the index performance which is shown in USD. Reference Index Source: Bloomberg. \*\*Source: © 2019 Fitch Ratings, date of original rating action: 4 April 2018, [www.fitchratings.com/site/pr/10025055](http://www.fitchratings.com/site/pr/10025055). Any reference to a ranking, a rating or an award provides no guarantee for future performance results and is not constant over time.

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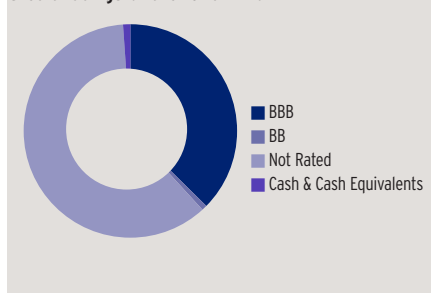
28 February 2019

### Top 10 holdings\*

(total holdings: 107)

Holding	%
India Government Bond 6.790 Dec 26 29	8.2
India Government Bond 7.610 May 09 30	7.0
India Government Bond 7.170 Jan 08 28	4.8
Indiabulls Housing Finance 8.750 Feb 21 20	4.4
India Government Bond 7.720 May 25 25	4.2
State of Gujarat 7.210 Aug 09 27	3.4
India Government Bond 8.330 Jul 09 26	3.1
Dewan Housing Finance 9.250 Sep 09 23	2.6
India Government Bond 8.150 Nov 24 26	2.6
Indian Railway Finance Corp 7.650 Mar 15 21	2.5

### Credit ratings of the fund in %\*



### Credit ratings\*

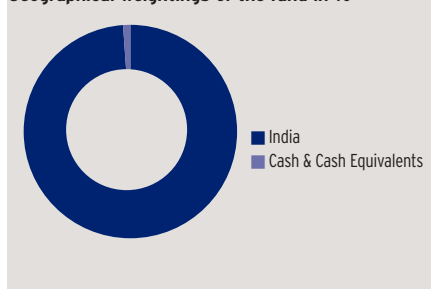
(average rating: BBB-)

	in %
BBB	37.4
BB	0.8
Not Rated	60.7
Cash & Cash Equivalents	1.1

### Sector weightings\*

	in %
<b>Government Bonds</b>	34.0
<b>Government Related</b>	20.4
<b>Corporate Bonds</b>	44.4
Financial	29.9
Industrial	9.9
Utility	4.7
<b>Cash &amp; Cash Equivalents</b>	1.1

### Geographical weightings of the fund in %\*



### Maturity distribution\*

in %	
0-1 year	6.4
1-3 years	21.9
3-5 years	10.6
5-10 years	42.5
10-20 years	18.4
20+ years	0.1

### Duration distribution\*

(average duration: 4.5)

in %	
0-1 year	6.8
1-3 years	23.6
3-5 years	16.5
5-7 years	35.5
7-10 years	17.4
10-15 years	0.1

### NAV and fees

#### Current NAV

EUR 7.83

#### 12 month price high

EUR 8.65 (06/04/2018)

#### 12 month price low

EUR 7.30 (09/10/2018)

#### Minimum investment <sup>1</sup>

EUR 1,000

#### Entry charge

Up to 5.00%

#### Annual management fee

1.25%

#### Ongoing charges <sup>2</sup>

1.59%

### Geographical weightings\*

	in %
India	98.9
Cash & Cash Equivalents	1.1

### Yield %\*

Gross Current Yield	7.90
Gross Redemption Yield	8.46

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### Risk Warnings

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. 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 contingent convertible bonds which may result in significant risk of capital loss based on certain trigger events. As this fund is invested in a particular country, you should be prepared to accept greater fluctuations in the value of the fund than for a fund with a broader investment mandate. The fund invests in a limited number of holdings and is less diversified. This may result in large fluctuations in the value of the fund. Investments in debt instruments which are of lower credit quality may result in large fluctuations in the value of the fund. Investment in Indian securities may be restricted due to the unavailability of the relevant quota.

### Important Information

<sup>1</sup>The 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.

<sup>2</sup>The ongoing charges figure is based on annualised expenses for the period ending August 2018. 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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