

Invesco European High Income Fund (UK)

September 2019

Covering the month of August 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 are also reflected on the Key Investor Information Document and this Factsheet. Further details of the changes can be found on our website at: www.invesco.co.uk.



Fund managers: Paul Causer, Paul Read & Stephanie Butcher

Key facts¹

Paul Causer

Managed fund since	May 2008
Industry experience	35 years
Based in	Henley -on- Thames

Paul Read

Managed fund since	May 2008
Industry experience	33 years
Based in	Henley -on- Thames

Stephanie Butcher

Managed fund since	December 2010
Industry experience	25 years
Based in	Henley -on- Thames

Fund launch date 01 May 2008

Fund size £37.26m

Legal status UK authorised ICVC

Yield (Z Accumulation share class)

Historic yield² 3.66%

Income distribution Each month end

Accounting period ends 30 April 31 October

Available with an ISA? Yes

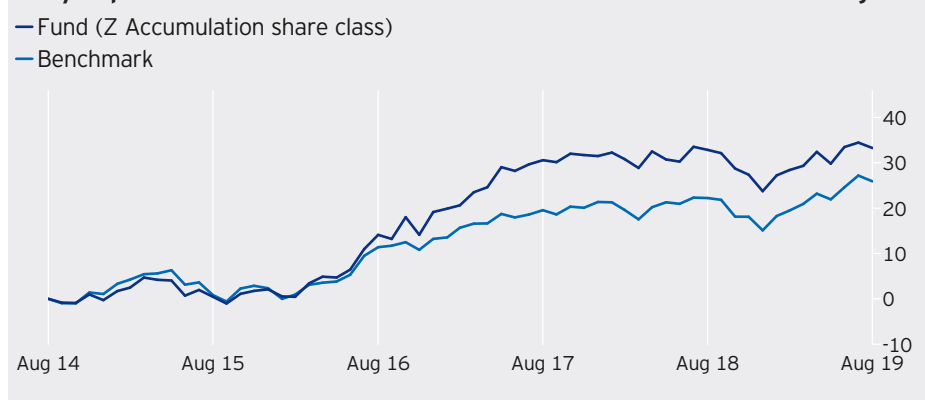
Fund objective

The objective of the Fund is to achieve income and capital growth over the medium to long term (3 to 5 years plus). The Fund invests through a flexible allocation to European government and corporate debt securities (which may be investment grade, non-investment grade or have no credit rating) and shares of European companies. The Fund may invest up to 80% of its assets in debt securities and 60% in shares of companies. The Fund may use derivatives (complex instruments) for investment purposes and to manage the Fund more efficiently, with the aim of reducing risk, reducing costs and/or generating additional capital or income. The Fund has an active investment approach based on fund manager judgement supported by macroeconomic and credit risk analysis, with an emphasis on valuation and is not constrained by a benchmark.

Fund strategy

The fund's bond exposure is focused on higher quality high yield companies that we consider have a lower risk of default. We also currently have a relatively high level of exposure to subordinated bonds within the financial sector. A large proportion of the fund is invested in equity. Our focus for this allocation is on stocks with strong cash flow generation, which we believe can maintain or grow dividends.

Five year performance



Performance

	% growth					
	1 year	3 years	5 years	5 years ACR*	10 years	10 years ACR*
Fund (Z Accumulation share class)	0.32	16.80	33.27	5.91	106.00	7.49
Benchmark	3.02	13.05	25.92	4.72	75.05	5.76

*ACR - Annual Compound Return

Standardised rolling 12-month performance

	% growth				
	30.06.14	30.06.15	30.06.16	30.06.17	30.06.18
	30.06.15	30.06.16	30.06.17	30.06.18	30.06.19
Fund (Z Accumulation share class)	0.65	5.70	20.46	1.60	2.47
Benchmark	4.69	2.11	12.02	2.54	3.00

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 August 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.

Investment opportunities

- The fund benefits from the combined expertise of two of Invesco's investment teams. Paul Read and Paul Causer who head the Henley fixed interest team, who are responsible for asset allocation and bond selection, and Stephanie Butcher from the European equity team, who is responsible for equity selection.
- Asset allocation is varied across the investment cycle so as to best position the fund for changing economic conditions.

Benchmark

Please see overleaf for information on the benchmark of the fund.

Top 5 bond issuers & equity holdings ¹		Asset type breakdown ¹	
	%		%
Bond issuers		Fixed Interest	50.49
Germany	3.72	Equities	37.28
France	2.79	Cash	12.23
Unicredit	1.98	Total	100
UBS	1.49		
EDF	1.45		
Equity holdings			
Sanofi	2.07		
Roche	1.86		
Total	1.55		
Siemens	1.46		
Orange	1.44		
Total number of holdings	155		
Credit rating breakdown¹			
	%		
AAA	3.72		
AA	2.79		
A	1.49		
BBB	7.16		
BB	17.03		
B	14.36		
CCC	2.91		
D	0.20		
Not Rated	0.84		
Equities	37.28		
Cash	12.23		
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 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.
- 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.
- 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.

Benchmark

- Benchmark: Investment Association Mixed Investment 20-60% Shares Sector*
- This is a Comparator Benchmark. Given its asset allocation the Fund's performance can be compared against the Benchmark. However, the Fund is actively managed and is not constrained by any benchmark.
- * 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.

Contact information

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Important information

- ¹ All fund portfolio figures within this leaflet are as at 31 August 2019 (source: Invesco).
- ² The Historic Yield reflects distributions declared over the past twelve months as a percentage of the mid-market price of the fund, as at the date shown. It does not include any entry charge and investors may be subject to tax on their distributions. The fund's ongoing charge is charged to capital. This has the effect of increasing the distributions for the year by the amount of the ongoing charge and constraining the fund's capital performance to an equivalent extent.

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.