



# Invesco Tactical Bond Fund (UK)

August 2019

Covering the month of July 2019

On 7 August 2019, we updated the Prospectus to make the investment objective and policy clearer and more specific. We have also added a description of the fund's strategy and the benchmark(s) it uses. These changes will be reflected on the Key Investor Information Documents and this Factsheet when they are updated for content as at 31 August 2019. In the meantime, the details of the changes can be found on our website at: [www.invesco.co.uk](http://www.invesco.co.uk).



Fund managers: Paul Causer & Paul Read

## Key facts<sup>1</sup>

Paul Causer	
Managed fund since	February 2010
Industry experience	35 years
Based in	Henley -on- Thames
Paul Read	
Managed fund since	February 2010
Industry experience	33 years
Based in	Henley -on- Thames
Fund launch date	01 February 2010
Fund size	£664.19m
Legal status	UK authorised ICVC
Yield (Z Accumulation share class)	
Distribution yield <sup>2</sup>	2.65%
Income distribution date(s)	30 June 31 December
Accounting period ends	30 April 31 October
Available with an ISA?	Yes
Sector	IA £ Strategic Bond NR

## Investment opportunities

- Invesco's most flexible bond mandate, the Invesco Tactical Bond Fund (UK) can invest across the entire bond universe, allowing the fund managers to exploit value wherever they see an opportunity.
- There are no restrictions on the level of investment in any part of the universe, including cash and near cash instruments.
- The fund managers can choose to diversify risk widely or focus on a smaller number of positions.

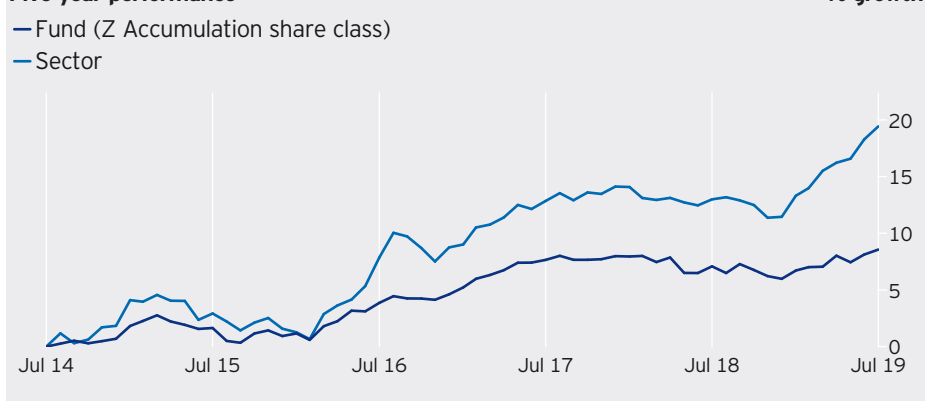
## Fund objective

The objective of the fund is to achieve a high level of return through a combination of income and capital growth over the medium to long term. The fund invests primarily through a flexible allocation to corporate and government fixed interest and other debt securities (which may be sub-investment grade or have no credit rating) and cash and can potentially be fully invested in cash and near cash instruments depending on market conditions. The fund may use derivatives (complex instruments) and other financially linked instruments in order to meet the fund's investment objective and to reduce risk, minimise costs and/or generate additional capital or income. The fund is actively managed within its objectives and is not constrained by a benchmark.

## Fund strategy

The fund retains a very low level of interest rate sensitivity (duration) and a high allocation to liquidity through government bonds, short-term corporate bonds and cash. This positioning reduces the impact of changes in interest rate expectations and enables the fund to take advantage of opportunities when they arise and to mitigate the effects of periods of volatility. However, the fund also has considerable exposure to corporate bonds in certain areas of the market. The financial sector remains the fund's largest sectoral position with bonds held in both subordinated banks and insurers.

## Five year performance



## Performance

	1 year	3 years	5 years	5 years ACR*	10 years	10 years ACR*
Fund (Z Accumulation share class)	1.39	4.53	8.56	1.66	n/a	n/a
Sector	5.70	10.71	19.43	3.61	n/a	n/a

\*ACR - Annual Compound Return

## Standardised rolling 12-month performance

	30.06.14	30.06.15	30.06.16	30.06.17	30.06.18	30.06.19
Fund (Z Accumulation share class)	1.69	1.53	4.17	-0.85	1.52	
Sector	2.39	2.91	6.46	0.28	5.18	

**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 2019 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 bond issuers <sup>1</sup>	%	Credit rating breakdown <sup>1</sup>	%
US	29.87	AAA	32.72
Italy	10.63	AA	3.02
Lloyds	4.54	A	5.29
Enel	3.77	BBB	31.14
GM	2.98	BB	16.38
RBS	2.85	B	7.19
JPM	2.85	Not Rated	2.17
Credit Agricole	2.79	Derivatives	-0.70
HSBC	2.07	Cash	2.77
Barclays	2.05	<b>Total</b>	<b>100</b>
<b>Total top 10 issuers (%)</b>	<b>64.39</b>		
<b>Total number of holdings</b>	<b>112</b>		

Currency exposure breakdown <sup>1</sup>	%
UK Sterling	86.24
US Dollar	8.88
Japanese Yen	2.28
Norwegian Krone	1.86
Swedish Krona	0.82
South African Rand	0.02
Argentine Peso	0.01
Canadian Dollar	0.01
Swiss Franc	0.00
Egyptian Pound	0.00
Mexican Peso	-0.01
Euro	-0.11
<b>Total</b>	<b>100</b>

### 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 and where we use derivatives.

As the fund can rapidly change its holdings across the fixed income and debt spectrum and cash, this can increase its risk profile.

The fund has the ability to make significant 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.

The fund may invest in contingent convertible bonds which may result in significant risk of capital loss based on certain trigger events.

Changes in interest rates will result in fluctuations in the value of the fund.

### Contact information

#### Client services

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### Important information

<sup>1</sup> All fund portfolio figures within this leaflet are as at 31 July 2019 (source: Invesco).

<sup>2</sup> The yield shown is expressed as % per annum of 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. It is not guaranteed. It is shown net of the ongoing charge. Investors may be subject to tax on distributions. Cash income is estimated coupons from bonds and, where applicable, estimated dividends from equities. The distribution yield estimates the cash distribution to the shareholders: in addition to expected cash income, it includes the amortised annual value of unrealised capital gains/losses of current bond holdings, calculated with reference to their historic purchase price and expected redemption value (known as 'effective yield from purchase price' method). For this fund the distribution yield is the same as the underlying yield.

Where, in the Manager's judgement, there is significant uncertainty that a bond holding will be redeemed at par, the amortised capital component for that holding is retained in the fund's capital and not distributed. This has the effect of reducing the estimated distribution and underlying yields and the actual distribution rate.

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. The information provided is for illustrative purposes only, it should not be relied upon as recommendations to buy or sell securities.

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.

Telephone calls may be recorded.