

Invesco Emerging Markets Local Debt Fund S (GBP)-Gross-MD Shares

31 March 2024

This marketing communication is directed at Institutional clients in the UK. Investors should read the legal documents prior to investing.

Summary of fund objective

The Fund aims to generate income, together with long term capital growth. The Fund seeks to achieve its objective by investing a minimum of 80% of the NAV of the Fund in debt securities of issuers that are economically tied to emerging market countries and which are denominated in local currencies. For the full objectives and investment policy please consult the current prospectus.

Key facts



Hemant Bajjal
Managed fund since
August 2019



Wim Vandenhoeck
Managed fund since
August 2019

Share class launch

26 May 2021

Original fund launch ¹

26 August 2019

Legal status

Luxembourg SICAV with UCITS status

Share class currency

GBP

Share class type

Income

Fund size

USD 843.19 mn

Reference Benchmark

JP Morgan GBI-EM Global Diversified Composite Index (Total Return)

Bloomberg code

INEMSGI LX

ISIN code

LU2336012682

Settlement date

Trade Date + 3 Days

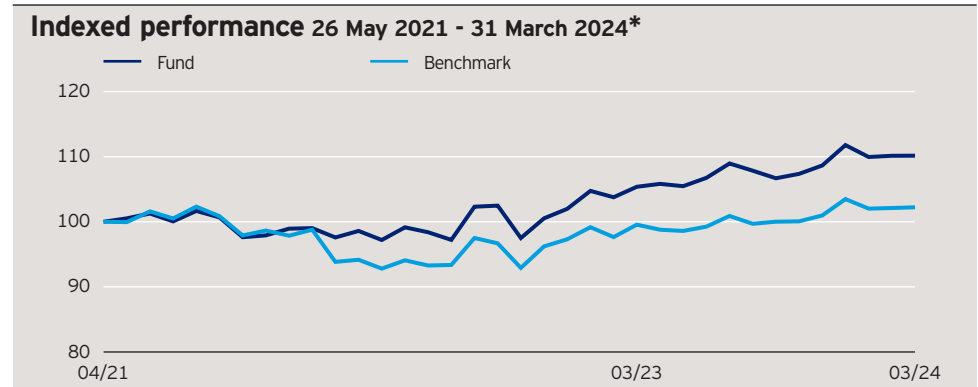
Investment risks

For complete information on risks, refer to the legal documents. 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. The fund may invest in certain securities listed in China which can involve significant regulatory constraints that may affect the liquidity and/or the investment performance of the fund. Investments in debt instruments which are of lower credit quality may result in large fluctuations in the value of the fund.

Fund Strategy

The fund manager believes the key to better absolute and risk-adjusted returns in emerging markets is combining top-down macroeconomic analysis and bottom-up country analysis to allocate risk across interest rates and foreign currencies. With an investment horizon of 9 to 18 months, the fund manager believes that while the macroeconomic base case changes slowly, market pricing changes more rapidly, providing opportunities to take advantage of shifting risk premia.

Past performance does not predict future returns. Data points are as at month end.



Cumulative performance*

in %	YTD	YTQ	1 month	1 year	3 years	Since inception
Fund	-1.46	-1.46	0.01	4.53	-	10.15
Benchmark	-1.22	-1.22	0.11	2.68	-	2.23

Calendar year performance*

in %	2019	2020	2021	2022	2023
Fund	-	-	-	3.08	9.60
Benchmark	-	-	-	-0.56	6.34

Standardised rolling 12 month performance*

in %	03.14	03.15	03.16	03.17	03.18	03.19	03.20	03.21	03.22	03.23	03.24
Fund	-	-	-	-	-	-	-	0.00	6.88	4.53	
Benchmark	-	-	-	-	-	-	-	0.00	5.72	2.68	

The performance data shown does not take account of the commissions and costs incurred on the issue and redemption of units. Returns may increase or decrease as a result of currency fluctuations. The investment concerns the acquisition of units in an actively managed fund and not in a given underlying asset.

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NAV and fees

Current NAV

GBP 9.26

12 month price high

GBP 9.61 (25/07/2023)

12 month price low

GBP 9.08 (06/10/2023)

Minimum investment ²

GBP 10,000,000

Entry charge

0.00%

Annual management fee

0.6%

Ongoing charges ³

0.69%

Credit ratings*

(average rating: BBB+)

in %	Fund	Bench mark
AAA	2.5	-
AA	5.4	5.7
A	21.5	29.4
BBB	44.9	43.5
BB	20.6	18.9
B	1.0	0.7
Not Rated	1.5	1.8
Derivative	0.5	-
Cash	2.1	-

Duration distribution*

(average duration: 5.0)

in %	Fund	Bench mark
0-1 year	4.2	5.8
1-3 years	25.3	26.4
3-5 years	27.7	20.8
5-7 years	22.5	20.9
7-10 years	14.1	18.4
10-20 years	6.2	7.8

Yield %*

Gross Current Yield	5.58
Gross Redemption Yield	8.00

Geographical weightings*

in %	Fund	Bench mark
Colombia	13.6	4.8
Poland	11.0	7.9
Brazil	9.6	10.0
South Africa	9.2	8.2
Indonesia	8.8	10.0
Malaysia	8.6	10.0
Mexico	7.9	10.0
Romania	5.2	4.3
Others	24.0	34.8
Cash	2.1	0.0

Maturity distribution*

in %	Fund	Bench mark
0-3 years	28.0	28.6
3-7 years	41.5	32.3
7-10 years	17.5	17.4
10-15 years	5.1	10.7
15+ years	7.9	10.9

Source: *Invesco. Costs may increase or decrease as result of currency and exchange rate fluctuations. Consult the legal documents for further information on costs. 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%. **A discretionary cap on multiple components of the total costs is maintained. This discretionary cap may positively impact the performance of the Share Class.**

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Important Information

¹On 21 February 2020, a Luxembourg-domiciled SICAV named Invesco Emerging Local Currencies Debt Fund was merged into Invesco Emerging Markets Local Debt Fund, a sub-fund within the same fund umbrella.

²The minimum investment amounts are: USD 12,500,000 / EUR 10,000,000 / GBP 10,000,000 / CHF 12,500,000 / SEK 100,000,000. Please contact us or refer to the most up to date Prospectus for details of minimum investment amounts in other currencies.

³The Ongoing Charges figure includes the annual management fee and other administrative or operating costs. It is a percentage of the value of your investment per year. This is an estimate based on actual costs over the last 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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SFDR (Sustainable Finance Disclosure Regulation)

The Fund complies with Article 8 with respect to the EU's Sustainable Finance Disclosure Regulation*. As such, the fund promotes, among other characteristics, environmental or social characteristics or a combination of those characteristics. In addition, the companies in which the fund invests follow good governance practices. *Regulation (EU) 2019/2088 on sustainability - related disclosures in the financial services sector.

Exclusion Framework

The Fund embeds an exclusionary framework to specific activities based on UN Global Compact, severe governmental sanctions, revenue thresholds for certain activities linked to environmental and/or social criteria, as well as ensuring that companies follow good governance practices. The list of activities and their thresholds are listed below. For further details on the exclusion framework and characteristics applied by the fund please refer to the website of the manager <https://www.invescomanagementcompany.lu>:

UN Global Compact	- Non-Compliant
Country sanctions	- Sanctioned investments are prohibited*
Controversial weapons	- 0% of revenue including companies involved in the manufacture of nuclear warheads or whole nuclear missiles outside of the Non-Proliferation Treaty (NPT)
Coal	- Thermal Coal extraction: $\geq 5\%$ of revenue - Thermal Coal Power Generation: $\geq 10\%$ of revenue
Unconventional oil & gas	- $\geq 5\%$ of revenue on each of the following: Arctic oil & gas exploration; Oil sands extraction; Shale energy extraction;
Tobacco	- Tobacco Products production: $\geq 5\%$ of revenue - Tobacco related products and services: $\geq 5\%$ of revenue
Others	- Recreational cannabis: $\geq 5\%$ of revenue
Good governance	- Ensure that companies follow good governance practices in the areas of sound management structures, employee relations, remuneration and tax compliance
Sovereign Exclusions	- Sovereign issuers rated E (on a scale of A-E) by the investment manager's qualitative assessment

*At Invesco we continuously monitor any applicable sanctions, including those imposed by the UN/US/EU and UK. These sanctions may preclude investments in the securities of various governments/regimes/entities and as such will be included in our compliance guidelines and workflows (designed to ensure compliance with such sanctions). The wording of international sanctions is something that we pay particular attention to as there are occasions where sanctions can exist in limited form, for example allowing investments in the secondary market. In addition to sanctions targeting entire countries, there are other thematic regimes, which may focus for example on human rights, cyber attacks, terrorist financing and corruption, which may apply to both individuals and/or entities/corporations.

Any investment decision should take into account all the characteristics of the fund as described in the legal documents. For sustainability related aspects, please refer to: <https://www.invescomanagementcompany.lu/lux-manco/literature>.

Invesco's Commitment to ESG

Invesco has an investment-led ESG approach. We provide a comprehensive range of ESG-focused capabilities that enable clients to express their values through investing. We also integrate financially material ESG considerations across our investment platform, taking into account critical factors that help us deliver strong outcomes to clients.