

Invesco Developing Initiatives Bond Fund

Monthly Report May 2025 (covering April)

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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. 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. As this fund is invested in a particular sector, you should be prepared to accept greater fluctuations in the value of the fund than for a fund with a broader investment mandate. The fund may invest in distressed securities which carry a significant risk of capital loss. The fund may invest in contingent convertible bonds which may result in significant risk of capital loss based on certain trigger events. The Fund may invest in a dynamic way across assets/asset classes, which may result in periodic changes in the risk profile, underperformance and/or higher transaction costs. The lack of common standards may result in different approaches to setting and achieving ESG objectives. In addition, the respect of the ESG criteria may cause the Fund to forego certain investment opportunities.

Summary of fund objective

The Fund aims to achieve long-term total returns through exposure to issuers expected to benefit from increases in global connectivity, regional partnerships and / or domestic growth in the Asian, European and African regions. For the full objectives and investment policy please consult the current prospectus. Name changed from Invesco Belt and Road Debt Fund on 14 October 2024. The fund objective also changed.

Fund Performance

The Invesco Developing Initiatives Bond Fund Z-Acc (USD) registered -0.56% net performance in April 2025. The market sold off in early April as US Administration "liberation day" tariff announcement terrified the market. The credit spread contributed the negative relative performance.

Fund Positioning

The fund had been relatively defensively positioned for a while as valuations haven't screened cheap in the past year or so. From the credit rating split perspective, we have held more than 70% of the fund in investment grade bonds and cash for the entire past year. From the geographical region split perspective, the fund has positioned around 60% in 15 Asian countries, 15% in Middle East, 10% in Europe, and less than 5% in Africa. In April 2025, the fund proactively sought trading opportunities within the market. We strategically acquired bonds at their lowest point and subsequently realized profits towards the end of April, capitalizing on the market's robust recovery from its previous lows. During this period of market rebound, the fund trimmed developed market subordinated bonds and the more volatile high-yield bonds in emerging markets. By the end of April, we adopted a more defensive stance, as the vigorous market recovery appeared overly optimistic. Given that U.S. Treasury bonds were not perceived as a safe-haven asset during the selloff, we refrained from increasing our USD duration exposure while maintaining a defensive position. Instead, we selectively augmented our investment-grade Asia emerging market USD credit exposure, recognizing the strong technical support these high-quality Asia credits receive from local investor interest.

Outlook

Emerging Market asset performances showed divergence as EM hard currency IG sovereign bonds and corporate bonds delivered positive returns while EM hard currency HY sovereign and corporate bonds generated negative return in April. Asia credit return was slightly negative in April, with Investment Grade outperforming High Yield. Among the markets, Indonesia, Korea, and Philippines stood out as the 3 top performers. Sri Lanka, Pakistan and Mongolia were the underperformers. Market volatility is high as policy uncertainty remains high. We are watching developments on tariffs, US fiscal deficit and Fed independence. In the near-term we need to be mindful of further yield curve steepening and dollar weakness. Unwinding of the US exceptionalism trade might be a negative for the dollar. Overall speaking, we stay neutral on credit, responding to developments. While inflation prints across Asian emerging economies were mostly soft and the Asian central banks are likely prioritizing tactical growth over other considerations, we remain cautious on Asian EM macro developments given the uncertainties around tariff talk outcomes. We expect weakness to be reflected in the corporate earnings in the next few quarters. We will continue to maintain a diversified high quality portfolio and generate stable income through bottom-up credit selection.

Fund Facts

Z-share ISIN	LU1889098684
Bloomberg	INBRDZA LX
Domicile	Luxembourg
AuM	319.99m USD
Launch Date	08 Nov 2018
Reference Index**	

Fund Managers*** Yifei Ding and Norbert Ling

** The benchmark index is shown for performance comparison purposes only. The fund does not track the index.

*** Yifei Ding since November 2018 and Norbert Ling since December 2021

Fund Characteristics

(Annualised Data)

	3Y	5Y
Alpha (statistical)	N/A	N/A
Batting Average	N/A	N/A
Gain/Loss Ratio	1.21	1.08
Information Ratio	N/A	N/A
Sharpe Ratio	-0.37	-0.30
Tracking Error	N/A	N/A

Awards & Gradings



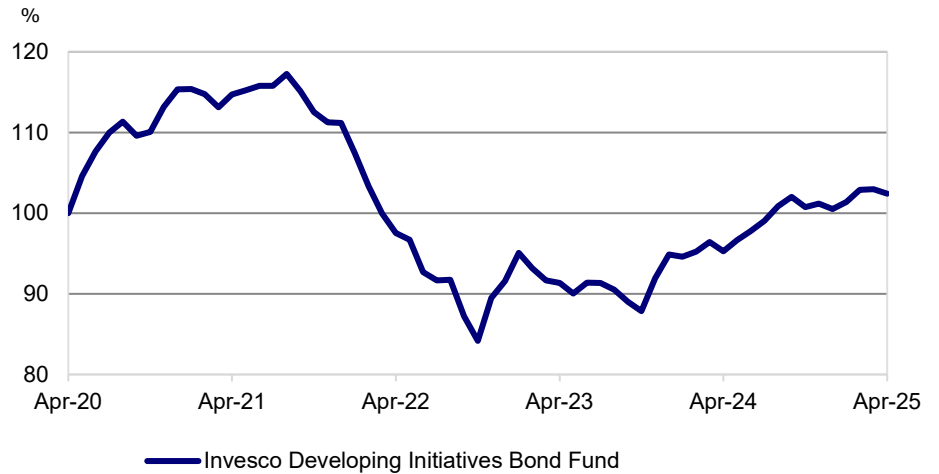
Morningstar Rating 30.04.25

Any reference to a ranking, a rating or an award provides no guarantee for future performance results and is not constant over time.

Past performance does not predict future returns.

Performance (USD) ¹

5 Year Active Return



Cumulative	YTD	YTQ	1M	1Y	3Y	5Y
Fund (Z-shares)	1.88	2.45	-0.56	7.50	5.01	2.42
Reference Index	-	-	-	-	-	-
Active return	-	-	-	-	-	-

Calendar Year	2020	2021	2022	2023	2024
Fund (Z-shares)	8.19	-3.62	-17.61	3.59	5.94
Reference Index	-	-	-	-	-

Rolling 12 Months	30.04.15	30.04.16	30.04.17	30.04.18	30.04.19
	30.04.16	30.04.17	30.04.18	30.04.19	30.04.20
Fund (Z-shares)	-	-	-	-	-1.33
Reference Index	-	-	-	-	-
Peer Group	-	-	-	-	-0.08

	30.04.20	30.04.21	30.04.22	30.04.23	30.04.24
	30.04.21	30.04.22	30.04.23	30.04.24	30.04.25
Fund (Z-shares)	14.73	-14.99	-6.34	4.30	7.50
Reference Index	-	-	-	-	-
Peer Group	10.67	-11.99	-2.04	2.41	7.33

Source fund/sector: Morningstar as of 30 April 2025

Source index: Bloomberg as at 30 April 2025, on a total return basis in USD

Peer Group: Morningstar Category EAA Fund Asia Bond

¹Fund returns are inclusive of gross income re-invested and net of the ongoing charge and portfolio transaction costs, cumulative, in fund currency. The figures do not reflect the entry charge payable by individual investors. Returns may increase or decrease as a result of currency fluctuations.

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EMEA 4510826