Invesco Emerging Market Corporate Bond Fund

E (EUR Hgd)-MD Shares

31 August 2018

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Summary of fund objective

The objective of the Fund is to achieve a high income yield and long-term capital appreciation by investing primarily in debt securities of emerging market corporate issuers. For the full objectives and investment policy please consult the current prospectus.

Key facts



Michael Hyman
Atlanta
Managed fund since
October 2016



Rashique Rahman
Atlanta
Managed fund since
August 2015



Robert Turner
Atlanta
Managed fund since
June 2017

Share class launch
23 July 2014

Original fund launch
04 May 2011

Legal status
Luxembourg SICAV with UCITS status

Share class currency
EUR

Share class type
Income

Fund size
USD 118.66 mn

Reference index
JPM CEMBI Broad Diversified Index

Bloomberg code
IEEIMDE LX

ISIN code
LU1075208642

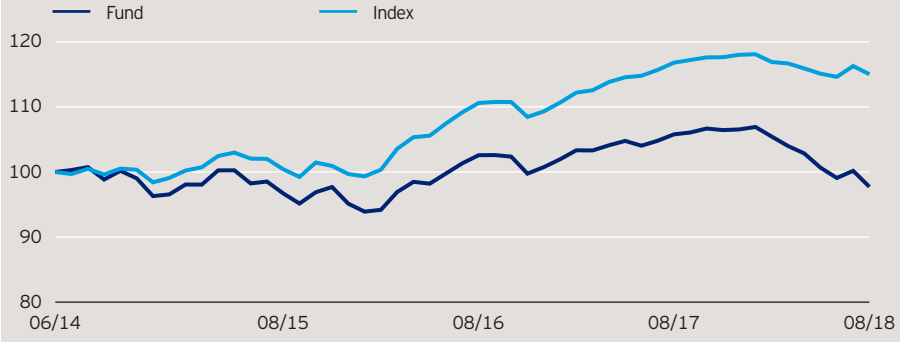
Settlement date
Trade Date + 3 Days

Morningstar Rating™
★

Quarterly fund commentary

Emerging market (EM) corporate bonds returned -1.77% for the quarter, as measured by the J.P. Morgan CEMBI Broad Diversified. EM spreads widened 66bps to end the quarter at 368 bps. Ten-year US Treasuries rates backed up 12bps to end at 2.86%. High Yield underperformed Investment Grade credits for the period. Returns were negative across regions with Europe and Latin America the laggards. Broad commodities were largely unchanged as industrial metals and agriculture prices were lower while oil posted strong gains. The US dollar index rallied nearly 5% and set the tone for the period as spreads widened and total returns were negative. While the current backdrop of stable global growth, low inflation, and accommodative financial conditions are usually supportive of EM asset prices there has been an increase in core rate volatility, an increase in geopolitical surprises, and a change in messaging regarding US trade polices with the focus shifting from the North American Free Trade Agreement to China and Europe. Also, US growth has begun to accelerate and decouple from the rest of the world (especially Europe). This growth differential is putting some upward pressure on the US Dollar (USD). Even as valuations have adjusted, the market is monitoring tightening financial conditions (higher interest rates to reduce demand and inflation), via higher US rates and stronger USD while paying less credence to supportive EM fundamentals.

Indexed performance 23 July 2014 - 31 August 2018*



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	-8.27	-2.45	-7.62	1.05	-2.28
Index	-2.53	-1.08	-1.52	14.54	15.02

Calendar year performance*

in %	2013	2014	2015	2016	2017
Fund	-	-	-1.22	5.91	5.75
Index	-	-	1.30	9.65	7.96

Standardised rolling 12 month performance*

in %	31.08.13 31.08.14	31.08.14 31.08.15	31.08.15 31.08.16	31.08.16 31.08.17	31.08.17 31.08.18
Fund	-	-4.01	6.07	3.12	-7.62
Index	-	-0.05	10.13	5.61	-1.52

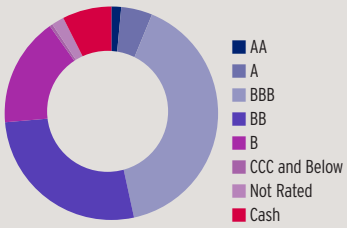
Past performance is not a guide to future returns. The performance shown does not take account of the commissions and costs incurred on the issue and redemption of units.

*Source: © 2018 Morningstar. Indexed performance: Performance of an investment of 100 in share class currency. Gross income re-invested to 31 August 2018 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.

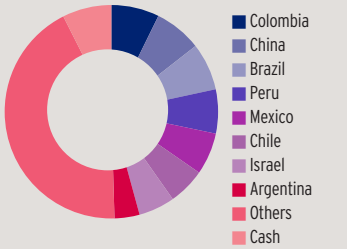
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Credit ratings of the fund in %*



Geographical weightings of the fund in %*



NAV and fees

Current NAV
EUR 8.31

12 month price high
EUR 9.39 (13/09/2017)

12 month price low
EUR 8.31 (31/08/2018)

Minimum investment [1]
EUR 500

Entry charge
Up to 3.00%

Annual management fee
2.0%

Ongoing charges
2.31% (31/08/2017)

Credit ratings*

(average rating: BB+)

in %	Fund	Index
AA	1.5	3.4
A	4.7	20.1
BBB	40.4	37.6
BB	27.1	20.8
B	16.6	12.1
CCC and Below	0.5	1.4
Not Rated	1.9	4.6
Cash	7.4	0.0

Duration distribution*

(average duration: 4.7)

in %	Fund	Index
Under 3 years	27.6	29.7
3-4 years	13.8	22.1
4-5 years	17.4	15.8
5-6 years	13.0	10.7
6+ years	28.2	21.7

Sector weightings*

in %	Fund	Index
Corporates	62.6	100.0
Quasi-Sovereign	24.8	0.0
Sovereign	4.6	0.0
Local Debt	0.6	0.0
Cash	7.4	0.0

Yield %*

Gross Current Yield	5.54
Gross Redemption Yield	6.48

Geographical weightings*

in %	Fund	Index
Colombia	7.3	4.1
China	7.2	5.7
Brazil	7.2	5.3
Peru	6.7	4.1
Mexico	6.4	4.5
Chile	5.6	4.0
Israel	5.5	3.3
Argentina	3.8	2.8
Others	43.0	66.1
Cash	7.4	0.0

Maturity distribution*

in %	Fund	Index
0-3 years	12.3	17.3
3-7 years	44.3	50.1
7-10 years	22.1	17.0
10-15 years	2.4	2.1
15+ years	13.2	13.5
Others	5.8	0.0

Source: *Invesco. 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%.

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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. 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. Investments in debt instruments which are of lower credit quality may result in large fluctuations in the value of the fund.

Important Information

[1]The minimum investment amounts are: EUR 500 / USD 650 / GBP 400 / CHF 650 / SEK 4,500. Please contact us or refer to the most up to date Prospectus for details of minimum investment amounts in other currencies.

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