

Invesco Global Total Return (EUR) Bond Fund

Monthly Report July 2024 (covering June)

Fund manager(s)



Julien Eberhardt
Fund Manager



Asad Bhatti
Fund Manager

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. Investments in debt instruments which are of lower credit quality 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. The fund may invest extensively 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.

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Summary of fund objective

The Fund is actively managed. The Fund aims to maximise total return primarily through investment in a flexible allocation of debt securities and cash. The investment concerns the acquisition of units in a fund and not in a given underlying asset.

Fund Performance

The Invesco Global Total Return (EUR) Bond Fund returned 1.47% in June. This placed the fund in the first quartile of its peer group, the EAA Fund Global Flexible Bond - EUR Hedged, which returned 0.50%. The Bloomberg Global Aggregate EUR Hedged Total Return Index benchmark returned 0.75%. Duration was the main driver of performance as the European Central Bank reduced its main interest rate from an all-time high of 4% to 3.75% in June. Furthermore, favourable inflation prints from the US and UK supported expectations that the Federal Reserve and the Bank of England could follow suit soon. In credit, strength in investment grade corporate bonds was offset by weakness in subordinated financials. Hedging non-euro exposure had a negative impact on returns. The three biggest individual contributors were long-dated government bonds from the US, UK and Germany.

Fund Positioning

More than a third of the fund is invested in developed market government bonds, both conventional and US TIPS. To benefit from the additional yield available, the fund currently has exposure to corporate bonds and emerging market bonds. Corporate bond exposure includes holdings in subordinated financials. Utilising the fund's flexibility to position according to market conditions and the value on offer, we have been increasing the credit quality of the fund to a more cautious stance. We have done this by increasing exposure to conventional government bonds and adding to investment grade corporate bonds. We are more cautious on high yield bonds, preferring subordinated financials and corporate hybrids from better quality issuers.

Outlook

We believe that it's still a bond-friendly backdrop and a good time to hold high-quality fixed income assets. The US economy, supported by a robust labour market, continues to show resilience despite the backdrop of US interest rates being at their highest level in more than 20 years. US inflation is returning to the Federal Reserve's 2% target and the US growth rate remains healthy. While US interest rates have not been cut yet, the cost of borrowing has been reduced in eurozone and Canada.

Fund Facts

Z-share ISIN	LU1625225237
Bloomberg	INVGTRZ LX
Domicile	Luxembourg
AuM	1.62bn EUR
Launch Date	15 Sep 2010
Reference Index**	Bloomberg Global Aggregate EUR Hedged Total Return Index

Fund Managers*** Julien Eberhardt and Asad Bhatti

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

*** Julien Eberhardt since August 2020 and Asad Bhatti since August 2021

Fund Characteristics

(Annualised Data)

	3Y	5Y
Gain/Loss Ratio	1.06	1.24
Sharpe Ratio	-0.19	0.11
Gain/Loss Ratio	N/A	N/A
Information Ratio	N/A	N/A
Sharpe Ratio	N/A	N/A
Tracking Error	N/A	N/A

Awards & Gradings



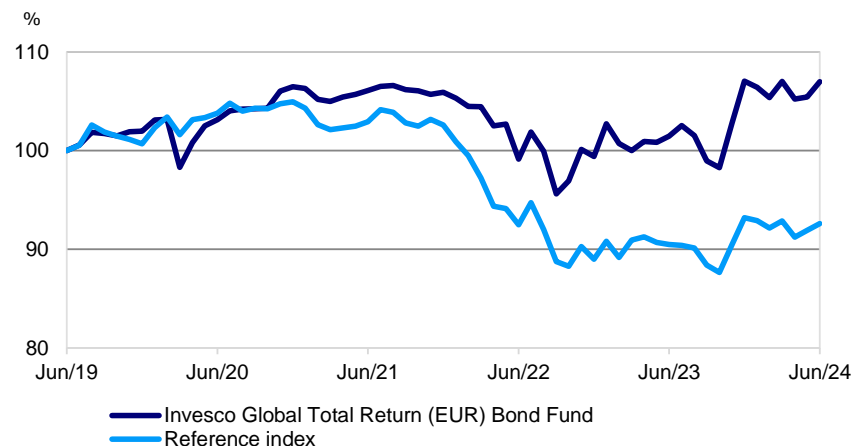
Morningstar Rating 30.06.24

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 (EUR) ^{1, 2}

5 Year Active Return



Cumulative	YTD	YTD	1M	1Y	3Y	5Y
Fund (Z-shares)	-0.04	-0.04	1.47	5.44	0.86	6.99
Reference Index	-0.64	-0.64	0.75	2.36	-10.02	-7.39
Active return	0.60	0.60	0.72	3.08	10.88	14.38

Calendar Year	2019	2020	2021	2022	2023
Fund (Z-shares)	8.93	4.41	-0.54	-6.12	7.67
Reference Index	5.10	4.24	-2.23	-13.27	4.73

Rolling 12 Months	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-shares)	1.97	-0.71	4.16	-1.04	5.61
Reference Index	2.85	6.47	-2.17	-0.72	4.57
Peer Group	-0.04	0.11	3.85	-1.85	3.04

	30.06.19	30.06.20	30.06.21	30.06.22	30.06.23
	30.06.20	30.06.21	30.06.22	30.06.23	30.06.24
Fund (Z-shares)	3.14	2.85	-6.54	2.35	5.44
Reference Index	3.80	-0.84	-10.14	-2.18	2.36
Peer Group	-0.37	5.45	-11.16	0.99	5.52

Source fund/sector: Morningstar as of 30 June 2024

Source index: Bloomberg as at 30 June 2024, on a total return basis in EUR

Peer Group: Morningstar Category EAA Fund Global Flexible Bond - EUR Hedged

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.

²Previous Benchmark: Euribor 3 Month Index (EUR) up to 29 November 2019.

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