

# Invesco Belt and Road Debt Fund (Z, Acc, USD)

Flexible investment approach that seeks to benefit from attractive opportunities arising from the Belt & Road Initiative, which involves Asia, Europe, Middle East and Africa

### 30 seconds: Why we believe in this fund

- Belt and Road initiative is the **world's largest infrastructure project**. Already 140 countries and 31 international organizations have signed cooperation agreements with China on B&R projects. Around 40% of global GDP is generated in the B&R region.
- Fund represents a **unique investment theme within the fixed income sector** and investors could capture **early mover's opportunities** within large universe of eligible bonds
- Flexible investment approach in regard to asset class** (government, quasi and corporates), **credit ratings** (investment grade and high yield) **and investment region** (Asia, Europe, Africa, Middle East) with **high yielding bonds** offering the potential for attractive returns
- Limited currency risk** (typically over 90% invested directly into USD bonds or hedged back to USD) and tactical adjusted asset allocation (cash may be raised up to 30% in anticipation of rising market risks)
- Experience and depth of resource:** Managed by the Invesco Fixed Income (IFI) Belt & Road PM Team. Portfolio Managers have on average 10 years of industry experience and are supported by IFI's global platform that consists of 185 investment professionals across 12 locations, managing US\$434bn

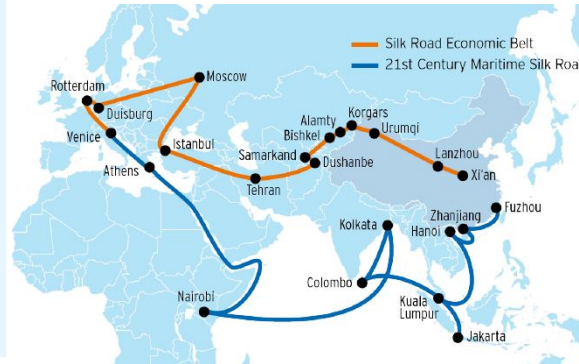
### Snapshot\*

Morningstar Category	EAA Fund Asia Bond
Primary Prospectus Benchmark	Not Benchmarked
Inception Date of Fund's Oldest Share Class	08.11.2018
Base Currency	US Dollar
Fund Size	\$ 469.400.243,00
ISIN	LU1889098684
Morningstar Rating Overall	★★
Manager Tenure (Longest)	5,00
EU SFDR Fund type (Article 8 or Article 9)	Article 8
Corp. Sustainability % Rank in Glob. Cat.	86
Carbon Risk Score % Rank in Cat.	—
Percent of AuM Covered - ESG	90,77

### Strengths and challenges we are monitoring (Fund & macro environment)

- Tactical equity exposure up to 10% of NAV for potential total return enhancement
- Collecting new issue premium aims to capture additional return potential
- Increased direct investments from the US, EU, UK and Japan to the BRI
- Funding gap fuels demand for BRI debts, which creates attractive opportunities
- US-China trade war is likely to make China even more committed to the initiative
- ESG criteria are taken into account (details see investment process)
- Development of the initiative will strongly depend on China's economy and financial conditions.
- Changing geopolitical landscape as China expands its regional influence, may also generate periods of diplomatic instability

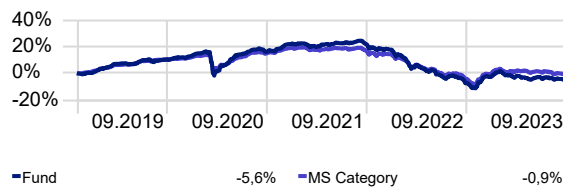
### Belt & Road Initiative



### Cumulative returns\*

Time Period: 09.11.2018 to 30.09.2023

Currency: US Dollar



### Team as at 30/09/2023

- Fund managers: Managed by Yifei Ding, Norbert Ling and Gigi Guo (average 12 years of investment experience)
- Dedicated global research team headed by David Todd and consisting of 22 macro analysts and 63 credit analysts
- Additional leverage of other Invesco Fixed Income global resources
- Invesco Fixed Income manages USD 465bn and operates with 181 investment professionals in 12 locations in key local markets

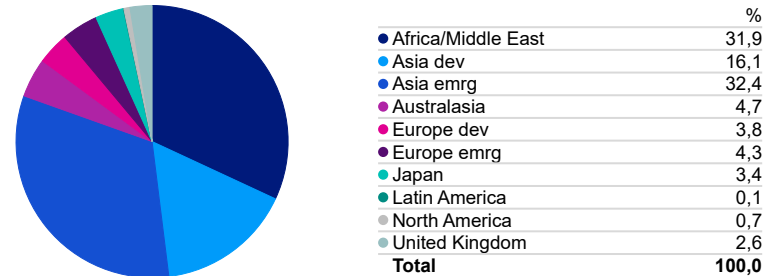
### Risk Warnings

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. 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 a dynamic way across assets/asset classes, which may result in periodic changes in the risk profile, underperformance and/or higher transaction costs. 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. The fund may invest in distressed securities which carry a significant risk of capital loss.

**Fund Objectives and Policy:** The Fund aims to achieve long-term total returns, integrating a thematic approach. The Fund focuses on the "Belt and Road Initiative" which aims to better connect China, Asia, Europe and Africa and their adjacent seas (the "Belt and Road Region"), through the development of the Silk Road Economic Belt and 21st-Century Maritime Silk Road for closer economic cooperation. For the full objectives and investment policy please consult the current prospectus. The investment concerns the acquisition of units in a actively managed fund and not in a given underlying asset.

### Regional Exposure



### Investment process & policy

- Combination of top-down country/industry allocation and bottom-up security selection
- Universe: Inc Gov. & corp. bonds (HY & IG), US Trs., equities
- Benchmark unconstrained, flexible investment approach
- Risk mitigation incorporated in portfolio construction: Cash can be raised up to 30%, avoidance of countries which are at war or under sanctions by the UN, US or EU
- ESG criteria are incorporated: strictly follow Article 8 exclusion framework
- Up to 10% investments in equities from BRI region possible

\*Source: Morningstar, Invesco, HKTDC Research, National Development and Reform Commission, WorldBank, IMF, For sustainability aspects please refer to page 2. Portfolio data as of 30.09.2023 unless stated otherwise. Fund performance is measured with reference to the LIBOR 3 Month USD in USD. Portfolio characteristics are subject to change without notice. Total Monthly Return if not otherwise noted, net of fees, the figures do not reflect the entry charge payable by individual investors, The performance data shown does not take account of the commissions and costs incurred on the issue and redemption of units, The benchmark index is shown for performance comparison purposes only. The fund is not managed in reference to a benchmark. More information on the peer group can be found at [www.morningstar.com](http://www.morningstar.com).

Past performance does not predict future returns.

## Rolling Returns

Data Point: Return Currency: US Dollar Source Data: Total, Monthly Return Peer Group: MS Category Asia Bond

	01.10.2013 - 30.09.2014	01.10.2014 - 30.09.2015	01.10.2015 - 30.09.2016	01.10.2016 - 30.09.2017	01.10.2017 - 30.09.2018	01.10.2018 - 30.09.2019	01.10.2019 - 30.09.2020	01.10.2020 - 30.09.2021	01.10.2021 - 30.09.2022	01.10.2022 - 30.09.2023
Fund	—	—	—	—	—	—	5,31	5,04	-24,23	2,06
Index	0,24	0,28	0,63	1,15	2,07	2,57	1,11	0,18	1,33	5,32
MS Category	4,37	-2,35	9,74	2,71	-2,32	8,93	4,32	1,78	-18,58	3,88

## Calendar Year Return\*

	2019	2020	2022	YTD
Fund	12,91	8,19	-17,61	-2,81
Index	2,39	0,67	2,46	4,11
MS Category	10,58	6,43	-13,38	-0,02

Source Data: Morningstar, Total Monthly Return, net of fees. 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.

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>

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