



Invesco UK Equity High Income Fund (UK)

November 2020

Covering the month of October 2020

The name of this fund changed from Invesco High Income Fund (UK) on 30 July 2020. On 15 May 2020, Ciaran Mallon and James Goldstone became co-fund managers of the Invesco UK Equity High Income Fund (UK).



Fund managers: Ciaran Mallon & James Goldstone

Key facts¹

Ciaran Mallon	
Managed fund since	May 2020
Industry experience	26 years
Based in	Henley -on- Thames
James Goldstone	
Managed fund since	May 2020
Industry experience	19 years
Based in	Henley -on- Thames
Fund launch date	06 February 1988
Fund size	£2,862.23m
Legal status	UK authorised ICVC
Yield (Z Accumulation share class)	
Historic yield ²	4.81%
Income distribution date(s)	28 February 31 May 31 August 30 November
Accounting period ends	30 June 30 December
Available with an ISA?	Yes

Benchmark

Target Benchmark: The Fund's income can be measured against the income return of the FTSE All Share Index (Net Total Return)*

Comparator Benchmark: Investment Association UK All Companies Sector**

Given its geographic focus the Fund's performance can be compared against this benchmark.

The Fund is actively managed and is not constrained by any benchmark, including the Target Benchmark or the Comparator Benchmark.

*As at the date hereof the index is provided by FTSE International Limited, an administrator (as defined in the Benchmark Regulation) which is authorised by the UK's Financial Conduct Authority and included on the register maintained in accordance with Article 36 of the Benchmark Regulation.

** 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.

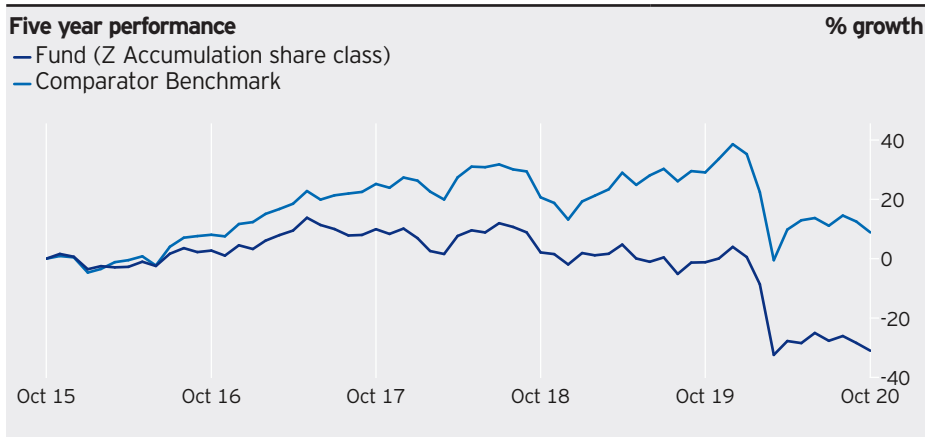
Fund investment objective and policy

The objective of the Fund is to achieve a high level of income (greater than the income return of the FTSE All Share Index over a rolling 5 year period) (the Target Benchmark) and capital growth over the long-term (5 years plus). The Fund invests at least 80% of its assets in shares of companies incorporated, domiciled or carrying out the main part of their economic activity in the UK. The Fund may also invest in private and unlisted equities and non-UK companies. The Fund may use derivatives (complex instruments) 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 managers pursue an active investment approach, which is based on individual stock selection, with a particular focus on income generating shares. The fund managers seek to identify undervalued businesses that can offer capital appreciation and growth in income over time. The fund managers have a flexible and pragmatic approach, whilst the fund has no inbuilt sector, style or market capitalisation bias.

The fund managers remain convinced that, in a changing global environment, the interests of investors are best served by employing a well-tested investment process, which is based on fundamental company analysis and a prudent approach to valuation. They continue to evaluate and re-evaluate the holdings in the portfolio, seeking the best opportunities to create a sustainable flow of dividend income for investors. The fund managers believe that the most compelling opportunities rest within domestic sectors, where political uncertainty has weighed on sentiment towards companies with UK revenue exposure.



Performance	% growth					
	1 year	3 years	5 years	5 years ACR*	10 years	10 years ACR*
Fund (Z Accumulation share class)	-30.17	-37.24	-31.01	-7.15	25.26	2.28
Comparator Benchmark	-15.66	-13.04	8.86	1.71	64.05	5.07

*ACR - Annual Compound Return

Target Benchmark

Over a rolling 5 year period the income return of the fund was 3.62% and the income return of the target benchmark was 3.73%.

Standardised rolling 12-month performance	% growth					
	30.09.15	30.09.16	30.09.17	30.09.18	30.09.19	30.09.20
Fund (Z Accumulation share class)	6.69	5.64	0.82	-9.36	-27.44	
Comparator Benchmark	11.98	13.84	5.63	0.08	-13.15	

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 income 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 October 2020 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.

Top 10 holdings¹	%	Country of investment breakdown¹	%
British American Tobacco	5.04	United Kingdom	90.58
PureTech Health	4.52	United States	3.06
National Grid	4.19	Canada	2.81
Vodafone	4.18	France	2.80
GlaxoSmithKline	3.81	Guernsey	0.50
Tesco	3.49	Mauritius	0.36
BP	3.39	Cash	-0.11
Relx	3.30	Total	100
Next	3.28		
SSE	2.89		
Total Top 10 holdings (%)	38.08	Market cap breakdown¹	%
Total number of holdings	94	50bn+	11.65
		25bn - 49.99bn	20.50
		10bn - 24.99bn	17.10
		5bn - 9.99bn	9.97
		2bn - 4.99bn	7.44
		1bn - 1.99bn	11.82
		500m - 999m	10.64
		250m - 499m	3.28
		100m - 249m	4.71
		50m - 99m	1.62
		0 - 49m	1.39
		Cash	-0.11
		Total	100
Industry breakdown^{1,3}	%		
Financials	20.24		
Consumer Services	18.06		
Utilities	12.10		
Health Care	11.47		
Consumer Goods	11.08		
Industrials	10.32		
Oil & Gas	6.19		
Basic Materials	5.29		
Telecommunications	4.18		
Unit/Investment Trust/Other	0.87		
Technology	0.31		
Cash	-0.11		
Total	100		
Quoted/Unquoted breakdown	%		
Quoted	98.29		
Unquoted	1.82		
Cash	-0.11		
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 fund may use derivatives (complex instruments) in an attempt to reduce the overall risk of its investments, reduce the costs of investing and/or generate additional capital or income, although this may not be achieved. The use of such complex instruments may result in greater fluctuations of the value of the fund. The Manager, however, will ensure that the use of derivatives within the fund does not materially alter the overall risk profile of the fund.
- 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 invests in smaller companies which may result in a higher level of risk than a fund that invests in larger companies. Securities of smaller companies may be subject to abrupt price movements and may be less liquid, which may mean they are not easy to buy or sell.
- 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.
- As a result of COVID-19, markets have seen a noticeable increase in volatility as well as, in some cases, lower liquidity levels; this may continue and may increase these risks in the future. In addition, some companies are suspending, lowering or postponing their dividend payments, which may cause those funds that have an income objective to pay a lower income during this period.

Contact information

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Telephone calls may be recorded.

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